

Co. House

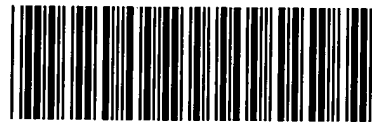
Company Registration No. 2723670
Registered Charity in England & Wales No. 1059879
Registered Charity in Scotland No. SC038199

FREEDOM FOOD LIMITED

Directors' and Trustees' Report and Accounts

31 December 2015

WEDNESDAY



A59PA94Z

A10

22/06/2016

#169

COMPANIES HOUSE

REPORT AND ACCOUNTS 2015

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
Cash flow statement	10
Notes to the accounts	11 - 17

FREEDOM FOOD LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

Mr M Tomlinson (Chairman)
Mr P Baxter
Mr C Laurence
Ms M Parker
Ms J Tredgett
Mr T Vaughan

CHIEF EXECUTIVE

Mr C Brazier (acting, 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 2015.

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 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 K Baker (Retired December 2015)

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

Mr C Laurence (Member of the Council of the RSPCA)

Ms M Parker

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

Mr T Vaughan

RESULTS AND ACTIVITIES

The results for 2015 show a surplus of £23,956 (2014, £99,547). Income from charitable activities being licence fees, membership and assessment revenue was up 12.9% on 2014. Since the introduction of the RSPCA Assured certification mark in May 2015, we received 370 product lines for approval with the new mark by the end of 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 42 million terrestrial animals and 233 million fish benefited from the scheme (2014, 40 million terrestrial animals and 283 million fish).

The charity gained an additional 167 net members during the year (2014, 129) resulting in a total of 3,595 members by the end of 2015. This is a 60% increase on the 2015 target of members. Total expenditure in 2015 was £2.4 million (2014, £2.0 million).

Freedom Food continues to be a very important means by which the RSPCA seeks to promote higher welfare for farmed animals. Approximately 27% of pigs, 27% of turkeys, 50% of laying hens, together with 67% 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 2015 for pigs farrowing systems and farmed atlantic salmon.

Scotland

In 2015 there were 47 new members joining the scheme in Scotland and 37 that left during the year, taking the membership total to 510 by the end of 2015 (2014, 500).

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 2015 the reserves were £658,182. 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.

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', with a long horizontal flourish extending to the right.

M Tomlinson
Chairman

11 May 2016

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 MEMBERS OF FREEDOM FOOD LIMITED

We have audited the financial statements of Freedom Food Limited for the year ended 31 December 2015 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 2015 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.

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.



Andrew Stickland
Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

11 May 2016

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 2015

	Note	2015 £	Restated 2014 £
Income and endowments from:			
Donations and legacies	2a	345,000	336,000
Charitable activities	2b	1,999,945	1,772,186
Other trading activities	2c	31,494	38,762
Investments	2d	166	830
		<hr/>	<hr/>
Total income		2,376,605	2,147,778
Expenditure on:			
Charitable activities	3	2,352,649	2,048,231
		<hr/>	<hr/>
Net movement in funds		23,956	99,547
Reconciliation of funds:			
Funds brought forward at 1 January	14	634,228	534,681
		<hr/>	<hr/>
Funds carried forward at 31 December		658,184	634,228
		<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 2015

	Note	2015 £	Restated 2014 £
FIXED ASSETS			
Tangible assets	6	51,113	150,209
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	7	538,292	488,761
Cash at bank and in hand		394,370	273,387
		<hr/>	<hr/>
		932,662	762,148
CREDITORS: amounts falling due within one year	8	(325,591)	(278,129)
		<hr/>	<hr/>
NET CURRENT ASSETS		607,071	484,019
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		658,184	634,228
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Unrestricted funds		658,182	634,226
		<hr/>	<hr/>
TOTAL FUNDS		658,184	634,228
		<hr/>	<hr/>

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

11 May 2016

FREEDOM FOOD LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2015

	Note	2015	Restated
		£	2014
			£
Cash flows from operating activities:			
Net cash provided by operating activities	A	100,532	(89,940)
Cash flows from investing activities:			
Dividends, interest and rents		166	830
Proceeds from the sale of property, equipment and motor vehicles		119,794	11,235
Purchase of property, plant and equipment		(99,509)	(47,742)
Net cash provided by investing activities		20,451	(35,677)
Change in cash and cash equivalents in the reporting period		120,983	(125,617)
Cash and cash equivalents at the beginning of the reporting period		273,387	399,004
Cash and cash equivalents at the end of the reporting period		394,370	273,387

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	23,956	99,547
Depreciation charges	73,493	56,725
Dividends, interest and rents from investments	(166)	(830)
Loss/(profit) on disposal of fixed assets	5,318	(4,036)
(Increase)/decrease in debtors	(49,531)	315,603
Increase/(Decrease) in creditors	47,462	(556,949)
Net cash provided by operating activities	100,532	(89,940)

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. At the date of transition a liability was recognised in respect of employee entitlement to paid annual leave. The initial liability was £5,779 which increased to £7,179 for 2014. Further detail is provided in notes 14 and 15.

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)

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

	2015	2014
	£	£
RSPCA Livestock Officers	<u>345,000</u>	<u>336,000</u>

RSPCA Livestock Officers numbered 6 during 2015 (2014, 6).

b) Income from charitable activities

	2015	2014
	£	£
Assessments	667,745	626,716
License fees	<u>1,332,200</u>	<u>1,145,470</u>
	<u>1,999,945</u>	<u>1,772,186</u>

c) Other trading activities

Sale of goods and other income	<u>31,494</u>	<u>38,762</u>
--------------------------------	---------------	---------------

d) Investments

	2015	2014
	£	£
Interest received	<u>166</u>	<u>830</u>

3 EXPENDITURE

	2015	2015	2015
	Direct	Support	Total
	£	£	£
Charitable activities			
Farm animal welfare	<u>743,328</u>	<u>1,609,321</u>	<u>2,352,649</u>
	2014	2014	2014
	Direct	Support	Total
	£	£	£
Farm animal welfare	<u>737,201</u>	<u>1,311,030</u>	<u>2,048,231</u>

3 EXPENDITURE (continued)

Included in expenditure are fees payable in respect of:

	2015	2014
	£	£
Auditors' remuneration	13,800	9,000
Directors' and trustees' expenses	188	657
Hire of motor vehicles under operating leases	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 £188. (2014, £657).

4 INFORMATION REGARDING EMPLOYEES AND DIRECTORS

	2015	2014
	No.	No.
Average number of persons employed		
Assessments, marketing and publicity	20	19
Support, management and administration	10	9
	<u>30</u>	<u>28</u>
	2015	2014
	£	£
Staff costs during the year		
Wages and salaries	833,150	818,473
Social security costs	70,507	68,630
Pension costs	104,161	105,221
	<u>1,007,818</u>	<u>992,324</u>

In 2015 one employee earned between £90,000 and £99,999 (2014, one employee between £70,000 and £79,999).

Contribution to the pension scheme for this highest paid member was £9,212 (2014, £11,606).

5 PENSIONS: RSPCA Pension Fund Including Freedom Food Limited

The Society sponsors the RSPCA Pension Scheme, a funded defined benefit pension scheme in the UK. The 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.

Active members of the scheme pay contributions at the rate of 6% of salary via Smart contributions and the Society pays 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 assumptions must be best estimates.

The Society currently pays 21.1% of active member's salaries in respect of benefits being accrued. In addition the Society pays annual deficit reduction contributions comprising of £1.5m (payable monthly) and a minimum of £500,000 from the disposal of fixed assets such as property.

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

A formal actuarial valuation as at 31 March 2015 is currently being carried out. The preliminary results of that valuation have been projected to 31 December 2015 with allowance for the benefits expected to be paid and 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:

	2015 £'000	2014 £'000 (restated)
Defined benefit obligation	(259,167)	(263,522)
Fair value of plan assets	210,472	204,973
Net amount recognised at year end	<u>(48,695)</u>	<u>(58,549)</u>

The principal actuarial assumptions used were:

	2015	2014
Liability discount rate	3.85%	3.60%
Inflation assumption - RPI	3.10%	3.00%
Inflation assumption - CPI	2.30%	2.20%
Rate of increase in salaries	3.10%	3.00%
Revaluation of deferred pensions:		
Excess over GMP	3.10%	3.00%
GMP	Fixed	Fixed
Increases for pensions in payment:		
GMP accrued before 5 April 1988	Nil	Nil
GMP accrued after 5 April 1988	2.00%	2.00%
XS Pension accrued before 31 March 2008	3.05%	2.90%
Pension accrued after 31 March 2008	2.15%	2.10%
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:	88.3	88.3
Female aged 65 at year end:	90.5	90.4
Expected age at death of future pensioner at age 65:		
Male aged 45 at year end:	89.8	89.7
Female aged 45 at year end:	92.0	91.9

6 TANGIBLE FIXED ASSETS

	Motor vehicles £	Office and computer equipment £	Total £
Cost			
At 1 January 2015	261,470	80,486	341,956
Additions	76,357	23,152	99,509
Disposals	(226,378)	-	(226,378)
At 31 December 2015	<u>111,449</u>	<u>103,638</u>	<u>215,087</u>
Depreciation			
At 1 January 2015	118,308	73,439	191,747
Charge for the year	65,335	8,158	73,493
Disposals	(101,266)	-	(101,266)
At 31 December 2015	<u>82,377</u>	<u>81,597</u>	<u>163,974</u>
Net Book Value			
At 31 December 2015	<u>29,072</u>	<u>22,041</u>	<u>51,113</u>
At 31 December 2014	<u>143,162</u>	<u>7,047</u>	<u>150,209</u>

7 DEBTORS

	2015 £	2014 £
Trade debtors	152,811	165,321
Other debtors	7,700	7,200
Accrued income	377,781	316,240
	<u>538,292</u>	<u>488,761</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	Restated 2014 £
Trade creditors	153,397	35,001
Other creditors	-	52,953
Value added tax	76,000	29,922
Accruals and deferred income	48,089	58,218
Amounts owed to the RSPCA	48,105	102,035
	<u>325,591</u>	<u>278,129</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.

10 OPERATING LEASE COMMITMENTS

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

	Motor vehicles 2015 £	Motor vehicles 2014 £
Less than one year	3,943	-
One to five years	44,830	-
	<u>48,773</u>	<u>-</u>

11 CALLED UP SHARE CAPITAL

	2015 £	2014 £
Authorised :		
100 Ordinary Shares of £1 each	100	100
Called up, allotted and fully paid :		
2 Ordinary Shares of £1 each	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

The company has taken advantage of the exemption in FRS 102 not to disclose transactions with entities that are part of the group.

14 RECONCILIATION OF FUNDS

In accordance with the requirements of FRS 102, a reconciliation of opening balances is reported:

	1 Jan 2014 £	31 Dec 2014 £
Total funds as previously stated	540,460	641,407
Holiday pay accrual	(5,779)	(7,179)
Total funds as restated	<u>534,681</u>	<u>634,228</u>

FRS 102 requires that an accrual be made for holiday entitlement not taken at the Balance Sheet date.
This was not required under previous UK GAAP.

15 RECONCILIATION OF NET MOVEMENT IN FUNDS

In accordance with the requirements of FRS 102, a reconciliation of the net movement in funds for the prior year is provided with the net movement in funds under previous GAAP:

	£
Net movement in funds as previously stated	100,947
Increase in holiday accrual	(1,400)
	<hr/>
2014 Net movement in funds as restated	99,547
	<hr/>