

NATURAL RESEARCH LIMITED
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2017



Charity Number SC030363

WILLIAMSON & DUNN
Chartered Accountants & Statutory Auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

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NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	Natural Research Limited
Charity number	SC030363
Company registration number	SC209393
Principal address	Brathens Business Park Hill of Brathens Glassel Banchory Scotland AB31 4BY
Registered office	14 Carden Place Aberdeen Scotland AB10 1UR
Directors	Mr P K Stirling-Aird MBE Dr H Insley Dr D P Whitfield Mr W Jamieson
Secretary	MacKinnons
Auditors	Williamson & Dunn Chartered Accountants & Statutory Auditor 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
Bankers	HSBC Bank PLC 95-99 Union Street Aberdeen AB11 6BD
Solicitors	MacKinnons 14 Carden Place Aberdeen AB10 1UR
Investment Managers	Brewin Dolphin Sixth Floor, Atria One 144 Morrison Street Edinburgh EH3 8BR

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT

YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

Objectives and activities

The charity's objectives are to fund research projects whose results will support the wise management of wild life resources. The projects are often carried out in conjunction with other research and conservation agencies, individuals and government departments. The charity conducts research into natural resources and wild life internationally. It further endeavours to enhance the education of the public by disseminating the results of such research.

The charity's trading subsidiary, Natural Research (Projects) Limited is also involved in natural resources and wild life but on a commercial level. Its trade involves undertaking consultancy work and advising on the environmental and ecological impact of industrial and commercial developments.

Both companies provide high quality objective research capabilities. The funds generated by the subsidiary company are transferred to the charity to help fund its research projects. In addition to this internal group funding, outside funding is actively sought for specific projects to be undertaken.

Despite the fact that the charity is relatively new it has successfully built up an excellent reputation for producing high quality research. The charity's principal researchers are highly regarded by their peers as they have a strong foundation in practical and academic research and publication. The directors are satisfied that several projects undertaken are progressing well and are on target to achieving their chosen outputs. The directors also recognise, however, that there is need to publicise outputs on existing projects and to increase the charity's activity to satisfy its fundamental objectives.

Achievements and performance

The charity currently has several projects that it is supporting. The trustees oversee them to ensure that each is making satisfactory progress towards its own specific outputs, which include the publication of research papers, production of reports, provision of training to researchers etc. However, the main aim of the charity is to produce peer-reviewed publications from the research so that the results can be widely accessible to other researchers and wildlife managers. This aim also ensures that the outputs of the charity are clearly recognised as being of high quality research.

During the period to the end of March 2017 continued good progress was made in taking forward projects and in disseminating their results. Several publications were drafted, submitted and/or accepted. A NR-supported paper, led by Sarah Hoy, won the prestigious Watson Raptor Science Prize in 2016; and the highly commended paper in the 2016 Watson award, led by Dr Fabrizio Sergio, was also supported by NR. In recent years, this brings a total of four papers which have been supported by NR as winners of, or highly commended by, this Prize. Other projects supported by NR were the subject of two 'prime-time' terrestrial TV wildlife programmes in the year.

Sarah Hoy, a NR-supported PhD student at the University of Aberdeen, was successful in gaining her doctorate in 2015. She also rapidly gained a post-doctoral position in USA thereafter (despite stiff competition from many USA 'home-grown' researchers), to analyse data on relationships between wolves and their main prey. Sarah has continued to work with her co-authors, including Dr Whitfield of NR, to produce a total of three high-profile papers in prestigious journals on her PhD studies, to date. The most recent paper produced by Sarah, and co-authored by Dr Whitfield, won the 2016 Watson Raptor Science Prize. Sarah epitomises and realises the objectives of NR charitable support.

Rowen van Eeden continued his PhD studentship on the causes of decline of the martial eagle in southern Africa, based at the University of Cape Town. This project was the subject of a TV programme (an episode of 'Fierce') presented by Steve Backshall on ITV in May 2016. It is also publicised to the thousands of tourists who visit the Kruger National Park in South Africa every year, with the National Park Authority being a partner in the project.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

Achievements and performance *(continued)*

Rowen, with assistance from his co-supervisors, including Dr Whitfield, has had two papers accepted by scientific journals and as a basis for his PhD thesis, which will be examined in summer 2017.

A project with Forest Enterprise Scotland (FES) to utilise and test relatively novel remote telemetry which exploits mobile phone networks, to examine territorial golden eagles' use of afforested habitats was originally frustrated previously by the difficulty in live trapping the study subjects. FES efforts were rewarded in early 2015, 2016 and 2017 with the capture of several territorial birds which are providing novel insights and great encouragement for this project to deliver novel and highly beneficial outputs. This study continues to receive publicity from the BBC's SpringWatch and AutumnWatch TV programmes. Further efforts on this project are planned between NR and FES to build up a unique dataset and insight into the behaviour of territorial golden eagles in Scotland, for thorough analysis, once available.

A further project with FES begun in 2015 on revising guidance on the disturbance of birds during forestry operations produced a thorough report in early summer 2016 and provided further potential practical impact for forestry and conservation workers at home and abroad.

Continued support was given to ongoing research on the ecology of giant armadillos in the Brazilian Pantanal: thanks to NR support this project's excellent work has been extended into the neighbouring Cerrado biome. Considerable publicity, across several international media, and educational initiatives continue to be associated with this project, which also maintains a high level of scientific credibility. In 2016 the BBC screened a programme, narrated by Sir David Attenborough, documenting this project and highlighting the role of the giant armadillo as an 'ecological engineer'.

Further NR-assisted projects on the dispersal of young common kestrels and young northern goshawks in Scotland continued in 2016. The latter project also involves the prospective testing of new GSM satellite technology which may result in a method that may be much cheaper than offered currently by USA telemetry companies.

In February 2015 a new post in Natural Research was created, Golden Eagle Project Officer (GEPO), with full financial support from SSE Renewables. The GEPO (Dr Ewan Weston – whose PhD studies on golden eagles were supported by NR) is devoted to working on conservation research and enhancement of golden eagles in the central Highlands of Scotland. This post was the subject of a lengthy photographic piece in 2015 which was promoted online by several UK newspapers, including The Guardian. The GEPO has given presentations on the project to several ornithological groups in the British Isles and produces regular reports for an Advisory Group headed by The Highland Council. Several scientific publications are planned.

Dr Whitfield also continues to spend time working on behalf of NR to generate outputs on other projects. These projects include studies of black (cinereous) vultures in NE Greece (one 2016 paper was published in Biological Conservation), assistance with a PhD study on the causes of dotterel decline in Scotland, and postdoctoral work on white-tailed eagles in Scotland. Dr Whitfield also continues in his advisory scientific support of the Raptor Research & Conservation Foundation; an Indian charitable foundation set up to encourage and fund the study, education of researchers and the public, and conservation of birds of prey in India.

During the year, after Dr Whitfield's return to full-time attention to the research charity created additional opportunities for the creation of new charitable projects and seeking income streams from sources other than the intergroup donation, which has become increasingly uncertain in recent years. A major contribution to the charity from Scottish Government and Scottish Natural Heritage has allowed novel work to be undertaken on the fate of satellite tagged golden eagles in Scotland, many of such tags had been funded by the charity. This work will report in the year ended March 2018.

Detailed information on all of the charity's projects is available on the group's website: <http://www.natural-research.org>.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

Achievements and performance *(continued)*

The subsidiary company saw its profits drop again in the year ended March 2017 consistent with expectation, as was outlined in several previous Directors' Reports; such that the subsidiary's main trading environment has become increasingly competitive whilst the market for work is likely shrinking and increasingly subject to shifting government energy policies. This trend continued in the year ended March 2017, such that further actions, begun in the year ended March 2016, were taken to re-align the company's outgoings (primarily staff salaries) to the market. These actions resulted in further voluntary redundancies and a plan to enable the subsidiary company to be more flexible to respond to uncertainty in the future. Other staff departures also occurred in the year ended March 2017. The actions of the company's executive directors as regards re-aligning the major company outgoing, staff salaries, resulted in an improvement in year-end actual financial performance as opposed to prior budget projections and despite the immediate cost of the company re-organisation.

Furtherance of recent efforts to diversify the type of projects in which the subsidiary is involved has been encouraged, to provide a firmer basis for long-term security of its income. Several efforts and initiatives from the subsidiary company's executive directors started in the year ended March 2015 had encouragingly realised a novel stream of work in year ended March 2016, primarily involving international projects. This did not, however, continue to the same level in year ended March 2017 and the previous hope that this work stream may lead to further related new projects in the future has not transpired. There has been a gain in work on a new power line project; compensating to some degree for a substantial descaling of work needed on another existing power line project. The medium- to long-term prognosis for the subsidiary's main market is nevertheless not encouraging. The trustees will continue to maintain a close watching brief over the performance and prospects for the commercial subsidiary given the rapidly changing and increasingly depressed market within which it operates.

Financial review

The group's net (outgoing)/incoming resources for the year, including other recognised gains and losses, amounting to £(75,681) (2016 - £32,930) have been dealt with as shown in the Statement of Financial Activities and comprise:

	Total 2017 £	Total 2016 £
Natural Research Limited	8,000	33,010
Natural Research (Projects) Limited	(83,681)	(80)
	<u>(75,681)</u>	<u>32,930</u>

Investments

In November 2011 the directors placed £500,000 of the charity's funds in stock market investments. The directors have appointed investment managers to manage this investment portfolio. As income is important to the charity, the directors have requested an annual income of £20,000, equivalent to a yield of 4%. This will be reviewed annually. During the period to the end of the year the portfolio stood at a value of £605,310 and generated £22,017 of dividend income, equivalent to a gross yield of 3.6%.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

Reserves

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure as a minimum. The directors consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This baseline level of charitable reserves has been maintained throughout the year.

The trustees acknowledge that one of the original objectives of the trading subsidiary was to assist in financing the charity's operations. To assist the financing of the charity's operations the vast majority of the trading subsidiary's profits have been donated to the charity in several previous years and this has allowed reserves to accumulate in it. These reserves should allow the charity to survive any failures in its earning capability or unforeseen costs that have not been identified by the above risk analysis.

It has been recognised by the directors in recent years, nevertheless, that the subsidiary's donations to the charity's operations during several previous years had left the subsidiary vulnerable to the vagaries of the commercial environment in which it operates. Consequently, plans enacted in more recent years supported the retention of reserves within the subsidiary to give it a sound foundation to meet the necessity for responsible business management. These plans were in recognition of the uncertainties of the subsidiary's operational environment, the need to maintain its leading position within its highly competitive field, and the time and staff effort that realising project diversification within the subsidiary can involve. These plans also acknowledged the need to maintain separation between the reserves held by the charity and its commercial subsidiary but to maintain the working capital requirements of both. During the year ended March 2016 the uncertainties of the subsidiary's operational environment were still apparent, but further retention of funds by the subsidiary were not considered prudent for that year, because the commercial subsidiary's reserves at that year end were deemed sufficient for its proper management. The Directors decided therefore that in the year ended March 2016 all taxable profits from the commercial subsidiary should be donated to the charity. This same prudence as regards the subsidiary's available funds and an intergroup donation would have been exercised in year ended March 2017 if the subsidiary's performance would have been profitable. In practice, however, the absence of any profits generated by the commercial subsidiary in year ended March 2017, and the need for a further re-organisation of the commercial subsidiary, meant no intergroup donations were made.

Plans for future periods

It is a continued intention of the Directors to encourage a higher level of activity within the charity in the coming years in order to utilise the substantial level of funds now held. As outlined in the Directors' Report for the year ended March 2014, this intention of increased activity was to encompass several strands to fulfil the charity's objectives in a cost-effective and strategic fashion. As outlined in subsequent Directors' Reports and the current Report for year ended March 2017 this intention continues to be realised by securing dedicated administration support, contributing to training and education and careers of scientists, maintaining a high production of peer-reviewed papers, and increasing information flow from other media outlets. The Directors' Report for the year ended March 2016 recognised that further activity to pursue NR's aims may be best realised by future dedicated NR staffing: this recognition was enacted in the year ended March 2017 by the return of Dr Whitfield, after several years primarily dedicated to the commercial subsidiary, to full-time activity within the charity.

Future attention of the Directors will also continue to focus on the performance and prospects of the commercial subsidiary to deliver benefits for the charity and the subsidiary's original objectives under this purpose. It is recognised, nevertheless, that the prospects for the commercial subsidiary to deliver profitable benefits to the charity are increasingly unlikely under a shrinking commercial market. Greater publicity and marketing of the subsidiary company and its many qualities has been encouraged and will be actively pursued by the executive directors through several initiatives.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

Reference and administrative details

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

The directors

The directors who served the charity during the year were as follows:

Mr P K Stirling-Aird MBE

Dr H Insley

Dr D P Whitfield

Mr W Jamieson (appointed 16 November 2016)

Structure, governance and management

Nature of Governing Document

Natural Research Limited is a company limited by guarantee (company number SC209393) and a registered Scottish charity (charity number: SC030363). The charitable company is governed by its Memorandum and Articles of Association.

Organisational Structure

The Board of Directors, who are in regular contact, administer the charity. Day to day management of the charitable company for the period ended 31 March 2017 was delegated to Dr D P Whitfield as lead director, who was formally appointed Managing Director of the charity as of 1 September 2016, and he reported to the Board on performance. Mr W Jamieson was appointed to the charity's Board of Directors as of 16 November 2016.

Dr Whitfield resigned as Managing Director (executive role) of the trading subsidiary as of 1 September 2016 and was subsequently appointed as a non-executive director of the trading subsidiary as of 1 September 2016.

The trading subsidiary's board in the year ended 31 March 2017 consisted of Dr Insley (non-executive), Mr Stirling-Aird (non-executive), Mr W Jamieson (non-executive), Dr Whitfield (executive; non-executive as of 1 September 2016), Dr D B Jackson (executive) (resigned 1 October 2016), Ms F Leckie (executive) and Mrs L Maddrick (executive) (appointed 16 November 2016).

Directors

The directors during the year are listed on page 1. Within the year Dr Whitfield, an existing director, was appointed as Managing Director of the charity as of 1 September 2016. Mr W Jamieson was newly appointed to the charity's Board of Directors as of 16 November 2016.

In accordance with the Articles of Association Dr Insley retired at the Annual General Meeting (AGM) on 17 August 2016 and was eligible for re-election. The Board re-elected Dr Insley, as per minutes of this AGM. In further accordance with the Articles of Association Mr Stirling-Aird will retire at the next AGM in August 2017 and is eligible for re-election.

Recruitment and Appointment of Directors

The powers for appointment and removal of directors are set out in the company's Memorandum and Articles of Association.

The minimum number of directors is two, and there is no maximum number. This can be altered from time to time by ordinary resolution. One third of the directors is required to retire by rotation at each annual general meeting and as such is eligible for re-election.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

Recruitment and Appointment of Directors *(continued)*

None of the directors has any beneficial interest in the charity. All of the directors are members of the charity and guarantee to contribute £1 in the event of a winding up.

Members

No person shall be admitted to membership of the charity unless he or she is approved by the directors. New directors are appointed by ordinary resolution.

Related Parties and Affiliations

The charity has a wholly owned subsidiary, Natural Research (Projects) Limited. The primary objective of Natural Research (Projects) Limited is the provision of environmental reports, primarily by way of the assessment of the ornithological impacts of commercial developments.

Induction and Training of Charities Trustees

The current directors have been involved with the charity or prior, other charities, for many years and therefore induction training has not currently been an issue. The newest appointee (Mr W Jamieson) has vast experience in other charitable boards' membership and also has several years of prior acquaintance with the particulars of the charity and its trading subsidiary Natural Research (Projects) Limited. Additional advice, when needed, is taken on matters of a technical nature as and when required from the charity's professional advisors and project associates.

Pay Policy for Directors and Senior Staff

Details of directors' remuneration and expenses and related party transactions are disclosed in note 25 of the accounts.

The pay of the directors and senior staff is reviewed annually by the board of directors. The directors consider increases in conjunction with increases awarded to the wider staff group. In addition, the directors benchmark pay levels against those in other similar sector organisations.

Risk Management

The directors have assessed the major risks to which the company is exposed, in particular those related to the operations and finance of the company and are satisfied that systems are in place to manage the exposure to major risks.

Auditors

Williamson & Dunn C.A. have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2017

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Registered Office:
14 Carden Place
Aberdeen
Scotland
AB10 1UR

Signed on behalf of the Board of Directors



Dr D P Whitfield
Director

Approved by the directors on 16 August 2017

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

DIRECTORS' RESPONSIBILITIES STATEMENT

YEAR ENDED 31 MARCH 2017

The directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NATURAL RESEARCH LIMITED

YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Natural Research Limited for the year to 31 March 2017 which comprises the group and company statement of financial activities (including income and expenditure account), the group and company statement of financial position, the group statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors (who are also trustees of the charitable company for the purposes of charity 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 26 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF NATURAL RESEARCH LIMITED (continued)

YEAR ENDED 31 MARCH 2017

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report 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 or the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

KATHLEEN KIRKLAND MA CA (Senior Statutory Auditor)

For and on behalf of

WILLIAMSON & DUNN

Chartered Accountants & Statutory Auditor

3 West Craibstone Street

Bon Accord Square

Aberdeen

AB11 6YW

16 August 2017

Williamson & Dunn is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

NATURAL RESEARCH LIMITED

COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2017

		2017	2016
		Unrestricted funds	Restricted funds
	Note	£	£
Income			
Donations and legacies	5	–	74,472
Charitable activities	6	53,289	–
Trading activities	7	477,108	–
Investment income	8	23,496	–
Total income		<u>553,893</u>	<u>74,472</u>
Expenditure			
Expenditure on raising funds:			
Cost of trading activities		(556,020)	–
Investment management costs	9	(5,260)	–
Expenditure on charitable activities	10,11	(138,616)	(74,472)
Total expenditure		<u>(699,896)</u>	<u>(74,472)</u>
Net gains/(losses) on investments	14	70,322	–
Net movement in funds	15	<u>(75,681)</u>	<u>–</u>
Reconciliation of funds			
Total funds brought forward		1,551,850	–
Total funds carried forward		<u>1,476,169</u>	<u>–</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 29 form part of these financial statements.

NATURAL RESEARCH LIMITED

COMPANY LIMITED BY GUARANTEE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 MARCH 2017

		Unrestricted funds £	2017 Restricted funds £	Total funds £	2016 Total funds £
	Note				
Income					
Donations and legacies	5	–	74,472	74,472	181,904
Charitable activities	6	53,289	–	53,289	8,391
Investment income	8	23,265	–	23,265	21,737
Total income		<u>76,554</u>	<u>74,472</u>	<u>151,026</u>	<u>212,032</u>
Expenditure					
Expenditure on raising funds:					
Investment management costs	9	(5,260)	–	(5,260)	(4,853)
Expenditure on charitable activities	10,11	(133,616)	(74,472)	(208,088)	(140,665)
Total expenditure		<u>(138,876)</u>	<u>(74,472)</u>	<u>(213,348)</u>	<u>(145,518)</u>
Net gains/(losses) on investments	14	70,322	–	70,322	(33,504)
Net movement in funds		<u>8,000</u>	<u>–</u>	<u>8,000</u>	<u>33,010</u>
Reconciliation of funds					
Total funds brought forward		1,065,357	–	1,065,357	1,032,347
Total funds carried forward		<u>1,073,357</u>	<u>–</u>	<u>1,073,357</u>	<u>1,065,357</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 17 to 29 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

		2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	17		6,830		9,109
Investments	18		605,310		540,117
			<u>612,140</u>		<u>549,226</u>
Current assets					
Debtors	19	127,100		159,055	
Cash at bank and in hand		<u>821,965</u>		<u>888,760</u>	
		949,065		1,047,815	
Creditors: amounts falling due within one year	20	<u>(85,036)</u>		<u>(45,191)</u>	
Net current assets			864,029		1,002,624
Total assets less current liabilities			<u>1,476,169</u>		<u>1,551,850</u>
Net assets			<u>1,476,169</u>		<u>1,551,850</u>
Funds of the charity					
Restricted funds			-		-
Unrestricted funds:					
Revaluation reserve		129,841		62,089	
Unrestricted income funds		<u>1,346,328</u>		<u>1,489,761</u>	
Total unrestricted funds			1,476,169		1,551,850
Total charity funds	22		<u>1,476,169</u>		<u>1,551,850</u>

The directors have prepared group account in accordance with section 398 of the Companies Act 2006 and section 44 of the Charities and Trustees Investment (Scotland) Act 2005. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These accounts were approved by the directors and authorised for issue on 16 August 2017, and are signed on their behalf by:



Dr D P Whitfield
Director

Company Registration Number: SC209393

The notes on pages 17 to 29 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CHARITY STATEMENT OF FINANCIAL POSITION

31 MARCH 2017

		2017		2016	
		£	£	£	£
Fixed assets					
Investments	18		605,311		540,118
Current assets					
Debtors	19	17,153		132,274	
Cash at bank and in hand		493,998		404,159	
		<u>511,151</u>		<u>536,433</u>	
Creditors: amounts falling due within one year	20	<u>(43,105)</u>		<u>(11,194)</u>	
Net current assets			468,046		525,239
Total assets less current liabilities			<u>1,073,357</u>		<u>1,065,357</u>
Net assets			<u>1,073,357</u>		<u>1,065,357</u>
Funds of the charity					
Restricted funds			—		—
Unrestricted funds:					
Revaluation reserve		129,841		62,089	
Other unrestricted income funds		<u>943,516</u>		<u>1,003,268</u>	
Total unrestricted funds			<u>1,073,357</u>		<u>1,065,357</u>
Total charity funds	22		<u>1,073,357</u>		<u>1,065,357</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 16 August 2017, and are signed on behalf of the board by:



Dr D P Whitfield
Director

Company Registration Number: SC209393

The notes on pages 17 to 29 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

CONSOLIDATED STATEMENT OF CASH FLOWS

31 MARCH 2017

	2017 £	2016 £
Cash flows from operating activities		
Net (expenditure)/income	(75,681)	32,930
<i>Adjustments for:</i>		
Depreciation of tangible assets	2,880	4,630
Loss/(gains) on disposal of tangible assets	1,506	(18)
Net (gains)/losses on investments	(70,322)	33,504
Dividends, interest and rents from investments	(22,017)	(20,964)
Other interest receivable and similar income	(1,248)	(1,081)
Accrued expenses	24,142	10,718
<i>Changes in:</i>		
Trade and other debtors	31,955	49,743
Trade and other creditors	15,703	(24,578)
Cash generated from operations	(93,082)	84,884
Interest received	1,248	1,081
Tax received/(paid)	-	(16,473)
Net cash from/(used in) operating activities	(91,834)	69,492
Cash flows from investing activities		
Dividends, interest and rents from investments	22,017	20,964
Purchase of tangible assets	(4,000)	-
Proceeds from sale of tangible assets	1,893	5,672
Purchases of other investments	(28,015)	(56,958)
Proceeds from sale of other investments	33,144	61,525
Net cash from investing activities	25,039	31,203
Net (decrease)/increase in cash and cash equivalents	(66,795)	100,695
Cash and cash equivalents at beginning of year	888,760	788,065
Cash and cash equivalents at end of year	821,965	888,760

The notes on pages 17 to 29 form part of these financial statements.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

1. General information

The charity is a private company limited by guarantee, registered in Scotland and a registered charity in Scotland. The address of the registered office is 14 Carden Place, Aberdeen, AB10 1UR, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Companies Act 2006, the 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) (Charities SORP (FRS 102)) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary Natural Research (Projects) Limited, on a line by line basis.

Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgment, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Transition to FRS 102

The company and the group transitioned to FRS 102 and the Charities SORP FRS 102 on 1 April 2015. Details of how this has affected the financial position and the financial performance, is given in note 27.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3. Accounting policies (*continued*)

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal.

Income

Income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.
- investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds comprise the cost of trading and the costs of managing the investments.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Taxation

The company is recognised by HM Revenue and Customs as a charity and, therefore is not liable to taxation.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

3. Accounting policies (*continued*)

Tangible fixed assets

Fixed assets costing £1,000 or more are capitalised at cost.

The cost of fixed assets is written off over their expected useful lives as follows:

Motor vehicles - 25% reducing balance

Other equipment - 3 years straight line

Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

Leasing

Rentals paid under operating leases are charged on a straight-line basis over the lease term.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

4. Limited by guarantee

Natural Research Limited is a company limited by guarantee and not having a share capital. The members' liability in the event of a winding up is limited by guarantee not exceeding £1 per member.

5. Donations and legacies

Group	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
Donations						
Donations and legacies	-	-	-	-	-	-
Grants receivable						
SSE Renewables contribution	-	74,472	74,472	-	77,694	77,694
	<u>-</u>	<u>74,472</u>	<u>74,472</u>	<u>-</u>	<u>77,694</u>	<u>77,694</u>

Company	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
Donations						
Donations and legacies	-	-	-	104,210	-	104,210
Grants receivable						
SSE Renewables contribution	-	74,472	74,472	-	77,694	77,694
	<u>-</u>	<u>74,472</u>	<u>74,472</u>	<u>104,210</u>	<u>77,694</u>	<u>181,904</u>

6. Charitable activities

Group and Company	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Research and wildlife consultancy	53,289	53,289	8,391	8,391

7. Trading activities

Group	Unrestricted Funds 2017 £	Unrestricted Funds 2016 £
Commercial trading operations	477,108	843,420

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

8. Investment income

	Unrestricted Funds 2017 £	Group Unrestricted Funds 2016 £	Unrestricted Funds 2017 £	Company Unrestricted Funds 2016 £
Income from UK listed investments	22,017	20,964	22,017	20,964
Bank interest receivable	1,479	1,081	1,248	773
	<u>23,496</u>	<u>22,045</u>	<u>23,265</u>	<u>21,737</u>

9. Investment management costs

Group and company	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Portfolio management fee	5,260	5,260	4,853	4,853

10. Expenditure on charitable activities

	Staff costs £	Other costs £	Total 2017 £	Total 2016 £
Research and wildlife consultancy				
Activities undertaken directly	36,948	85,398	122,346	96,595
Grant funding of activities	-	24,300	24,300	16,000
Support costs	53,481	7,961	61,442	28,070
Company	<u>90,429</u>	<u>117,659</u>	<u>208,088</u>	<u>140,665</u>
Commercial trading operations	411,093	144,927	556,020	734,098
Support costs	-	5,000	5,000	5,500
	<u>411,093</u>	<u>149,927</u>	<u>561,020</u>	<u>739,598</u>
Group	<u>501,522</u>	<u>267,586</u>	<u>769,108</u>	<u>880,263</u>

Costs of raising funds was £769,108 for the group of which £694,636 was unrestricted (2016 - £802,569) and £74,472 was restricted (2016 - £77,694).

Costs of raising funds was £208,088 for the company of which £133,616 (2016 - £62,971) was unrestricted and £74,472 was restricted (2016 - £77,694).

11. Analysis of support costs

	Total 2017 £	Total 2016 £
Staff costs	53,481	16,601
Communications and IT costs	1,000	634
Legal and professional	631	459
Training and university fees	-	4,294
Stationery and other office costs	244	88
General expenses	1,286	1,194
Governance costs (see note 12)	9,800	10,300
	<u>66,442</u>	<u>33,570</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

12. Governance costs

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Audit fees	<u>9,800</u>	<u>10,300</u>	<u>4,800</u>	<u>4,800</u>

13. Analysis of grants

	2017	2016
	£	£
Grants to institutions		
South Strathclyde Raptor Study Group	8,000	6,000
Royal Zoological Society	10,000	10,000
Juvenile Goshawk Dispersal Project	<u>6,300</u>	<u>-</u>
Total grants	<u>24,300</u>	<u>16,000</u>

14. Net gains/(losses) on investments

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	2017	2017	2016	2016
	£	£	£	£
Gains/(losses) on listed investments	<u>70,322</u>	<u>70,322</u>	<u>(33,504)</u>	<u>(33,504)</u>

15. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2017	2016
	£	£
Rent of property	12,220	14,699
Depreciation	2,880	4,630
Auditors' remuneration:		
- audit of the financial statements	9,800	10,300
Net profit on foreign currency translation	<u>-</u>	<u>(2,370)</u>

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Wages and salaries	418,084	532,532	79,840	48,454
Social security costs	33,086	43,863	8,322	4,345
Other pension costs	16,151	19,475	2,267	750
Redundancy costs	<u>34,201</u>	<u>20,751</u>	<u>-</u>	<u>-</u>
	<u>501,522</u>	<u>616,621</u>	<u>90,429</u>	<u>53,549</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

16. Staff costs (continued)

Particulars of employees:

The average number of employees during the period, calculated on the basis of full-time equivalents, was as follows:

	Group		Company	
	2017	2016	2017	2016
	No	No	No	No
Directors	4	3	4	3
Research activities	1	1	1	1
Commercial activities	9	16	–	–
Administration	3	4	1	1
	<u>17</u>	<u>24</u>	<u>6</u>	<u>5</u>

The number of employees, whose remuneration for the year fell within the following bands, were:

	2017	2016
	No	No
£60,000 to £69,999	<u>1</u>	<u>1</u>

The details of the trustees' remuneration and pension payments are disclosed in note 25. While undertaking work for the group, all of the trustees incurred expenses relating to travel. These expenses were reimbursed in full and have also been disclosed in note 25.

The number of trustees for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2016 – 1).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £82,058 (2016: £81,317).

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

17. Tangible assets

Group	Computer equipment £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 April 2016	99,719	43,550	25,210	168,479
Additions	–	4,000	–	4,000
Disposals	–	(21,149)	–	(21,149)
At 31 March 2017	<u>99,719</u>	<u>26,401</u>	<u>25,210</u>	<u>151,330</u>
Depreciation				
At 1 April 2016	99,719	34,441	25,210	159,370
Charge for the year	–	2,880	–	2,880
On disposals	–	(17,750)	–	(17,750)
At 31 March 2017	<u>99,719</u>	<u>19,571</u>	<u>25,210</u>	<u>144,500</u>
Carrying amount				
At 31 March 2017	<u>–</u>	<u>6,830</u>	<u>–</u>	<u>6,830</u>
At 31 March 2016	<u>–</u>	<u>9,109</u>	<u>–</u>	<u>9,109</u>

18. Investments

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Shares in group undertaking (a)	–	–	1	1
Stock market investments (b)	605,310	540,117	605,310	540,117
	<u>605,310</u>	<u>540,117</u>	<u>605,311</u>	<u>540,118</u>

(a) Subsidiary undertaking

Natural Research (Projects) Limited	<u>1</u>	<u>1</u>
-------------------------------------	----------	----------

The charitable company is the sole shareholder of Natural Research (Projects) Limited, a company which advises on the environmental and ecological impact of carrying out various projects and developments. The investment is eliminated on consolidation. A summary of the results from the trading company is shown below.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

18. Investments (*continued*)

Summary profit and loss account

	2017	2016
	£	£
Turnover	477,108	843,420
Cost of sales	(317,767)	(419,361)
Gross profit	159,341	424,059
Administrative expenses	(243,253)	(320,237)
	(83,912)	103,822
Interest receivable	231	308
	(83,681)	104,130
Corporation tax	-	-
	(83,681)	104,130
Gifted to the charity	-	(104,210)
Retained in the company	(83,681)	(80)

The assets and liabilities of the subsidiary at 31 March were:

	2017	2016
	£	£
Tangible fixed assets	6,830	9,109
Current assets	437,915	615,592
	444,745	624,701
Creditors due within 1 year	(41,931)	(138,206)
Total net assets	402,814	486,495
Aggregate share capital and reserves	402,814	486,495

(b) Stock market investments

Movement in market value

	2017	2016
	£	£
Market value at 1 April 2016	540,117	578,188
Acquisitions at cost	28,015	56,958
Disposals at carrying value	(31,013)	(63,360)
Net gains/(losses) on revaluations in the year	68,191	(31,669)
Market value at 31 March 2017	605,310	540,117
Historical cost at 31 March 2017	475,470	478,028

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

18. Investments (*continued*)

Analysis of investments at 31 March 2017 between funds

	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Listed investments			
UK Quoted Shares	603,441	603,441	537,879
Other investments			
UK Cash held as part of Portfolio	1,869	1,869	2,238
	<u>605,310</u>	<u>605,310</u>	<u>540,117</u>

19. Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	118,354	144,420	13,580	21,753
Amounts owed by group undertakings	-	-	-	104,210
Corporation tax recoverable	-	433	-	-
Other debtors	8,746	14,202	3,573	6,311
	<u>127,100</u>	<u>159,055</u>	<u>17,153</u>	<u>132,274</u>

20. Creditors: amounts falling due within one year

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	25,647	3,538	11,549	424
Taxation and social security	16,877	21,215	2,459	1,326
Corporation tax	2	-	-	-
Other creditors	1,041	3,111	287	38
Accruals	41,469	17,327	28,810	9,406
	<u>85,036</u>	<u>45,191</u>	<u>43,105</u>	<u>11,194</u>

21. Pensions and other post retirement benefits

The charity contributes to the personal pension schemes of its employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity to the fund and amounted to £2,267 (2016: £750). There were no contributions outstanding at the year-end.

Similarly, the subsidiary trading company contributes to the personal pension schemes of its employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,884 (2016: £18,725). Contributions totalling £- (2016: £1,800) were outstanding at the year-end, and included in creditors.

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

22. Analysis of charitable funds

Unrestricted funds

Group	At 1 April 2016 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2017 £
Unrestricted Funds	1,489,761	553,893	(699,896)	440	2,130	1,346,328
Revaluation reserve	62,089	—	—	(440)	68,192	129,841
	<u>1,551,850</u>	<u>553,893</u>	<u>(699,896)</u>	<u>—</u>	<u>70,322</u>	<u>1,476,169</u>

Unrestricted funds

Company	At 1 April 2016 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2017 £
Unrestricted Funds	1,003,268	76,554	(138,876)	440	2,130	943,516
Revaluation reserve	62,089	—	—	(440)	68,192	129,841
	<u>1,065,357</u>	<u>76,554</u>	<u>(138,876)</u>	<u>—</u>	<u>70,322</u>	<u>1,073,357</u>

Restricted funds

Group and company	At 1 April 2016 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2017 £
Golden Eagle Project Fund	—	74,472	(74,472)	—	—	—

The Golden Eagle Project Fund is a fund established for a period of 3 years to fund a Project Officer researching into Golden Eagles. This is the second year of the project. The post is fully funded by SSE Renewables.

23. Analysis of net assets between funds

	Group Unrestricted Funds	Group Total Funds 2017	Company Unrestricted Funds £	Company Total Funds 2017 £
Tangible assets	6,830	6,830	—	—
Investments	605,310	605,310	605,311	605,311
Current assets	949,065	949,065	511,151	511,151
Creditors less than 1 year	(85,036)	(85,036)	(43,105)	(43,105)
Net assets	<u>1,476,169</u>	<u>1,476,169</u>	<u>1,073,357</u>	<u>1,073,357</u>

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

24. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Group		
Not later than 1 year	1,249	3,707
Later than 1 year and not later than 5 years	1,874	1,960
	<u>3,123</u>	<u>5,667</u>

25. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

The company has taken advantage of the exemption contained in the FRS102 from disclosing transactions with its subsidiary Natural Research (Projects) Limited.

During the year the group undertook the following transactions with charity trustees:

Trustee	Transacting entity	Transaction	£	Balance outstanding at year end £
P Stirling-Aird	NR(P) Ltd	Remuneration	1,858	-
		Expenses for travel etc.	342	-
Dr D P Whitfield	NR(P) Ltd	Remuneration	67,047	-
		Pension contributions	2,903	-
		Expenses for travel etc.	670	-
Dr H Insley	NR(P) Ltd	Remuneration	1,833	-
		Expenses for travel etc.	231	-
William Jamieson	NR(P) Ltd	Remuneration	935	-
		Expenses for travel etc.	22	-

Remuneration is paid to directors under the authority of the Articles of Association dated as follows:

Natural Research Limited ("NR Ltd") – dated July 2000

Natural Research (Projects) Limited ("NR(P) Ltd") – dated December 2000

Related Party	Transacting entity	Transaction		Balance outstanding at year end
P Whitfield	NR Ltd	Remuneration	16,171	-
Wife of Dr D P Whitfield		Pension contributions	808	-
		Expenses for travel etc.	240	-

NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

26. Auditors ethical standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard – Provisions Available for Smaller Entities are that, in common with many charities of our size and nature we use our auditors to assist with the preparation of the accounts.

The fees charged by our auditors to the group were as follows:

	2017	2016
	£	£
Audit fees – charity	4,800	4,800
Audit fees – trading company	5,000	5,500
Payroll services	1,500	2,200
	<u>11,300</u>	<u>12,500</u>

27. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The group transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in the retained funds or income and expenditure for the year.