

**British Veterinary
Association**

Annual Report and Accounts

31 December 2017

Company Registration Number 206456
(England and Wales)

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The following pages do not form
part of the statutory financial statements:

Detailed income and expenditure account	20-21
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Reference and administrative details of the Association, its directors and advisers

Directors J C Fishwick (President)
P A Lowndes (Chairman)
K Alford
S Anderson Dixon
J M Collings
R E Lysons
A Nell
G N Ravetz (Senior Vice President)
S Doherty (Junior Vice President)

Chief Executive D J Calpin

Company Secretary D Thorpe

Registered office 7 Mansfield Street
London
W1G 9NQ

Registered number 206456 (England and Wales)

Auditor Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Directors' report Year to 31 December 2017

The directors present their report with the audited accounts of the company for the year ended 31 December 2017.

Principal activity

The Association is a not for profit company limited by guarantee registered number 206456, established to promote and advance veterinary and allied sciences.

Review of business

The results for 2017 show a surplus before taxation of £145,397 which is a decline on the £185,224 surplus in 2016. Total income increased by 1.6% (2016 - 4.1%) during the year to £6,003,055 (2016 - £5,910,178) with all key business areas yielding an above cost return.

Expenditure increased by 2.0% during the year to £5,888,301 (2016 - £5,773,249) with BVA continuing to spend substantial resource on policy and media activities, lobbying and campaigning on priority issues such as animal welfare and on the provision of membership benefits and engagement. There was a slight decrease in administrative expenditure during the year which included £14,000 donations to veterinary related charities.

Capital expenditure totalled £117,629 (2016 - £15,215) primarily on the cost of the launch of digital online submissions for the Canine Health Schemes and the provision of new laptops for all staff.

BVA's total reserves increased by £204,910 during the year (2016 - £269,769). The year-end working capital (excluding tangible and intangible fixed assets and the associated deferred taxation) totals £2,998,262 (2016 - £2,752,303) whilst the total reserves are £10,550,228 (2016 - £10,345,318).

Future developments

The Association will continue to represent, support and champion the whole UK veterinary profession.

Directors

The directors in office during the year were as follows:

	Appointed / Retired
J C Fishwick (President)	
P A Lowndes (Chairman)	
K Alford	
S Anderson Dixon	Appointed 1 st April 2017
J M Collings	
S Doherty	Appointed 21 st September 2017
R E Lysons	
A Nell	
G N Ravetz	
S P Wensley	Retired 21 st September 2017
J D Williams	Retired 31 st March 2017

Directors' report Year to 31 December 2017

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and 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; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Each of the directors confirms that:

- ◆ so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- ◆ the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report Year to 31 December 2017

Statement of directors' responsibilities (continued)

The above report has been prepared in accordance with special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors:

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a series of connected loops and a long horizontal tail.

Approved by the Board on 2nd August 2018

Independent auditor's report to the members of British Veterinary Association

Opinion

We have audited the financial statements of British Veterinary Association (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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.

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 statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors are responsible for the other information. The other information comprises the information included in the Annual report¹, other than the financial statements and our Auditor's report thereon. 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 other 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 in the financial statements or a material misstatement of the other information. 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.

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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of directors (continued)

In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the 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.

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



Edward Finch, Senior Statutory Auditor
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

8/8/18

Statement of comprehensive income Year to 31 December 2017

	Notes	2017 £	2016 £
Gross revenue	10	5,924,628	5,837,621
Cost of sales		(4,524,424)	(4,407,990)
Gross surplus		1,400,204	1,429,631
Administrative expenses		(1,363,877)	(1,365,259)
		36,327	64,372
Other operating income		51,750	50,500
Operating surplus		88,077	114,872
Interest receivable and similar income		26,677	22,057
Surplus before investment gains and losses		114,754	136,929
Unrealised gain on investments	3	30,643	48,295
Surplus before taxation		145,397	185,224
Taxation	13	59,513	84,545
Surplus and total comprehensive income for the year	11	204,910	269,769

Statement of changes in reserves

	Notes	2017 £	2016 £
Total comprehensive income for the year		204,910	269,769
Retained earnings 1 January 2017		10,345,318	10,075,549
Retained earnings 31 December 2017	8	10,550,228	10,345,318

All of the company's activities derived from continuing operations during the above financial periods.

Balance sheet 31 December 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	1		7,796,373		7,858,467
Intangible fixed assets	2		148,436		193,026
Investments	3		615,731		582,155
			<u>8,560,540</u>		<u>8,633,648</u>
Current assets					
Stock	4	3,294		3,476	
Debtors	5	932,989		984,872	
Cash at bank and in hand		3,063,940		2,774,216	
		<u>4,000,223</u>		<u>3,762,564</u>	
Creditors: amounts falling due within one year	6	<u>1,617,692</u>		<u>1,592,416</u>	
Net current assets			2,382,531		2,170,148
Provisions	7		(392,843)		(458,478)
Total net assets			<u>10,550,228</u>		<u>10,345,318</u>
Capital and reserves					
Revaluation reserve	9		6,724,967		6,737,355
Income and expenditure account	8		3,825,261		3,607,963
			<u>10,550,228</u>		<u>10,345,318</u>

Approved by the directors of British Veterinary Association, Company Registration Number 206456 (England and Wales), and signed on their behalf by:



Chairman

Chairman of the Audit & Finance Committee

Approved by the board on 2nd August 2018



Statement of cash flows 31 December 2017

	Notes	2017 £	2016 £
Cash inflow from operating activities:			
Net cash provided by operating activities	A	389,731	173,401
Taxation paid		(4,357)	-
Cash outflow from investing activities:			
Dividends and interest from investments		19,365	23,128
Purchase of tangible and intangible fixed assets		(117,629)	(15,215)
Proceeds from the disposal of investments		131,572	239,238
Purchase of investments		(128,958)	(237,460)
Net cash provided by investing activities		(95,650)	9,691
Change in cash and cash equivalents in the year		289,724	183,092
Cash and cash equivalents at 1 January 2017	B	2,774,216	2,591,124
Cash and cash equivalents at 31 December 2017	B	3,063,940	2,774,216

Notes to the statement of cash flows for the year to 31 December 2017.

A Reconciliation of the surplus for the year to net cash flow from operating activities			
		2017 £	2016 £
Operating surplus (as per the statement of comprehensive income)		88,077	114,872
Adjustments for:			
Depreciation and amortisation charges		224,313	212,326
Decrease in stocks		182	919
Decrease / (increase) in debtors		51,883	(386,424)
Increase in creditors		25,276	231,708
Net cash provided by operating activities		389,731	173,401
B Analysis of cash and cash equivalents			
		2017 £	2016 £
Cash at bank and in hand		3,063,940	2,774,216

Principal accounting policies 31 December 2017

The principal accounting policies which are adopted in the preparation of the Association's accounts are as follows.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

These financial statements present information about the Association as an individual company. The 51 divisions and 3 branches of BVA are not included in these financial statements as they operate autonomously from BVA.

Going concern

After reviewing the Association's forecasts and projections, the directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. The Association therefore continues to adopt the going concern basis in preparing its financial statements.

Gross revenue

Gross revenue consists of membership subscriptions, publication subscriptions, advertising revenue and income from the annual BVA congress, courses and the Canine Health Scheme, net of value added tax where applicable.

Revenue is recognised in the statement of comprehensive income to the extent that the Association obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received or receivable, excluding rebates, VAT and other sales taxes or duty. Any amounts receivable relating to future accounting periods are deferred.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key estimates included within these financial statements are:

- ◆ The estimated useful economic lives of tangible and intangible fixed assets.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and, where appropriate, impairment provisions. It is the Association's policy to capitalise assets over £1,000.

The Association carries its leasehold property at value in use, changes in value being recognised in the statement of comprehensive income.

Depreciation has been provided at the following rates, in order to write off the assets over their estimated useful lives:

- ◆ Long leasehold property 1% straight line
- ◆ Furniture, fixtures and equipment 20% straight line

Tangible fixed assets held at valuation are subject to an annual impairment review. Revaluations of the long leasehold property are carried out sufficiently regularly to ensure a materially correct valuation in the accounts.

Intangible assets

Intangible assets purchased by the Association are capitalised at cost.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful life. The carrying value of intangible assets is reviewed annually for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

The useful economic lives of intangible assets are as follows:

- ◆ Website – 5 years
- ◆ Customer relationship management system – 5 years

Stock

Stocks have been stated at the lower of cost and net realisable value.

Taxation

As a membership organisation and mutual trading body the Association is only taxable on those elements of its income that are derived from sources outside of its membership base. Capital gains are taxable.

Deferred tax is provided in full on material timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

Deferred tax is provided for in connection with the capital gains on property carried at valuation.

Investments

Investments are held mainly in companies quoted on world stock exchanges (or in funds which invest in the same way), partly for the purpose of generating income and partly to maintain the value of the Association's funds. They are initially recorded at cost, and at the balance sheet date are valued at fair value (the value for which they could be sold).

Gains or losses are included in the statement of comprehensive income as part of net income or expenditure.

Pension costs

Contributions to the Association's group stakeholder pension scheme are charged to the income and expenditure account in the year in which they become payable.

Provisions for liabilities

A provision is recognised when the Association has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Revaluation reserve

The Association's revaluation reserve is equal to the property valuation, less the related deferred tax provision, adjusted for the difference between historical cost depreciation and actual depreciation charged on the revalued amount.

1 Tangible fixed assets

	Long leasehold property and investments £	Furniture, fixtures & equipment £	Total £
Cost or valuation			
At 1 January 2017	8,150,000	1,500,260	9,650,260
Additions	-	56,289	56,289
At 31 December 2017	<u>8,150,000</u>	<u>1,556,549</u>	<u>9,706,549</u>
Depreciation			
At 1 January 2017	326,000	1,465,793	1,791,793
Charge for the year	81,500	36,883	118,383
At 31 December 2017	<u>407,500</u>	<u>1,502,676</u>	<u>1,910,176</u>
Net book value			
At 31 December 2017	<u>7,742,500</u>	<u>53,873</u>	<u>7,796,373</u>
At 31 December 2016	<u>7,824,000</u>	<u>34,467</u>	<u>7,858,467</u>

The amount included in cost or valuation above, representing assets held at valuation is as follows:

	2017 £	2016 £
Long leasehold property and improvements with a historical cost of £347,719 was revalued in 1964, 1984, 1995, 2001, 2006, 2008 and again in 2012 and is shown in the balance sheet at the following net book value	<u>7,742,500</u>	<u>7,824,000</u>

The property was valued externally on an existing use basis in 2012 by Cluttons LLP, Chartered Surveyors. The property is currently in a period of renovation, and will be revalued for accounts purposes once this is complete.

2 Intangible fixed assets

	Website and CRM system £	Total £
Cost or valuation		
At 1 January 2017	468,312	468,312
Additions	61,340	61,340
At 31 December 2017	<u>529,652</u>	<u>529,652</u>
Depreciation		
At 1 January 2017	275,286	275,286
Charge for the year	105,930	105,930
At 31 December 2017	<u>381,216</u>	<u>381,216</u>
Net book value		
At 31 December 2017	<u>148,436</u>	<u>148,436</u>
At 31 December 2016	<u>193,026</u>	<u>193,026</u>

Notes to the accounts 31 December 2017

2 Intangible fixed assets (continued)

During the year £61,340 (2016 - £7,200) was capitalised for the further development of the customer relationship management system, with an emphasis on the digitisation of the Canine Health Scheme. This represents 50% of the further development costs of the system, with the other 50% funded by The Kennel Club Limited, with whom the company has a joint venture agreement. Per the agreement the asset is jointly owned by the two parties.

3 Investments

	2017 £	2016 £
Listed investments:		
Market value of investments held at 1 January 2017	582,155	538,203
Cost of investments purchased	100,637	237,460
Market value of investments sold	(97,704)	(241,803)
Unrealised gains / (loss)	30,643	48,295
Market value of investments held at 31 December 2017	<u>615,731</u>	<u>582,155</u>
Historical cost of investments as at 31 December 2017	<u>533,161</u>	<u>520,895</u>

At the balance sheet date, the potential tax liability which would crystallise in the event of the full disposal of the company's investment portfolio amounted to £12,300 (2016 - £9,395). This has not been provided for as it is not material.

4 Stocks

	2017 £	2016 £
Stocks of publications	1,136	1,916
Consumables	2,158	1,560
	<u>3,294</u>	<u>3,476</u>

5 Debtors

	2017 £	2016 £
Trade debtors	345,755	355,339
Other debtors	392,654	336,845
Prepayments and accrued income	194,580	292,688
	<u>932,989</u>	<u>984,872</u>

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	511,331	615,066
Other creditors	78,100	95,395
Accruals	260,362	265,628
Deferred membership and publication subscriptions	767,899	616,327
	<u>1,617,692</u>	<u>1,592,416</u>

Included in other creditors are taxation and social security liabilities of £59,595 (2016 - £63,812).

Notes to the accounts 31 December 2017

7 Deferred tax provision

	2017 £	2016 £
As at 1 January 2017	458,478	546,339
Movement in connection with property	(65,635)	(87,861)
Provision for deferred tax on property	392,843	458,478

8 Capital and movement on reserves

The Association has no share capital. The liability of members is limited by guarantee and does not exceed £2.10 per member. There were 17,109 members at 31 December 2017 (2016 - 16,597).

Members' interests are represented by accumulated reserves as follows:

	Total reserves £	Building revaluation surplus £	Investments revaluation surplus £	Income and expenditure account £
At 1 January 2017	10,345,318	6,737,355	61,260	3,546,703
Retained surplus for the year	204,910	-	-	204,910
Movement on deferred tax provision	-	65,635	-	(65,635)
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	-	(78,023)	-	78,023
Difference between historical cost profit on sale of investments and the actual profit on sale of investments calculated on the revalued amount	-	-	(9,333)	9,333
Gain on investments revaluation	-	-	30,643	(30,643)
At 31 December 2017	10,550,228	6,724,967	82,570	3,724,691

9 Revaluation reserve

	2017 £	2016 £
Arising on revaluation of leasehold property	6,724,967	6,737,355
	6,724,967	6,737,355

There is a provision for deferred taxation against the revaluation of the leasehold property. The revaluation reserve incorporates the effect of the deferred tax provision. The prior year has been restated for consistency.

10 Segmental information

The Association's activities include;

- ◆ membership services;
- ◆ publication sales, subscriptions and advertising revenues;
- ◆ Canine Health Scheme; and
- ◆ Other income.

In the directors' opinion, disclosure of the income by segment would be prejudicial to the Association's interest and therefore the information has not been disclosed.

11 Surplus

This is stated after charging (crediting)

	2017 £	2016 £
(Profit) / loss on sale of fixed asset investments	(5,547)	2,565
Depreciation – tangible assets	118,383	118,664
Amortisation – intangible assets	105,930	93,662
Auditor's remuneration – audit	17,500	15,500
Officers'/Directors' remuneration	180,004	175,156

12 Employees

The average monthly number of employees during the year was 44 (2016 - 44).

	2017 No.	2016 No.
Administrative/operational	35	35
Officers/Directors	9	9
	44	44

The staff costs were:

	2017 £	2016 £
Salaries	1,243,115	1,191,947
Social Security costs	155,585	146,102
Other pension costs (note 14)	109,626	111,205
	1,508,326	1,449,254

12 Employees (continued)

Officers'/Directors' emoluments

The emoluments of individual directors in the current year fell into the following bands:

	Number	2017 £
£0 - £10,000	8	48,486
£20,001 - £30,000	1	25,406
£40,001 - £50,000	1	42,683
£60,001 - £70,000	1	63,429
	11	180,004

The Officers and Directors of the Association are all directors for the purposes of company law.

The total cost of employment of the key management personnel for the year was £353,917 (2016 - £343,044).

13 Taxation

The taxation charge in the income and expenditure account is made up as follows:

	2017 £	2016 £
Corporation tax on current year's profit	-	1,822
Under provision on previous year's profit	4,357	-
Tax suffered on franked investment income	1,765	1,494
Movement on deferred taxation (note 7)	(65,635)	(87,861)
	(59,513)	(84,545)

The corporation tax on current year's profit is calculated as follows:

	2017 £	2016 £
Tax reconciliation:		
Profit on ordinary activities before taxation	145,397	185,224
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.25% (2016 – 20.0%)	27,984	37,045
Tax effect of:		
Profit arising on non-taxable activity and non-deductible expenditure	(46,639)	(52,716)
Fixed asset differences	15,686	16,300
Chargeable gains / (losses)	2,969	1,193
Tax credit for the period	-	1,822

As a membership organisation and mutual trading body, the company is only taxable on those elements of its income that are derived from sources outside of its membership base and capital gains.

14 Pensions

Group stakeholder pension scheme

The pension cost charge represents contributions payable to the group stakeholder pension scheme and amounted to £109,626 (2016 - £111,205).

15 Note on historical cost surplus and deficits

	2017 £	2016 £
Reported surplus on ordinary activities before taxation and other recognised gains and losses	114,754	136,929
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued investments	78,023	78,023
Difference between historical cost profit on sale of investments and the actual profit on sale of investments calculated on the revalued investments	9,333	15,554
Historical cost surplus on ordinary activities before taxation	<u>202,110</u>	<u>230,506</u>
Historical cost surplus for the year retained after taxation	<u>273,849</u>	<u>315,051</u>

16 Related party transactions

An amount of £109,245 (2016 - £77,336) was charged by the company to the charity Animal Welfare Foundation (charity registration number 287117), a known related party, in respect of staff costs.

A further amount of £8,750 (2016 - £10,200) is included in income, being a management charge made to the same entity. A total of £49,963 was due from Animal Welfare Foundation to the company as at 31 December 2017 (2016 - £29,656).

17 Commitments

As at 31 December 2017, the company was committed to costs of £167,500 in relation to project management and architecture for the purpose of building renovation.

Detailed income and expenditure account 31 December 2017

	2017		2016	
	£	£	£	£
Membership subscriptions	2,213,459		2,181,233	
Membership services and sponsorship	164,132		171,461	
	<u>2,377,591</u>		<u>2,352,694</u>	
Membership services	(864,382)		(868,491)	
Veterinary policy and media	<u>(704,233)</u>		<u>(676,125)</u>	
		808,976		808,078
Publications sales subscriptions and advertising revenue	2,447,388		2,487,370	
Cost of publications sales	<u>(2,221,193)</u>		<u>(2,219,968)</u>	
		226,195		267,402
Congress and CPD courses	191,322		156,401	
Cost of congress and CPD courses	<u>(200,394)</u>		<u>(180,453)</u>	
		(9,072)		(24,052)
Canine Health Schemes	892,075		822,574	
Cost of Canine Health Schemes	<u>(513,006)</u>		<u>(443,835)</u>	
		379,069		378,739
Catering income	16,252		18,582	
Cost of catering	<u>(21,216)</u>		<u>(19,118)</u>	
		(4,964)		(536)
Administrative expenses				
Admin salaries, wages, pension and other employee costs	(258,257)		(261,843)	
Officers'/Directors' expenses	(116,665)		(150,235)	
Officers'/Directors' stipends	(205,048)		(198,635)	
Staff training	(11,522)		(7,652)	
Building security	(4,772)		(4,710)	
Rent and rates	(131,870)		(122,235)	
Repairs and renewals	(20,515)		(25,423)	
House and cleaning expenses	(40,904)		(39,818)	
Electricity, gas and water	(16,426)		(17,025)	
Telephone	(6,137)		(6,887)	
Insurance	(84,982)		(81,871)	
Printing, postage and stationery	(23,923)		(14,782)	
Legal and professional	(96,924)		(106,093)	
Audit and accountancy	(15,556)		(15,753)	
Subscriptions and donations	(14,000)		(14,000)	
General expenses	(12,321)		(9,807)	
Bank charges	(17,237)		(16,272)	
Computer expenses	(62,505)		(59,892)	
Depreciation	<u>(224,313)</u>		<u>(212,326)</u>	
		<u>(1,363,877)</u>		<u>(1,365,259)</u>
Total carried forward		<u>36,327</u>		<u>64,372</u>

Detailed income and expenditure account 31 December 2017

	2017		2016	
	£	£	£	£
Balance brought forward		36,327		64,372
Other operating income				
Other income	51,750		50,500	
		51,750		50,500
Operating surplus		88,077		114,872
Interest receivable and similar income				
Dividend income from investments	20,194		17,310	
Profit / (loss) on sale of investments	5,547		(2,565)	
Bank deposit interest	936		7,312	
		26,677		22,057
Surplus on ordinary activities before taxation and other recognised gains and losses		114,754		136,929

The information on pages 20 and 21 does not form part of the statutory financial statements.