

Company number: SC037444  
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 2017**

SATURDAY



\*S6LV0PIQ\*

SCT

23/12/2017

#135

COMPANIES HOUSE

**THE ROWETT RESEARCH INSTITUTE**

**(Limited by Guarantee, Not Having a Share Capital)**

**Financial Statements for the Year ended 31 July 2017**

**Contents**

Report of the Governing Body.....	1
Independent auditor's report to the Trustees and Members of The Rowett Research Institute .....	4
Statement of financial activities for the year ended 31 July 2017.....	6
Balance sheet as at 31 July 2017 .....	7
Cash flow statement for the year ended 31 July 2017 .....	8
Notes to the financial statements for the year ended 31 July 2017 .....	9

# **THE ROWETT RESEARCH INSTITUTE**

## **(Limited by Guarantee, Not Having a Share Capital)**

### **Report of the Governing Body for the Year ended 31 July 2017**

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 2017. 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 Institute'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 Haites  
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:*  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EN

#### **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 SC037444. 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 2017 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 2017.

# **THE ROWETT RESEARCH INSTITUTE (Limited by Guarantee, Not Having a Share Capital)**

## **Report of the Governing Body for the Year ended 31 July 2017**

### **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). The Institute is continuing to hold its land and investment property assets with the intention of applying the remaining reserves to its charitable objectives via the University of Aberdeen in the future.

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

In the current year, the Institute has held its land and investment property assets. The lease of land and property to the University ended in June 2016 with the completion of the new RINH facility at the Foresterhill campus at that date.

### **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 the Institute only continues to hold its land and investment property assets, 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 holding land and buildings and investment property assets. 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. Based on the Institute's planned activities, the Governing Body is of the opinion that minimal reserves are required. The current level of reserves is therefore considered more than appropriate for this purpose.

### **Financial Review**

The statement of financial activity is set out on page 6 and reports a deficit before revaluation of £0.26m for the year ended 31 July 2017 (2016: deficit £8.1m). Expenditure of £0.26m (2016: £12.8m) relates towards the costs of the planned disposal of surplus land. Investment properties reduced in value by £0.84m (2016: £1.3m) resulting in comprehensive expenditure of £1.1m (2016: £9.4m)

The Governing Body confirms that, on a fund by fund basis, the Group's assets are available and adequate to fund its obligations.

# **THE ROWETT RESEARCH INSTITUTE**

## **(Limited by Guarantee, Not Having a Share Capital)**

### **Report of the Governing Body for the Year ended 31 July 2017**

#### **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 profit or loss of the company 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Governing Body is 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, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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.

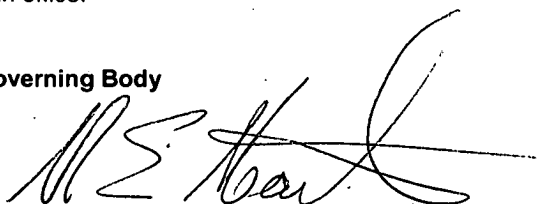
#### **Disclosure of information to auditor**

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

12 December 2017

**Registered Number: SC037444**

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

## Opinion

We have audited the financial statements of the Rowett Research Institute ("the charitable company") for the year ended 30 July 2017 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Changes in Cash flows and related notes, including the accounting policies in note 1.

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 2017 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 accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## Report of the Governing Body

The Governing Body is responsible for the Report of the Governing Body. Our opinion on the financial statements does not cover this report and we do not express an audit opinion thereon.

Our responsibility is to read the Report of the Governing Body and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Governing Body;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required 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 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 Governing Body was not entitled to the advantages of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## Responsibilities of the Governing Body

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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

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 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.



**David Derbyshire (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
37, Albyn Place  
Aberdeen  
AB10 1JB

12 December 2017

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited by Guarantee, Not Having a Share Capital)**

**Statement of Financial Activities for the Year ended 31 July 2017**  
**(including income and expenditure account)**

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds	Total Funds
		£000	£000	£000	2017	2016
					£000	£000
<b>Income from:</b>						
Investments	2	-	3	-	-	4
Charitable activities	3	-	-	-	-	321
Other	4	-	-	-	3	4,382
<b>Total income</b>		-	3	-	3	4,707
<b>Expenditure</b>						
Expenditure on charitable activities	5	265	-	-	265	12,837
<b>Total expenditure</b>		265	-	-	265	12,837
<b>Net (expenditure)/income before other recognised gains and losses</b>		(265)	3	-	(262)	(8,130)
<b>Other recognised gains/losses</b> <i>(Loss) on revaluation of fixed assets</i>		-	-	(837)	(837)	(1,293)
<b>Total comprehensive (expenditure)/income</b>		(265)	3	(837)	(1,099)	(9,423)
<b>Transfer between funds</b>		89	(89)	-	-	-
<b>Reconciliation of funds</b>						
Total funds brought forward		176	675	6,837	7,688	17,111
<b>Total funds to be carried forward</b>		-	589	6,000	6,589	7,688

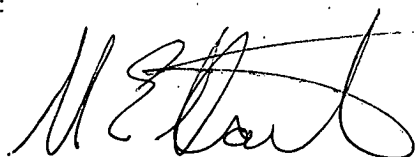


**THE ROWETT RESEARCH INSTITUTE**  
**(Limited by Guarantee, Not Having a Share Capital)**

**Balance Sheet as at 31 July 2017**

	Notes	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	6	<u>6,000</u>	<u>6,837</u>
		<u>6,000</u>	<u>6,837</u>
<b>Current assets</b>			
Debtors	7	-	33
Cash at bank and in hand		<u>660</u>	<u>838</u>
		<u>660</u>	<u>871</u>
<b>Liabilities</b>			
Creditors falling due within one year	8	(71)	(20)
<b>Net current assets</b>		<u>589</u>	<u>851</u>
<b>Total assets less current liabilities</b>		<u>6,589</u>	<u>7,688</u>
<b>Total net assets</b>	16	<u>6,589</u>	<u>7,688</u>
<b>The funds of the charity</b>			
Unrestricted Funds	10	-	176
Restricted Funds (reserves)	11	589	675
Endowment Funds	12	-	-
Capital Funds - restricted	13	-	-
Capital Funds - revaluation reserve	14	6,000	6,837
<b>Total charity funds</b>	16	<u>6,589</u>	<u>7,688</u>

The financial statements on pages 6 to 13 were approved on behalf of the Governing Body on 12 December 2017 and were signed on its behalf by:



Professor N Haites  
 Director

Registered Number: SC037444

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited by Guarantee, Not Having a Share Capital)**

**Statement of Cash Flows for the Year ended 31 July 2017**

	Note	2017 £000	2016 £000
<b>Cash used in operating activities</b>	15	(181)	(12,130)
<b>Cash flows from investing activities</b>			
Interest income	2	3	2
Investment income	2	-	2
<b>Cash provided by investing activities</b>		<u>3</u>	<u>4</u>
<b>Cash flows from capital expenditure and financing activities</b>			
Proceeds on sale of tangible assets		-	11,312
<b>Cash used in capital expenditure and financing activities</b>		<u>-</u>	<u>11,312</u>
Decrease in cash in the year		(178)	(814)
Cash and cash equivalents at the beginning of the year		838	1,652
<b>Total cash and cash equivalents at the end of the year</b>		<u>660</u>	<u>838</u>

# THE ROWETT RESEARCH INSTITUTE

## (Limited by Guarantee, Not Having a Share Capital)

### Notes to the Financial Statements for the Year ended 31 July 2017

#### 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.

#### 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. The presentation currency of the financial statements is sterling. A summary of the principal accounting policies, which have been applied consistently, is set out below.

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.

#### Going Concern

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

#### Tangible fixed assets

Tangible fixed assets are capitalised at their cost of acquisition and installation. Following the disposal of the majority of buildings, the previous policy of revaluing land and buildings on a depreciated replacement cost (DRC) basis was no longer relevant. Remaining land is now carried at the 31 July 2014 valuation figure and is reviewed on an annual basis.

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 granter 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 2017

#### 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 amortised cost.

##### 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>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
	Bank interest	3	2
	Income from permanent endowment funds	-	2
		<u>3</u>	<u>4</u>
<b>3</b>	<b>Income - charitable activities</b>	<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
	From the University of Aberdeen	-	321
<b>4</b>	<b>Other income</b>	<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
	Gain on disposal of land and buildings	-	4,382
<b>5</b>	<b>Expenditure - charitable activities</b>	<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>
	Donation to University of Aberdeen	-	12,120
	Costs regarding disposal of assets	263	254
	Other expenditure	2	5
	Depreciation	-	458
		<u>265</u>	<u>12,837</u>

The Rowett Research Institute has no employees.

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited by Guarantee, Not Having a Share Capital)**

**Notes to the Financial Statements for the Year ended 31 July 2017**

**6 Tangible assets**

	<b>Land &amp; Buildings £000</b>
<b>Cost or valuation</b>	
At 1 August 2016	6,895
Revaluation	(837)
At 31 July 2017	<u>6,058</u>
<b>Depreciation</b>	
At 1 August 2016	(58)
Charge for year	-
At 31 July 2017	<u>(58)</u>
<b>Net book value</b>	
At 31 July 2017	<u>6,000</u>
At 31 July 2016	<u>6,837</u>

Included within land and buildings are investment properties with a net book value at 31 July 2017 of £4,834k (2016: £5,669k). These residential properties are not depreciated but are revalued annually in accordance with FRS102, section 16: Investment Properties. The latest valuation was carried out on 31 July 2017 by Mr A Donaldson, BLE, MRICS, Director of Estates, University of Aberdeen on an open market value basis. Remaining tangible assets relate to land.

	<b>2017 £000</b>	<b>2016 £000</b>
<b>7 Debtors</b>		
Amounts falling due within one year		
Prepayments	-	33
<b>8 Creditors</b>		
Amounts falling due within one year		
Other creditors	69	18
Accruals	<u>2</u>	<u>2</u>
	<u>71</u>	<u>20</u>

**9 Company guarantee**

The company has charitable status and it is a company limited by guarantee not exceeding £1 per member (2017: 6 members).

	<b>2017 £000</b>	<b>2016 £000</b>
<b>10 Unrestricted Funds</b>		
Balance at 1 August	176	111
Expenditure on charitable activities	(265)	(11,247)
Transfer from restricted funds	89	-
Transfers from capital funds and revaluation reserve – depreciation and disposals	-	11,312
At 31 July	<u>-</u>	<u>176</u>

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited by Guarantee, Not Having a Share Capital)**

**Notes to the Financial Statements for the Year ended 31 July 2017**

	2017	2016
	£000	£000
<b>11 Restricted Funds</b>		
Balance at 1 August	675	352
Income from charitable activities	3	323
Transfer to unrestricted funds	(89)	-
<b>At 31 July</b>	<u>589</u>	<u>675</u>
<p>Restricted funds represent retainable accumulated surpluses by the Institute on revenue funding by the Rural and Environment Research and Analysis Directorate RERAD.</p>		
<b>12 Endowment Funds</b>	2017	2016
	£000	£000
<b>Permanent Funds</b>		
At 1 August	-	1,130
Investment income	-	2
Expenditure on charitable activities	-	(1,132)
<b>At 31 July</b>	<u>-</u>	<u>-</u>
<b>13 Capital Funds – restricted</b>	2017	2016
	£000	£000
At 1 August	-	3,183
Total comprehensive income	-	3,924
Transfer to unrestricted funds - depreciation charge release	-	(86)
Transfer to unrestricted funds – amounts realised on disposal	-	(7,021)
<b>At 31 July</b>	<u>-</u>	<u>-</u>
<b>14 Capital Funds – revaluation reserve</b>	2017	2016
	£000	£000
At 1 August	6,837	12,335
Revaluation loss of tangible fixed assets	(837)	(1,293)
Transfer to unrestricted funds - depreciation charge release	-	(373)
Transfer to unrestricted funds - release in respect of disposals	-	(3,832)
<b>At 31 July</b>	<u>6,000</u>	<u>6,837</u>
<b>15 Reconciliation of deficit to Net Cash Inflow from Operating Activities</b>	2017	2016
	£000	£000
Net outgoing resources before other recognised gains and losses	(262)	(8,130)
Investment income	(3)	(4)
Depreciation	-	458
Gain on sale of fixed assets	-	(4,382)
Decrease/(increase) in debtors	33	(4)
Increase/(decrease) in creditors	51	(68)
<b>(Outflow) from operating activities</b>	<u>(181)</u>	<u>(12,130)</u>

**THE ROWETT RESEARCH INSTITUTE**  
**(Limited by Guarantee, Not Having a Share Capital)**

**Notes to the Financial Statements for the Year ended 31 July 2017**

**16 Analysis of Net Assets Between Funds**

	Capital Funds Revaluation reserve £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Tangible fixed assets	6,000	-	6,000	6,837
Current assets	-	660	660	871
Liabilities	-	(71)	(71)	(20)
<b>Total net assets</b>	<b>6,000</b>	<b>589</b>	<b>6,589</b>	<b>7,688</b>

**17 Financial instruments**

The company's financial instruments principally comprise cash and cash equivalents at 31 July 2017 and 31 July 2016. The company's financial instruments are measured at amortised cost.

**18 Related party transactions**

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