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**THE PIRBRIGHT INSTITUTE
(LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2013

Company registered number 559784
Charity registered number 228824

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

Trustees	The Biotechnology and Biological Sciences Research Council Mr T M T Key MBE, DL, MA, FRICS	
Director of the Institute	Professor J Fazakerley BSc, MBA, PhD, FSB, FRCPath	
Secretary	R S Shaw BA ACA	
Registered office	Pirbright Laboratory Ash Road Pirbright Woking Surrey GU24 0NF	
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich NR3 1UB	
Bankers	Lloyds TSB Bank Plc 5 High Street Swindon SN1 3EN	
Solicitors	Charles Russell LLP Buryfields House Bury Fields Guildford Surrey GU2 4AZ	Manches LLP 3 Worcester Street Oxford OX1 2PZ

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

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THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEE BOARD

The Trustee Board has pleasure in submitting its annual report together with the financial statements for the year ended 31 March 2013

Structure, Governance and Management

Status of the Institute

The Pirbright Institute (the Institute) is a company limited by guarantee (registered number 559784) and a registered charity (number 228824), with statutory directors (Trustee Directors) who form the Trustee Board. Members of the Institute shall be those persons from time to time appointed by the Trustee Directors.

The Trustee Board and its interests

The directors of the Trustee Board during the year were

The Biotechnology and Biological Sciences Research Council (BBSRC) (re-appointed 27 March 2012)
Mr T M T Key MBE, DL, MA, FRICS (re-appointed 1 November 2012)

Trustee Directors are appointed by the members for a period of up to three years, when they are eligible for re-appointment.

The Trustee Board operates through the Institute's Articles Of Association and the Institute Grant Agreement signed by the Institute and its sponsoring body, BBSRC.

BBSRC fulfils its role as Corporate Trustee Director through a team of individual representatives appointed by the BBSRC Council.

Trustee induction and training

The Institute continually reviews its practices for induction and Trustee training. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Organisation of the Institute

The Institute is organised into three strategic Science Programmes spanning two sites, supported by an Operations Division, headed by the Director of Operations and several support service groups. Each Science Programme is managed by a Head of Programme who reports to the Director of the Institute (the Director), as does the Director of Operations.

An Institute Executive Board comprising the Director, the Director of Operations and certain other key managers, meets every two months to review progress towards the Institute's objectives and to take corporate managerial and operational decisions within the annual strategy and objectives set by the Trustee Board and agreed with the BBSRC, as its main funder.

The Trustee Board and its committee structure work closely with the Director and senior management of the Institute and are responsible for corporate governance and for the Institute's scientific strategy and strategic plans.

Employee consultation

The Institute recognises all appropriate Trade Unions representing staff employed at its laboratories. However, the Unions recognised for collective bargaining are Prospect and PCS (Public and Commercial Services). An Institute Negotiating and Consultative Committee (INCC) is in place, with membership drawn equally from the management and Trade Union sides. This provides the necessary machinery for dealing with the consultation and negotiation of the terms and conditions of service agreed by the BBSRC Joint Negotiating and Consultative Committee (JNCC), which at a national level represents all staff within the Research Council and other JNCC organisations.

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEE BOARD

Disabled persons

The Institute has an established policy of encouraging the employment of disabled persons wherever this is practicable and makes reasonable adjustments to working conditions or to physical features of its premises without which disabled persons would be placed at a substantial disadvantage in comparison with people who are not disabled. The Institute specifically has detailed policies to ensure

- full and fair consideration of applications
- equal access to progression within the Institute, training and career development

Policy and practice on payment of suppliers

It is the Institute's policy and practice to settle undisputed sums due to suppliers within the suppliers' standard or specifically agreed credit terms. The average credit period taken during the year was 24 days (2012: 30 days)

Risk management

The Institute conducts its own review of the major risks to which it is exposed and systems have been established to mitigate those risks.

The Institute continues to improve and extend the current system of managing its risks through a risk register database, maintained by the Institute's Risk Manager, which allows risks to be managed more efficiently.

The Trustee Board's Finance and General Purpose Committee is responsible for reviewing the Institute's systems of internal control and financial and other monitoring systems, reviewing the external and internal audit programmes, considering the major findings of investigations and management's response, reviewing the Institute's statement on internal control systems prior to endorsement by the Trustee Board, and generally focusing on the management of risk and contingency plans for all business critical projects.

Trustees' indemnity insurance

The Institute maintains liability insurance for its Trustee Directors, with an annual aggregate cover limit for all claims against them in that capacity. The Trustees have also been granted a qualifying third party provision under section 233 of Companies Act 2006. Neither the Institute's indemnity nor insurance provides cover in the event that a Trustee Director is proved to have acted fraudulently or dishonestly.

Objectives and activities

Objective and Mission of the Institute

The primary objective of the Institute is "to conduct and promote scientific surveillance and research on virus diseases and to develop appropriate methods for their control".

The mission of the Institute, for the benefit of the public at large, is "Research and surveillance to prevent virus diseases of livestock and virus transmission from animals to humans".

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEE BOARD

Public interest activities of the Institute during the year

The Trustee Board has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Institute's objectives and mission and planning its scientific activities for the year

Research at the Institute is focused on understanding the intimate interactions between pathogens, primarily viruses, and their hosts, with a view to developing improved strategies to control, prevent or limit infections. Linked to this goal are practical advances in the rapid and accurate diagnosis of infections, differentiation between infected and vaccinated animals, improvement in current vaccines, development of new control methods, expansion of surveillance and Reference Laboratory capacities, and the further development and improvement of epidemiology and modelling capabilities. As such, the Institute occupies a unique niche within the United Kingdom for basic, strategic and applied research into infectious diseases of large animals and poultry with the ability to integrate cutting-edge laboratory studies, at the molecular and cellular level, with work in host species at the whole animal and population levels.

Research at the Institute is undertaken through three strategic Science Programmes. The three Science Programmes are in the areas of Avian Virus Diseases, Livestock Virus Disease and Vector-Borne Virus Diseases.

In the year, the Institute began 29 new externally funded fundamental and strategic research projects with a total value of approximately £11.3m supported by funders from the United Kingdom (principally BBSRC and Defra) and overseas (principally the European Union and the Food and Agriculture Organisation).

15 of the projects involve collaborations with other UK research institutions, 15 with overseas laboratories and 6 with industrial partners.

There are also 12 annually renewable grants from Defra, EU and FAO for the support of the Reference Laboratories at the Institute's Pirbright laboratory with a total value of approximately £2.4m.

Financial review

The Statement of Financial Activities on page 11 and the Balance Sheet on page 12 have been prepared in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) 2005.

Results for the year

Total incoming resources, before fund transfers, amounted to £82,994,000 (2012: £99,781,000). Investment in tangible fixed assets in the year totalled £50,107,000 (2012: £57,064,000). This was substantially funded by grants from BBSRC, Defra and other grant awarding bodies.

Review of key developments and activities of the Institute during the year

The Institute's over £100m, first phase of the major redevelopment of its world leading animal disease research laboratories at Pirbright is on schedule to complete in early 2014 and, following commissioning and licensing, should be fully occupied by later that year.

The second phase of the Institute's redevelopment of its Pirbright site, whereby the Government will invest a further £80m in the Institute, which will be used to fund the development of new laboratory facilities which will be used, amongst other activities, for work on avian flu, is underway and has reached the detailed design stage. Occupation of the facilities that comprise this second phase, is planned for 2016.

A third phase of the redevelopment programme is yet to get underway. This third phase will provide residential and recreational facilities for staff and visitors, new administration and support functions' facilities, associated infrastructure and a potential commercial zone.

Reserves

Unrestricted general fund balances are allowed to accumulate only to such a level as is required to enable the Institute to respond to anticipated year on year variations in funding without exposing the Institute to undue financial risk. At 31 March 2013 unrestricted general funds showed a surplus of £3,385,000 (2012: deficit £2,338,000).

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEE BOARD

Financial risk management objectives and policies

In common with other businesses, the Institute aims to minimise financial risk. The measures used by the Trustees to minimise this risk include the preparation of incoming resources and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. Costs are carefully monitored to ensure they remain within the constraints of the budget.

Credit risk

New Customers are actively credit checked and the debts are actively chased by the credit control department.

Liquidity risk

Working capital requirements are regularly reviewed in conjunction with available financing facilities as part of routine financial management.

Principal risks and uncertainties

The principal risk and uncertainty for the Institute is that it may not be able to maintain the level of long term funding required to fully achieve its goal of being a world leading high containment facility for research into viral pathogens. Given the fact that the bulk of the Institute's funding is currently from BBSRC and that cuts in government spending are likely to impact the volume of grants available, the Institute is seeking to mitigate this risk by diversifying its sources of funding.

Business Review and key performance indicators

The Institute continues to consider and determine the most appropriate Key Performance Indicators by which the development, performance or position of the various elements of its operations can be effectively measured.

The following are considered to be among the Key Performance Indicators

	2013	2012
Grant and research income (excludes restricted) (£'000)	29,013	31,961
Cost of scientific research (£'000)	28,389	24,289
Staff costs (£'000)	15,820	14,007
Average number of staff (number)	355	322

Grant and research income has decreased by £2.9m compared to the prior period. The Core Strategic Grant has increased from £11.1m to £11.3m, however other unrestricted BBSRC grants decreased from £12.6m to £9.2m. DEFRA funding has remained similar between the two periods with grants of £6.7m in 2012 compared to £6.4m in 2013. Staff costs have increased by £1.8m mainly due to the increase in staff numbers and also the redundancy costs associated with the relocation to Pirbright from Compton. Investment within the new laboratories at Pirbright has continued with £48m capital additions within the period.

Subsidiary undertaking

The Institute's subsidiary undertaking, Avrigo Limited, last traded in 2003 and is currently dormant. Avrigo Limited was formed as part of the Institute's role in the 2001 UK Foot and Mouth outbreak and provided diagnostic and testing services to Defra.

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEE BOARD

Statement of responsibilities of the Trustee Board

The Trustee Directors (who are also directors of The Pirbright Institute for the purposes of company law) are responsible for preparing the Report of the Trustee Board and the financial statements in accordance with applicable law and regulations

Company law requires the Trustee Directors to prepare financial statements for each financial year. Under that law the Trustee Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustee Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustee Directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the 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 charitable company will continue in business.

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

In so far as each of the Trustee Directors is aware

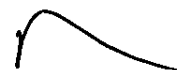
- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Trustee Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

In addition to its specific statutory responsibilities, the Trustee Board plays an important role in the corporate governance of the Institute. Working through the Director of the Institute, it reviews and challenges strategic aspects of the Institute's sustainable capital investment programme, estate management strategy, human resource policies and information management systems.

Auditor

A resolution for the re-appointment of Grant Thornton UK LLP as auditor of the Institute is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE TRUSTEE BOARD



R S Shaw
Secretary

21 November 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

We have audited the financial statements of The Pirbright Institute (Limited by Guarantee) for the year ended 31 March 2013 which comprise the Principal accounting policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee Directors and auditor

As explained more fully in the Statement of Responsibilities of the Trustee Board set out on page 5, the trustees (who are also the directors of the charitable company 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.

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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Basis for qualified opinion on financial statements

Included in Tangible Fixed Assets shown on the Balance Sheet is an amount of £58,238,000 (2012: £69,988,000) in respect of Land and Buildings. Land and Buildings are subject to an accounting policy of revaluation. The last revaluation was carried out in January 2006. In our view this constitutes a departure from *FRS 15 Tangible Fixed Assets*. Land and Buildings should have a full valuation conducted by a qualified valuer at least every five years. We are unable to determine the financial effects of the departure from *FRS 15 Tangible Fixed Assets* on the financial statements.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 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 United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PIRBRIGHT
INSTITUTE (LIMITED BY GUARANTEE)**

(CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustee Board 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 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustee Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**NIGEL SAVORY
SENIOR STATUTORY AUDITOR
FOR AND ON BEHALF OF GRANT THORNTON UK LLP
STATUTORY AUDITOR, CHARTERED ACCOUNTANTS**

NORWICH

29th November 2013.

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Institute's financial statements

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, subject to the revaluation of investments and fixed assets which meet certain conditions. The financial statements meet with the requirements of the Companies Act 2006 and have been prepared in accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities) 2005

The financial statements are prepared on a going concern basis. Financial forecasts have been prepared to the 31 March 2017 which are considered appropriate in the light of continuing financial support expected to be provided by BBSRC and also the current cash reserves of the Institute. On this basis the Trustees have concluded that it remains appropriate to prepare the financial statements on a going concern basis

GROUP FINANCIAL STATEMENTS

The Institute is exempt from the requirement to prepare consolidated financial statements by virtue of section 405(2) of the Companies Act 2006 as the result of its dormant subsidiary undertaking, Avrico Limited, is not material for the purposes of providing a true and fair view. Accordingly, these financial statements present information about the Institute as an individual entity and not its group

The associated companies, as detailed in note 13, have also been excluded from the consolidation on the grounds of these being immaterial to the Institute's financial statements

FIXED ASSETS

Fixed assets with a cost of £3,000 or more are capitalised and depreciated to their estimated residual values basis as set out below. Plant and machinery, fixtures and fittings with a cost of less than £3,000 are expensed in year of purchase

Leasehold land		over the term of the lease on a straight line basis
Leasehold buildings *	Compton	over the term of the lease on a straight line basis
	Pirbright	5 - 50 years on a straight line basis
Plant and machinery		5 years on a straight line basis
Fixtures, fittings, tools and equipment		5 years on a straight line basis

No depreciation is provided on assets in course of construction

Fixed assets other than land and buildings are stated at cost. Only land and buildings in which the Institute has a substantive formal legal interest are periodically revalued with any revaluation surplus or deficit taken to the appropriate fund. Buildings occupied and maintained by the Institute in which the Institute has no formal legal interest or only a very restricted one are stated at cost

Revaluations of buildings were carried out by Powis Hughes and Associates as follows

Compton site - January 2006, Pirbright site - January 2006

These valuations were carried out on the basis of depreciated replacement cost/value in use. External valuations are carried out every five years with interim informal valuations being carried out after three years (subject to the comment below)

* As a consequence of the decision to close the Compton site and transfer all the Institute's operations to Pirbright, the depreciation on the leasehold land and buildings at Compton has now been accelerated to write down the majority of the remaining leasehold land and buildings to their anticipated net book value of £Nil at 31 March 2014 (being the current anticipated date of closure of the Compton site)

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

INCOMING RESOURCES

Income comprises unencumbered grants received from research councils, grant income from collaborative, commissioned and competitively awarded research projects, sales of produce from research farm operations, income from miscellaneous charitable activities, commercial and residential rents from the letting of Institute controlled property, and interest earned on the temporary investment of surplus funds

Income is recognised when the Institute becomes legally entitled to the income and the amount can be quantified with reasonable accuracy. All core BBSRC grants are recognised as revenue in the year they are received. Grant income including research grants received in advance of conditions being met is deferred until those conditions are fully satisfied. Sales of produce is recognised on dispatch, rental and interest income is recognised based on the period to which it relates.

Capital grants are recognised in the statement of financial activities when entitlement passes, typically on receipt.

UNRESTRICTED FUNDS

Income received which is not directed by the provider to be applied for specific purposes to an extent which exceeds the constraints of the Institute's constitution is accounted for within unrestricted general funds.

RESTRICTED AND DESIGNATED FUNDS

Income received by way of grants, sponsorship, donation or legacy which is directed by the provider as to be applied for specific purposes is accounted for within restricted funds. Awards applied within the terms dictated by the awarding authority on the acquisition or improvement of tangible fixed assets are also accounted for within restricted funds in full. The balance of the restricted capital fund is reduced by the depreciation or amortisation charges over the expected useful life of the asset.

Unrestricted designated funds comprise sums set aside for specific purposes including the acquisition and improvement of tangible fixed assets, the presentation of scientific conferences, and contributions towards capital to be replaced using the fully economic costing policy adopted by the Institute. Funds applied in support of investment in tangible fixed assets are transferred to restricted funds.

RESOURCES EXPENDED

Costs of charitable activities comprises costs incurred directly or in support of scientific research whether carried out in the Institute's own facilities or in other laboratories.

Costs of generating funds represents the costs associated with trading and raising income including the Institute's rental activities and tenant services and investments.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Institute and include the audit fees, legal advice for trustees, annual report costs and costs linked to the strategic management of the Institute.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Support costs, representing the staffing and associated costs of finance, personnel and general administration in supporting the operations of the Institute, are apportioned on an appropriate basis (see note 5).

STOCK

Farm and laboratory supplies are valued at the lower of cost and net realisable value.

LEASED ASSETS

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Assets acquired under finance leases are capitalised as tangible fixed assets and depreciated over their useful lives. Finance charges and interest are taken to the income and expenditure account in proportion to the remaining balance of capital repayments or net obligations outstanding.

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

RESERVES

Unrestricted general fund balances are allowed to accumulate only to such a level as is required to enable the Institute to respond to anticipated year-on-year variations in funding without exposing the Institute to undue financial risk. The target for such balances has accordingly been set at 2.5% of recurrent annual income and a ceiling has been set at 10% of recurrent annual income.

INVESTMENTS

Quoted investments are valued at market value. Other investments are carried at the lower of cost and net realisable value. The policy of the Institute is to write down investments where a permanent diminution in value is deemed to have occurred.

PENSION COSTS

The cost of providing pension and related benefits is charged to the statement of financial activities as directed by the BBSRC. The scheme is a defined benefit scheme as explained in note 10 but there are no separately identifiable assets and the actuarial cost to the Institute is not known. Consequently it is not possible to supply the information referred to in Financial Reporting Standard 17 and the Institute has accounted for the scheme as though it were a defined contribution scheme.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

TAXATION

The Pirbright Institute is a registered charity within the meaning of the UK Taxes Acts and is, therefore, eligible to claim exemptions to income tax and capital gains tax.

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2013

	Note	Unrestricted funds £'000	Restricted funds £'000	2013 Total Funds £'000	2012 Total Funds £'000
Incoming resources					
<i>Incoming resources from generated funds</i>	1				
<i>Activities for generating funds</i>					
Rental income and tenant services		106	-	106	106
Investment income		627	-	627	310
<i>Incoming resources from charitable activities</i>	2				
Grants and contracts		29,013	49,144	78,157	94,150
Research farm operation		1,626	-	1,626	1,983
Rental income and tenant services - science		838	-	838	858
Staff restaurant and nursery		86	-	86	110
Other charitable income	3	1,554	-	1,554	2,264
Total incoming resources		33,850	49,144	82,994	99,781
Resources expended					
<i>Costs of generating funds</i>	4				
Fundraising trading costs of goods sold and other costs		348	391	739	849
Investment management costs		22	-	22	7
<i>Charitable activities</i>	4				
Scientific research		28,389	11,542	39,931	44,343
Research farm operation		2,209	551	2,760	3,223
Other charitable activities		2,081	1,134	3,215	3,019
<i>Governance costs</i>	6	371	-	371	333
Total resources expended		33,420	13,618	47,038	51,774
Net incoming resources before transfers		430	35,526	35,956	48,007
Transfers	18	723	(723)	-	-
Net incoming resources before other recognised gains and losses		1,153	34,803	35,956	48,007
Gains on revaluation of fixed asset investments for charity's use	13	24	-	24	10
Net movement in funds		1,177	34,803	35,980	48,017
Balances brought forward		12,677	210,257	222,934	174,917
Balances carried forward		13,854	245,060	258,914	222,934

All incoming resources and resources expended derive from continuing activities

The accompanying accounting policies and notes form an integral part of these financial statements

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

BALANCE SHEET AT 31 MARCH 2013

Company number 559784

	Note	2013 £'000	2012 £'000
Fixed assets			
Tangible fixed assets	12	221,911	184,745
Investments	13	113	89
		<u>222,024</u>	<u>184,834</u>
Current assets			
Stocks	14	1,286	1,200
Debtors	15	9,082	14,466
Cash at bank and in hand	16	38,651	39,196
		<u>49,019</u>	<u>54,862</u>
Creditors amounts falling due within one year	17	(12,129)	(16,762)
Net current assets		<u>36,890</u>	<u>38,100</u>
Total assets less current liabilities		<u>258,914</u>	<u>222,934</u>
Net assets		<u>258,914</u>	<u>222,934</u>
Financed by			
Unrestricted funds	18	13,854	12,677
<i>Restricted</i>			
General funds	18	237,112	202,163
Other restricted reserve	18	7,948	8,094
Total funds	18	<u>258,914</u>	<u>222,934</u>

These financial statements were approved by the board of Governing Council and authorised for issue on 21 November 2013



Professor J Brownlie

For and on behalf of the Biotechnology and Biological Sciences Research Council



Mr T M T Key

Trustee Director

The accompanying accounting policies and notes form an integral part of these financial statements

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

CASH FLOW STATEMENT

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Net cash (outflow)/inflow from operating activities	21	(212)	11,785
Return on investments and servicing of finance			
Interest received		627	310
Net cash inflow for returns on investment and servicing of finance		627	310
Capital expenditure			
Payments to acquire tangible fixed assets		(50,107)	(57,064)
Proceeds from sale of tangible fixed assets		3	111
Net cash outflow for capital expenditure		(50,104)	(56,953)
Net cash outflow before financing		(49,689)	(44,858)
Financing			
Capital grants		49,144	62,189
Repayment of loan		-	(336)
Net cash inflow from financing		49,144	61,853
(Decrease)/increase in cash in the year	22,23	(545)	16,995

The accompanying accounting policies and notes form an integral part of these financial statements

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

1 INCOMING RESOURCES FROM GENERATED FUNDS

	2013 £'000	2012 £'000
Rental income and services to tenants	106	106
Investment income - bank interest receivable (note 11)	627	310
	<u>733</u>	<u>416</u>

2 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2013 £'000	2012 £'000
Grant income		
BBSRC – core strategic grant	11,321	11,119
BBSRC – other grants	54,245	71,812
Research Grants	12,591	11,219
	<u>78,157</u>	<u>94,150</u>
Research farm operation	1,626	1,983
Rental income and tenant services – science	838	858
Staff restaurant	86	110
Other charitable income (note 3)	1,554	2,264
	<u>82,261</u>	<u>99,365</u>

The analysis by region is set out below

	2013 £'000	2012 £'000
United Kingdom	81,147	99,045
Europe EEC Commission	613	292
Other	-	5
North America	80	-
Others	421	23
	<u>82,261</u>	<u>99,365</u>

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For the year ended 31 March 2013

INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (CONTINUED)

Analysis of grant income

	Unrestricted £'000	Restricted £'000	2013 Total £'000	2012 Total £'000
BBSRC				
- Core Strategic Grant	11,321	-	11,321	11,119
- Competitive Project Grant – research grants	4,101	-	4,101	2,982
- Other grants	5,101	49,144	54,245	71,812
Total BBSRC	20,523	49,144	69,667	85,913
Defra "Umbrella" contract commission projects	4,476	-	4,476	4,820
Defra competitive projects	-	-	-	-
Defra Surveillance	1,895	-	1,895	1,834
Other government departments, public sector	103	-	103	110
European Union	613	-	613	210
Industry, levy boards	320	-	320	155
Trusts, foundations, charities	476	-	476	199
Universities	-	-	-	6
Other research grant income	607	-	607	903
Total incoming resources – grants including research	29,013	49,144	78,157	94,150

	2013 £'000	2012 £'000
Other operating income		
Rents receivable	944	964
Interest receivable	627	310
	1,571	1,274

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

3 OTHER CHARITABLE INCOME

	Unrestricted £'000	Restricted £'000	Total 2013 £'000	Total 2012 £'000
Ancillary trades and activities				
Royalties	245	-	245	118
Diagnostic kits	740	-	740	877
Gains on disposal of fixed assets	-	-	-	91
Other	569	-	569	1,178
	<u>1,554</u>	<u>-</u>	<u>1,554</u>	<u>2,264</u>

4 ANALYSIS OF RESOURCES EXPENDED

	Staff costs £'000	Other direct costs £'000	Allocated support costs £'000	Total 2013 £'000	Total 2012 £'000
Unrestricted funds					
<i>Costs of generating funds</i>					
Rental income and tenant services	-	-	348	348	233
Investment management costs	-	18	4	22	7
<i>Charitable expenditure</i>					
Grants and contracts for scientific research	9,198	5,875	13,316	28,389	24,289
Research farm operation	352	1,527	330	2,209	2,252
Rental income and tenant services - science	-	465	1,145	1,610	734
Staff restaurant	-	266	155	421	382
Other charitable activities	-	-	50	50	34
<i>Governance costs</i>	124	53	194	371	333
Total unrestricted resources expended	<u>9,674</u>	<u>8,204</u>	<u>15,542</u>	<u>33,420</u>	<u>28,264</u>
Restricted funds					
<i>Cost of generating funds</i>	-	-	391	391	616
<i>Charitable expenditure</i>	-	-	13,227	13,227	22,894
Total restricted resources expended	<u>-</u>	<u>-</u>	<u>13,618</u>	<u>13,618</u>	<u>23,510</u>
Total resources expended	<u>9,674</u>	<u>8,204</u>	<u>29,160</u>	<u>47,038</u>	<u>51,774</u>
<i>Total resources expended – 2012</i>	<u>9,681</u>	<u>8,074</u>	<u>34,019</u>	<u>51,774</u>	

Included in allocated support costs are normal staff costs of £4,757,183 (2012 £4,440,784)

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For the year ended 31 March 2013

5 ANALYSIS OF SUPPORT COSTS

	Rental income and tenant services £'000	Investment management costs £'000	Grants and contracts for scientific research £'000	Research farm operation £'000	Science rental income and tenant services £'000	Staff restaurant and nursery £'000	Other charitable activities £'000	Governance £'000	Total 2013 £'000	Total 2012 £'000	Basis of allocation
Unrestricted											
Premises	214	-	9,191	107	1,067	80	-	-	10,659	6,823	% of floor area
Financial costs	11	4	252	31	19	11	11	46	385	110	time spent
Management	54	-	1,322	54	23	26	14	66	1,559	1,014	time spent
Human resources	55	-	401	22	-	16	-	55	549	458	time spent
Information technology	8	-	1,710	74	19	9	19	-	1,839	1,646	time spent
Purchasing and procurement	6	-	440	42	17	13	6	27	551	458	time spent
	348	4	13,316	330	1,145	155	50	194	15,542	10,509	
Restricted											
Depreciation/ Impairment	388	-	10,933	517	1,035	65	-	-	12,938	19,964	
Repairs / compliance	3	-	609	34	34	-	-	-	680	3,455	
	391	-	11,542	551	1,069	65	-	-	13,618	23,419	
	739	4	24,858	881	2,214	220	50	194	29,160	33,928	

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

6 ANALYSIS OF GOVERNANCE COSTS

	2013 £'000	2012 £'000
Legal and professional	2	10
External audit fees	51	82
Company secretarial costs	124	115
Apportionment of staff and support	194	126
	<u>371</u>	<u>333</u>

7 OPERATING COSTS

	2013 £'000	2012 £'000
Operating costs stated after charging:		
Auditor's remuneration		
- audit services	51	82
Depreciation	12,907	14,726
Impairment (gains)/losses	-	5,329
Loss/(Profit) on disposal of fixed assets	31	(91)
Hire of plant and machinery	43	63
Rental of land and buildings	279	253
	<u>279</u>	<u>253</u>

Operating costs are stated net of laboratory supplies carried forward in stock amounting to £107,000 (2012 £129,000) (note 14)

8 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted funds £'000	Restricted funds £'000	2013 Total £'000	2012 Total £'000
Net movement in funds for the year	1,177	34,803	35,980	48,017
Net decrease in fixed assets for direct charitable purposes	-	(37,163)	(37,163)	(36,989)
	<u>1,177</u>	<u>(2,360)</u>	<u>(1,183)</u>	<u>11,028</u>

9 REMUNERATION OF THE MEMBERS OF THE TRUSTEE BOARD

None (2012 none) of the members of the Trustee Board received any remuneration from the Institute during the year. One member (2012 one member) of the Trustee Board had travel expenses of £3,459 (2012 £3,666) reimbursed during the year and received consultancy fees of £5,000 (2012 £5,000).

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

10 STAFF NUMBERS AND COSTS

The average number of persons employed by the Institute on a full time equivalent basis (including members of the Governing Council) during the year, analysed by category, was as follows

	Number of employees	
	2013	2012
Office, management and estate support	127	96
Research farm	8	9
Scientific	220	217
	<u>355</u>	<u>322</u>

The aggregate payroll costs of these persons were as follows

	2013	2012
	£'000	£'000
Wages and salaries	12,035	10,666
Social security costs	867	804
Other pension costs	2,918	2,537
	<u>15,820</u>	<u>14,007</u>

Employees of the council are members of the Research Councils' Pension Schemes, which are funded on a pay-as-you-go basis principally through employer and employee contributions and annual grant-in-aid. The pension schemes are by analogy to the Principal Civil Service Pension Scheme (PCSPS), except that while the schemes that are defined benefit schemes and provide retirement and related benefits on final emoluments, redundancy and injury benefits are administered and funded by the council. The pension schemes are administered by the Research Councils' Joint Superannuation Services and the schemes' finances are administered by the BBSRC. A separate Research Councils' Pension Schemes Account has been published and contains the further disclosure of information under the relevant accounting standard.

The council pays employers' contributions, at a percentage of scheme members' pensionable pay and emoluments assessed by the Government Actuary's Department on a periodical basis. The rate for the year was 26.0%, which was established following GAD's most recent assessment. The pension costs represent contributions payable by the Institute to the scheme and amount to £2,829,382 (2012: £2,536,960).

The number of staff with emoluments greater than £60,000 was

	2013	2012
	Number	Number
£60,000 - £69,999	7	3
£70,000 - £79,999	2	2
£80,000 - £89,999	2	2
£110,000 - £119,999	1	1

The number of staff earning over £60,000 for whom retirement benefits are accruing under defined benefit schemes amounted to twelve (2012: eight) and the amounts paid in the year were £242,286 (2012: £163,150).

11 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£'000	£'000
Bank interest receivable	<u>627</u>	<u>310</u>

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

12 TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings, tools and equipment £'000	Payments on account and assets in course of construction £'000	Total £'000
Group and charity					
Cost/revaluation					
At 1 April 2012	122,700	6,646	1,283	111,686	242,315
Additions	-	2,114	-	47,993	50,107
Disposals	(115)	(41)	-	-	(156)
At 31 March 2013	122,585	8,719	1,283	159,679	292,266
Depreciation					
At 1 April 2012	52,712	3,575	1,283	-	57,570
Charge for year historic	6,125	1,186	-	-	7,311
Charge for year revaluation	5,596	-	-	-	5,596
Disposals historic	(86)	(36)	-	-	(122)
At 31 March 2013	64,347	4,725	1,283	-	70,355
Net book value at 31 March 2013	58,238	3,994	-	159,679	221,911
Net book value at 31 March 2012	69,988	3,071	-	111,686	184,745
Buildings revaluations comprise					£'000
Compton (2006)					50,305
Pirbright (2006)					38,719
Revalued amount					89,024

The Charity's land and buildings were revalued by Powis Hughes, external Chartered Surveyors, as at January 2006 on the basis of depreciated replacement cost

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)**NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

For the year ended 31 March 2013

TANGIBLE FIXED ASSETS (CONTINUED)

The net book value of land and buildings comprises

	2013 £'000	2012 £'000
Short leasehold land	12,636	13,302
Short leasehold buildings (subject to formal lease)	45,156	56,686
	<u>57,792</u>	<u>69,988</u>

Details of leased assets included within fixed assets are

Plant and machinery

Cost brought forward at 1 April 2012	36	108
Disposals	-	(72)
Accumulated depreciation brought forward at 1 April 2012	(36)	(108)
Depreciation on disposals	-	72
	<u>-</u>	<u>-</u>
Net book value at 31 March 2013	<u>-</u>	<u>-</u>

	2013 £'000	2012 £'000
Net book value of fixed assets used for direct charitable purposes	<u>221,911</u>	<u>184,745</u>

13 INVESTMENTS

	2013 £'000	2012 £'000
UK listed investments held as fixed assets		
Market value at 1 April 2012	89	79
Unrealised profit	24	10
	<u>113</u>	<u>89</u>
Market value at 31 March 2013	<u>113</u>	<u>89</u>
Represented by		
Genus plc	62	50
Dairy Crest	51	39
	<u>113</u>	<u>89</u>
Total	<u>113</u>	<u>89</u>

THE PIRBRIGHT INSTITUTE (LIMITED BY GUARANTEE)

NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

INVESTMENTS (CONTINUED)

Investment in subsidiary undertaking

Avrico Limited, which is incorporated in England and Wales, previously undertook Foot and Mouth disease testing on behalf of the Institute, was dormant during the current and previous year. The Institute owns the entire share capital of 100 ordinary shares of £1 each.

The assets and liabilities of the subsidiary were

	2013 £'000	2012 £'000
Current assets	-	-
Creditors: amounts falling due within one year	(8)	(8)
Net liabilities	(8)	(8)
Aggregate share capital and reserves	(8)	(8)

The Institute has provided for the deficit shown by the subsidiary undertaking by writing off the amount owed to it by Avrico Limited.

Investment in associated undertakings

Genecom Limited was incorporated in July 2004 as a company limited by guarantee. The company was established by way of grants from the Department of Innovation, Universities and Skills and the European Regional Development Fund and is a new business development vehicle. The primary aim of the company is to build capacity to develop more effective commercial exploitation platforms for the members' technologies, share experience and expertise. The Institute has equal membership in this company with Roslin Institute and the Moredun Research Institute. The company's turnover for the year ended 31 March 2013 was £265,000 (2012 £487,000) and its net assets as at 31 March 2013 were £67,000 (2012 £77,000).

Genomia Management Limited was formed on 16 April 2004 and is also a company limited by guarantee. The company was established by way of grants from the Department of Innovation, Universities and Skills and the European Regional Development Fund. The company manages the Genomia Fund the objective of which is to assist in the development of research output from the members into commercially realisable opportunities. The Institute has equal membership in this company with Roslin Institute, Moredun Research Institute, Rowett Research Institute and the Scottish Agricultural College. The company's turnover for the year ended 31 March 2013 was £643,000 (2012 £435,000) and its net assets as at 31 March 2013 were £Nil (2012 £Nil).

14 STOCKS

	2013 £'000	2012 £'000
Farm	1,179	1,071
Laboratory supplies	107	129
	1,286	1,200

The Institute's stock consists of farm stocks used for non-research purposes and stock of laboratory supplies for research purposes.

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For the year ended 31 March 2013

15 DEBTORS

	2013	2012
	£'000	£'000
Trade debtors	480	695
Other debtors	6,308	12,808
Prepayments	1,005	115
Accrued income	1,289	848
	9,082	14,466

16 CASH AT BANK AND IN HAND

	2013	2012
	£'000	£'000
Cash at bank	38,651	39,195
Cash in hand	-	1
	38,651	39,196

17 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£'000	£'000
Trade creditors	1,215	3,110
Taxation and social security	486	275
Other creditors	1,431	1,967
Accruals	4,458	6,257
Deferred income	4,539	5,153
	12,129	16,762

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

18 FUNDS

	Balance 1 April 2012 £'000	Net incoming/ (outgoing) resources £'000	Transfer between funds £'000	Balance 31 March 2013 £'000
Unrestricted- General	(2,338)	454	5,269	3,385
- Designated	15,015	-	(4,546)	10,469
Restricted				
Capital fund	202,163	34,949	-	237,112
Other restricted reserve:				
Repairs and maintenance	6,408	9	-	6,417
Hostel	1,626	-	(155)	1,471
Redundancy	-	568	(568)	-
Other	60	-	-	60
	<u>222,934</u>	<u>35,980</u>	<u>-</u>	<u>258,914</u>

Repairs and maintenance grants received principally from BBSRC specifically to be applied in the improvement of tangible fixed assets and maintenance of facilities

The Hostel funds were received from BBSRC to cover the cost of the rents payable at the Compton site

Redundancy funds have been specifically received from BBSRC to fund the redundancies in the year

	2013 £'000	2012 £'000
Capital Fund		
Balance brought forward	202,163	166,553
Grants received	47,887	55,574
Depreciation/ impairment (note 5)	(12,938)	(19,964)
Balance carried forward	<u>237,112</u>	<u>202,163</u>

The Capital Fund represents funding received, principally from BBSRC, for the past and future acquisition of tangible fixed assets. These assets are built on land that is not owned by The Pirbright Institute. The capital fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets held by the charity and amounts received for capital but not yet spent

Analysis of net assets between funds

	Fixed assets £'000	Net current assets £'000	Total £'000
Unrestricted funds - General	113	13,741	13,854
Restricted funds			
Capital fund	206,816	15,201	222,017
Revaluation reserve	15,095	-	15,095
Other restricted reserve	-	7,948	7,948
	<u>222,024</u>	<u>36,890</u>	<u>258,914</u>

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For the year ended 31 March 2013

Transfers between funds

	Unrestricted general funds £'000	Unrestricted designated funds £'000	Restricted funds £'000
Year ended 31 March 2013			
Funds applied on capital expenditure	-	-	-
Transfer of funds to general reserves	5,269	(4,546)	(723)
	<u> </u>	<u> </u>	<u> </u>
Year ended 31 March 2012			
Funds applied on capital expenditure	(10)	-	10
Transfer of funds to general reserves	120	-	(120)
	<u> </u>	<u> </u>	<u> </u>

Due to over designation within prior periods the Trustees have transferred sufficient amounts to the unrestricted general fund in line with the Institutes reserves policy

19 COMMITMENTS

(a) Capital commitments at the end of the financial year for which no provision has been made.

	2013 £'000	2012 £'000
Authorised but not contracted for	4,390	30,600
	<u> </u>	<u> </u>

The capital commitments of £4,390,000 (2012 £30,600,000) will be significantly funded by the BBSRC

(b) Operating lease commitments

The Institute is committed to the following annual charges in respect of

	2013 £'000	2012 £'000
Land and buildings		
Expiring after five years	264	239
	<u> </u>	<u> </u>
Plant and Machinery		
Expiring within five years	69	44
	<u> </u>	<u> </u>

20 INSURANCE

In line with government policy

- No insurance against property losses is effected by the Institute except that required by statute

The Institute has entered a policy of insurance to indemnify trustees and officers against legal or other costs incurred as a consequence of their action or inaction as trustees or officers of the Institute. The premium and related costs in respect of this policy were £2,067 (2012 £2,067)

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

21 RECONCILIATION OF CHANGE IN RESOURCE TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2013	2012
	£'000	£'000
Net incoming resources	35,956	48,007
Interest receivable	(627)	(310)
Depreciation charged	12,907	14,726
Impairment losses	-	5,329
Loss/(Profit) on disposal of fixed assets	31	(91)
Capital grants received	(49,144)	(62,189)
(Increase)/Decrease in stocks	(86)	199
Decrease in debtors	5,384	2,742
(Decrease)/Increase in creditors	(4,633)	3,372
Net cash (outflow)/inflow from operating activities	<u>(212)</u>	<u>11,785</u>

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2013	2012
	£'000	£'000
(Decrease)/Increase in cash in year	(545)	16,995
Cash outflow from decrease in loans from BBSRC	-	336
Movement in net funds in year	<u>(545)</u>	<u>17,331</u>
Net funds at 1 April 2012	39,196	21,865
Net funds at 31 March 2013	<u>38,651</u>	<u>39,196</u>

23 ANALYSIS OF NET FUNDS

	At	Cash flow	At
	1 April		31 March
	2012	2013	2013
	£'000	£'000	£'000
Cash at bank and in hand	39,196	(545)	38,651
	<u>39,196</u>	<u>(545)</u>	<u>38,651</u>

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NOTES TO THE TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

24 CONTINGENT ASSETS AND LIABILITIES

There is a contingent liability to account to the Biotechnology and Biological Sciences Research Council for the net proceeds of disposal of fixed assets acquired with grant assistance and for recurrent grant in excess of the financing requirements

Certain buildings have been zero rated for Value Added Tax. There is a contingent liability to HMRC should the use of these buildings change within 10 years

No such liabilities existed at either 31 March 2013 or 31 March 2012

25 RESTRICTED FUNDS AND UNRESTRICTED DESIGNATED FUNDS

Restricted funds comprise grants received from funders specifically to be applied in the acquisition or improvement of tangible fixed assets or otherwise applied for such purposes within the terms of delegated authority or permitted virement. Unrestricted designated funds comprise sums set aside for specific purposes including the acquisition and improvement of tangible fixed assets, the presentation of scientific conferences, and contributions towards capital to be replaced using the fully economic costing policy adopted by the Institute. Funds applied in support of investment in tangible fixed assets are transferred to restricted funds

The unexpended balance of restricted funds and unrestricted designated funds is invested in temporary deposits and appears in the balance sheet under current assets

26 BUILDINGS REVALUATION - UNREALISED GAIN

The reserve resulting from the revaluations carried out between 2000 and 2006 has been depreciated assuming a life of 20 years. The balance of the reserve as at 31 March 2013 is as follows

	£'000
Revaluation reserve brought forward	20,718
Depreciation charged (note 12)	(5,596)
Disposals	(27)
	<hr/>
Revaluation reserve carried forward	15,095

The Compton and Pirbright premises of the Institute's leasehold property were revalued during January 2006 by Powis Hughes and Associates Chartered Surveyors at an estimated depreciated replacement cost of £89,024,000. This revaluation did not include the recently completed isolation unit in Pirbright valued at a further £6,733,000

The 2007 depreciation charge included £250,000 of impairment charge relating to all buildings in Scotland that were transferred to another BBSRC funded Institute on 31 March 2007

On an historical cost basis, the leasehold property would have been included at an original cost of £86,480,000 (2012 £86,572,000) and aggregate depreciation of £43,816,000 (2012 £36,466,000)

27 RELATED PARTY TRANSACTIONS

Biotechnology and Biological Science Research Council (BBSRC)

The BBSRC is a corporate Trustee of The Pirbright Institute and provides substantial funding to the Institute. The Pirbright Institute is affiliated with the BBSRC along with seven other Institutes. Details of grants received from BBSRC are detailed in note 2. During the year, the BBSRC charged the Institute £2,423 (2012 £66,666) for Computing Centre costs and £111,739 (2012 £239,284) for other costs

A loan from BBSRC of £Nil (2012 £Nil) was interest-free and fully repaid during the year

Genecom Limited

During the year the Institute provided goods and services to Genecom Limited amounting to £Nil (2012 £219,125). At the year end the Institute was owed £Nil (2012 £Nil)