

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 2019

THE ROWETT RESEARCH INSTITUTE

(Limited by Guarantee, Not Having a Share Capital)

Financial Statements for the Year ended 31 July 2019

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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 2019

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 2019. 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

Mrs M McNeill
Professor M Campbell
Mr A Wight
Professor P Hannaford
Professor S Heys
Dr E Rattray

Company Secretary:
Shepherd and Wedderburn LLP
Commercial House
2 Rubislaw Terrace
Aberdeen AB10 1XE

Advisors

Auditor:
KPMG LLP
37 Albyn Place
Aberdeen
AB10 1JB

Bankers:
Clydesdale Bank plc
Victoria Street
Dyce
AB21 7AX

Lawyers:
Shepherd and Wedderburn LLP
Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

Registered Office:
Commercial House
2 Rubislaw Terrace
Aberdeen
AB10 1XE

Structure, Governance and Management

History of the Institute

The Rowett Research 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 2019 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 2019.

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Report of the Governing Body for the Year ended 31 July 2019

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. All administrative duties are carried out by the University of Aberdeen on behalf of the Institute. As a result, the Rowett Research 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 University's Rowett Institute. The Rowett Research 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. The University is supporting the Rowett Research Institute to actively dispose of these assets in order to allow the proceeds to be applied towards these objectives.

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 Rowett 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 Rowett Research Institute only continues to hold its land and investment property assets, which are used to support the activities now undertaken by 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 Rowett Institute, 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 loss before revaluation of £0.2m for the year ended 31 July 2019 (2018: surplus £2.9m). Expenditure of £0.3m (2018: £0.2m) relates towards the costs of the planned disposal of surplus land. Investment properties decreased in value by a net £0.4m compared with an increase of £0.3m in the prior year. Generally, the residential properties in Aberdeen have reduced in line with the market. Overall the Institute reported comprehensive expenditure £0.6m (2018: comprehensive income of £3.2m)

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 2019

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 M Campbell
Chair

5 February 2020

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 31 July 2019 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 2019 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the trustees, such as the carrying value of fixed assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and its effects are subject to unprecedented levels of uncertainty of consequences, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease its operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model, including the impact of Brexit, and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation.

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.

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

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.

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.

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

6 February 2020

THE ROWETT RESEARCH INSTITUTE
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Statement of Financial Activities for the Year ended 31 July 2019
(including income and expenditure account)

	Notes	Unrestricted Funds	Restricted Funds	Capital Funds	Total Funds 2019	Total Funds 2018
		£000	£000	£000	£000	£000
Income from:						
Bank Interest	2	-	4	-	4	2
Other	3	249	-	(196)	53	3,050
Total income		<u>249</u>	<u>4</u>	<u>(196)</u>	<u>57</u>	<u>3,052</u>
Expenditure						
Expenditure on charitable activities	4	279	-	-	279	197
Total expenditure		<u>279</u>	<u>-</u>	<u>-</u>	<u>279</u>	<u>197</u>
Net (expenditure)/income before other recognised gains and losses		(30)	4	(196)	(222)	2,855
Other recognised gains/losses <i>(Loss)/gain on revaluation of fixed assets</i>		-	-	(401)	(401)	301
Total comprehensive (expenditure)/income		(30)	4	(597)	(623)	3,156
Reconciliation of funds						
Total funds brought forward		2,898	591	6,256	9,745	6,589
Total funds to be carried forward		<u>2,868</u>	<u>595</u>	<u>5,659</u>	9,122	<u>9,745</u>

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Statement of Financial Activities for the Year ended 31 July 2018
(including income and expenditure account)

	Notes	Unrestricted Funds £000	Restricted Funds £000	Capital Funds £000	Total Funds 2018 £000	Total Funds 2017 £000
Income from:						
Bank Interest	2	-	2	-	2	3
Other	3	3,095	-	(45)	3,050	-
Total income		<u>3,095</u>	<u>2</u>	<u>(45)</u>	<u>3,052</u>	<u>3</u>
Expenditure						
Expenditure on charitable activities	4	197	-	-	197	265
Total expenditure		<u>197</u>	<u>-</u>	<u>-</u>	<u>197</u>	<u>265</u>
Net income/(expenditure)before other recognised gains and losses		2,898	2	(45)	2,855	(262)
Other recognised gains/losses						
<i>Gain/(loss) on revaluation of fixed assets</i>		-	-	301	301	(837)
Total comprehensive income/(expenditure)		2,898	2	256	3,156	(1,099)
Reconciliation of funds						
Total funds brought forward		-	589	6,000	6,589	7,688
Total funds to be carried forward		<u>2,898</u>	<u>591</u>	<u>6,256</u>	<u>9,745</u>	<u>6,589</u>

THE ROWETT RESEARCH INSTITUTE
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Balance Sheet as at 31 July 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Tangible assets	5	<u>5,659</u>	<u>6,256</u>
		<u>5,659</u>	<u>6,256</u>
Current assets			
Debtors	6	2,000	3,075
Cash at bank and in hand		<u>1,519</u>	<u>437</u>
		<u>3,519</u>	<u>3,512</u>
Liabilities			
Creditors falling due within one year	7	(56)	(23)
Net current assets		<u>3,463</u>	<u>3,489</u>
Total assets less current liabilities		<u>9,122</u>	<u>9,745</u>
Total net assets	13	<u>9,122</u>	<u>9,745</u>
The funds of the charity			
Unrestricted funds (reserves)	9	2,868	2,898
Restricted funds (reserves)	10	595	591
Capital funds - revaluation reserve	11	5,659	6,256
Total charity funds	13	<u>9,122</u>	<u>9,745</u>

The financial statements on pages 6 to 13 were approved on behalf of the Governing Body on 5 February 2020 and were signed on its behalf by:



Professor M Campbell
 Chair

Registered Number: SC037444

THE ROWETT RESEARCH INSTITUTE
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Statement of Cash Flows for the Year ended 31 July 2019

	Note	2019 £000	2018 £000
Cash used in operating activities	12	(246)	(245)
Cash flows from investing activities			
Interest income	2	4	2
Investment income	2	-	-
Cash provided by investing activities		<u>4</u>	<u>2</u>
Cash flows from financing activities			
Proceeds on sale of tangible assets		<u>1,324</u>	<u>20</u>
Cash provided by financing activities		<u>1,324</u>	<u>20</u>
Increase/(decrease) in cash in the year		1,082	(223)
Cash and cash equivalents at the beginning of the year		437	660
Total cash and cash equivalents at the end of the year		<u>1,519</u>	<u>437</u>

THE ROWETT RESEARCH INSTITUTE

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Notes to the Financial Statements for the Year ended 31 July 2019

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.

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of financial activities for the year. Investment property whose fair value cannot be measured reliably without undue cost or effort is accounted for as property, plant and equipment using the cost model under Section 17, which requires the property to be depreciated.

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.

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1 Statement of accounting policies (continued)

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.

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.

Critical accounting judgments and estimates

Critical accounting judgments may include the timing of recognition of the disposal of tangible assets, in particular land sales. Judgment is required to assess the timing when control of the asset is transferred to the purchaser. During the year, the Institute recognised disposal of land and buildings as disclosed in note 3.

Estimation is required in the annual market valuation of investment property. The annual valuation at 31 July 2019 is disclosed in note 5.

2 Income from investments	2019	2018
	£000	£000
Bank interest	4	2
3 Other income	2019	2018
	£000	£000
Gain on disposal of land and buildings	53	3,050
4 Expenditure - charitable activities	2019	2018
	£000	£000
Costs regarding disposal of assets	276	195
Other expenditure	3	2
	279	197

The Rowett Research Institute has no employees.

External audit fees for audit services are £3,300 including VAT.

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Notes to the Financial Statements for the Year ended 31 July 2019

5 Tangible assets

	Land & Buildings £000
Cost or valuation	
At 1 August 2018	6,314
Revaluation	(401)
Disposals	(196)
At 31 July 2019	<u>5,717</u>
Depreciation	
At 1 August 2018	(58)
Charge for year	-
At 31 July 2019	<u>(58)</u>
Net book value	
At 31 July 2019	<u>5,659</u>
At 31 July 2018	<u>6,256</u>

Included within land and buildings are investment properties with a net book value at 31 July 2019 of £4,537k (2018: £5,133k). 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 2019 by Mr A Donaldson, BLE, MRICS, Director of Estates, University of Aberdeen on an open market value basis. Remaining tangible assets relate to land.

	2019 £000	2018 £000
6 Debtors		
Amounts falling due within one year		
Other debtors	<u>2,000</u>	<u>3,075</u>

Subsequent to the year-end £1,000,000 of other debtors, arising from a land sale, was settled.

	2019 £000	2018 £000
7 Creditors		
Amounts falling due within one year		
Other creditors	53	21
Accruals	<u>3</u>	<u>2</u>
	<u>56</u>	<u>23</u>

8 Company guarantee

The company has charitable status and it is a company limited by guarantee not exceeding £1 per member (2019: 6 members).

	2019 £000	2018 £000
9 Unrestricted funds		
Balance at 1 August	2,898	-
Expenditure on charitable activities	(279)	(197)
Transfer from restricted funds	-	-
Sale of surplus land and property	249	3,095
At 31 July	<u>2,868</u>	<u>2,898</u>

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Notes to the Financial Statements for the Year ended 31 July 2019

	2019 £000	2018 £000
10 Restricted funds		
Balance at 1 August	591	589
Income from charitable activities	4	2
Transfer to unrestricted funds	-	-
At 31 July	<u>595</u>	<u>591</u>

Restricted funds represent retainable accumulated surpluses by the Institute.

	2019 £000	2018 £000
11 Capital funds – revaluation reserve		
At 1 August	6,256	6,000
Revaluation (loss)/gain of tangible fixed assets	(401)	301
Disposals	(196)	(45)
At 31 July	<u>5,659</u>	<u>6,256</u>

	2019 £000	2018 £000
12 Reconciliation of deficit to net cash inflow from operating activities		
Net (outgoing)/incoming resources before other recognised gains and losses	(222)	2,855
Investment income	(4)	(2)
Depreciation	-	-
Gain on sale of fixed assets	(53)	(3,050)
Decrease in debtors	-	-
Increase/(decrease) in creditors	33	(48)
(Outflow) from operating activities	<u>(246)</u>	<u>(245)</u>

13 Analysis of net assets between funds

	Unrestricted funds £000	Capital funds revaluation reserve £000	Restricted funds £000	Total 2019 £000	Total 2018 £000
Tangible fixed assets	-	5,659	-	5,659	6,256
Current assets	2,924	-	595	3,519	3,512
Liabilities	(56)	-	-	(56)	(23)
Total net assets	<u>2,868</u>	<u>5,659</u>	<u>595</u>	<u>9,122</u>	<u>9,745</u>

14 Financial instruments

The company's financial instruments principally comprise cash and cash equivalents at 31 July 2019 and 31 July 2018. The company's financial instruments are measured at amortised cost.

15 Related party transactions

The company made payment to the University of Aberdeen in respect of the disposal of asset costs as disclosed in note 4.

16 Ultimate controlling party

The ultimate parent body and controlling party is the University of Aberdeen, Kings College, Aberdeen, Scotland AB24 3FX. Copies of the University's consolidated financial statements can be obtained from the above address.

