

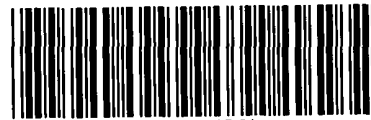
Company Registration No. 2723670
Registered Charity in England & Wales No. 1059879
Registered Charity in Scotland No. SC038199

FREEDOM FOOD LIMITED

Directors' and Trustees' Report and Accounts

31 December 2016

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REPORT AND ACCOUNTS 2016

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

Mr M Tomlinson (Chairman)
Mr P Baxter
Mr C Laurence (resigned February 2016)
Ms M Parker
Ms J Tredgett
Mr T Vaughan
Mr B Baylis (Appointed July 2016)
Mr D Main (Appointed July 2016)
Mr W Hamilton (Appointed July 2016)

CHIEF EXECUTIVE

Mr C Brazier (appointed April 2016)

SECRETARY

Chalfen Secretaries Limited

REGISTERED OFFICE

Wilberforce Way
Southwater
Horsham
West Sussex
RH13 9RS

BANKERS

National Westminster Bank plc
48 Carfax
Horsham
West Sussex
RH12 1EJ

INDEPENDENT AUDITORS

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

DIRECTORS' AND TRUSTEES' REPORT

The directors and trustees of Freedom Food Limited present their annual report and the audited financial statements for the year ended 31 December 2016.

OBJECTS OF THE COMPANY

Freedom Food Limited is a subsidiary charitable company of the Royal Society for the Prevention of Cruelty to Animals (RSPCA). The primary object of the company is to prevent cruelty to animals by the promotion of humane farming, transportation, transfer and slaughter of farm animals by implementing a set of rearing and handling standards approved from time to time by the RSPCA. Further, the company seeks to promote consumer preference for produce from livestock producers that conform to the RSPCA Welfare standards for farmed animals by identifying as many products as possible with an unique trademark and encouraging retailers to market these products. There have been no major changes to these activities during the year.

ABOUT THE ORGANISATION

Freedom Food Limited is a private company limited by shares (registered number 2723670) and the RSPCA is the sole member. The company is also a charity registered by the Charity Commission in England and Wales (registered number 1059879) and in Scotland (SC038199). It is governed by a Memorandum and Articles of Association, the contents of which have been approved by the governing Council of the RSPCA. The company was first incorporated in 1992 and began trading in 1994 and is in the beneficial ownership of the RSPCA. The company became a charity in December 1996 and has charitable tax status with HMRC.

THE DIRECTORS AND TRUSTEES AND THEIR INTERESTS

There are generally seven directors. Since Freedom Food Limited is also a charitable company, the directors are also trustees of the charity. The Memorandum requires that the trustees of the parent organisation, the RSPCA, nominate four of their number, as directors of Freedom Food Limited. The Chairman and Vice Chairman of Council are given first option on two Board places. The remaining three directors have been appointed to the Board of Directors of the company because of their particular experience and their appointment has been ratified by the Council of the RSPCA.

The membership of the Board of Freedom Food Limited who held office during the year:

Mr M S Tomlinson (Member of the Council of the RSPCA)

Mr P Baxter (Member of the Council of the RSPCA)

Mr C Laurence (Member of the Council of the RSPCA) (Resigned February 2016)

Ms M Parker

Ms J Tredgett (Member of the Council of the RSPCA)

Mr T Vaughan

Mr B Baylis (Member of the Council of the RSPCA) (Appointed July 2016)

Mr D Main (Appointed July 2016)

Mr W Hamilton (Appointed July 2016)

RESULTS AND ACTIVITIES

The results for 2016 show a surplus of £74,092 (2015, £23,956). Income from charitable activities being licence fees, membership and assessment revenue was up 18.75% on 2015.

The products that are labelled Freedom Food and RSPCA Assured increase the choice that the public can exercise when purchasing animal products.

A total of in excess of 45 million terrestrial animals and 234 million fish benefited from the scheme (2015, 42 million terrestrial animals and 233 million fish).

The charity gained an additional 108 net members during the year (2015, 167) resulting in a total of 3,665 members by the end of 2016. This is a 11% increase on the 2016 target of members. Total expenditure in 2016 was £2.7 million (2015, £2.4 million).

Freedom Food continues to be a very important means by which the RSPCA seeks to promote higher welfare for farmed animals. Approximately 25% of pigs, 17% of turkeys, 56% of laying hens, together with 64% of Scottish salmon are now covered by the scheme, and are reared to RSPCA welfare standards. Updated versions of RSPCA welfare standards were also produced in 2016 for pigs and pullets.

Scotland

In 2016 there were 57 new members joining the scheme in Scotland and 59 that left during the year, taking the membership total to 508 by the end of 2016 (2015, 510).

RESERVES

The Charity's assets are available and adequate to fulfil the obligations of the charity. The charity maintains reserves that represents sufficient funds to cover the standing costs of the assessment team in the event of serious disease outbreak restricting access to producers for up to six months, which could seriously affect income. The directors and trustees review the level of reserves to ensure that they are sufficient to maintain the standing costs of the assessment team for a minimum of six months (£350,000). At 31 December 2016 the reserves were £732,276. The reserves policy is under review.

PUBLIC BENEFIT

In considering public benefit the directors and trustees have had regard to the guidance issued by the Charity Commission. It is not enough that Freedom Food's work benefits animals. Richard Martin, one of the RSPCA's nineteenth century founders, identified the Society's prime aim as being to alter the moral feelings of the country. He recognised that taking care of animals is an essential part of any civilisation. This still resonates today. Preventing cruelty to animals promotes humane sentiments in humankind towards animals which involves moral benefit to the human community as a whole. Whilst this public benefit is clear, it is difficult to quantify and must be balanced against any detriment.

The Results and Activities section of this report demonstrate the achievements and performance of Freedom Food and the benefit provided to the public. All our charitable activities focus on promoting kindness and preventing or suppressing cruelty to animals and are undertaken to further these charitable purposes for the public benefit.

RSPCA SUPPORT

Freedom Food Limited is not dependent on the services of volunteers in accomplishing its work, although RSPCA branch volunteers support the promotion of the scheme at a local level. Freedom Food and RSPCA staff also work closely in managing the most effective implementation of the RSPCA's objectives for farm animals.

PRINCIPAL RISKS AND UNCERTAINTIES

The major risk facing Freedom Food is a possible disease outbreak that would lead to restricting access to farms that would potentially compromise our inspection regime and impact on brand integrity.

The Board of Freedom Food reviews the operations and potential for any risk that face the ability of Freedom Food to meet its objectives. These risks are reviewed annually.

PLANS FOR THE FUTURE

During the coming year Freedom Food will continue to strive to achieve the RSPCA's objectives for farm animals through increased promotional activities to raise the awareness of producers, retailers, and consumers and increase the numbers of animals benefiting from the scheme.

FUND RAISING

Freedom Food's main sources of income are from scheme membership and licence fees. The company is continuing to attract more members to the scheme through increasing retail demand. Greater resources are being utilised to track traceability and checking for licence fee revenues receivable, which, together with increased retail demand is generating greater income.

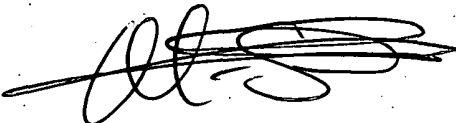
AUDITORS

A resolution to reappoint BDO LLP as auditors will be proposed at the forthcoming Annual General Meeting.

The report has been prepared in accordance with special provisions of s419(2) of the Companies Act 2006 relating to small companies.

All of the current directors have taken all the steps to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of the information. The directors are not aware of any relevant audit information of which the auditors are unaware.

**Approved by the Trustees and Board of Directors
of Freedom Food Limited and signed on behalf of the Board**

A handwritten signature in black ink, appearing to be 'M Tomlinson', written over a horizontal line.

**M Tomlinson
Chairman**

11th April 2017

DIRECTORS' AND TRUSTEES' STATEMENT OF RESPONSIBILITIES

The trustees are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF FREEDOM FOOD LIMITED

We have audited the financial statements of Freedom Food Limited for the year ended 31 December 2016 which comprise the Statement of Financial Activities, including the Income and Expenditure Account, the Balance Sheet, Cash Flow Statement 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 charity's trustees and members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's trustees and members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity'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 auditor

As explained more fully in the Trustees' Responsibilities Statement (set out on page 5), 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 as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate

Opinion on 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 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- 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 matter prescribed by the Companies Act 2006

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 and the trustees' report has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the charity and its environment obtained during the course of the audit we have identified no material misstatements in the trustees' report.

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' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the exemption small companies' regime and to the exemption from the requirement to prepare a strategic report.



Don Bawtree
Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

15 April 2017

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

FREEDOM FOOD LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 December 2016

	Note	2016 £	2015 £
Income and endowments from:			
Donations and legacies	2a	350,000	345,000
Charitable activities	2b	2,374,980	1,999,945
Other trading activities	2c	26,531	31,494
Investments	2d	82	166
		<hr/>	<hr/>
Total income		2,751,593	2,376,605
Expenditure on:			
Charitable activities	3	2,677,501	2,352,649
		<hr/>	<hr/>
Net movement in funds		74,092	23,956
Reconciliation of funds:			
Funds brought forward at 1 January 2016		658,184	634,228
		<hr/>	<hr/>
Funds carried forward at 31 December 2016		732,276	658,184
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations. All gains and losses recognised in the current and preceding financial year are included in the statement of financial activities. This incorporates the income and expenditure account. All amounts relate to unrestricted funds.

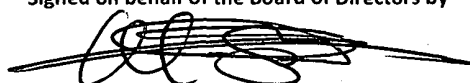
BALANCE SHEET

As at 31 December 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Tangible assets	6	29,793	51,113
CURRENT ASSETS			
Debtors	7	743,413	538,292
Cash at bank and in hand		419,014	394,370
		1,162,427	932,662
CREDITORS: amounts falling due within one year	8	(459,944)	(325,591)
NET CURRENT ASSETS		702,483	607,071
TOTAL ASSETS LESS CURRENT LIABILITIES		732,276	658,184
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Unrestricted funds		732,274	658,182
TOTAL FUNDS		732,276	658,184

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Directors by



Mr M Tomlinson
Chairman

11th April 2017

The notes on pages 11 to 17 form part of these financial statements.

FREEDOM FOOD LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	15,231	100,532
Cash flows from investing activities:			
Dividends, interest and rents		82	166
Proceeds from the sale of property, equipment and motor vehicles		23,951	119,794
Purchase of property, plant and equipment		(14,620)	(99,509)
Net cash provided by investing activities		9,413	20,451
Change in cash and cash equivalents in the reporting period		24,644	120,983
Cash and cash equivalents at the beginning of the reporting period		394,370	273,387
Cash and cash equivalents at the end of the reporting period		419,014	394,370

Notes to the consolidated cash flow statement

A) Reconciliation of net income to net cash flow from operating activities

Net Income for the reporting period	74,092	23,956
Depreciation charges	20,114	73,493
Dividends, interest and rents from investments	(82)	(166)
Loss/(profit) on disposal of fixed assets	(8,125)	5,318
(Increase)/decrease in debtors	(205,121)	(49,531)
Increase/(Decrease) in creditors	134,353	47,462
Net cash provided by operating activities	15,231	100,532

The notes on pages 11 to 17 form part of these financial statements.

1 ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: accounting and reporting by charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

Accounting convention

The accounting statements are prepared under the historical cost convention.

Tangible fixed assets

Fixed assets are capitalised at cost. Provision is made for depreciation on a straight line basis over the useful economic life of each asset. Assets less than £1,000 are expensed in the year.

The useful economic lives have been estimated as follows:

Motor vehicles	4 years
Office and computer equipment	3 years

Incoming resources

Grant income is recognised when there is entitlement, probability of grant receipt and the amount can be measured with sufficient reliability.

Income from charitable activities is recognised when there is entitlement, any performance conditions have been met, receipt is probable and measurement reliable. Gifts in kind are included at fair value to the charity.

Resources expended

Included in the expenditure relating to Charitable activities are the direct costs of the Assessors and the support costs of the Administration and Marketing departments.

Governance costs consist of the auditors remuneration and the directors and trustees expenses.

During the year no costs were incurred in raising funds.

Operating Leases

Rental costs under operating leases are included in total expenditure in annual instalments over the period of the leases.

Funds

There were no restricted funds during the year. All funds at the balance sheet date are unrestricted.

Pension costs

Retirement benefits to certain employees are provided through the RSPCA pension scheme. This is a defined benefit scheme but the employer cannot identify its share of the underlying assets and liabilities, any information about the existence of the surplus or deficit in the scheme, and the implications of that surplus or deficit to the employer.

The actual cost of providing pensions to the company is charged to the profit and loss account as incurred during the year. The surplus or deficit in the scheme is dealt with in the group accounts of the RSPCA.

1 ACCOUNTING POLICIES (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Tax on ordinary activities

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 or Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

2 INCOME AND ENDOWMENTS

a) Donations and legacies

	2016	2015
	£	£
RSPCA Livestock Officers	<u>350,000</u>	<u>345,000</u>

RSPCA Livestock Officers numbered 6 during 2016 (2015, 6).

b) Income from charitable activities

	2016	2015
	£	£
Assessments	732,846	667,745
Licence fees	<u>1,642,134</u>	<u>1,332,200</u>
	<u>2,374,980</u>	<u>1,999,945</u>

c) Other trading activities

Sale of goods and other income	<u>26,531</u>	<u>31,494</u>
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d) Investments

	2016	2015
	£	£
Interest received	<u>82</u>	<u>166</u>

3 EXPENDITURE

	2016 Direct £	2016 Support £	2016 Total £
Charitable activities			
Farm animal welfare	<u>902,141</u>	<u>1,775,360</u>	<u>2,677,501</u>
	2015 Direct £	2015 Support £	2015 Total £
Farm animal welfare	<u>743,328</u>	<u>1,609,321</u>	<u>2,352,649</u>

Included in expenditure are fees payable in respect of:

	2016 £	2015 £
Auditors' remuneration	9,887	13,800
Directors' and trustees' expenses	645	188
Hire of motor vehicles under operating leases	49,217	2,619

Certain administrative costs including operating costs, certain centrally charged overhead and administrative costs have been borne by the RSPCA but have not been recharged.

Travel and subsistence payments to 1 of the 8 trustees totalled £645. (2015, £188).

4 INFORMATION REGARDING EMPLOYEES AND DIRECTORS

	2016 No.	2015 No.
Average number of persons employed		
Assessments, marketing and publicity	20	20
Support, management and administration	<u>11</u>	<u>10</u>
	<u>31</u>	<u>30</u>
	2016 £	2015 £
Staff costs during the year		
Wages and salaries	895,141	833,150
Social security costs	80,321	70,507
Pension costs	<u>98,601</u>	<u>104,161</u>
	<u>1,074,063</u>	<u>1,007,818</u>

In 2016 one employee earned between £70,000 and £79,999 (2015, one employee between £90,000 and £99,999).

Contribution to the pension scheme for this highest paid member was £6,949 (2015, £9,212).

Freedom Food considers its key management personnel comprise the directors, the trustees and the chief executive officer. The total employment benefits including employer pension contributions management personnel were £89,227 (2015, £115,456). The directors and trustees all give their time and expertise without any form of remuneration or other benefit in cash or kind (2015, £nil). There were no donations received from the trustees during the year (2015, £nil).

5 PENSIONS: RSPCA Pension Fund including Freedom Food Limited

The Society sponsors the RSPCA Pension Scheme, a UK occupational trust based pension scheme with both defined benefit and defined contribution sections. The pension scheme is set up on a tax relieved basis as a separate trust independent of the society and is supervised by independent trustees. The trustees are responsible for ensuring that the correct benefits are paid, that the scheme is appropriately funded and that scheme assets are appropriately invested.

The defined benefit section was closed to future accrual on 30 November 2016. As a result, there are no active members of that section. Up to that point, active members of the defined benefit section paid contributions at the rate of 6% of salary via Smart contributions and the Society paid the balance of the cost as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme, whereas the accounting disclosures must use best estimate assumptions.

5 PENSIONS: RSPCA Pension Fund including Freedom Food Limited (continued)

Prior to the closure of the defined benefit section on 30th November 2016, the Society currently paid 21.1% of active member's salaries (including the 6% of employee contributions made by employees under Smart contribution arrangements) in respect of benefits being accrued. In addition the Society paid annual deficit reduction contributions comprising of £1.5m (payable monthly) and a minimum of £500,000 payable in June each year from the disposal of fixed assets such as property.

Following completion of the formal actuarial valuation as at 31 March 2015 and taking into account the closure of the defined benefit section, annual deficit contributions increased to £2m per annum (payable in monthly instalments) from 1 November 2016.

The member data used for the formal actuarial valuation has been projected to 31 December 2016 with an allowance for the benefits paid since the valuation. The value of the liabilities has been calculated using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

The amounts recognised in the RSPCA balance sheet are as follows:

	2016 £'000	2015 £'000
Defined benefit obligation	(295,473)	(259,167)
Fair value of plan assets	241,954	210,472
Net amount recognised at year end	<u>(53,519)</u>	<u>(48,695)</u>

The amounts recognised in the RSPCA statement of financial activities are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in income or expenditure. Remeasurements of the net defined benefit liability are included in other recognised gains and losses.

	2016 £'000	2015 £'000
Service cost:		
Current service cost (net of employee contributions)	5,599	6564
Administration expenses	698	468
Net interest expense	1,879	2130
Charge recognised in SOFA	<u>8,176</u>	<u>9,162</u>
Remeasurements of the net liability:		
Return on scheme assets (excluding amount included in net interest expense)	(25,380)	973
Actuarial (gains)/losses	28,121	(14,211)
Charge / (credit) recorded in other recognised gains / (losses)	<u>2,741</u>	<u>(13,238)</u>
Total defined benefit cost / (credit)	10,917	(4,076)

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2016

FREEDOM FOOD LIMITED

5 PENSIONS: RSPCA Pension Fund including Freedom Food Limited (continued)

The principal actuarial assumptions used were:

	2016	2015
Liability discount rate	2.65%	3.85%
Inflation assumption - RPI	3.35%	3.10%
Inflation assumption - CPI	2.35%	2.30%
Rate of increase in salaries	3.35%	3.10%
Revaluation of deferred pensions:		
Excess over GMP	2.35%	3.10%
GMP	Fixed	Fixed
Increases for pensions in payment:		
GMP accrued before 5 April 1988	Nil	Nil
GMP accrued after 5 April 1988	2.05%	2.00%
XS Pension accrued before 31 March 2008	2.35%	3.05%
Pension accrued after 31 March 2008	1.85%	2.15%
Allowance for employees opting for early retirement	Yes	Yes
Proportion of employees commuting 25% of pension for cash	100.00%	100.00%
Expected age at death of current pensioner at age 65:		
Male aged 65 at year end:	88.1	88.3
Female aged 65 at year end:	90.1	90.5
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	89.8	89.8
Female aged 45 at year end:	92.0	92.0

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2016

FREEDOM FOOD LIMITED

6 TANGIBLE FIXED ASSETS

	Motor vehicles £	Office and computer equipment £	Total £
Cost			
At 1 January 2016	111,449	103,638	215,087
Additions	–	14,620	14,620
Disposals	(92,828)	–	(92,828)
At 31 December 2016	<u>18,621</u>	<u>118,258</u>	<u>136,879</u>
Depreciation			
At 1 January 2015	82,377	81,597	163,974
Charge for the year	8,279	11,835	20,114
Disposals	(77,002)	–	(77,002)
At 31 December 2015	<u>13,654</u>	<u>93,432</u>	<u>107,086</u>
Net Book Value			
At 31 December 2016	<u>4,967</u>	<u>24,826</u>	<u>29,793</u>
At 31 December 2015	<u>29,072</u>	<u>22,041</u>	<u>51,113</u>

7 DEBTORS

	2016 £	2015 £
Trade debtors	220,849	152,811
Other debtors	6,200	7,700
Accrued Income	516,364	377,781
	<u>743,413</u>	<u>538,292</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	122,555	153,397
Value added tax	81,707	76,000
Accruals and deferred income	108,215	48,089
Amounts owed to the RSPCA	147,467	48,105
	<u>459,944</u>	<u>325,591</u>

DEFERRED INCOME

The deferred income comprises of membership scheme income receipts received prior to the year end and are released to the statement of financial activities in the following year.

	2016 £	2015 £
Deferred membership scheme income	<u>28,217</u>	<u>26,162</u>

9 FINANCIAL INSTRUMENTS

The financial instruments are financial assets which comprise cash and debtors and financial liabilities which comprise group creditors, trade creditors and other creditors, measured at amortised cost.

NOTES TO THE ACCOUNTS (continued) Year ended 31 December 2016

FREEDOM FOOD LIMITED

10 OPERATING LEASE COMMITMENTS

The Company had total commitments at the year end under operating leases expiring as follows:

	Motor vehicles 2016 £	Motor vehicles 2015 £
Less than one year	50,711	28,611
One to five years	89,801	20,612
	140,512	49,223

11 CALLED UP SHARE CAPITAL

Authorised :

100 Ordinary Shares of £1 each

Called up, allotted and fully paid :

2 Ordinary Shares of £1 each

2016 £	2015 £
100	100
2	2

12 ULTIMATE PARENT ENTITY AND CONTROLLING ENTITY

The company's ultimate parent entity and controlling entity is the Royal Society for the Prevention of Cruelty to Animals ('RSPCA'), a registered charity in Great Britain.

Copies of consolidated accounts are available from The RSPCA, Wilberforce Way, Southwater, Horsham, West Sussex, RH13 9RS.

There are no intermediate parent companies.

13 RELATED PARTY TRANSACTIONS

Related party transactions are management fees charged in the year by RSPCA of £148,000 (2015, £64,995) and payroll and expenses of £1,101,361 (2015, £1,224,660) paid on behalf of Freedom Food by the RSPCA.