

FREEDOM FOOD LIMITED

Directors' and Trustees' Report and Accounts for 2011



**Freedom Food Limited
Wilberforce Way
Southwater
Horsham
West Sussex
RH13 9RS**

**Telephone : 0300 123 0014
Facsimile : 0303 123 0015
Email : info@freedomfood.co.uk**

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

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS

	Page
Officers and professional advisers	1
Directors' and Trustees' Report	2 - 4
Directors' and Trustees' statement of responsibilities	5
Independent Auditors' report	6 - 7
Statement of financial activities	8
Balance sheet	9
Notes to the accounts	10 - 16

OFFICERS AND PROFESSIONAL ADVISERS

REGISTERED OFFICE :

Wilberforce Way
Southwater
Horsham
West Sussex
RH13 9RS

DIRECTORS AND TRUSTEES :

Mr M S Tomlinson (Chairman)

Mr K Baker

Mr R Baylis

Mr C Laurence

(Appointed 21 July 2011)

Ms M Parker

Mr C Roberts

(Resigned 8 December 2011)

Ms J Tredgett

Ms E Unmack

(Resigned 21 July 2011)

Mr T Vaughan

(Appointed 5 May 2011)

Mr M Watts

SECRETARY:

Chalfen Secretaries Limited

CHIEF EXECUTIVE:

Mr L J Grant

BANKERS:

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

AUDITORS:

BDO LLP
Chartered Accountants
Emerald House
East Street
Epsom
Surrey
KT17 1HS

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 2011

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, marketing and slaughter of farm animals by implementing a set of rearing and handling standards approved from time to time by the RSPCA (marketing refers to transfer of animals prior to slaughter, not communications marketing). 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 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.

THE DIRECTORS AND TRUSTEES AND THEIR INTERESTS

At the end of 2010 there were eight Directors of the company. Since Freedom Food Limited is also a charitable company, the eight Directors are also Trustees of the charity. The Memorandum requires that the trustees of the parent organisation, the RSPCA, nominate four of their number, ex-officio, as Directors of Freedom Food Limited. The Chairman and Vice Chairman of Council are given first option on two Board places. The Chief Executive of the Society is also an ex-officio Director. 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 K Baker	
Mr R Baylis	(Member of the Council of the RSPCA)
Mr C Laurence	(Member of the Council of the RSPCA)
Ms M Parker	
Mr C Roberts	
Ms Jane Tredgett	(Member of the Council of the RSPCA)
Ms E Unmack	(Member of the Council of the RSPCA)
Mr T Vaughan	
Mr M Watts	(Chief Executive of RSPCA)

The Directors have no interest in the ordinary shares of the company

Directors' and Trustees' Report and Accounts for 2011

RESULTS AND ACTIVITIES

The results for 2011 show a surplus of £185,270 against a surplus of £57,081 in 2010. Total fees and charges income increased by 10% from 2010. Membership income increased by 10% and licence fee income increased by 10%. We are aware of 952 products that bore the Freedom Food label during the year (1,000 estimated in 2010) and as December 2011, 915 are available in major retail outlets. The products that are labelled Freedom Food increase the choice that the public can exercise when purchasing animal products.

The surplus of income over expenditure in respect of continuing operations was £185,270 and the grant received from the RSPCA was £800,000. The unit cost to the RSPCA per farmed animal to benefit was therefore 0.1p (0.2p 2010). In line with our stated objectives in 2010 during 2011 a total of in excess of 74 million terrestrial animals and 173 million fish benefited from the scheme (71 million terrestrial animals 2010).

Freedom Food Limited membership grew by 524 new applicants in 2011 giving a net gain in the year of 284 members after withdrawals and lapsed members.

Scotland

During the year 95 of the 524 new members were in Scotland bringing the membership to 552 in 2011. Of the total 196 million fish, and 3.3 million of the 74 million terrestrial animals, have benefited from the scheme in Scotland in 2011.

RESERVES

The charity's assets are available and adequate to fulfil the obligations of the charity. The charity maintains a reserve fund that represents sufficient funds to cover the standing costs of the assessment team in the advent 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 there is a sufficient fund at year end to maintain the standing costs of the assessment team for six months. At the 31 December 2011 reserve stood at £474,447.

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 the 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 demonstrates 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

This support is essential for the continuing effectiveness of the Freedom Food scheme and the RSPCA staff and Freedom Food staff works closely in managing the most effective implementation of the RSPCA's objectives for farm animals. The RSPCA provides this staff resource without charge, together with assistance in personnel and financial management. The RSPCA also demonstrates support for the scheme by providing administrative assistance free of charge and has agreed to pay for advertising and public relations activities as agreed between the company and the RSPCA. In 2011 the grants received are noted on the statement of financial activity and amounted to £800,000 (budget £1,249,000). For 2012 the RSPCA will provide grants of at least £1,149,000. Freedom Food Limited is not dependent on the services

Directors' and Trustees' Report and Accounts for 2011

of volunteers in accomplishing its work, although RSPCA branch volunteers support the promotion of the scheme at a local level

RISK AND OBJECTIVES FOR THE UPCOMING YEAR

The major risk facing Freedom Food is the possible outbreak of Avian Influenza/Foot and Mouth 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.

During the upcoming 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.

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.

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



M Tomlinson
Chairman

Date 3rd May 2012

DIRECTORS' AND TRUSTEES' STATEMENT OF RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law the directors 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether United Kingdom Generally Accepted Accounting Practice, 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FREEDOM FOOD LIMITED**

We have audited the financial statements of Freedom Food Limited for the year ended 31 December 2011 which comprise of Financial Activities, the Summary Income and Expenditure Account, 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 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 Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2011 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.

Directors' and Trustees' Report and Accounts for 2011

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, or
- we have not received all the information and explanations we require for our audit



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

Date 3rd May 2012

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)

STATEMENT OF FINANCIAL ACTIVITIES
(Including Income & Expenditure account)
Year ended 31 December 2011

	Note	2011 £	2010 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income			
Grants receivable	2	800,000	1,150,000
Donated Services	2	275,000	319,528
Incoming resources from Charitable Activities	3		
Sale of goods and other income		1,761	2,093
Fees and charges		1,571,684	1,377,257
TOTAL INCOMING RESOURCES		<u>2,648,445</u>	<u>2,848,878</u>
RESOURCES EXPENDED			
Charitable activities	4	2,456,314	2,788,830
Governance costs	4	6,863	2,967
TOTAL RESOURCES EXPENDED		<u>2,463,177</u>	<u>2,791,797</u>
Net income for the year		185,268	57,081
Reconciliation of funds			
Total fund brought forward		289,177	232,096
Total fund carried forward		<u>474,445</u>	<u>289,177</u>

All activities derive from continuing operations

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated on the Income and Expenditure accounts

All funds are unrestricted

The notes on pages 10 to 16 form part of these accounts

Company No: 2723670

BALANCE SHEET **31 December 2011**

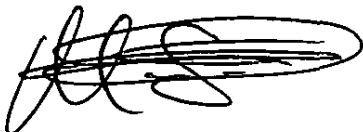
	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible Assets	7		236,226		134,304
CURRENT ASSETS					
Debtors	8	891,806		950,403	
Cash at bank and in hand		21,486		250,223	
		<u>913,292</u>		<u>1,200,626</u>	
CREDITORS amounts falling due within one year	9	<u>675,071</u>		<u>1,045,751</u>	
NET CURRENT ASSETS			238,221		154,875
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>474,447</u>		<u>289,179</u>
CAPITAL FUNDS					
Called up share capital	10		2		2
Unrestricted funds			474,445		289,177
TOTAL SHAREHOLDER'S FUNDS			<u>474,447</u>		<u>289,179</u>

These financial statements were approved by the Directors and authorised for issue on

3rd May

2012

Signed on behalf of the Board of Directors by



M S Tomlinson
Director and Chairman of the Board

The notes on pages 10 to 16 form part of these accounts

NOTES TO THE ACCOUNTS
Year ended 31 December 2011**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with Companies Act 2006, Trustees Investment (Scotland) Act 2005 and the Accounting and Reporting by Charities A Statement of Recommended Practice (SORP 2005) issued in April 2005, and applicable United Kingdom accounting standards

The principal accounting policies adopted comprise the following.

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 assessed as follows:

Motor vehicles	5 years
Office and computer equipment	3 years

Incoming Resources

Grant income is recognised when there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
Income from charitable activities is recognised as earned.

Support costs and Management and Administration

Management and administration costs include the direct costs of administering the company and the support costs for the Executive Department, Administration Department, and Marketing Department.

Funds

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

Costs of Generating Funds

During the year no costs were incurred in generating funds.

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.

NOTES TO THE ACCOUNTS (continued)**Year ended 31 December 2011****1 ACCOUNTING POLICIES (continued)****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 of 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. GRANTS RECEIVABLE

	2011 £	2010 £
Grant income from RSPCA	<u>800,000</u>	<u>1,150,000</u>

Grant income is paid by the RSPCA to Freedom Food Limited to support the charitable company's activities

Donated services & facilities

	2011 £	2010 £
RSPCA Livestock Officers	275,000	275,000
Rent 2,024 square feet @ £15 per sq ft	0	30,360
Service charges @ £7 per sq ft	0	14,168
	<u>275,000</u>	<u>319,528</u>

RSPCA Livestock Officers 5 during 2011 (5 in 2010)

3 INCOME FROM CHARITABLE ACTIVITIES

	2011 £	2010 £
Sale of goods and other income	<u>1,761</u>	<u>2,093</u>
Fees and charges		
Assessments	611,217	557,416
License fees	960,467	819,841
	<u>1,571,684</u>	<u>1,377,257</u>
Total income from charitable activities	<u>1,573,445</u>	<u>1,379,350</u>

All income from trading activities of the charity are permissible within the charity's objectives

4. RESOURCES EXPENDED

	2011 Direct £	2011 Support £	2011 Total £
Costs of Charitable activities			
Farm animal welfare	<u>655,477</u>	<u>1,800,837</u>	<u>2,456,314</u>
	<u>2010 Direct £</u>	<u>2010 Support £</u>	<u>2010 Total £</u>
Farm animal welfare	<u>630,792</u>	<u>2,158,038</u>	<u>2,788,830</u>

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2011

4. RESOURCES EXPENDED (continued)

Governance	2011	2010
	£	£
Auditors' remuneration-Audit Fees	5,400	2,162
Directors' and Trustees' expenses	1,463	805
	<u>6,863</u>	<u>2,967</u>

Travel and Subsistence were incurred on behalf of Directors. Certain administrative costs including operating costs. Certain centrally charged overhead and administrative costs have been borne by the RSPCA but have not been recharged.

5. INFORMATION REGARDING EMPLOYEES AND DIRECTORS

	2011	2010
	No.	No.
Average number of persons employed		
Assessments, marketing and publicity	18	17
Support, management and administration	8	8
	<u>26</u>	<u>25</u>

During the financial year the directors received no remuneration (2010 - £nil)

	2011	2010
	£	£
Staff costs during the year		
Wages and salaries	773,089	749,197
Social security costs	61,559	63,494
Pension costs	90,033	121,473
	<u>924,681</u>	<u>934,164</u>

The emoluments of higher paid staff within the following scales were

	2011	2010
	No.	No.
£70,000 - £79,999	<u>1</u>	<u>1</u>

Emoluments include salary and benefits in kind but exclude pension scheme contributions

One member (2010 - 1) of higher paid staff was accruing benefit under defined benefit pension scheme during the year. Contribution to the scheme for this member amounted to £8,488 in 2011 (2010 - £8,429)

6 PENSIONS

This note refers to the RSPCA Pension Fund of which Freedom Food Limited is a small part

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2011

6. PENSIONS (continued)

MAIN FINANCIAL ASSUMPTIONS

	31/12/2011 (% p.a.)	31/12/2010 (% p.a.)
Inflation	2.6	3.4
Rate of general long term increase in salaries	4.1	4.9
Rate of increase to pensions in payment		
LPI 5%	2.6	3.4
LPI 2.5%	2.1	2.4
Discount rate for scheme liabilities	4.8	5.5

	LONG TERM RATE OF RETURN EXPECTED AT 31/12/2011 (% p.a.)	VALUE AT 31/12/2011 £'000s	LONG TERM RATE OF RETURN EXPECTED AT 31/12/2010 (% p.a.)	VALUE AT 31/12/2010 £'000s
Equities	7.95	50,702	7.95	71,761
Government bonds	2.50	14,303	4.00	0
Corporate Bonds	4.70	14,171	5.40	12,735
Property	7.95	13,739	7.95	6,552
LDI fund	2.50	22,787	4.00	24,109
Total Return fund	7.95	29,224	7.95	26,739
Cash/money market	0.50	1,139	0.50	2,502
Total market value of assets		146,066		144,398

Mortality assumptions

The 1992 series tables with Medium Cohort and a 1% underpin have been used for this disclosure. This table results in the following life expectations from age 65:

	2011		2010	
	MALE	FEMALE	MALE	FEMALE
Retired member	22.8	26.1	22.7	26.0
Member not yet retired	24.7	28.2	24.7	28.1

	VALUE AT 31/12/2011 £'000	VALUE AT 31/12/2010 £'000
RECONCILIATION TO RSPCA BALANCE SHEET		
Total market value of assets	146,066	144,398
Present value of scheme liabilities	(193,163)	(186,506)
Net pension asset/liability	(47,097)	(42,108)

Analysis of amount charged to resources expended

	FOR YEAR ENDING 31/12/2011 £'000	FOR YEAR ENDING 31/12/2010 £'000
Current service costs	5,508	5,143
Past service costs	0	3,596
Total operating charge	5,508	8,739

FREEDOM FOOD LIMITED

Directors' and Trustees' Report and Accounts for 2011

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2011

6. PENSIONS (continued)

Analysis of amount credited to resources expended

	FOR YEAR ENDING 31/12/2011 £'000	FOR YEAR ENDING 31/12/2010 £'000
Expected return on pension scheme assets	10,108	8,746
Interest on pension scheme liabilities	(10,569)	(9,955)
Net return	(461)	(1,209)

Analysis of amount recognised in statement of total recognised gains and losses

	FOR YEAR ENDING 31/12/2011 £'000	FOR YEAR ENDING 31/12/2010 £'000
Actual return less expected return on pension scheme assets	(9,777)	6,874
Experience gains/(losses) arising on the scheme liabilities	(764)	1,620
Changes in assumptions underlying the present value of the scheme liabilities	5,064	(9,077)
Actuarial gain/(loss) recognised in STRGL	(5,476)	(583)
Actual return on pension scheme assets	331	15,620

Analysis of movement in surplus during the year

	FOR YEAR ENDING 31/12/2011 £'000	FOR YEAR ENDING 31/12/2010 £'000
Deficit in the scheme at beginning of the year	(42,108)	(38,271)
Current service cost	(5,508)	(5,143)
Contributions	6,456	6,694
Past service costs	0	(3,596)
Curtailments/settlements	0	0
Other Finance income	(461)	(1,209)
Actuarial (loss) on defined benefit pension scheme	(5,476)	(583)
Deficit in the scheme at end of year	(47,097)	(42,108)

Reconciliation of assets during the year

	FOR YEAR ENDING 31/12/2011 £'000	FOR YEAR ENDING 31/12/2010 £'000
Assets at beginning of the period	144,398	126,318
Employer contributions	6,456	6,694
Employee contributions	12	18
Benefits paid	(4,159)	(4,148)
Net transfers (out)	(972)	(105)
Expected return on plan assets	10,108	8,746
Assets outperformance	(9,777)	6,874
Assets at end of year	146,066	144,398

Expected company contributions over the next year

Over the next year RSPCA is expected to pay £6,788k in contributions into the scheme

This is in accordance with the agreed Contribution Schedule and Recovery Plan

NOTES TO THE ACCOUNTS (continued)

Year ended 31 December 2011

6. PENSIONS (continued)

	FOR YEAR ENDING 31/12/2011	FOR YEAR ENDING 31/12/2010
Reconciliation of liabilities during the year	£'000	£'000
Liabilities at beginning of period	(186,506)	(164,590)
Operating charge	(5,508)	(8,739)
Employee contributions	(12)	(18)
Interest cost	(10,569)	(9,955)
Benefits paid	4,159	4,148
Net transfers in	972	105
Actuarial (loss)	4,300	(7,457)
Liabilities at end of period	(193,163)	(186,506)

	FOR YEAR ENDING 31/12/2011	FOR YEAR ENDING 31/12/2010
Difference between expected and actual return on scheme assets	£'000	£'000
Amount (£m)	(9,777)	6,874
Percentage of scheme assets	(6.7%)	4.8%
Experience gains (losses) on scheme liabilities		
Amount (£m)	(764)	1,620
Percentage of the present value of the scheme liabilities	(0.4%)	0.9%
Total amount recognised in the STRGL		
Amount (£m)	(5,476)	(583)
Percentage of the present value of the scheme liabilities	2.8%	0.3%
Cumulative amount recognised in the STGRL	(38,685)	(33,209)

Five Year History	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Present value of plan liabilities	(193,163)	(186,506)	(164,589)	(125,632)	(143,698)
Market value of plan assets	146,066	144,398	126,318	108,894	126,653
(deficit) / surplus on pension plans	(47,097)	(42,108)	(38,271)	(16,738)	(17,045)
Experience gains and losses arising on the scheme liabilities	(764)	1,620	1,024	876	(1,454)

7. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office and Computer Equipment £	Total £
Cost			
At 1 January 2011	178,390	121,743	300,133
Additions	142,484	59,900	202,384
Disposals	(107,264)	(74,933)	(182,197)
At 31 December 2011	213,610	106,710	320,320
Accumulated depreciation			
At 1 January 2011	87,766	78,063	165,829
Charge for the year	41,006	28,750	69,756
Disposals	(76,384)	(75,107)	(151,491)
At 31 December 2011	52,388	31,706	84,094
Net book value			
At 31 December 2011	161,222	75,004	236,226
At 31 December 2010	90,624	43,680	134,304

NOTES TO THE ACCOUNTS (continued)**Year ended 31 December 2011****8. DEBTORS**

	2011	2010
	£	£
Trade debtors	296,937	134,850
Other debtors	8,200	43,596
Recoverable VAT	76,369	-
Accrued income	317,817	247,477
Amount owed by the RSPCA	192,483	524,480
	<u>891,806</u>	<u>950,403</u>

All debtors are recoverable within one year

9. CREDITORS . AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade creditors	67,593	15,419
Payable VAT	-	14,783
Accruals and deferred income	607,478	1,015,549
Prepayments	-	-
	<u>675,071</u>	<u>1,045,751</u>

Movement on deferred income

	2011	2010
	£	£
Deferred income at 01/01/2011	19,800	7,320
Released during the year	(19,800)	(7,320)
Deferred during the year	8,456	19,800
Deferred income at 31/12/2011	<u>8,456</u>	<u>19,800</u>

10. CALLED UP SHARE CAPITAL

	2011	2010
	£	£
Authorised 100 ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Called up, allotted and fully paid 2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

11. ULTIMATE PARENT ENTITY AND CONTROLLING ENTITY

The company's ultimate parent 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 RSPCA, Wilberforce Way, Southwater, Horsham West Sussex, RH13 9RS. There is no intermediate parent company.

12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 "Related Party Transactions" extended to subsidiary undertakings 90% or more of whose voting rights are controlled within a group, where the consolidated financial statements of the group are publicly available. Accordingly no disclosure has been made of transactions with entities that are part of the group, or investees of the group, qualifying as related parties.