

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

**FREEDOM FOOD LIMITED**

**Trustees' Report and Accounts**

**31 December 2022**

**REPORT AND ACCOUNTS 2022**

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**Registered Charity in England & Wales No. 1059879**  
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**OFFICERS AND PROFESSIONAL ADVISERS**

**TRUSTEES**

Mr D Smith (Chairman)  
Mrs M Crawley  
Mr R Oliveri  
Mr D Main

**CHIEF EXECUTIVE**

Mr M Baker

**SECRETARY**

Chalfen Secretaries Limited

**REGISTERED OFFICE**

4<sup>th</sup> Floor Parkside  
Chart Way  
Horsham  
West Sussex  
RH12 1XH

**BANKERS**

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

**INDEPENDENT AUDITORS**

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

## **CHIEF EXECUTIVE AND TRUSTEES' REPORT**

The Chief Executive and Trustees of Freedom Food Limited present their annual report and the audited financial statements for the year ended 31 December 2022

## **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 charitable company is to prevent cruelty to animals by the promotion of humane farming, transportation, transfer and slaughter of farm animals primarily through assuring the effective implementation of a set of rearing and handling standards, which are set and approved by the RSPCA. Further, the charitable 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 Trustees of the RSPCA. The charitable 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 CHIEF EXECUTIVE AND TRUSTEES AND THEIR INTERESTS**

Since Freedom Food Limited is also a charitable company, the directors are also trustees of the charity, and are referred to as trustees throughout the remainder of the Chief Executive and Trustees' Report. The Memorandum requires that the trustees of the parent organisation, the RSPCA, nominate four of their number, as trustees of Freedom Food Limited. The Chairman and Vice Chairman of the Board of Directors are given first option on two trustee places. The remaining three trustees have been appointed to the Board of Trustees of the company because of their particular experience and are non-executive directors. There are currently four trustees and four vacancies for suitable candidates. During 2023 the Trustees will be looking to fill the four vacancies, the first being for a Treasurer.

The trustees meet a minimum of four times a year and are responsible for the strategy, governance, and finance of Freedom Food Limited. The Board of Trustees appoints the Chief Executive who leads the leadership team. The current Chief Executive is Mike Baker, appointed permanent Chief Executive in December 2022, following being the interim Chief Executive since March 2022. The Leadership Team includes the Chief Executive, Head of Certification, Interim Head of Marketing, Head of Corporate Partnerships and Programme Lead of the Transformation Project and is responsible for the implementation of strategy and day-to-day management of the operation and finances of the charitable company.

Training is provided to every trustee. During the recruitment and appointment process, each prospective Trustee is provided with information about the charitable company's constitution, policies, and activities.

The policy for remuneration of all staff, including the Leadership Team is decided by joint national agreement with Unite which covers both RSPCA and Freedom Food Limited. The policy is a bespoke job evaluation scheme to assess each role. The Remuneration Committee decides the salary of the Chief Executive.

Freedom Food Limited completed a review of their governance in November 2022, with recommendations accepted by the Board of Trustees in December that year. These recommendations to improve governance are currently being implemented led by the Chief Executive.

Membership of the Board of Trustees of Freedom Food during the year and to the date of signing was as follows:

Mr D Smith (Chairman)  
Mrs M Crawley  
Ms R Layton (Resigned 22 September 2022)  
Mr R Olivieri  
Mr D Main

## **RESULTS AND ACTIVITIES**

The results for 2022 show a surplus of £1m (2021: £0.8m).

Income from charitable activities is made up of licence fees £3.8m (2021 £3.4m) and membership fees £1.4m (2021 £1.1m). 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. Total expenditure in 2022 was £4.3 m (2021: £3.7m).

The company has a strong balance sheet, with cash balance as at 31 December 2022 being £2.6m (2021 £2.0m) and a large balance in net current assets of £3.3m (2021 £2.4m).

During 2022 a total of in excess of 57million terrestrial animals and 683 million fish benefited from the scheme (2021: 60 million terrestrial animals and 623 million fish). The charity had a total of 4,000 members (2021: 3,956 members).

## **SCOTLAND**

In 2022 there were 44 new members joining the scheme in Scotland and 53 that left during the year, taking the membership total to 550 by the end of 2022 (2021: 559).

## **RESERVES**

The Charity now holds two types of reserve, unrestricted, and restricted funds. Restricted funds relate to the Eat Less Eat Better funded by the RSPCA and these will be used in 2023. An analysis of restricted funds is provided in note 15.

The charity maintains free reserves that represent sufficient funds to cover the standing costs of the assessment team in the event of serious animal related disease outbreak restricting access to producers for up to twelve months, which could seriously affect income. The charitable company seeks to maintain free reserves at least equivalent to the annual standing costs of the assessment team in the event of serious animal related disease outbreak restricting access to producers. These are considered to equate to £1.1m, in line with the prior year, and free reserves of £3.4m (2021: £2.3m) is substantially in excess of this.

Restricted sufficient at 31 December 2022 were £0.05m and relate to unspent income received from the RSPCA in the year. Note 15 includes further detail on this fund. Efforts are being made to reduce these reserves, in 2023 there is a budget of £0.7m for investment. This investment includes further expenditure of salesforce, branding review and instore advertising in supermarkets.

## **PUBLIC BENEFIT**

In considering public benefit the Board of 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 demonstrates 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. RSPCA is a provider of a number of business services for Freedom Food Limited, including HR, payroll, and fleet. Freedom Food Limited and RSPCA staff also work closely in managing the most effective implementation of their shared goal for farm animals.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

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

The major risk facing Freedom Food Limited is a possible disease outbreak which would lead to restricted farm access. This could compromise our inspection regime and have a negative impact on brand integrity.

The principal uncertainty is the impact of the continuing inflationary pressure and rise in prices both for the industry and consumers. The industry is currently dealing with rising prices of fertiliser, animal feed and fuel, and labour shortages. This uncertainty is accentuated by the global events in Russia and Ukraine. The costs increase combined with lowered income for consumers could lead to a

reduction in consumer sales due to consumers downgrading from higher welfare products like RSPCA Assured.

There has been no reduction in the licencing income due to these issues yet, with the current impact being mainly felt by organic ranges, rather than higher welfare. The Trustees and the Leadership Team are closely monitoring this. While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, the Charitable Company is in a good financial position having maintained good reserve levels as well as finishing the last financial year with a £1m surplus. Further investment will continue into 2023 and 2024. Steps are being taken on an ongoing basis, to minimise the impact on the charitable company's activities and the effect this this may have on the charitable company's impact.

## **PLANS FOR THE FUTURE**

During the coming year Freedom Food Limited will continue to develop and implement our updated strategy and our ongoing transformation to ensure that we can achieve the new strategy. This includes improving their internal governance and operations as well as through increased engagement with industry and consumers to increase the numbers of animals being reared to RSPCA welfare standards. However, the unfortunate global conflicts and the resultant economic impact may affect this and, whilst our intention is to carry on with work as much as we can, plans are continually reviewed and changed as circumstances dictate.

## **GOING CONCERN**

The Board of Trustees reviewed Freedom Food Limited's financial plans in December 2022, as part of their normal annual review, as well as the principal financial risks. At that time, we were satisfied that Freedom Food Limited had sufficient resources to continue operating for the foreseeable future and the accounts have been prepared in the knowledge that Freedom Food Limited is a financially viable organisation.

The financial statements indicate a strong financial performance in 2022 (a surplus of £1m), and a healthy balance sheet at the end of the reporting period. As at 31 December 2022, there were unrestricted funds of £3.4m, representing circa nine months expenditure. There was a cash balance on this date of £2.6m, which is forecast to remain healthy throughout 2023 and into 2024.

With regards to the year ending 31 December 2023, the Board of Trustees are satisfied that the level of projected income will be met even in the context of the challenging economic environment with cost of living rises and continuing inflationary pressure and potential of the country falling into a recession later in 2023. It is expected that expenditure will remain within budget. Budgeted expenditure includes expenditure designed to deliver the ongoing transformation to ensure the charitable company can achieve the new strategy which will increase income, generate cost savings in the long run, and continue to strengthen the financial sustainability of the Charitable Company. As a result, it is not expected that there will be the necessity to cut into essential services.

The Leadership Team will continue to review the ongoing forecasts and projections on a monthly basis to ensure that the Charitable Company remains financially viable amidst the challenging economic environment.

With the above measures in place, the strong current financial position of the Charitable Company and the positive forecasts and projections, the Board of Trustees are of the opinion that Freedom Food Limited will have sufficient resources to meet its liabilities as they fall due. The Board of

Trustees do not consider there to be a material uncertainty around the ability of Freedom Food Limited to continue as a going concern for the foreseeable future.

## FUNDRAISING

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

- No fundraising approach has been taken by the company, or by anyone acting on its behalf
- No fundraising standards or scheme for fundraising regulation have been subscribed to by the company, or by anyone acting on it's behalf
- 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


RSPCA undertook a rigorous audit tender process in 2022 and appointed RSM UK Audit LLP as its new external auditor for the National Society and its subsidiary entities, including Freedom Food Limited. The first year in which RSM is the appointed auditor for Freedom Food Limited is the year ended 31 December 2022.

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

In accordance with company law, as the Trustees of Freedom Food Limited, we certify that:

- So far as we are aware, there is no relevant audit information of which the Charitable Company's auditor is unaware.
- We have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish the Charitable Company's auditor is aware of the information.

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

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28/4/2023

**Mr D. Smith**  
**Chairman**



**TRUSTEES' STATEMENT OF RESPONSIBILITIES**

The Trustees (who are also the Directors for the purpose of company law) are responsible for preparing the Chief Executive and Trustees' 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 Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company 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 Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included in the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 2022 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are 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 relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Chief Executive and Trustees Report and Accounts other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Chief Executive and Trustees Report and Accounts. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions 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' report prepared for the purposes of company law and included within the Chief Executive and Trustees Report and Accounts, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the Chief Executive and Trustees Report and Accounts, 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 misstatements in the directors' report, included within the Chief Executive and Trustees Report and Accounts.

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) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, 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; or
- the trustees 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, included within the Chief Executive and Trustees Report and Accounts, and from the requirements to prepare a strategic report.

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out on page 8, 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 determine 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 the financial statements**

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.

**The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

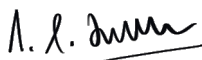
As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, and evaluating advice received from internal/external advisors.

The audit engagement team identified the risk of management override of controls and the completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and reviewing transactions processed in the post balance sheet period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's 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 charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



NICHOLAS SLADDEN (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
Date 02-May-2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating income and expenditure account)**

**Year ended 31 December 2022**

	<b>Note</b>	<b>2022</b>	2021
		£	£
<b>Income from:</b>			
Donations	2	80,000	-
Charitable activities	2	5,205,669	4,517,553
Other trading activities	2	10,720	7,003
Investments	2	2,242	182
<b>Total income</b>		<b>5,298,631</b>	4,524,738
<b>Expenditure on:</b>			
Charitable activities	3	4,285,932	3,710,340
<b>Net Income/ Net movement in funds</b>		<b>1,012,699</b>	814,398
<b>Reconciliation of funds:</b>			
Funds brought forward at 1 January 2022		2,437,659	1,623,261
<b>Funds carried forward at 31 December 2022</b>		<b>3,450,358</b>	2,437,659

All gains and losses recognised in the current and preceding financial year are included in the statement of financial activities.

All amounts disclosed above relate to unrestricted fund apart from donation income of £80,000 and expenditure on charitable activities of £33,260 which relate to a restricted project. More detail can be found in note 15.

The notes on pages 16 to 24 form part of these financial statements.

## FREEDOM FOOD LIMITED

**BALANCE SHEET**

COMPANY NO. 02723670


As at 31 December 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible Fixed Assets	5	10,397	16,760
Intangible Fixed Assets	6	114,653	-
		125,050	16,760
<b>CURRENT ASSETS</b>			
Debtors	7	1,719,466	1,305,076
Cash at bank and in hand		2,571,425	1,967,191
		4,290,891	3,272,267
<b>CREDITORS: amounts falling due within one year</b>	8	<b>(965,583)</b>	<b>(851,368)</b>
<b>NET CURRENT ASSETS</b>		<b>3,325,308</b>	2,420,899
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>3,450,358</b>	2,437,659
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Restricted Funds	15	46,740	-
Unrestricted funds			
Designated Funds	14	-	100,000
Other Charitable Funds		3,403,618	2,337,657
<b>TOTAL FUNDS</b>		<b>3,450,358</b>	2,437,659

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 D Smith**  
Chairman

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28/4/2023

The notes on pages 16 to 24 form part of these financial statements.

**CASH FLOW STATEMENT****Year ended 31 December 2022**

	Note	2022	2021
		£	£
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	<b>727,426</b>	283,417
<b>Cash flows from investing activities:</b>			
Bank interest received		<b>2,242</b>	182
Purchase of intangible fixed assets		<b>(125,434)</b>	(20,546)
<b>Net cash used in investing activities</b>		<b>(123,192)</b>	(20,364)
<b>Change in cash and cash equivalents in the reporting period</b>		<b>604,234</b>	263,053
Cash and cash equivalents at the beginning of the reporting period		<b>1,967,191</b>	1,704,138
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>2,571,425</b>	1,967,191

**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		<b>1,012,699</b>	814,398
Depreciation and amortisation charges		<b>17,144</b>	3,786
Bank interest receivable		<b>(2,242)</b>	(182)
(Increase)/decrease in debtors		<b>(414,390)</b>	(304,447)
Increase/(decrease) in creditors		<b>114,215</b>	(230,138)
<b>Net cash provided by operating activities</b>	A	<b>727,426</b>	283,417

**Loans and overdrafts**

The Charity does not have any external debt or borrowings and as such a net debt reconciliation is not prepared.

The notes on pages 16 to 24 form part of these financial statements.



## 1 ACCOUNTING POLICIES

The accounting policies adopted are described below.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, and the Companies Act 2006.

### Accounting convention

The accounting statements are prepared under the historical cost convention.

### Going concern

The Board of Trustees are required to assess the reasonableness of the application of the assumption that the Charitable Company will be able to continue as a going concern for a period of at least 12 months from the date that the financial statements are signed.

Despite the challenges of the current economic and political climate, with rising costs, the threat of stagnation, and the conflict between Russia and Ukraine, the Trustees do not consider there to be a material uncertainty around the ability of Freedom Food to continue as a going concern for the foreseeable future.

There was strong financial performance in 2022 with the Charity making a surplus of £1.0m. The Charity has a strong balance sheet with a healthy cash balance and a high level of unrestricted reserves. Unrestricted reserves totalled £3.4m as at 31 December 2022, representing circa nine months expenditure. The Charity held a cash balance of £2.6m at the balance sheet date and the cash flow forecasts indicate that the Charity is likely to retain a healthy cash balance throughout 2023 and into 2024.

The Trustees consider that the level of ongoing support from charitable activities, combined with the free reserves, secure Freedom Food Limited for the foreseeable future, and that whilst there is unavoidable uncertainty associated with the current economic climate uncertainty the Trustees do not consider there to be material uncertainty. On this basis, the Charity is considered to be a going concern.

### Tangible and intangible fixed assets

Fixed assets are capitalised at cost. Provision is made for depreciation and amortisation 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:

Office and computer equipment	3 years
Software and Licences	3 years

### Income

Membership income is recognised in full on the first day of the membership period, based on the specific terms of the membership agreement. Licence fees are recognised in arrears based on produce sold in the previous month/quarter.

Income from donations is recognised when there is entitlement, any performance conditions have been met, receipt is probable, and measurement reliable.

**Expenditure**

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 auditor's remuneration and the 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**

Freedom Food Limited holds two types of reserves – restricted and unrestricted. Restricted reserves relate to the balance of the Eat Well, Eat Less project. As at 31 December 2022, the balance of restricted reserves was £0.05m (2021: Nil). Details of the restricted fund are set out in note 15.

Unrestricted reserves represent the majority of funds held. Unrestricted reserves are held to fund strategic initiative over the five-year planning review and as an 'adversity' or a continuity reserve to protect operations against unplanned adverse events such as foot and mouth disease and avian flu. As at 31 December 2022, the balance of unrestricted reserves was £3.4m (2021 £2.3m).

**Pension costs**

Pension costs in respect of employees form part of the payroll costs and are recharged by RSPCA who operate the payroll on behalf of Freedom Food Limited, in the month to which they relate (see note 4).

**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.

The key areas of accounting judgement and estimation for the Charity include:

**Fixed assets**

The charge in respect of periodic depreciation and amortisation is derived after determining an estimate of an asset's expected useful life. The useful economic life of an asset is determined at the time the asset is acquired or brought into use and reviewed annually for appropriateness. The lives are based on historical experience together with anticipation of future events.

**Taxation**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly, Freedom Food Limited is exempt from taxation in respect of income or capital gains, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

**Financial Instruments**

The charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

## FREEDOM FOOD LIMITED

**2 INCOME****Income from:**

<b>Donations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Eat Less Eat Better	<b>80,000</b>	-

<b>Income from charitable activities</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Membership scheme	<b>1,368,172</b>	1,086,597
Licence fees	<b>3,837,497</b>	3,430,956
	<b>5,205,669</b>	4,517,553

<b>Other trading activities</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Sale of goods and other income	<b>10,720</b>	7,003

<b>Investments</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest received	<b>2,242</b>	182

Income detailed above is wholly restricted other than the £80,000 donation income, which is restricted. See note 15 for further detail.

**3 EXPENDITURE****Charitable activities**

	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>Direct</b>	<b>Support</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Farm animal welfare	1,547,015	2,676,220	4,223,235
Governance costs	-	29,437	29,437
Eat Less Eat Better	-	33,260	33,260
	<b>1,547,015</b>	<b>2,738,917</b>	<b>4,285,932</b>

**Charitable Activities**

	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>Direct</b>	<b>Support</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Farm animal welfare	1,179,985	2,516,155	3,696,140
Governance costs	-	14,200	14,200
	<b>1,179,985</b>	<b>2,530,355</b>	<b>3,710,340</b>

Expenditure detailed above is wholly unrestricted other than £33,260 for the Eat Less Eat Better project, which is restricted. See note 15 for further detail.

Included in expenditure are fees payable in respect of:

	<b>2022</b>	2021
	<b>£</b>	£
Auditor's remuneration	<b>22,200</b>	14,200
Hire of motor vehicles under operating leases	<b>160,203</b>	98,399

**4 INFORMATION REGARDING EMPLOYEES AND DIRECTORS**

	<b>2022</b>	2021
	<b>No.</b>	No.
<b>Average number of persons employed</b>		
Assessments, marketing, and publicity	<b>35</b>	30
Support, management, and administration	<b>13</b>	17
	<b>48</b>	47
	<b>2022</b>	2021
	<b>£</b>	£
<b>Staff costs during the year</b>		
Wages and salaries	<b>1,721,941</b>	1,462,951
Social security costs	<b>165,470</b>	132,878
Pension costs	<b>178,813</b>	161,495
	<b>2,066,225</b>	1,757,324

In 2022 one employee earned between £80,000 and £89,999 and one employee earned between £70,000 and £79,999 (2021: one employee between £90,000 and £99,999). Contribution to the pension scheme for these two highest paid members was employees amounted to £13,326 (2021: £10,567).

Freedom Food considers its key management personnel comprise the Trustees and the Chief Executive Officer. The total employment benefits including employer pension contributions to key management personnel were £102,093 (2021: £116,410). The Trustees all give their time and expertise without any form of remuneration or other benefit in cash or kind, nor were expenses reimbursed in the current or previous year.

## FREEDOM FOOD LIMITED

**5 TANGIBLE FIXED ASSETS**

	<b>Office and computer equipment £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2022	138,800	138,800
Disposals	(97,697)	(97,697)
At 31 December 2022	<b>41,103</b>	<b>41,103</b>
<b>Depreciation</b>		
At 1 January 2022	122,040	122,040
Charge for the year	6,363	6,363
Eliminated in respect of disposals	(97,697)	(97,697)
At 31 December 2022	<b>30,706</b>	<b>30,706</b>
<b>Net Book Value</b>		
At 31 December 2022	<b>10,397</b>	<b>10,397</b>
At 31 December 2021	16,760	16,760

**6 INTANGIBLE FIXED ASSETS**

	<b>Software and licences £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2022	-	-
Additions	125,434	125,434
At 31 December 2022	<b>125,434</b>	<b>125,434</b>
<b>Depreciation</b>		
At 1 January 2022	-	-
Charge for the year	10,781	10,781
At 31 December 2022	<b>10,781</b>	<b>10,781</b>
<b>Net Book Value</b>		
At 31 December 2022	<b>114,653</b>	<b>114,653</b>
At 31 December 2021	-	-

## FREEDOM FOOD LIMITED

**7 DEBTORS**

	<b>2022</b>	2021
	<b>£</b>	£
Trade debtors	<b>456,278</b>	177,535
Other debtors	<b>7,401</b>	14,834
Prepayments and accrued income	<b>1,255,787</b>	986,937
Amounts owed by the RSPCA	-	125,770
	<b>1,719,466</b>	1,305,076

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	2021
	<b>£</b>	£
Trade creditors	<b>266,951</b>	227,553
Other taxes and social security	<b>94,702</b>	87,257
Accruals and deferred income	<b>173,655</b>	206,576
Amounts owed to the RSPCA	<b>406,351</b>	329,982
Other creditors	<b>23,924</b>	-
	<b>965,583</b>	851,368

**9 DEFERRED INCOME**

Deferred income comprises membership scheme income receipts received prior to the year-end that relates to the future reporting period. The deferred income is released to Statement of Financial Activities in the following year.

	<b>2022</b>	2021
	<b>£</b>	£
<b>Membership scheme income</b>		
At 1 January 2022	<b>100,563</b>	96,421
Amounts deferred in the year	<b>122,489</b>	100,563
Amounts released to income in the year	<b>(100,563)</b>	(96,421)
At 31 December 2022	<b>122,489</b>	100,563

**10 OPERATING LEASE COMMITMENTS**

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

	<b>Motor vehicles</b>	Motor vehicles
	<b>2022</b>	2021
	<b>£</b>	£
Less than one year	<b>48,450</b>	55,615
Two to five years	<b>14,756</b>	42,783
	<b>63,206</b>	98,398

**11 CALLED UP SHARE CAPITAL**

	<b>2022</b>	2021
	<b>£</b>	£
Authorised:		
100 Ordinary Shares of £1 each	<b>100</b>	100
Called up, allotted and fully paid:		
2 Ordinary Shares of £1 each	<b>2</b>	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 (registered charity no.219099). The primary objective 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, 4<sup>th</sup> Floor Parkside, Chart Way, Horsham, West Sussex, RH12 1XH.

At the balance sheet date, the RSPCA was in the process of moving to new Headquarters and is expected to enter into a commitment for the rental of new premises in 2023. The only expected financial impact for Freedom Food Limited is a marginal increase in the management recharge from RSPCA to Freedom Food Limited, of which, the amount cannot yet be reliably estimated.

There are no intermediate parent companies.



**13 RELATED PARTY TRANSACTIONS**

Management fees are charged to Freedom Foods Limited by the parent charity, RSPCA, and in the year ended 31 December 2022 these amounted to £188,177 (2021: £210,281). RSPCA also operate the payroll on behalf of Freedom Food Limited, and all associated costs are recharged directly by the parent company. All staff are directly employed by Freedom Food Limited. Additionally, the service of some RSPCA Livestock officers were used during the year and recharged to Freedom Food Limited. During the current year these amounted to £127,884 (2021: £350,000). A donation of £80,000 (2021: £nil) was received from the parent company in the year, toward the Eat Better Eat Less Project. At the year-end, Freedom Food Limited owed £406,000 to the RSPCA (2021; £204,000)

During the year, a payment of £24 was received by Countryside, paid by David Main, who is one of the Trustees is a Director; in respect of membership fees. This membership fee was paid on the same terms as any member.

**14 DESIGNATED FUND MOVEMENTS**

	<b>2022</b>	2021
	<b>£</b>	£
At 1 January 2022	<b>100,000</b>	100,000
Expenditure	<b>(100,000)</b>	(100,000)
Transfers	-	100,000
<b>At 31 December 2022</b>	<b>-</b>	100,000

**15 RESTRICTED FUND MOVEMENTS**

	<b>2022</b>	2021
	<b>£</b>	£
<b>RSPCA Project Eat Less Eat Better</b>		
At 1 January 2022	-	-
Income	<b>80,000</b>	-
Expenditure	<b>(33,260)</b>	-
At 31 December 2022	<b>46,740</b>	-

**16 NET ASSETS BY FUND**

	<b>Fixed assets</b>	<b>Current assets</b>	<b>Current liabilities</b>	<b>Total</b>
Restricted fund	-	46,740	-	<b>46,740</b>
Unrestricted fund	125,050	4,244,151	(965,583)	<b>3,403,358</b>
	<b>125,050</b>	<b>4,290,891</b>	<b>(965,583)</b>	<b>3,450,358</b>
2021:				
Designated fund	-	100,000	-	<b>100,000</b>
Unrestricted fund	16,760	3,172,267	(851,368)	<b>2,437,659</b>
	<b>16,760</b>	<b>3,272,267</b>	<b>(851,368)</b>	<b>2,437,659</b>

