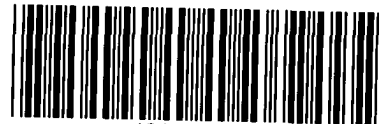


Company number: SC37444  
Scottish Charity No: SC007269

**THE ROWETT RESEARCH INSTITUTE**  
(Limited By Guarantee, Not Having A Share Capital)

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**

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**THE ROWETT RESEARCH INSTITUTE**

**(Limited By Guarantee, Not Having A Share Capital)**

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**Financial Statements for the Year ended 31 July 2016**

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# **THE ROWETT RESEARCH INSTITUTE (Limited By Guarantee, Not Having A Share Capital)**

## **Report of the Governing Body for the Year ended 31 July 2016**

The Governing Body, who are the trustees and directors of the charitable company, present their report and audited financial statements for the year ended 31 July 2016. The financial statements have been prepared on the basis of the accounting policies set out in note one to the financial statements and comply with the Rowett Research Institute's ("the Trust's") Memorandum and Articles of Association, applicable law and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

### **Reference and Administration Details**

#### **Governing Body**

Mr B S Pack, Chairman  
Mr D R Whiteford  
Professor Stephen Douglas Logan,  
Professor Neva Elizabeth Hailes  
Sir Moir Lockhead  
Professor Peter John Morgan

Company Secretary:  
Mitre Secretaries Ltd  
Cannon Place  
78 Cannon Street  
London EC4N 6AF

#### **Advisors**

*Auditor:*  
KPMG LLP  
37 Albyn Place  
Aberdeen  
AB10 1JB

*Bankers:*  
Clydesdale Bank plc  
Victoria Street  
Dyce  
AB21 7AX

*Lawyers:*  
CMS Cameron McKenna LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

*Investments advisors:*  
Brewin Dolphin  
23 Rubislaw Terrace  
Aberdeen  
AB10 1XE

*Registered Office:*  
13 Queen's Road  
Aberdeen  
AB15 4YL

### **Structure, Governance and Management**

#### **History of the Institute**

The Institute was first established by a Joint Committee of the University of Aberdeen and the North of Scotland College of Agriculture following a recommendation under the 1911 Scheme of Development Commission for promoting scientific research in animal nutrition in the Aberdeen area. It takes its name from John Quiller Rowett, a London businessman, who in 1919 provided funds to enable land to be purchased and the first laboratories to be built on the Bucksburn site. In 1962, the Institute was incorporated under the Companies Act 1948, No 37444. On 30 June 2008, the Institute merged with the University of Aberdeen and the company is now a 100% owned subsidiary of the University.

It remains a company limited by Guarantee within the meaning of Part 1 of the Companies Act 2006 and is subject to the obligations imposed on such companies by the Companies Acts. The Office of the Scottish Charity Regulator (Scottish Charity Number SC007269) also recognises the Institute as a Charity.

#### **Membership of the Governing Body**

The Members of the Governing Body of the Institute up for the year ended 31 July 2016 and as at the date of this report are shown within the reference and administration details section. Under the Merger Agreement with the University of Aberdeen, a new Board of six members replaced the existing Board with effect from 30 June 2008. The members of the Governing Body were not paid emoluments or expenses during the year ended 31 July 2016.

# **THE ROWETT RESEARCH INSTITUTE**

## **(Limited By Guarantee, Not Having A Share Capital)**

### **Report of the Governing Body for the Year ended 31 July 2016**

#### **Organisational Structure**

Following the merger, agreement was reached that all employees, activities and assets apart from heritable land and property would transfer to the University. All employees were transferred into the employment of the University of Aberdeen's Rowett Institute of Nutrition and Health under the Transfer of Undertakings (Protection of Employment) (TUPE) Regulations 2006 and the RERAD Rolling Programme 4 grant was assigned, with the agreement of RERAD, to the University. All administrative duties are carried out by the University of Aberdeen on behalf of the Institute. As a result, the Institute has only a Governing Body and no other committees or structures in place.

#### **Objectives and Activities**

Until the merger with the University of Aberdeen, the Institute carried out an integrated scientific research programme in biological sciences of relevance to agriculture, food and health under Rolling Programme 4 (Nutrition). Following the merger, these activities were transferred to the University where these activities are being continued by the Rowett Institute of Nutrition & Health (RINH).

#### **Achievements, Performance, and Plans for future years**

Following the merger with the University of Aberdeen on 30 June 2008, all research activity was transferred to RINH. The Rowett Research Institute now holds land and property and leased this to the University up until June 2016. The arrangement ended with the completion of the new RINH facility at the Foresterhill Campus during the year.

#### **Investment Policy and Returns**

The Institute currently holds cash and is unlikely to hold any other class of investment in the foreseeable future. Cash holdings are deposited with the charity's bankers in a combination of the current account and an instant access deposit account.

#### **Principal risks and uncertainties**

As there is no ongoing activity within the Institute, other than the leasing of existing property to the University of Aberdeen, the Governing Body is of the view that the only principal risks and uncertainties relating to the Institute are managed through its estate investment. The wider capital estates strategy in the context of the University of Aberdeen, including plans for the RINH, is discussed within the University's Annual Report and Accounts.

#### **Key performance indicators ("KPIs")**

The Governing Body are of the opinion that analysis using KPIs is not necessary for an understanding of the development or position of the charity, given that there is no ongoing activity within the Institute, with the exception of the property leasing to the University of Aberdeen. The development and position of Aberdeen University, which includes the Institute, is discussed in the Group's Annual Report and Accounts.

#### **Reserves Policy**

The merger agreement between the Institute and the University of Aberdeen states that the remaining reserves held within the Institute, after the transfer of endowments received for specific purposes, will be applied to the cost of the new facility at Foresterhill. This includes the endowment and capital funds that are restricted for that purpose. As the Institute is no longer undertaking any activities, the Governing Body is of the opinion that minimal unrestricted reserves are required. The current level of unrestricted reserves is therefore considered more than appropriate for this purpose.

#### **Financial Review**

The statement of financial activity is set out on page 5 and reports a deficit of £8.1m for the year ended 31 July 2016 (2015: deficit £3.8m). Total income of the Institute for 2016 was £4.7m (2015: £0.4m) including a £4.4m gain on the disposal of part of the Bucksburn site. Expenditure of £12.8m (2015: £4.2m) includes a £12.1m donation to the University of Aberdeen (2015: £3.6m) predominantly comprising the proceeds from the disposal of freehold land. The donation is a contribution towards the new Rowett Institute of Nutrition & Health facility at Foresterhill, which was opened during the year.

The Governing Body confirms that, on a fund by fund basis, the Group's assets are available and adequate to fund its obligations. Post-merger the Institute has leased its facilities to the University of Aberdeen.

**THE ROWETT RESEARCH INSTITUTE  
(Limited By Guarantee, Not Having A Share Capital)**

**Report of the Governing Body for the Year ended 31 July 2016**

**Statement of the Governing Body's Responsibilities**

The Governing Body (who are the trustees for the purpose of charity law, and also the directors of the Rowett Research Institute for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Company law requires the Governing Body to prepare financial statements for each financial year. Under that law, they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law, the Governing Body 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 excess of expenditure over income for that period. In preparing these financial statements, the Governing Body is required to:

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

The Governing Body is responsible for keeping proper 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 Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on 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.

**Disclosure of information to auditor**

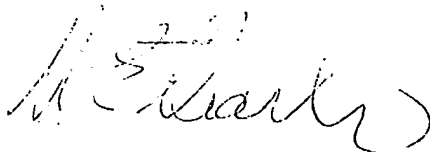
The trustees who held office at the date of approval of this trustees' report confirm that, so far as they are each aware, there is no relevant audit information of which the Trust's auditor is unaware and each trustee has taken all reasonable steps as a trustee to make him or her aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

**By order of the Governing Body**

Professor N Haites  
Director



11 April 2017

**Registered Number: SC37444**

## **Independent Auditor's Report to the Trustees and Members of the Rowett Research Institute**

We have audited the financial statements of the Rowett Research Institute for the year ended 31 July 2016 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's 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 section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

### **Respective responsibilities of the Governing Body and auditor**

As explained more fully in the Statement of the Governing Body's Responsibilities set out on page 3, the Governing Body (who are also trustees of the charitable company for the purpose of charity law, and the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2016 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 UK 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).

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information in the Trustee's Annual Report, which constitutes the Report of the Governing Body for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if in our opinion:

- the charitable company has not kept adequate and proper accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to the advantages of the small companies exemption from the requirement to prepare a strategic report.



**David Derbyshire (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

*KPMG LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006*

37 Albyn Place

Aberdeen AB10 1JB

12 April 2017

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited By Guarantee, Not Having A Share Capital)**

**Statement of Financial Activities for the Year ended 31 July 2016**  
**(including income and expenditure account)**

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Capital Funds £000	Total Funds 2016 £000	Total Funds 2015 £000
<b>Income from:</b>							
Investments	2	-	2	2	-	4	3
Charitable activities	3	-	321	-	-	321	350
Other	4	-	-	-	4,382	4,382	87
<b>Total Income</b>		<b>-</b>	<b>323</b>	<b>2</b>	<b>4,382</b>	<b>4,707</b>	<b>440</b>
<b>Expenditure</b>							
Expenditure on charitable activities	5	11,247	-	1,132	458	12,837	4,248
<b>Total Expenditure</b>		<b>11,247</b>	<b>-</b>	<b>1,132</b>	<b>458</b>	<b>12,837</b>	<b>4,248</b>
<b>Net (expenditure)/income before other recognised gains and losses</b>		<b>(11,247)</b>	<b>323</b>	<b>(1,130)</b>	<b>3,924</b>	<b>(8,130)</b>	<b>(3,808)</b>
<b>Other recognised gains/losses (Loss) on revaluation of fixed assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,293)</b>	<b>(1,293)</b>	<b>(175)</b>
<b>Total comprehensive (expenditure)/income</b>		<b>(11,247)</b>	<b>323</b>	<b>(1,130)</b>	<b>2,631</b>	<b>(9,423)</b>	<b>(3,983)</b>
<b>Transfer between funds</b>		<b>11,312</b>	<b>-</b>	<b>-</b>	<b>(11,312)</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of funds</b>		<b>111</b>	<b>352</b>	<b>1,130</b>	<b>15,518</b>	<b>17,111</b>	<b>21,094</b>
<b>Total funds brought forward</b>		<b>111</b>	<b>352</b>	<b>1,130</b>	<b>15,518</b>	<b>17,111</b>	<b>21,094</b>
<b>Total funds to be carried forward</b>		<b>176</b>	<b>675</b>	<b>-</b>	<b>6,837</b>	<b>7,688</b>	<b>17,111</b>

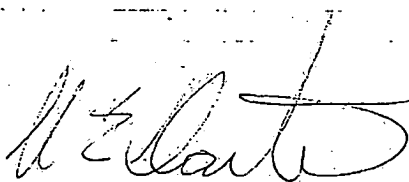
**THE ROWETT RESEARCH INSTITUTE**  
(Limited By Guarantee, Not Having A Share Capital)

**Balance Sheet as at 31 July 2016**

	Notes	2016 £000	2015 £000
<b>Fixed assets</b>			
Tangible assets	6	<u>6,837</u>	<u>15,518</u>
		<u>6,837</u>	<u>15,518</u>
<b>Current assets</b>			
Debtors	7	33	29
Cash at bank and in hand		<u>838</u>	<u>1,652</u>
		<u>871</u>	<u>1,681</u>
<b>Liabilities</b>			
Creditors falling due within one year	8	(20)	(88)
		<u>851</u>	<u>1,593</u>
<b>Net current assets</b>		<u>851</u>	<u>1,593</u>
<b>Total assets less current liabilities</b>		<u>7,688</u>	<u>17,111</u>
Creditors falling due after more than one year			
<b>Total net assets</b>	16	<u>7,688</u>	<u>17,111</u>
<b>The funds of the charity</b>			
Unrestricted Funds	10	176	111
Restricted Funds (reserves)	11	675	352
Endowment Funds	12	-	1,130
Capital Funds - restricted	13	-	3,183
Capital Funds - revaluation reserve	14	6,837	12,335
<b>Total charity funds</b>	16	<u>7,688</u>	<u>17,111</u>

The financial statements on pages 5 to 12 were approved on behalf of the Governing Body on 11 July 2016 and were signed on its behalf by:

Professor N Haites  
Director



Registered Number: SC37444



**THE ROWETT RESEARCH INSTITUTE**  
**(Limited By Guarantee, Not Having A Share Capital)**

**Statement of Cash Flows for the Year ended 31 July 2016**

	Note	2016 £000	2015 £000
<b>Cash used in operating activities</b>	15	(12,130)	33
<b>Cash flows from investing activities</b>			
Interest income	2	2	2
Investment income	2	2	1
<b>Cash provided by investing activities</b>		<u>4</u>	<u>3</u>
<b>Cash flows from capital expenditure and financing activities</b>			
Proceeds on sale of tangible assets		<u>11,312</u>	<u>87</u>
<b>Cash used in capital expenditure and financing activities</b>		<u>11,312</u>	<u>87</u>
Increase/(decrease) in cash in the year		(814)	123
Cash and cash equivalents at the beginning of the year		1,652	1,529
<b>Total cash and cash equivalents at the end of the year</b>		<u>838</u>	<u>1,652</u>

# THE ROWETT RESEARCH INSTITUTE

## (Limited By Guarantee, Not Having A Share Capital)

### Notes to the Financial Statements for the Year ended 31 July 2016

#### 1 Statement of accounting policies

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 (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the company's activities.

#### Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. Details of changes are in Note 20.

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of tangible fixed assets, investment property and listed investments. A summary of the principal accounting policies, which have been applied consistently, is set out below.

The accounts have been prepared on a going concern basis, as the Governing Body are satisfied that the Institution has sufficient unrestricted reserves and expects that the Institution's activities will continue in the current manner for the foreseeable future.

In accordance with section 405 of the Companies Act 2006, the Governing Body have elected not to consolidate the activity of its subsidiary undertaking, Rowett Research Services Limited, on the grounds that its inclusion is not material for the purpose of giving a true and fair view.

#### Tangible fixed assets

Tangible fixed assets are capitalised at their cost of acquisition and installation. Land and buildings, other than investment properties are formally re-valued every five years. Investment properties are re-valued annually.

The Institute performs impairment reviews of its land and buildings whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount.

#### Depreciation

Depreciation is provided on all tangible fixed assets, other than land and investment properties which are not depreciated. Depreciation is provided at rates calculated to write off the re-valued cost of each asset over the following useful lives:

Freehold buildings	5 – 50 years
Plant and machinery	5 – 10 years
Vehicles	5 years
Computers	3 years

#### Investments

Listed investments are stated at market value, unlisted securities are stated at cost less provision for impairment. Investments in subsidiaries are included at cost, except where provision is made against an identified permanent diminution in value.

#### Restricted Income and associated expenditure

Income is recognised when the company has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Restricted income is any income that is for specific purposes as designated by the grantor or donor and can only be applied to those purposes, e.g. research grants. Rental income generated from the use of restricted fund assets is also treated as restricted, as is investment income arising from the investment of restricted funds. Where expenditure in the income and expenditure account has been financed by restricted income, both have been dealt with under the accruals concept and are matching.

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited By Guarantee, Not Having A Share Capital)**

**Notes to the Financial Statements for the Year ended 31 July 2016**

**1 Statement of accounting policies (continued)**

**Taxation**

The Institute is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 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.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Financial instruments**

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently measured at their settlement value.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources.

**Charitable activities**

Activities in furtherance of charities objectives comprise all expenditure directly relating to the objects of the Institute and the direct costs of supporting those activities and projects.

Unrestricted funds are available to spend on activities that further any purpose of charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects undertaken.

<b>2</b>	<b>Income from investments</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Bank interest	2	2
	Income from permanent endowment funds	2	1
		<u>4</u>	<u>3</u>
<b>3</b>	<b>Income - charitable activities</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	From the University of Aberdeen	321	350
<b>4</b>	<b>Other Income</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Gain on disposal of land and buildings	4,382	87
<b>5</b>	<b>Expenditure - charitable activities</b>	<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
	Donation to University of Aberdeen	12,120	3,600
	Costs regarding disposal of assets	254	178
	Other expenditure	5	12
	Depreciation	458	458
		<u>12,837</u>	<u>4,248</u>

The Rowett Research Institute has no employees

**THE ROWETT RESEARCH INSTITUTE**  
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**Notes to the Financial Statements for the Year ended 31 July 2016**

**6 Tangible assets**

	<b>Land &amp; Buildings £000</b>
<b>Cost or valuation</b>	
At 1 August 2015	15,976
Revaluation	(1,293)
Disposals	(7,788)
At 31 July 2016	<u>6,895</u>
<b>Depreciation</b>	
At 1 August 2015	458
Charge for year	458
Disposals	(858)
At 31 July 2016	<u>(58)</u>
<b>Net book value</b>	
At 31 July 2016	<u>6,837</u>
At 31 July 2015	<u>15,518</u>

Included within land and buildings are investment properties with a net book value at 31 July 2016 of £5,669k (2015: £7,527k). These residential properties are not depreciated but are revalued annually in accordance with SSAP19: Investment Properties. The latest valuation was carried out on 31 July by Mr A Donaldson, BLE, MRICS, Director of Estates, University of Aberdeen on an open market value basis.

For other land and building assets, with a net book value of £1,166k at 31 July 2016 (2015: £7,991k), the latest valuation was carried out on 31 July 2015 and was performed by Mr A Donaldson, BLE, MRICS, Director of Estates, University of Aberdeen. The basis of valuation is depreciated replacement cost as set out in the Royal Institution of Chartered Surveyor's Statement of Asset Valuation Practice and Guidance Notes. The 31 July 2016 valuation was externally reviewed by FG Burnett, Chartered Surveyors.

	<b>2016 £000</b>	<b>2015 £000</b>
<b>7 Debtors</b>		
<b>Amounts falling due within one year</b>		
Due by subsidiary undertaking	-	29
Prepayments	33	-
	<u>33</u>	<u>29</u>
<b>8 Creditors</b>		
<b>Amounts falling due within one year</b>		
Other creditors	18	45
Accruals and deferred income	2	43
	<u>20</u>	<u>88</u>

**9 Company guarantee**

The company has charitable status and it is a company limited by guarantee not exceeding £1 per member (2016: 6 members).

	<b>2016 £000</b>	<b>2015 £000</b>
<b>10 Unrestricted Funds</b>		
Balance at 1 August	111	3,814
Expenditure on charitable activities	(11,247)	(4,161)
Transfers from capital funds and revaluation reserve – depreciation and disposals	11,312	458
At 31 July	<u>176</u>	<u>111</u>

Transfers to unrestricted funds are the surpluses on external research contracts and core funds that are retained to finance ongoing costs. Transfers from unrestricted funds represent outflows from charitable activities in the year, net of unrestricted income.

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited By Guarantee, Not Having A Share Capital)**

**Notes to the Financial Statements for the Year ended 31 July 2016**

	2016 £000	2015 £000
<b>11 Restricted Funds</b>		
Balance at 1 August	352	-
Income from charitable activities	323	352
<b>At 31 July</b>	<u>675</u>	<u>352</u>
Restricted funds represent retainable accumulated surpluses by the Institute on revenue funding by the Rural and Environment Research and Analysis Directorate RERAD.		
<b>12 Endowment Funds</b>	2016 £000	2015 £000
<b>Permanent Funds</b>		
At 1 August	1,130	1,129
Investment income	2	1
Expenditure on charitable activities	<u>(1,132)</u>	<u>-</u>
<b>At 31 July</b>	<u>-</u>	<u>1,130</u>
<b>13 Capital funds – restricted</b>	2016 £000	2015 £000
At 1 August	3,183	3,268
Total comprehensive income	3,924	-
Transfer to unrestricted funds - depreciation charge release	(86)	(85)
Transfer to unrestricted funds – amounts realised on disposal	<u>(7,021)</u>	<u>-</u>
<b>At 31 July</b>	<u>-</u>	<u>3,183</u>
<b>14 Capital Funds – revaluation reserve</b>	2016 £000	2015 £000
At 1 August	12,335	12,883
Revaluation loss of tangible fixed assets	(1,293)	(175)
Transfer to unrestricted funds - depreciation charge release	(373)	(373)
Transfer to unrestricted funds - release in respect of disposals	<u>(3,832)</u>	<u>-</u>
<b>At 31 July</b>	<u>6,837</u>	<u>12,335</u>
<b>15 Reconciliation of deficit to Net Cash Inflow from Operating Activities</b>	2016 £000	2015 £000
Net outgoing resources before other recognised gains and losses	(8,130)	(3,808)
Investment income	(4)	(3)
Depreciation	458	458
Gain on sale of fixed assets	(4,382)	(87)
Decrease/(increase) in debtors	(4)	3,576
Increase/(decrease) in creditors	<u>(68)</u>	<u>(103)</u>
<b>Net cash inflow/(outflow) from continuing operating activities</b>	<u>(12,130)</u>	<u>33</u>

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited By Guarantee, Not Having A Share Capital)**

**Notes to the Financial Statements for the Year ended 31 July 2016**

**16 Analysis of Net Assets Between Funds**

	Capital Funds Restricted £000	Capital Funds Revaluation reserve £000	Endowment Funds £000	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Tangible fixed assets	-	6,837	-	-	-	6,837	15,518
Current assets	-	-	-	176	695	871	1,681
Liabilities	-	-	-	-	(20)	(20)	(88)
<b>Total net assets</b>	<b>-</b>	<b>6,837</b>	<b>-</b>	<b>176</b>	<b>675</b>	<b>7,688</b>	<b>17,111</b>

**17 Financial instruments**

The company's financial instruments principally comprise cash and cash equivalents at 31 December 2016 and 31 December 2015.

**18 Related party transactions**

During the current and prior year the company received income from the its parent undertaking, the University of Aberdeen, as disclosed in note 3. The company made donations to the University of Aberdeen in the current and prior year as disclosed in note 5.

**19 Ultimate controlling party**

The ultimate parent body and controlling party is the University of Aberdeen, Kings College, Aberdeen, Scotland AB23 3FX. Copies of the University's consolidated financial statements can be obtained from the above address.

**20 Transition to FRS102**

These are the Institute's first financial statements prepared in accordance with FRS102 and the 2015 SORP. The changes to the prior year financial statements are only presentational and can be reconciled to the previously reported statements as follows:

**Statement of Financial Activities for the Year ended 31 July 2015**

	Old SORP £000	Effect of Transition £000	New SORP £000
<b>Income from</b>			
Investments	3	-	3
Charitable activities	350	-	350
Other income	87	-	87
<b>Total Income</b>	<b>440</b>	<b>-</b>	<b>440</b>
<b>Expenditure</b>			
Expenditure on charitable activities	4,243	5	4,248
Expenditure on governance costs	5	(5)	-
<b>Total Expenditure</b>	<b>4,248</b>	<b>-</b>	<b>4,248</b>
<b>Net expenditure before other recognised gains and losses</b>	<b>(3,808)</b>	<b>-</b>	<b>(3,808)</b>
<b>Other recognised gains/losses</b>			
<i>(Loss) on revaluation of fixed assets</i>	(175)	-	(175)
<b>Reconciliation of funds</b>			
Total funds brought forward	21,094	-	21,094
<b>Total funds to be carried forward</b>	<b>17,111</b>	<b>-</b>	<b>17,111</b>