

Vote 31: Agriculture, Fisheries and Food

Introduction

As Accounting Officer for Vote 31, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2010 for the salaries and the expenses of the Office of the Minister for Agriculture, Fisheries and Food, including certain services administered by that Office, and of the Irish Land Commission and for payment of certain grants, subsidies and sundry grants-in-aid and for the payment of certain grants under cash-limited schemes.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2010, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 7 form part of the Account.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the Account with the exception of the following:

Depreciation

Telecommunications equipment is depreciated at 20%. The Animal Identification and Movement (AIM) system software is depreciated at 10%. All capital assets are depreciated on a straight line basis over their estimated useful life starting from the month in which they are placed in service.

Statement on Internal Financial Control

Along with the Account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Department of Agriculture, Fisheries and Food.

The Department has a number of mechanisms to review and evaluate its financial management and control systems on an ongoing basis. These include its Accreditation Review Group, its Audit Committee, its Risk Management Committee and its Management Information Framework (MIF) Management Group.

The Accreditation Review Group, which is chaired by the Secretary General, reviews EU audit findings and monitors progress in addressing identified control issues and in meeting the accreditation requirements laid down by regulation for EU paying agencies. The Department's Audit Committee, which includes five external members, reviews and monitors the work plan of the Internal Audit Unit and reports annually to the Minister and the Secretary General on its implementation. The Department is subject to a range of audits by the Comptroller and Auditor General, the Internal Audit Unit, the EU Court of Auditors, the EU Commission and by an independent certifying body - a professional accountancy firm - which certifies the annual EAGF and EAFRD accounts. The Secretary General provided a Statement of Assurance to the certifying body for the EU annual accounts as required by Council Regulation 1290/2005. In 2010, the Department was subject to approximately 3,200 audit person days by these bodies.

The Risk Management Committee, also chaired by the Secretary General, monitors the operation of the Department's Risk Management programme. The overall objective of the programme is to identify and assess the key risks (strategic, operational, financial and reputational) facing the Department in achieving its objectives and to outline measures for addressing those risks. It is reviewed on an ongoing basis. The programme continued to function satisfactorily in 2010 with Risk Management Committee meetings being held in March, May, September and November.

The MIF Management Group directs and monitors the delivery of the Department's MIF. It is chaired at Assistant Secretary level and focuses on improving the quality and availability of key financial data to all stakeholders. In 2010, following on from the Comptroller and Auditor General report, published in September 2009, a greater emphasis was placed on improving the performance measurement within the Department, including under MIF.

The Department participated in the Department of Finance Performance Budgeting pilot project. Among the aims of the project is the development of enhanced performance indicators as well as the planned restructuring of the Department's Vote on a strategic programme basis. In addition, the Department has commenced preparatory work on developing more refined costing methods for scheme operations.

The Department has a strong commitment to the security of its information and communication technology systems, which are also independently reviewed. Documented backup/recovery procedures are in place for all critical data, including the use of secure offsite storage services and disaster recovery facilities. The Department has a dedicated IT Security Unit and is proactive in the development and promotion of IT security policies. ICT security arrangements are subject to review by the IT audit section of the Internal Audit Unit. In addition, the Department, in its role as a Paying Agency on behalf of the European Union, is subject to an annual accreditation audit, which includes a computer risk management review. As part of the accreditation process, the Department has chosen to adopt the international standard ISO 27001: Code of Practice for Information Security Management, as the basis for its IT security.

There is ongoing identification of training needs, including those relating to financial management. Induction training includes a module on financial management. In addition, in-house training material is available for delivery on performance management and indicators, budgeting, planning and management reporting. The financial procedures manual is subject to ongoing review and revision to take account of any new developments. The financial procedures manual is available online to all Department staff as well as being made available for use in training courses.

T MORAN
Accounting Officer
Department of Agriculture, Fisheries and Food
31 March 2011

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 31: Agriculture, Fisheries and Food for 2010 under Section 3 of the Comptroller and Auditor General (Amendment) Act, 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Agriculture, Fisheries and Food. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2010.

Chapter 26 of my annual report refers to certain matters which I considered it appropriate to report on in accordance with Section 3 (10) of the Comptroller and Auditor General (Amendment) Act, 1993.

A handwritten signature in black ink, appearing to read 'John Buckley', with a stylized flourish at the end.

JOHN BUCKLEY

Comptroller and Auditor General

6 September 2011

Vote 31 Agriculture, Fisheries and Food Appropriation Account 2010

Service	2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000
Administration			
A.1. Salaries, wages and allowances	197,461	194,938	226,126
A.2. Travel and subsistence	9,721	8,312	9,752
A.3. Incidental expenses	8,193	5,770	5,719
A.4. Postal and telecommunications services	6,319	5,088	5,822
A.5. Office machinery and other office supplies and related services	21,041	17,470	14,694
A.6. Office premises expenses	7,385	6,306	7,800
A.7. Consultancy services	110	8	73
A.8. Supplementary measures to protect the financial interests of the EU	770	569	667
A.9. Laboratory equipment	6,450	5,426	5,861
A.10. Value for money and policy reviews	126	93	310
Programme expenditure			
B. Research and training	35,695	35,457	35,475
C. Food safety (and public health), animal health and welfare and plant	184,468	143,715	236,897
D. Income and market supports	27,360	13,114	18,439
E. Income support in disadvantaged areas	220,000	208,195	223,808
F. Rural environment	330,000	323,797	341,123
G. Land mobility (early retirement/ installation aid schemes)	44,515	35,155	47,248
H. Development of agriculture and food	277,808	341,595	371,762
I. Forestry and bioenergy	121,845	120,612	119,080
J. Fisheries	19,503	11,612	21,053
K. Teagasc - grant-in-aid for general expenses	114,165	114,165	119,927
L. Bord Bia - grant-in-aid for general expenses	29,116	28,491	28,221
M. Marine Institute - grant-in-aid	24,830	24,227	27,544
N. Bord Iascaigh Mhara - grant-in-aid	18,583	17,425	34,932
O. Sea Fisheries Protection Authority	11,324	11,324	10,853
P. Food aid donations - world food programme	9,960	9,960	9,960

Service	2010 Estimate provision	2010 Outturn	2009 Outturn
	€000	€000	€000
Q. Other services	32,058	21,831	14,356
<i>Aquaculture Licence Appeals Board</i>	—	—	340
R. Horse and Greyhound Racing Fund*	26,476	26,476	—
Gross Expenditure	1,785,282	1,731,131	1,937,842
Deduct			
S. Appropriations-in-aid	382,864	401,374	408,140
Net Expenditure	1,402,418	1,329,757	1,529,702
Surplus to be surrendered		€2,660,997	€69,379,696

* Responsibility for the Horse and Greyhound Racing Fund transferred from the Department of Arts, Sports and Tourism to the Department of Agriculture, Fisheries and Food on 1 May 2010. Transfer of Departmental Administration and Ministerial Functions Order 2010 (S.I. No. 179 of 2010), refers.

Notes to the Appropriation Account

1 Operating Cost Statement 2010

	Note	€000	2010 €000	2009 €000
Expenditure on administration			243,980	276,824
Expenditure on services and programmes			1,487,151	1,661,018
Gross expenditure			1,731,131	1,937,842
Deduct				
Appropriations-in-aid			401,374	408,140
Net expenditure			1,329,757	1,529,702
Changes in capital assets				
Purchases cash		(2,097)		
Depreciation		14,118		
Loss on disposals		5	12,026	11,105
Changes in assets under development				
Cash payments			(5,403)	(1,031)
Changes in net current assets				
Decrease in closing accruals		(258,570)		
Increase in stock		(616)		
			(259,186)	(320,905)
Direct expenditure			1,077,194	1,218,871
Net allied services expenditure	1.1		60,765	81,819
Notional rents			11,021	13,494
Total operating cost			1,148,980	1,314,184

1.1 Net Allied Services

The net allied services expenditure amount is made up of the following estimated amounts in relation to Vote 31 borne elsewhere

Vote		2010 €000	2009 €000
7	Superannuation and Retired Allowances	49,762	70,457
9	Office of the Revenue Commissioners	2,583	2,808
10	Office of Public Works	8,011	7,908
20	Garda Síochána	207	174
	Central Fund - Ministerial etc. pensions	202	472
		60,765	81,819

2 Statement of Assets and Liabilities as at 31 December 2010

	Note	2010 €000	2009 €000
Capital Assets	2.1	22,041	23,470
Capital Assets under Development	2.2	—	5,219
		22,041	28,689
Current Assets			
Bank and cash	2.3	60,967	42,483
Stocks	2.4	4,202	3,586
Prepayments		2,017	2,279
Accrued income		170,391	221,395
Other debit balances	2.5	3,132	5,269
Net Liability from the Exchequer	2.7	2,937	(29,163)
Total Current Assets		243,646	245,849
Less Current Liabilities			
Accrued expenses		68,192	378,028
Deferred income		3	3
Other credit balances	2.6	67,036	18,589
Total Current Liabilities		135,231	396,620
Net Current Assets		108,415	(150,771)
Net Assets		130,456	(122,082)

2.1 Capital Assets

	Office Equipment/ Other Machinery €000	Furniture and Fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2010	203,275	13,667	216,942
Additions	12,467	227	12,694
Disposals	(709)	—	(709)
Cost or valuation at 31 December 2010	215,033	13,894	228,927
Accumulated Depreciation			
Opening balance at 1 January 2010	182,176	11,296	193,472
Depreciation for the year	13,718	400	14,118
Depreciation on disposals	(704)	—	(704)
Cumulative depreciation at 31 December 2010	195,190	11,696	206,886
Net Assets at 31 December 2010	19,843	2,198	22,041
Net Assets at 31 December 2009	21,099	2,371	23,470

Notes

1. Valuations of land and buildings held by the Department are not available. A schedule of land and buildings is maintained.

2. The Minister, as successor to the Irish Land Commission, had 431 hectares of non-agricultural land on hand at 31 December 2010

2.2 Capital Assets under Development

	In-House Computer Application €000
Amounts brought forward at 1 January 2010	5,219
Prior year adjustment ¹	(25)
Cash payments for the year	5,403
Transferred to asset register	(10,597)
Amounts carried forward at 31 December 2010	—

¹ This represents non-capital expenditure incorrectly categorised as assets under development in previous years.

2.3 Bank and Cash

	2010 €000	2009 €000
at 31 December		
PMG balances and cash	73,102	53,701
Orders outstanding	(12,135)	(11,218)
	60,967	42,483

2.4 Stocks	2010	2009
at 31 December	€000	€000
Laboratory supplies and chemicals	293	331
Stationery supplies	100	66
Computer supplies	94	110
Veterinary supplies	3,180	2,480
Livestock	325	338
Agricultural stock	124	204
Safety items and first aid supplies	38	51
Cleaning supplies	7	6
Oil Stocks	41	—
	4,202	3,586
2.5 Other Debit Balances	2010	2009
at 31 December	€000	€000
Travel	380	388
Department of Finance	1,985	2,548
Office of Public Works	508	1,127
Harbour development	181	1,206
Other	78	—
	3,132	5,269
2.6 Other Credit Balances	2010	2009
at 31 December	€000	€000
Amounts due to the State		
Withholding Tax	678	647
Value Added Tax	869	776
Relevant Contracts Tax	37	(47)
Superannuation	494	542
Intervention VAT	(75)	(223)
Collector General	4,303	4,908
Extra exchequer receipts	2	14
	6,308	6,617
Securities	810	658
Milk quota sales and levies	438	445
Cork and Dublin district milk board funds	642	642
Pesticides licensing fees	2,231	2,459
EU advances	54,099	5,917
Miscellaneous	2,508	1,851
	67,036	18,589

2.7 Net Liability from the Exchequer

at 31 December	2010 €000	2009 €000
Surplus to be surrendered	72,661	69,380
Exchequer grant undrawn	(75,598)	(40,217)
Net liability from the Exchequer	<u>(2,937)</u>	<u>29,163</u>
Represented by:		
Debtors		
Bank and cash	60,967	42,483
Debit balances: suspense	3,132	5,269
	<u>64,099</u>	<u>47,752</u>
Creditors		
Due to the State	(6,308)	(6,617)
Credit balances: suspense	(60,728)	(11,972)
	<u>(67,036)</u>	<u>(18,589)</u>
	<u>(2,937)</u>	<u>29,163</u>

2.8 Commitments

at 31 December	2011 €000	Subsequent Years €000	Total 2010 €000	Total 2009 €000
(a) Procurement	3,403	2,634	6,037	5,318
(b) Grants				
Capital investment grants	41,700	82,550	124,250	121,794
Food research	21,945	26,258	48,203	39,435
Carcass disposal	—	—	—	50
Afforestation	92,133	680,034	772,167	848,451
Bioenergy	565	—	565	645
Grants to the organic sector	11,243	43,800	55,043	79,210
Farm improvement scheme	11,000	—	11,000	—
Early retirement scheme	34,700	93,840	128,540	144,230
Rural environment protection scheme	371,725	621,649	993,374	1,028,394
Horticulture scheme	399	—	399	360
Equine breeding	456	816	1,272	2,259
Total of legally enforceable commitments	<u>589,269</u>	<u>1,551,581</u>	<u>2,140,850</u>	<u>2,270,147</u>

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000 and by more than 5%.

Sub-head	Less/(more) than provided €000	Explanation
A.3.	2,423	There was less expenditure on staff training as more in-house training was carried out in the year. No major publicity needs arose in the year, resulting in a saving. In addition, there were less legal expenses than anticipated due to inherent uncertainties of timing and costs in legal cases.
A.7.	102	No new consultancies were undertaken during the year, leading to a saving under this heading.
A.8.	201	Not all of the funding allocated to cover contingency measures was required.
C.	40,753	There were savings on TB eradication, BSE and other animal diseases due to a decrease in disease incidence, lower compensation costs as a result of a fall in market prices and also due to a reduction in the rate of professional fees charged. Savings also arose under the Pork Recall scheme as less eligible and verifiable claims were processed for payment than estimated.
D.	14,246	Clearance of accounts procedures by the EU Commission were not concluded by year end thus resulting in a saving on the subhead. Savings also arose under this heading due to lower than anticipated borrowing requirements and interest rate charged for EU Guarantee schemes and to the lower level of intervention purchases and associated costs than estimated.
E.	11,805	There were less applications cleared for payment by year end than originally anticipated.
G.	9,360	There was a lower number of applications processed and approved for payment for early retirement and installation aid than originally anticipated.
H.	(63,787)	The excess resulted from bringing forward payments falling due under the Farm Waste Management Scheme in 2011 that were met from savings identified under other schemes within this heading and elsewhere in the Vote.
J.	7,891	The late adoption of the National Seafood Operational Programme in July led to a delay in the approval and payment of grant aid to fish processors and aquaculture developers. There were also less capital works completed on some of the fishery harbours than originally planned and less funds drawn down under the EAGGF fisheries schemes due to better than anticipated sales demand for fish.
N.	1,158	There were savings on the capital allocation to Bord Iascaigh Mhara as a result of the delay in the adoption of the National Seafood Operational programme in July.
Q.	10,227	There were fewer legal cases settled during the year than had been provided for in the estimate. Savings were also generated as fewer applications than anticipated were cleared for payment under the Frost Damage Crop scheme.

4 Receipts

	2010 Subhead	2010 Estimated €000	2010 Realised €000	2009 Realised €000
4.1 Appropriations-in-aid				
1. Recoupment of salaries, etc. of officers on loan to outside bodies	A.1.	996	923	997
2. Forfeited deposits and securities under EU intervention, export refund, etc. arrangements		1	996	793
3. Refunds from veterinary fees for inspection services at poultry and other meat plants		15,185	15,558	13,968
4. Receipts from veterinary inspection fees for live exports		1,241	2,407	1,626
5. Receipts from fees for dairy premises inspection services		5,000	4,929	4,732
6. Receipts from the sale of vaccines, livestock, farm produce, etc. at Veterinary Research Laboratory and farm at Abbotstown; recoupment of quarantine expenses at Spike Island	B. & C.	850	1,412	1,076
7. Receipts from seed testing fees, certification fees, licensing fees, pesticides, registration fees, etc. and receipts from Backweston Farm	B.	1,750	1,851	1,702
8. Receipts from farmer contributions towards the cost of eradicating bovine disease	C.	5,000	5,543	5,243
9. Land Commission receipts		358	506	546
10. Other receipts ¹		257	846	331
11. Market intervention expenses and financing costs for other FEOGA (Guarantee) section measures	D.	3,938	1,675	3,011
12. Intervention stock losses, etc.	D.	1	958	1,947
13. EAFRD (European Agricultural Fund for Rural Development)	E.,F.,G. & H.	306,132	306,132	323,771
14. Veterinary Fund	C.	18,860	14,020	6,424
15. Other Guarantee receipts from EU (Agriculture)	D. & R.	1,455	1,039	18,801
16. Other Guarantee receipts from EU (EAGGF Fisheries)	J.	720	1,050	617
17. National Development Plan - Structural receipts (2000-2006)		1	—	—
18. Proceeds from fines and forfeitures in respect of sea fisheries		280	234	160
19. Receipts under the 1933 Foreshore Act and the 1954 State Property Act		70	144	1,666

	2010 Subhead	2010 Estimated €000	2010 Realised €000	2009 Realised €000
20. EU recoupment in respect of expenditure on the conservation and management of fisheries		1	1,102	—
21. Aquaculture licence fees		412	387	285
22. EU FIFG receipts (aquaculture and development)	J.	1	—	2,526
23. EFF (Fisheries) 2007-2013		5,000	20,590	—
24. Receipts from pension-related deduction on public service remuneration		15,355	19,072	17,918
Total		382,864	401,374	408,140

¹ 2009 figure for other receipts includes receipts from licences and from the sale and leasing of livestock etc.

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
2.	(995)	Only a nominal amount was provided for as receipts under this heading are extremely difficult to estimate due to the unpredictable nature of forfeitures.
4.	(1,166)	A higher number of animals were inspected for live export than originally estimated, resulting in a higher level of receipts than anticipated.
6.	(562)	A higher level of samples were submitted to the Department's laboratories for testing during the year than predicted, due to increased emphasis on endemic diseases, generating more income than originally estimated under this heading.
7.	(101)	Pesticides registration fees are levied on the basis of sales volume in the sector, which was greater than anticipated.
8.	(543)	The revenue generated from the volume of milk sold by farmers and the number of animals slaughtered and exported live was higher than forecast.
9.	(148)	The higher level of receipts than estimated is due to monies received during the year from the sale of land, where a Trust was revoked.
10.	(589)	Receipts under this heading, by their nature, cannot be accurately forecast.
11.	2,263	The receipts reflect no intervention in regard to dairy produce or barley during the year, resulting in lower intervention storage charges being recouped from the European Commission.
12.	(957)	The additional amounts were received as a result of recoveries reassigned between EU Funds, a refund of overstated recovery amounts and the permitted flat rate retention that applies to recovered amounts. These adjustments were not anticipated.
14.	4,840	There was less received from the EU Commission than originally estimated as less eligible expenditure was claimed under the TB programme and the incidence of BSE reduced. In addition, an amount of €2.6m was withheld by the Commission pending the result of an ex-ante financial audit.

Heading	Less/(more) than estimated €000	Explanation
15.	416	There was a lower than anticipated take-up of the School Milk scheme, resulting in lower than estimated EU related receipts.
16.	(330)	Given the nature of the industry, it is difficult to accurately estimate in advance the level of uptake of fishery market intervention schemes and consequently the amounts recoupable from the EAGF.
20.	(1,101)	Payments by the EU Commission under this heading, expected in 2011, were received in 2010.
23.	(15,590)	All outstanding claims for the period 2008-2010 were approved and paid by the EU Commission during the year.
24.	(3,717)	The level of income levy was difficult to estimate due to the ongoing changes in pay levels and staff numbers in the Department and the agencies under its remit.

4.2 Extra receipts payable to the Exchequer

	2010	2009
	€000	€000
Dublin District Milk Board pension fund	11	10
Surrender of suspense account	350	3,913
Legal expenses	35	26
Refund by Department of Community, Rural and Gaeltacht Affairs	—	88
Refund of grant aid	—	39
Refund of legal fees	—	205
EU receipt	—	2
Voluntary surrender of pay	9	80
Sea Fisheries Protection Agency grant	—	811
Total	405	5,174

5 Employee Numbers and Pay

	2010	2009
Number of staff at year end (full time equivalents)	3,632	3,881
	2010	2009
	€000	€000
Pay	179,716	207,764
Higher, special or additional duties allowances	1,831	2,054
Other allowances	1,189	1,195
Overtime	3,941	5,603
Employer's PRSI	8,354	9,640
Total pay	195,031	226,256

This note represents the pay charge to subheads A.1. and A.10.

5.1 Allowances and Overtime Payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2010 €	Maximum individual payment 2009 €
Higher, special or additional duties	609	10	20,277	26,787
Other allowances	564	23	20,178	21,223
Overtime	951	108	39,843	46,937

Note: Certain individuals received extra remuneration in more than one category.

6 Miscellaneous Items

6.1 EU Funding

Council Regulation (EC) No. 1290/2005 introduced the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD) with effect from the 2007 EU budget year (16 October 2006 - 15 October 2007). The EAGF finances direct payments and market supports while the EAFRD co-finances rural development measures under approved rural development programmes. The EAGF and the EAFRD replace the EAGGF Guarantee and Guidance Funds respectively.

The Department's activities include measures fully funded by the EAGF and activities co-financed by the EAFRD and from the Vote.

Subheads E, F, G and H include expenditure in respect of activities co-financed by the EU through the EAFRD. Subhead C also includes expenditure in respect of activities that are co-financed from the EU Veterinary Fund. Subhead J includes expenditure in respect of activities co-financed by the EU through the Financial Instrument for Fisheries Guidance, 2000-2006 (FIFG) and the European Fisheries Fund, 2007-2013 (EFF).

The Account includes interest of €3.285m paid on short-term borrowings of €790m borrowed in 2009 to fund EAGF Guarantee expenditure pending recoupment from the EU. The borrowings were repaid in 2010 along with interest.

A total of €673m in short-term funds were borrowed in 2010 to fund EAGF Guarantee expenditure pending EU recoupment in 2011.

Revisions on the EAFRD Financial Plan provided additional funding under EERP and the Health Check over the remainder of the Programme. This additional funding was for specific measures under Article 69 (5a) of Regulation 1698/2005. A total of €54m was received due to increased financial ceilings and advance funding in 2010. This amount was lodged to a suspense account in 2010.

EU-funded expenditure managed by the Department of Agriculture, Fisheries and Food

EAGF Guarantee (measures fully funded by the EU)

Description	2010 Outturn €m
Single payment scheme (including modulation refund)	1,145
Export refunds	9
Intervention	3
Co-funded Receipts (measures co-funded by EU) ¹	
Agriculture	
EAFRD Rural Development Programme 2007-2013	306
Veterinary Fund	14
Market intervention	2
Other co-financing receipts	2
Fisheries	
FIFG - aquaculture development/fisheries development	23
	1,504
	1,504

¹ Only the EU co-funding on these programmes is shown in this table.

6.2 Write-offs

The following sums were written off in the year:

	2010	2009
	€	€
Scheme of early retirement from farming	674,864	38,728
Rural Environment Protection scheme	1,142	153,004
Afforestation schemes	29,792	31,054
Relevant Contracts Tax liability not recovered	50,748	—
Unfilled order due to a supplier liquidation	32,960	—

6.3 Legal Costs and Compensation

A settlement and associated legal costs totalling €79,437 were paid following a personal injuries claim made by a non-employee.

A settlement and legal costs totalling €1,885,861 were paid following a High Court hearing in relation to the storage of animal by-products.

Payments amounting to €509,832 were made in settlement of two cases arising from High Court proceedings under the milk quota regime.

Legal costs totalling €62,605 were paid arising out of a consultative case stated in the High Court against the Registrar General of Fishing Boats.

Legal costs of €91,075 were paid in settlement of a court case taken in relation to fisheries.

A total of €70,931 was paid in legal costs awarded by the Supreme Court in relation to a challenge to the Animal Remedies regulations.

Legal costs of €176,887 were paid as a result of a judicial review of an Aquaculture Licence Appeals Board decision in the High Court.

A payment of €200,000 was made as a contribution towards the legal costs of a company and formed the basis for a written settlement of the plaintiff's case.

Legal costs of €97,771 were paid arising from a judicial review of a case referred to the Agriculture Appeals Office.

Legal costs of €175,168 were paid on behalf of a company that won a case against the Minister in the Supreme Court.

An out-of-court settlement of €60,000 was made to an applicant under the Afforestation scheme.

6.4 Food Aid Donations

The World Food Programme is the food aid organisation of the UN and operates on the basis of voluntary contributions pledged at irregular intervals. The programme provides food aid to needy countries, assists in implementing economic and social development projects and provides relief to the victims of natural and other disasters. The programme operates in approximately 80 countries. Ireland's contribution to the World Food Programme in 2010 was €8.436m (2009: €8.436m).

The Food Aid Convention is the main international agreement on food aid provision and serves as both a best practice code of conduct and an annual food aid commitment. Aid donated under the Convention is held by the World Food Programme and used to provide aid in emergency situations. Ireland's contribution to the Food Aid Convention in 2010 was €1.524m (2009: €1.524m).

6.5 Other Miscellaneous

Ex-gratia payments totalling €1,210,000 were made to 121 animal welfare organisations.

Two ex-gratia payments totalling €72,800 were paid under the disease eradication schemes.

Ex-gratia payments totalling €85,291 were paid to 32 applicants under the Bioenergy scheme to enable them re-establish failed miscanthus crops.

7 Horse and Greyhound Racing Fund

Amounts of receipts and payments for the year ended 31 December 2010*

	2010	2009
	€000	€000
Balance on 1 January 2010	—	—
Receipts (subhead R.)	59,264	68,128
Payments		
Horse Racing Ireland	(47,411)	(54,502)
Bord na gCon	(11,853)	(13,626)
	<u>(59,264)</u>	
Balance at 31 December 2010	<u>—</u>	<u>—</u>

*For comparative purposes, receipts and payments for the full year are shown, and include the €32.788m included in the Vote of the Department of Arts, Sports and Tourism paid in the period prior to the transfer of responsibility on 1st May 2010.

