

COMPANY REGISTRATION NUMBER SC209393

**NATURAL RESEARCH LIMITED**

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**COMPANY LIMITED BY GUARANTEE**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2018**

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 2018**

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# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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<b>Registered charity name</b>	Natural Research Limited
<b>Charity number</b>	SC030363
<b>Company registration number</b>	SC209393
<b>Principal address</b>	Brathens Business Park Hill of Brathens Glassel Banchory Scotland AB31 4BY
<b>Registered office</b>	14 Carden Place Aberdeen Scotland AB10 1UR
<b>Directors</b>	Mr P K Stirling-Aird MBE Dr H Insley (resigned 14 March 2018) Dr D P Whitfield Mr W Jamieson
<b>Secretary</b>	MacKinnons
<b>Auditors</b>	Williamson & Dunn Chartered Accountants & Statutory Auditor 3 West Craibstone Street Bon Accord Square Aberdeen AB11 6YW
<b>Bankers</b>	HSBC Bank PLC 95-99 Union Street Aberdeen AB11 6BD
<b>Solicitors</b>	MacKinnons 14 Carden Place Aberdeen AB10 1UR
<b>Investment Managers</b>	Brewin Dolphin Sixth Floor, Atria One 144 Morrison Street Edinburgh EH3 8BR

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# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## DIRECTORS REPORT

YEAR ENDED 31 MARCH 2018

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The directors present their report and the financial statements of the group for the year ended 31 March 2018.

### 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.

The charity 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 2018 continued good progress was made in taking forward projects and in disseminating their results. Several publications were drafted, submitted and/or accepted.

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 four high-profile papers in prestigious journals related to her PhD studies, to date. Sarah also contributed advice and text review on the northern goshawk for a forthcoming educational book aimed at young people authored by Pete Minting: "Amazing Animals. Brilliant Science. How DNA technology is being used to help Scotland's wildlife". Dr Whitfield has provided comparable assistance in the compilation of the book's chapter on the golden eagle.

Rowen van Eeden gained his PhD doctorate in summer 2017 on the causes of decline of the martial eagle in southern Africa, from 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. Rowen, with assistance from his co-supervisors, including Dr Whitfield, has had two papers accepted by scientific journals, and is working on a third paper for submission.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

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### *Achievements and performance (continued)*

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 by the difficulty in live trapping the study subjects. FES efforts have subsequently been rewarded 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 took place in 2017, with the joint purchase between NR and FES of further satellite tags. The aim is to build up a unique and robust dataset, to provide knowledge of the behaviour of territorial golden eagles in Scotland, for thorough analysis; notably on their use of afforested habitats. Preliminary material has been presented at several meetings, notably those of the Raptors and Forestry Joint Working Group (co-chaired by Forestry Commission Scotland and Scottish Natural Heritage) where the results were met with enthusiasm and for contribution to future guidance documents.

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'. The wider project is expanding studies to include the giant anteater.

A further NR-assisted project on the dispersal of young northern goshawks in Scotland was continued. The project also involved the prospective testing of new GSM satellite tags. Encouraging results from the first set of deployed tags have led the trustees to support further tagging in 2019. All results will be contributed to a new PhD studentship, beginning in autumn 2018, at the University of Aberdeen (co-supervisors include Professor Xavier Lambin, Dr Thomas Cornulier, and Dr Whitfield): "Leaving the safety of the forest: the landscape-scale dynamics of the northern goshawk, a protected mobile species occupying areas with varying levels of protection". This CASE studentship with NR as an 'industry' collaborator was the top-ranked proposal granted support by NERC in 2017.

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) was 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. Several reports and a scientific publication have resulted. In February 2018, following the cessation of Dr Weston's contract, SSE funding shifted to a research programme led by NR directly with appropriate sub-contractor support, to February 2020.

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 (two further papers from this project were published in 2017, with a fourth in preparation), 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. Dr Whitfield has presented the work of NR, and experience gained from the work of NR, to several domestic and international forums by invitation in the year ended March 2018.

A research commission to the charity from Scottish Government and Scottish Natural Heritage resulted in a report led by Dr Whitfield on the fates of satellite tagged golden eagles in Scotland, published in May 2017. This work has received plaudits from several quarters, including personal letters of gratitude to the authors from the Cabinet Secretary for the Environment and Rural Affairs for the quality of the research. As a result of the report, the Cabinet Secretary has instigated further reviews with a potential view to change in legislation. The report has been and will continue to be a highly influential piece of research.

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

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# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

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### Achievements and performance *(continued)*

The subsidiary company saw its profits recover in the year ended March 2018 after two previous years of poor or unprofitable activity. As was outlined in several previous Directors' Reports, the subsidiary's main trading environment has become increasingly competitive whilst the market for work has shrunk and increasingly subject to shifting government energy policies but with improvements in wind energy technology. This trend was apparent 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. 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 in the year ended March 2017, as opposed to prior budget projections and despite the immediate cost of the company re-organisation. These actions of the company's executive directors also fed through to improvements in the year ended March 2018, assisted by a slight improvement in the market's confidence and the executive directors' ability to secure new contracts. The return to a profitable outcome in the year ended March 2018 is a welcome change in performance, due in no small part to the actions of the subsidiary company in reacting to its market's status.

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. Hopes of further international work have not materialised and work on marine projects has been squeezed by other larger competitors in the market which have more cost-effective scale of operations; and that the commercial appetite for 'wet' renewables has fallen away. The executive directors, however, have successfully secured work away from the core ornithology expertise, in 'Ecology' by deploying skills in mammalian survey and partnering with consultants which have ready access to additional personnel and experience in 'Ecology' surveying and reporting. There has been a continued 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 still uncertain. The trustees will continue to maintain a close watching brief over the performance and prospects for the commercial subsidiary given the rapidly changing 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 £(43,853) (2017 - £(75,681)) have been dealt with as shown in the Statement of Financial Activities and comprise:

	Total 2018 £	Total 2017 £
Natural Research Limited	(53,214)	8,000
Natural Research (Projects) Limited	9,361	(83,681)
	<u>(43,853)</u>	<u>(75,681)</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 £576,971 and generated £21,671 of dividend income, equivalent to a gross yield of 3.75%.

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# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

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### 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 was 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. In the year ended March 2018 the Directors reviewed that, with an improved market and continued prudent business planning, the reserve funds available to the subsidiary were sufficient to meet the uncertainties of the subsidiary's operational environment. It was decided therefore that for year ended March 2018 and for future years the trading subsidiary would donate any and all profits to finance the charity's operations; returning, for the foreseeable future, to the original objectives of the trading subsidiary in assisting the charity. The donation for the year ended 31 March 2018 will be paid prior to 31 March 2019.

### 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 2018 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. This has increased the charity's outputs.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

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### Plans for future periods *(continued)*

The Directors have also recognised that the intention for continued high activity and the availability of current substantial funds must be tempered by a view to the continuation of the charity's activities in the medium- to long-term (on a timescale related to the charity's age and the continued retention and age of Dr Whitfield) within the expectation of uncertain (and at best relatively low) levels of intergroup donation from the trading subsidiary. This acknowledges that while the charity currently holds substantial funds, the possibility of substantial annual contributions are remote or uncertain in the future; as compared to years in the past when the charity's reserves were built up. Hence, the existing funds will be used to ensure continued activities, which are anticipated to result in future annual deficits, but without endangering the possibility of continued activity in the coming several years. In this context, the Directors also recognise that the current source of income from the investment portfolio will shrink at a point in the future as the investment funds are withdrawn as a cost-effective decision and to fuel the charity's objectives from its available resources.

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 (or at best uncertain, and minimal) under a difficult commercial market. Greater publicity and marketing of the subsidiary company and its many qualities has been encouraged and will continue to be actively pursued by its executive directors through several initiatives.

### 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 (resigned 14 March 2018)

Dr D P Whitfield

Mr W Jamieson

### 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 2018 was delegated to Dr D P Whitfield the Managing Director of the charity, and he reported to the Board on performance.

The trading subsidiary's board in the year ended 31 March 2018 consisted of Dr Insley (non-executive) (resigned 14 March 2018), Mr Stirling-Aird (non-executive), Mr W Jamieson (non-executive), Dr Whitfield (non-executive), Ms F Leckie (executive) and Mrs L Maddrick (executive).

# **NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE**

## **DIRECTORS REPORT *(continued)***

**YEAR ENDED 31 MARCH 2018**

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### **Directors**

The directors during the year are listed on page 1.

In accordance with the Articles of Association Mr Stirling-Aird retired at the Annual General Meeting (AGM) on 16 August 2017 and was eligible for re-election. The Board re-elected Mr Stirling-Aird, as per minutes of this AGM. In further accordance with the Articles of Association Mr Jamieson will retire at the next AGM in August 2018 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.

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. 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 NR(P) executive directors is reviewed annually by a remuneration committee composed of non-executive directors (excluding Dr Whitfield). The pay of wider NR(P) staff are decided by the NR(P) executive directors as part of their day-to-day management of the subsidiary. The committee considers increases in conjunction with increases awarded to the wider staff group. In addition, the committee benchmark pay levels against those in other similar sector organisations. The pay of all NR staff is considered by the same committee.

### **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.

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# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## DIRECTORS REPORT *(continued)*

YEAR ENDED 31 MARCH 2018

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### 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 charitable group'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 charitable group's auditor is aware of that information.

### 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 22 August 2018

# **NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**YEAR ENDED 31 MARCH 2018**

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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 air view of the state of affairs of the charitable group 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 charitable group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable group 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 DIRECTORS AND MEMBERS OF NATURAL RESEARCH LIMITED**

**YEAR ENDED 31 MARCH 2018**

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### **Opinion**

We have audited the financial statements of Natural Research Limited (the charitable company) for the year ended 31 March 2018 which comprise 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2018 and of the group's and parent charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' (who are also the trustees of the company for the purposes of charity law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 MARCH 2018**

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### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable group and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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:

- the parent charitable company has not kept proper and adequate accounting records; or
- the parent charitable company's financial statements are not in agreement with the accounting records; 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; and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report, and from the requirements to prepare a strategic report.

# **NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE**

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

**YEAR ENDED 31 MARCH 2018**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, set out on page 9, 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 MARCH 2018

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### Use of our report

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.

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

22 August 2018

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 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
<b>Income</b>					
Donations and legacies	5	–	64,944	64,944	74,472
Charitable activities	6	44,241	–	44,241	53,289
Trading activities	7	442,088	–	442,088	477,108
Investment income	8	22,772	–	22,772	23,496
<b>Total income</b>		<u>509,101</u>	<u>64,944</u>	<u>574,045</u>	<u>628,365</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Cost of trading activities		(428,294)	–	(428,294)	(556,020)
Investment management costs	9	(5,455)	–	(5,455)	(5,260)
Expenditure on charitable activities	10,11	(96,385)	(64,944)	(161,329)	(213,088)
<b>Total expenditure</b>		<u>(530,134)</u>	<u>(64,944)</u>	<u>(595,078)</u>	<u>(774,368)</u>
Net (losses)/gains on investments	14	(22,820)	–	(22,820)	70,322
<b>Net movement in funds</b>	15	<u>(43,853)</u>	<u>–</u>	<u>(43,853)</u>	<u>(75,681)</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,476,169	–	1,476,169	1,551,850
<b>Total funds carried forward</b>		<u>1,432,316</u>	<u>–</u>	<u>1,432,316</u>	<u>1,476,169</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 19 to 31 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 2018

		Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
	Note				
<b>Income</b>					
Donations and legacies	5	–	64,944	64,944	74,472
Charitable activities	6	44,241	–	44,241	53,289
Investment income	8	22,630	–	22,630	23,265
<b>Total income</b>		<u>66,871</u>	<u>64,944</u>	<u>131,815</u>	<u>151,026</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Investment management costs	9	(5,455)	–	(5,455)	(5,260)
Expenditure on charitable activities	10,11	(91,810)	(64,944)	(156,754)	(208,088)
<b>Total expenditure</b>		<u>(97,265)</u>	<u>(64,944)</u>	<u>(162,209)</u>	<u>(213,348)</u>
Net (losses)/gains on investments	14	(22,820)	–	(22,820)	70,322
<b>Net movement in funds</b>		<u>(53,214)</u>	<u>–</u>	<u>(53,214)</u>	<u>8,000</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		1,073,357	–	1,073,357	1,065,357
<b>Total funds carried forward</b>		<u>1,020,143</u>	<u>–</u>	<u>1,020,143</u>	<u>1,073,357</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 19 to 31 form part of these financial statements.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

		2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	17		15,872		6,830
Investments	18		576,971		605,310
			<u>592,843</u>		<u>612,140</u>
<b>Current assets</b>					
Debtors	19	141,951		127,100	
Cash at bank and in hand		764,480		821,965	
		<u>906,431</u>		<u>949,065</u>	
<b>Creditors: amounts falling due within one year</b>	20	(66,958)		(85,036)	
<b>Net current assets</b>			839,473		864,029
<b>Total assets less current liabilities</b>			<u>1,432,316</u>		<u>1,476,169</u>
<b>Net assets</b>			<u>1,432,316</u>		<u>1,476,169</u>
<b>Funds of the charity</b>					
Restricted funds			—		—
Unrestricted funds:					
Revaluation reserve		102,005		129,841	
Unrestricted income funds		<u>1,330,311</u>		<u>1,346,328</u>	
<b>Total unrestricted funds</b>			1,432,316		1,476,169
<b>Total charity funds</b>	22		<u>1,432,316</u>		<u>1,476,169</u>

The directors have prepared group accounts 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 22 August 2018, and are signed on their behalf by:



Dr D P Whitfield  
Director

Company Registration Number: SC209393

The notes on pages 19 to 31 form part of these financial statements.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## CHARITY STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

		2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Investments	18		576,972		605,311
<b>Current assets</b>					
Debtors	19	25,468		17,153	
Cash at bank and in hand		<u>434,223</u>		<u>493,998</u>	
		459,691		511,151	
<b>Creditors: amounts falling due within one year</b>	20	<u>(16,520)</u>		<u>(43,105)</u>	
<b>Net current assets</b>			443,171		468,046
<b>Total assets less current liabilities</b>			<u>1,020,143</u>		<u>1,073,357</u>
<b>Net assets</b>			<u>1,020,143</u>		<u>1,073,357</u>
<b>Funds of the charity</b>					
Restricted funds			—		—
Unrestricted funds:					
Revaluation reserve		102,005		129,841	
Other unrestricted income funds		<u>918,138</u>		<u>943,516</u>	
<b>Total unrestricted funds</b>			1,020,143		1,073,357
<b>Total charity funds</b>	22		<u>1,020,143</u>		<u>1,073,357</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 22 August 2018, and are signed on behalf of the board by:



Dr D P Whitfield  
Director

Company Registration Number: SC209393

The notes on pages 19 to 31 form part of these financial statements.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## CONSOLIDATED STATEMENT OF CASH FLOWS

31 MARCH 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Net (expenditure)	(43,853)	(75,681)
<i>Adjustments for:</i>		
Depreciation of tangible assets	2,958	2,880
Loss on disposal of tangible assets	-	1,506
Net losses/(gains) on investments	22,820	(70,322)
Dividends, interest and rents from investments	(21,671)	(22,017)
Other interest receivable and similar income	(1,101)	(1,248)
Accrued expenses	(12,758)	24,142
<i>Changes in:</i>		
Trade and other debtors	(14,851)	31,955
Trade and other creditors	(5,319)	15,703
Cash generated from operations	(73,775)	(93,082)
Interest received	1,101	1,248
Tax received/(paid)	-	-
Net cash from/(used in) operating activities	<u>(72,674)</u>	<u>(91,834)</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	21,671	22,017
Purchase of tangible assets	(12,000)	(4,000)
Proceeds from sale of tangible assets	-	1,893
Purchases of other investments	(30,133)	(28,015)
Proceeds from sale of other investments	35,651	33,144
Net cash from investing activities	<u>15,189</u>	<u>25,039</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(57,485)</b>	<b>(66,795)</b>
Cash and cash equivalents at beginning of year	821,965	888,760
Cash and cash equivalents at end of year	<u>764,480</u>	<u>821,965</u>

The notes on pages 19 to 31 form part of these financial statements.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

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### 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.

Natural Research Limited meets the definition of a public benefit entity under FRS 102.

#### 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.

#### 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 2018

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### 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 2018

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### 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:

Computer equipment	- 3 years straight line
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 2018

### 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 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Donations						
Donations and legacies	-	-	-	-	-	-
Grants receivable						
SSE Renewables contribution	-	64,944	64,944	-	74,472	74,472
	<u>-</u>	<u>64,944</u>	<u>64,944</u>	<u>-</u>	<u>74,472</u>	<u>74,472</u>

Company	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Donations						
Donations and legacies	-	-	-	-	-	-
Grants receivable						
SSE Renewables contribution	-	64,944	64,944	-	74,472	74,472
	<u>-</u>	<u>64,944</u>	<u>64,944</u>	<u>-</u>	<u>74,472</u>	<u>74,472</u>

### 6. Charitable activities

Group and Company	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Research and wildlife consultancy	44,241	44,241	53,289	53,289

### 7. Trading activities

Group	Unrestricted Funds 2018 £	Unrestricted Funds 2017 £
Commercial trading operations	442,088	477,108

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 8. Investment income

	Unrestricted Funds 2018 £	Group Unrestricted Funds 2017 £	Unrestricted Funds 2018 £	Company Unrestricted Funds 2017 £
Income from UK listed investments	21,671	22,017	21,671	22,017
Bank interest receivable	1,101	1,479	959	1,248
	<u>22,772</u>	<u>23,496</u>	<u>22,630</u>	<u>23,265</u>

### 9. Investment management costs

Group and company	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Portfolio management fee	<u>5,455</u>	<u>5,455</u>	<u>5,260</u>	<u>5,260</u>

### 10. Expenditure on charitable activities

	Staff costs £	Other costs £	Total 2018 £	Total 2017 £
Research and wildlife consultancy				
Activities undertaken directly	4,839	56,671	61,510	122,346
Grant funding of activities	-	10,000	10,000	24,300
Support costs	<u>73,675</u>	<u>11,569</u>	<u>85,244</u>	<u>61,442</u>
Company	<u>78,514</u>	<u>78,240</u>	<u>156,754</u>	<u>208,088</u>
Commercial trading operations	267,282	161,012	428,294	556,020
Support costs	-	4,575	4,575	5,000
	<u>267,282</u>	<u>165,587</u>	<u>432,869</u>	<u>561,020</u>
Group	<u>345,796</u>	<u>243,827</u>	<u>589,623</u>	<u>769,108</u>

Costs of raising funds was £589,623 for the group of which £524,679 (2017 - £694,636) was unrestricted and £64,944 was restricted (2017 - £74,472).

Costs of raising funds was £156,754 for the company of which £91,810 (2017 - £133,616) was unrestricted and £64,944 was restricted (2017 - £74,472).

### 11. Analysis of support costs

	Total 2018 £	Total 2017 £
Staff costs	73,675	53,481
Communications and IT costs	475	1,000
Legal and professional	517	631
Stationery and other office costs	1,954	244
General expenses	3,751	1,286
Governance costs (see note 12)	<u>9,447</u>	<u>9,800</u>
	<u>89,819</u>	<u>66,442</u>

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 12. Governance costs

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Audit fees	<u>9,447</u>	<u>9,800</u>	<u>4,872</u>	<u>4,800</u>

### 13. Analysis of grants

	2018	2017
	£	£
Grants to institutions		
Royal Zoological Society	10,000	10,000
South Strathclyde Raptor Study Group	-	8,000
Juvenile Goshawk Dispersal Project	-	6,300
Total grants	<u>10,000</u>	<u>24,300</u>

### 14. Net gains/(losses) on investments

	Unrestricted Funds	Total Funds	Unrestricted Funds	Total Funds
	2018	2018	2017	2017
	£	£	£	£
(Losses)/gains on listed investments	<u>(22,820)</u>	<u>(22,820)</u>	<u>70,322</u>	<u>70,322</u>

### 15. Net (expenditure)/income

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

	2018	2017
	£	£
Rent of property	10,303	12,220
Depreciation	2,958	2,880
Auditors' remuneration:		
- audit of the financial statements	<u>9,447</u>	<u>9,800</u>

### 16. Staff costs

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Wages and salaries	238,215	418,084	68,754	79,840
Social security costs	18,792	33,086	6,530	8,322
Other pension costs	10,275	16,151	3,230	2,267
Redundancy costs	-	34,201	-	-
	<u>267,282</u>	<u>501,522</u>	<u>78,514</u>	<u>90,429</u>

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 16. Staff costs (continued)

#### Particulars of employees:

The average number of employees during the period was as follows:

	Group		Company	
	2018	2017	2018	2017
	No	No	No	No
Directors	4	4	4	4
Research activities	1	1	1	1
Commercial activities	8	9	—	—
Administration	2	3	1	1
	<u>15</u>	<u>17</u>	<u>6</u>	<u>6</u>

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

	2018	2017
	No	No
£60,000 to £69,999	<u>-</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 (2017 – 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 £64,069 (2017: £82,058).

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 17. Tangible assets

Group	Computer equipment £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2017	99,719	26,401	25,210	151,330
Additions	—	12,000	—	12,000
<b>At 31 March 2018</b>	<u>99,719</u>	<u>38,401</u>	<u>25,210</u>	<u>163,330</u>
<b>Depreciation</b>				
At 1 April 2017	99,719	19,571	25,210	144,500
Charge for the year	—	2,958	—	2,958
<b>At 31 March 2018</b>	<u>99,719</u>	<u>22,529</u>	<u>25,210</u>	<u>147,458</u>
<b>Carrying amount</b>				
At 31 March 2018	<u>—</u>	<u>15,872</u>	<u>—</u>	<u>15,872</u>
At 31 March 2017	<u>—</u>	<u>6,830</u>	<u>—</u>	<u>6,830</u>

### 18. Investments

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Shares in group undertaking (a)	—	—	1	1
Stock market investments (b)	576,971	605,310	576,971	605,310
	<u>576,971</u>	<u>605,310</u>	<u>576,972</u>	<u>605,311</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.

The company registration number of the subsidiary is SC213640 and the registered office address is 14 Carden Place, Aberdeen, AB10 1UR.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 18. Investments *(continued)*

#### Summary profit and loss account

	2018	2017
	£	£
Turnover	446,588	477,108
Cost of sales	(288,059)	(317,767)
Gross profit	158,529	159,341
Administrative expenses	(149,310)	(243,253)
	9,219	(83,912)
Interest receivable	142	231
	9,361	(83,681)
Corporation tax	-	-
	9,361	(83,681)
Gifted to the charity	-	-
Retained in the company	9,361	(83,681)

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

	2018	2017
	£	£
Tangible fixed assets	15,872	6,830
Current assets	446,740	437,915
	462,612	444,745
Creditors due within 1 year	(50,438)	(41,931)
Total net assets	412,174	402,814
Aggregate share capital and reserves	412,174	402,814

#### (b) Stock market investments

##### Movement in market value

	2018	2017
	£	£
Market value at 1 April 2017	605,310	540,117
Acquisitions at cost	30,133	28,015
Disposals at carrying value	(36,175)	(31,013)
Net (losses)/gains on revaluations in the year	(22,297)	68,191
Market value at 31 March 2018	576,971	605,310
Historical cost at 31 March 2018	474,966	475,470

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 18. Investments (*continued*)

Analysis of investments at 31 March 2017 between funds

	Unrestricted Funds £	Total Funds 2018 £	Total Funds 2017 £
Listed investments			
UK Quoted Shares	575,402	575,402	603,441
Other investments			
UK Cash held as part of Portfolio	1,569	1,569	1,869
	<u>576,971</u>	<u>576,971</u>	<u>605,310</u>

### 19. Debtors

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	132,576	118,354	23,071	13,580
Amounts owed by group undertakings	-	-	-	-
Other debtors	9,375	8,746	2,397	3,573
	<u>141,951</u>	<u>127,100</u>	<u>25,468</u>	<u>17,153</u>

### 20. Creditors: amounts falling due within one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	16,430	25,647	4,956	11,549
Taxation and social security	21,657	16,877	1,497	2,459
Corporation tax	-	2	-	-
Other creditors	160	1,041	160	287
Accruals	28,711	41,469	9,907	28,810
	<u>66,958</u>	<u>85,036</u>	<u>16,520</u>	<u>43,105</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 £3,230 (2017: £2,267). 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 £7,045 (2017: £13,884). There were no contributions outstanding at the year-end.

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 22. Analysis of charitable funds

#### Unrestricted funds

Group	At 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2018 £
Unrestricted Funds	1,346,328	509,101	(530,134)	5,539	(523)	1,330,311
Revaluation reserve	129,841	–	–	(5,539)	(22,297)	102,005
	<u>1,476,169</u>	<u>509,101</u>	<u>(530,134)</u>	<u>–</u>	<u>(22,820)</u>	<u>1,432,316</u>

#### Unrestricted funds

Company	At 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2018 £
Unrestricted Funds	943,516	66,871	(97,265)	5,539	(523)	918,138
Revaluation reserve	129,841	–	–	(5,539)	(22,297)	102,005
	<u>1,073,357</u>	<u>66,871</u>	<u>(97,265)</u>	<u>–</u>	<u>(22,820)</u>	<u>1,020,143</u>

#### Restricted funds

Group and company	At 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 March 2018 £
Golden Eagle Project Fund	–	64,944	(64,944)	–	–	–

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 third 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 2018 £	Company Unrestricted Funds £	Company Total Funds 2018 £
Tangible assets	15,872	15,872	–	–
Investments	576,971	576,971	576,972	576,972
Current assets	906,431	906,431	459,691	459,691
Creditors less than 1 year	(66,958)	(66,958)	(16,520)	(16,520)
Net assets	<u>1,432,316</u>	<u>1,432,316</u>	<u>1,020,143</u>	<u>1,020,143</u>

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 24. Operating leases

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

	2018 £	2017 £
<b>Group</b>		
Not later than 1 year	1,249	1,249
Later than 1 year and not later than 5 years	625	1,874
	<u>1,874</u>	<u>3,123</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	1,500	-
		Expenses for travel etc.	230	-
Dr D P Whitfield	NR Ltd	Remuneration	49,828	-
		Pension contributions	2,529	-
		Expenses for travel etc.	875	-
Dr D P Whitfield	NR(P) Ltd	Remuneration	1,500	-
		Expenses for travel etc.	88	-
Dr H Insley	NR(P) Ltd	Remuneration	1,500	-
		Expenses for travel etc.	156	-
William Jamieson	NR(P) Ltd	Remuneration	1,500	-
		Consultancy	302	-
		Expenses for travel etc.	151	-

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

# NATURAL RESEARCH LIMITED COMPANY LIMITED BY GUARANTEE

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2018

### 25. Related party transactions *(continued)*

Related Party	Transacting entity	Transaction	£	Balance outstanding at year end
P Whitfield	NR Ltd	Remuneration	14,401	-
Wife of Dr D P Whitfield		Pension contributions	701	-
		Expenses for travel etc.	240	-

### 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:

	2018 £	2017 £
Audit fees – charity	4,872	4,800
Audit fees – trading company	4,575	5,000
Payroll services	1,100	1,500
	<u>10,547</u>	<u>11,300</u>