

Company Registration No. 02723670
Registered Charity in England & Wales No. 1059879
Registered Charity in Scotland No. SC038199

FREEDOM FOOD LIMITED

Directors' and Trustees' Report and Accounts

31 December 2018



REPORT AND ACCOUNTS 2018

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

Mr M Tomlinson (resigned November 2018)
Mr P Baxter
Ms J Tredgett (Vice Chairman)
Mr T Vaughan (resigned December 2018)
Mr R Baylis
Mr D Main
Mr W Hamilton (Chairman)
Mrs M Crawley (Appointed on 5th June 2018)

CHIEF EXECUTIVE

Mr C Brazier

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 2018.

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 a 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 02723670) 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 eight 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 are non executive Directors, there is currently one vacancy. During 2018 there was one month when there were only three RSPCA trustees who were directors, and as at the date the accounts were signed on the 21st March 2019, only three RSPCA trustees who were directors.

The Trustees and Directors meet a minimum of four times a year and are responsible for the finance, governance and overall objectives of Freedom Food Limited. The Board of Trustees and Directors appoints the chief executive, currently Clive Brazier, who leads the senior management team. The management team is responsible for the implementation of strategy and day-to-day management of the operation and finances of the company.

Training is provided to every Trustee and Director. Each prospective member is provided with information about the company's constitution, policies and activities.

The policy for remuneration of all staff, including senior management is decided by the RSPCA. The policy is a bespoke job evaluation scheme to assess each role. New benchmarking information was introduced to underpin a new framework in the year. The Board of Directors shall form a remuneration committee that decides the salary of the Chief Executive.

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) (resigned November 2018)

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

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

Mr T Vaughan (resigned December 2018)

Mr R Baylis (Member of the Council of the RSPCA)

Mr D Main

Mr W Hamilton (Chairman)

Mrs M Crawley (Appointed on 5th June 2018)

RESULTS AND ACTIVITIES

The results for 2018 show a surplus of £295,132 (2017, £363,326). Income from charitable activities being licence fees, membership fees and other income.

The products that are labelled RSPCA Assured increase the choice that the public can exercise when purchasing animal products. All Freedom Food labelling has now been completely replaced with the RSPCA Assured Label.

A total of in excess of 56 million terrestrial animals and 180 million fish benefited from the scheme (2017, 49 million terrestrial animals and 210 million fish).

The charity had a total of 3,666 members at the end of 2018. Total expenditure in 2018 was £3.2 million (2017, £2.9 million).

Freedom Food Limited continues to be a very important means by which the RSPCA seeks to promote higher welfare for farmed animals. Approximately 18% of pigs, 41% of turkeys, 73% of laying hens and pullets, together with 61% of Scottish salmon in the UK are now covered by the scheme, and are reared to RSPCA welfare standards. Updated versions of RSPCA welfare standards were also produced in 2018 for pullets, salmon and trout.

SCOTLAND

In 2018 there were 74 new members joining the scheme in Scotland and 41 that left during the year, taking the membership total to 515 by the end of 2018.

RESERVES

The Charity's assets are available and adequate to fulfil the obligations of the charity. The charity maintains free 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 twelve months, which could seriously affect income. The directors and trustees review the level of free reserves to ensure that they are sufficient to maintain the standing costs of the assessment team, and will increase this to £1,132,000 (2017 £1,067,000), subject to board approval on the 7th March 2019.

Free reserves are calculated as unrestricted funds less fixed assets and were £1,388,871 (2017, £1,085,983).

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 Limited'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 Limited 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 Limited and RSPCA staff also work closely in managing the most effective implementation of the RSPCA's objectives for farm animals. The RSPCA donates the services of its farm livestock officers provided to Freedom Food Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

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

PLANS FOR THE FUTURE

During the coming year Freedom Food Limited 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

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although, Freedom Food Limited do not undertake widespread fundraising from the general public, the legislation defines fund raising as "soliciting or otherwise procuring money or other property for charitable purposes". Such amounts receivable are presented in our accounts as "Donations and legacies".

In relation to the above the Trustees confirm that no fundraising approach has been taken by the company, or by anyone acting on its behalf, that no fundraising standards or scheme for fundraising regulation have been subscribed to by the company, or by anyone acting on its behalf, that no complaints in relation to fundraising activities have been received and that any solicitations are managed internally, without involvement of commercial participators or professional fundraisers.

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



Mr W Hamilton
Chairman

21st March 2019

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 AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF FREEDOM FOOD LIMITED**Opinion**

We have audited the financial statements of Freedom Food Limited ("the Charitable Company") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 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, as amended in 2010.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statement section of our report. We are independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions related to going concern

We have nothing to report in respect of the following matters in relation to which the ISA's (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the Directors' and Trustees', Report and Accounts, other than the financial statements and our auditor's report thereon. The other information comprises: Directors' and Trustees' Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information, we are required to report the fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Directors' and Trustees' Report.

We have nothing to report in respect to the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

- proper and adequate accounting records have not been kept by the Charitable Company, 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 Directors' remuneration specified by law are not made; or
- 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 in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Statement of Responsibilities, 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, and for such internal control as the Trustees determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of financial statements

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statement is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 to the Charitable Company's trustees, as a body, in accordance with the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Charitable Company's members and trustees 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 Charitable Company, the Charitable Company's members as a body and the charitable Company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Don Bawtree (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom


21st March 2019

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 2018

	Note	2018 £	2017 £
Income from:			
Donations and legacies	2a	378,000	355,000
Charitable activities	2b	3,116,251	2,912,639
Other trading activities	2c	3,367	40,034
Investments	2d	843	53
		<hr/>	<hr/>
Total income		3,498,461	3,307,726
Expenditure on:			
Charitable activities	3	3,203,329	2,944,400
		<hr/>	<hr/>
Net movement in funds		295,132	363,326
Reconciliation of funds:			
Funds brought forward at 1 January 2018		1,095,602	732,276
		<hr/>	<hr/>
Funds carried forward at 31 December 2018		1,390,734	1,095,602
		<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.

The notes on pages 12 to 16 form part of these financial statements.

BALANCE SHEET

As at 31 December 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	5	1,861	9,617
CURRENT ASSETS			
Debtors	6	774,089	846,496
Cash at bank and in hand		1,078,602	716,254
		1,852,691	1,562,750
CREDITORS: amounts falling due within one year	7	(463,818)	(476,765)
NET CURRENT ASSETS		1,388,873	1,085,985
TOTAL ASSETS LESS CURRENT LIABILITIES		1,390,734	1,095,602
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Unrestricted funds		1,390,732	1,095,600
TOTAL FUNDS		1,390,734	1,095,602

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 W Hamilton
Chairman

21st March 2019

The notes on pages 12 to 16 form part of these financial statements.

FREEDOM FOOD LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	361,505	290,987
Cash flows from investing activities:			
Dividends, interest and rents		843	53
Proceeds from the sale of property, equipment and motor vehicles		-	6,200
Purchase of property, plant and equipment		-	-
Net cash provided by investing activities		843	6,253
Change in cash and cash equivalents in the reporting period		362,348	297,240
Cash and cash equivalents at the beginning of the reporting period		716,254	419,014
Cash and cash equivalents at the end of the reporting period		1,078,602	716,254

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	295,132	363,326
Depreciation charges	7,756	15,594
Dividends, interest and rents from investments	(843)	(53)
Loss/(profit) on disposal of fixed assets	-	(1,618)
(Increase)/decrease in debtors	72,407	(103,082)
Increase/(Decrease) in creditors	(12,947)	16,821
Net cash provided by operating activities	A	290,987

The notes on pages 12 to 16 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.

Going concern

This Company is a wholly owned subsidiary of the RSPCA. The Trustees and Directors consider that the level of ongoing support from charitable activities, combined with the free reserves, secure Freedom Food Limited for the foreseeable future, and on this basis consider the company is a going concern.

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

The pension costs for the employees recharged to Freed Food Limited are also recharged to Freedom Food Limited in the year of incurring the liability (see note 4).

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.

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.

2 INCOME

a) Donations and legacies

	2018	2017
	£	£
Donated RSPCA Livestock officers' services	<u>378,000</u>	<u>355,000</u>

RSPCA Livestock officers numbered 6 during 2018 (2017, 6).

b) Income from charitable activities

	2018	2017
	£	£
Membership scheme	926,292	882,203
Licence fees	<u>2,189,959</u>	<u>2,030,436</u>
	<u>3,116,251</u>	<u>2,912,639</u>

c) Other trading activities

	2018	2017
	£	£
Sale of goods and other income	<u>3,367</u>	<u>40,034</u>

d) Investments

	2018	2017
	£	£
Interest received	<u>843</u>	<u>53</u>

3 EXPENDITURE

	2018 Direct £	2018 Support £	2018 Total £
Charitable activities			
Farm animal welfare	1,161,290	2,033,807	3,195,097
Governance costs	-	8,232	8,232
	<u>1,161,290</u>	<u>2,042,039</u>	<u>3,203,329</u>
	2017 Direct £	2017 Support £	2017 Total £
Farm animal welfare	989,771	1,944,948	2,934,719
Governance costs	-	9,681	9,681
	<u>989,771</u>	<u>1,954,629</u>	<u>2,944,400</u>

Included in expenditure are fees payable in respect of:

	2018 £	2017 £
Auditor's remuneration	8,232	9,400
Directors' and trustees' expenses	0	281
Hire of motor vehicles under operating leases	65,847	60,487

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 the directors and trustees totalled £nil. (2017, £281).

4 INFORMATION REGARDING EMPLOYEES AND DIRECTORS

Freedom Food Limited's staff are employed by the RSPCA and the full employment costs of these staff members are recharged to Freedom Food Limited by the RSPCA.

	2018 No.	2017 No.
Average number of persons employed		
Assessments, marketing and publicity	23	20
Support, management and administration	17	15
	<u>40</u>	<u>35</u>
	2018 £	2017 £
Staff costs during the year		
Wages and salaries	1,200,282	994,668
Social security costs	108,440	90,422
Pension costs	126,510	100,570
	<u>1,435,232</u>	<u>1,185,660</u>

In 2018 one employee earned between £80,000 and £89,999 (2017, one employee between £80,000 and £89,999). Contribution to the pension scheme for this highest paid member was £9,600 (2017, £9,100).

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 to management personnel were £104,399 (2017, £98,982). The directors and trustees all give their time and expertise without any form of remuneration or other benefit in cash or kind (2017, £nil).

NOTES TO THE ACCOUNTS (continued)
Year ended 31 December 2018

FREEDOM FOOD LIMITED

5 TANGIBLE FIXED ASSETS

	Office and computer equipment £	Total £
Cost		
At 1 January 2018	118,254	118,254
At 31 December 2018	<u>118,254</u>	<u>118,254</u>
Depreciation		
At 1 January 2018	108,637	108,637
Charge for the year	7,756	7,756
At 31 December 2018	<u>116,393</u>	<u>116,393</u>
Net Book Value		
At 31 December 2018	<u>1,861</u>	<u>1,861</u>
At 31 December 2017	<u>9,617</u>	<u>9,617</u>

6 DEBTORS

	2018 £	2017 £
Trade debtors	175,364	245,623
Other debtors	4,500	4,892
Prepayments and accrued income	591,457	593,909
Amounts owed by the RSPCA	<u>2,768</u>	<u>2,072</u>
	<u>774,089</u>	<u>846,496</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	135,327	81,283
Value added tax	53,887	91,180
Accruals and deferred income	<u>274,604</u>	<u>304,302</u>
	<u>463,818</u>	<u>476,765</u>

DEFERRED INCOME

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

	2018 £	2017 £
Deferred membership scheme income		
At 1 January 2018	40,755	28,217
Additions	50,344	40,755
Released	<u>(40,755)</u>	<u>(28,217)</u>
At 31 December 2018	<u>50,344</u>	<u>40,755</u>

8 OPERATING LEASE COMMITMENTS

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

	Motor vehicles 2018 £	Motor vehicles 2017 £
Less than one year	69,996	57,248
One to five years	82,884	94,340
	<u>152,880</u>	<u>151,588</u>

9 CALLED UP SHARE CAPITAL

	2018 £	2017 £
Authorised : 100 Ordinary Shares of £1 each	100	100
Called up, allotted and fully paid : 2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

10 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 (registered charity no. 219099). The primary objectives of the RSPCA is the prevention of cruelty to animals, at the core of which is the Inspectorate who provide a wide range of rescue services for the most abused and vulnerable animals. These rescue services include the Inspectorate's preventative and educational work, enforcing the law, rehabilitation, rehoming and wildlife rescue. The range of Inspectorate work and its related support services are the core activity and are unique to the RSPCA.

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

There are no intermediate parent companies.

11 RELATED PARTY TRANSACTIONS

Related party transactions are management fees charged in the year by RSPCA of £165,312 (2017, £131,248) and payroll and expenses of £1,495,930 (2017, £1,198,461) paid on behalf of Freedom Food by the RSPCA.