I am delighted to present our Annual Report for the first full year of SRUC, Scotland’s Rural College. It has been a very busy year but one in which we have made considerable progress in bringing together the former land-based colleges of Barony, Elmwood and Oatridge and the Scottish Agricultural College into one organisation. Some of the real benefits of the merger have begun to be realised with a renewed emphasis on the value of the integration of research, education and consultancy activities in the unique “Scottish System”, of which we are so proud. Indeed, this has never been more relevant as the competing demands on our land from a growing population against the background of the need to manage resources, protect the environment and address climate change are increasingly understood.

This year our Education staff have excelled themselves with the highest possible quality ratings being received for both our Higher and Further Education from the Quality Awards Agency and Education Scotland, respectively; an outstanding achievement so soon after merger.

Our researchers have been pleased to work even more closely with the University of Edinburgh, having made a joint submission to the Research Excellence Framework (REF) 2014 in late 2013. This long standing close working relationship with the University led us to announce jointly in March 2014 our intention to explore a much closer strategic alignment between SRUC and the University. These discussions are continuing very positively and have been widely welcomed by staff, stakeholders and funders. We are very excited about the role which we can play in developing the “One Health” agenda.

I believe our consultancy services are second to none, offering practical solutions based on the evidence of sound research. The newly formed SAC Consulting Board will ensure farmers and other stakeholders continue to be well served with an emphasis on helping them drive up their profitability. We are also committed to maintaining the country’s disease surveillance demands, an area in which we have a very strong track record and critical national expertise.

Our success over the last year has been against a challenging financial background and the intricacies of bringing together systems and processes to support SRUC. I am very grateful to staff across the organisation for their input and continued enthusiasm. I also wish to thank my fellow Directors on the SRUC Board and the SAC Commercial Board, and in particular our Chairman, Lord Jamie Lindsay, and the Vice Chairs for their outstanding guidance and support.

We look forward to working with our partners for the benefit of our stakeholders in the year to come.

Janet D Swadling BA, MBA, FCIS
Acting Principal and Chief Executive

Annual Report 2014

Scotland’s Rural College
Leading the way in Agriculture and Rural Research, Education and Consulting

SRUC is a charity registered in Scotland, No. SC003712

Mountain High Maps® Copyright © 1993 Digital Wisdom®, Inc.

2014
I am delighted to present our Annual Report for the first full year of SRUC, Scotland’s Rural College. It has been a very busy year but one in which we have made considerable progress in bringing together the former land-based colleges of Barony, Elmwood and Oatridge and the Scottish Agricultural College into one organisation. Some of the real benefits of the merger have begun to be realised with a renewed emphasis on the value of the integration of research, education and consultancy activities in the unique “Scottish System”, of which we are so proud. Indeed, this has never been more relevant as the competing demands on our land from a growing population against the background of the need to manage resources, protect the environment and address climate change are increasingly understood.

This year our Education staff have excelled themselves with the highest possible quality ratings being received for both our Higher and Further Education from the Quality Awards Agency and Education Scotland, respectively; an outstanding achievement so soon after merger.

Our researchers have been pleased to work even more closely with the University of Edinburgh, having made a joint submission to the Research Excellence Framework (REF) 2014 in late 2013. This long standing close working relationship with the University led us to announce jointly in March 2014 our intention to explore a much closer strategic alignment between SRUC and the University. These discussions are continuing very positively and have been widely welcomed by staff, stakeholders and funders. We are very excited about the role which we can play in developing the “One Health” agenda.

I believe our consultancy services are second to none, offering practical solutions based on the evidence of sound research. The newly formed SAC Consulting Board will ensure farmers and other stakeholders continue to be well served with an emphasis on helping them drive up their profitability. We are also committed to maintaining the country’s disease surveillance demands, an area in which we have a very strong track record and critical national expertise.

Our success over the last year has been against a challenging financial background and the intricacies of bringing together systems and processes to support SRUC. I am very grateful to staff across the organisation for their input and continued enthusiasm. I also wish to thank my fellow Directors on the SRUC Board and the SAC Commercial Board, and in particular our Chairman, Lord Jamie Lindsay, and the Vice Chairs for their outstanding guidance and support.

We look forward to working with our partners for the benefit of our stakeholders in the year to come.
Our Mission
Committed to excellence in the advancement, communication and translation of knowledge throughout the rural sector.

Our Vision
Learning innovation and sustainable development in agriculture, land and the rural sector.

Our Global Aims
To create SRUC academic resources which have local delivery, national impact and global influence.
To be an international leader in land-based research, education and consultancy services.
To be a sustainable, well-resourced organisation with exemplary credentials and real ownership amongst students, staff and stakeholders.
To continue to build on our assets and reputation.

Directors’ Report 2013 - 2014
The SRUC Board is pleased to present an abstract from the statutory financial statements for the year ended 31 March 2014.

The income and expenditure account for the year to 31 March 2014 reflects a full year of transactions for the four colleges that merged to form SRUC. The comparative figures include the results of the former SAC for the twelve months to 31 March 2013 together with the results of Barony, Oatridge and Elmwood for the six months period to 31 March 2013, making a comparison with the prior year figures very difficult.

In addition, income and expenditure includes transactions relating to the non-land based courses at Elmwood for the first few months of the financial year until they transferred to Fife College on 1 August 2013.

The results reflect a difficult trading period where, in common with many of our customers, our farms were affected by significant increases in input costs which were not reflected in the prices paid for the outputs. In addition, there were a number of one off and merger costs which have also had an impact on the results. Funding was made available for some merger costs from the Scottish Funding Council but in the year ended 31 March 2014 in excess of £0.5m of such costs were borne by SRUC. The surplus also reflects receipt of non-recurring income and the release of accruals no longer required. Adjusting for these amounts produces an underlying operating loss of £0.2m.

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income</td>
<td>84,068</td>
<td>67,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>80,783</td>
<td>65,945</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus on continuing operations before depreciation of fixed assets</td>
<td>3,285</td>
<td>1,296</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation on disposal of fixed assets</td>
<td>2,213</td>
<td>1,086</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year retained within reserves</td>
<td>2,167</td>
<td>4,290</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summarised Results for the Year to 31 March 2014

Dividend payments to students, staff and stakeholders

Net assets including pension liability

Net assets excluding pension liability

Deferred capital grants

Endowment reserve

Revaluation reserve

General reserve excluding pension liability

General reserve including pension liability

Total funds

Summary of Balance Sheets

Contents

- Resolving Out
- Speaking Out
- Finding Out
- Standing Out
- Corporate Responsibility
- Honours & Awards
- SRUC Board
- Accounts

Photography: Peter Middleton, Chris Hoskins, David Anderson, SRUC
Bill Gates visited SRUC to see research on cattle breeding, greenhouse gas emissions and microbiomics.

Annual Report 2014

Reaching Out

Our local delivery, national impact and global influence helps SRUC reach out to farmers, rural businesses, communities and institutions challenged by change.

Supporting Farmers and Rural Business

From specialist centres and 25 offices in Scotland and Northern England, SAC Consulting serves 12,500 farmer, crofter and land manager clients, with nearly 8,000 annual subscribers. Through the Veterinary & Advisory Services (VAS) programme and others we help deliver EU, UK and Scottish Government rural policy and support the National Performance Framework (e.g. more efficient CAP administration, the prevention and control of plant and animal disease). In 2014 SAC Consulting completed nearly 7,000 IACS forms (97% online). Through surgeries and week-long clinics on remoter islands, north of Scotland Consultants increased their contribution to 40% of that total.

Consultants in the North of England have over 1,000 farmer clients. Often in partnership, they deliver contracts for Natural England, Eblex, Northumbrian Water, United Utilities and others. Over 50 clients of our new Fieldfare training business are taking our nutrient and soil management planning courses. A new “listening ear” book-keeping service for farmers in Cumbria has been well received.

In response to industry concerns over Health and Safety our new service offers a suite of risk assessment solutions to meet the needs of all sizes of agricultural business.

SAC Food & Drink continues to support regional food and drink through Scottish Government-funded Think Local. They assisted in the recruitment, organisation and presentation of producers at events including the Royal Highland Show, Commonwealth Games and European Pipe Band Championships.

Making Global Links

SRUC continues to focus on increasing its global influence, including plans to expand work in sub-Saharan Africa and other developing countries.

We engaged with the Bill and Melinda Gates Foundation, initially in the area of livestock breeding. A new Centre for Tropical Livestock Genetics and Health, formed through a partnership of Kenya’s Livestock Research Institute, University of Edinburgh and SRUC, aims to improve the health and productivity of locally farmed animals. It builds on existing livestock breeding programmes and our own work on dairy cow value chains in Malawi.
In Europe SRUC is part of the Animal Task Force, a major forum supporting the livestock sector. Aberdeen Education staff are contributing to ECONEWfarmers, an EU E-Learning programme encouraging entrepreneurship among young people in rural areas. In Moldova an SAC Consultant is leading a €1.146m EU Twinning project helping candidate countries bring standards into line with EU states.

Professor Dominic Moran became co-chair of the China-UK Sustainable Innovation Network, supported by the Chinese Agriculture Ministry and Defra. Formalised links with Zhejiang Agriculture and Forestry University led to discussion on research and exchange of staff and students. SRUC Sport and Tourism Department began HND courses in Golf Course Management and Golf Management in Qiongtai Normal College in Hainan Island and Yunnan Tourism College in Kunming.

Wider Engagement

Over 10,000 people attended open days at Aberdeen, Ayr, Barony, Elmwood and Oatridge campuses. SRUC staff explained science at public events including Dundee Science Festival, Open Doors Day, Midlothian Science Festival and a programme with RBGE at Kirkcudbright Garden Festival and the Ayr Flower Show.

Visitors to Edinburgh International Science Festival learned insect anatomy and the importance of insects to human life at the Great Big Bug Builder Workshop. During the Secret Powers of Plants show, they discovered how plants defend themselves.

Over 260 pupils from schools in Edinburgh, the Lothians and Borders celebrated our relationship with animals through the Animals in Art competition, with the SRUC Animal Behaviour Team and Edinburgh College of Art.
Speaking Out

SRUC is expert at translating research into practice and interpreting the impact for practitioners and policy makers, informed by evidence and founded on our understanding of rural communities.

Promoting Policy

Our Rural Policy Centre's third Rural Scotland in Focus Report identified that nearly 60% of over-60s in rural Scotland live in fuel poverty (45% in urban areas) suggesting gaps between national and rural policies on poverty. The report, which was discussed informally by Parliament’s Rural Affairs, Climate Change and Environment Committee, called for an over-arching vision and strategy for rural Scotland.

Following the success of the first Farming for a Better Climate initiative SRUC began recruiting eight volunteers for a second programme, funded by Scottish Government. It includes an Ayrshire dairy farm, an Aberdeenshire mixed farm and several Highland sheep and beef units linked as a ‘farm efficiency network’.

Also launched was AgREcalc®, SAC Consulting's new web based tool to help farmers calculate their use of resources and carbon footprint. Uniquely suitable for all farming businesses it is, in one form, free to use.

The nationwide New Entrants Programme, delivered by SAC Consulting for Scottish Government, has supported over 150 new and potential new entrants. It offers insights into business management, planning, joint ventures, marketing and succession planning. “This programme explains the rules and regulations around farming in an informal way so they are easy to understand.”

The 2014 SRUC/SEPA conference, in association with Forest Research, JHI and SNH, discussed the numerous demands on our landscape. “What makes the countryside work depends on the interaction of many things, we need to tackle the challenges all at the same time, not one at a time.”
Advising Industry

SRUC experts have addressed many meetings about CAP reform and served on panels or provided expertise to investigations including the future of the beef sector and reducing red tape. In conjunction with organisations like QMS, NFUS, SAOS and the Moredun Research Institute, SAC Consulting staff assisted in the delivery of initiatives including the Monitor Farm Programme and the Planning for Profit meetings supported by Scottish Government.

The first case of Cattle Scab in Scotland was diagnosed by the St Boswells Veterinary Disease Surveillance Centre. Concern over Liver Fluke was the focus for meetings and publications. Warnings were issued over record levels of leatherjackets, early lamb fatalities from Nemotodirus and inaction over Maedi Visna. Over half the membership of our Premium Health Schemes is now outwith Scotland.

SRUC’s Crop Clinic analyses over 1750 samples a year. Often in collaboration with partners, including the James Hutton Institute, HGCA and the Potato Council, our specialists contributed to technical workshops, the Cereals in Practice and Potatoes in Practice events and our own SACCAP and Forfar research update events. SAC Consulting’s new grassland specialist joined education colleagues at the GrassTech event near Elgin.

In an industry first, Barony Campus invited farm machinery manufactures and dealers, schools, careers advisers, trainers, awarding bodies and specialist SRUC staff to debate the provision of land-based engineers of the future. An Oatridge careers seminar for advisers and transition co-ordinators discussed opportunities in the land-based sector.
Finding Out
As a leader in land-based research and teaching SRUC explores innovative, sustainable and practical ways to equip people to respond to the challenges they, their livestock, crops and environment face.

Research
Research underpins SRUC education and consultancy. During 2013/14 our scientists also published 179 publications of which 98 were new refereed papers. They won over £5.9m in new funding, including substantial grants from both the Technology Strategy Board (TSB) and the Research Councils, indicating a dual commitment to agricultural science and the progression of SRUC’s SMART FARMING programme utilising innovative technology (or “Agritech”).

This included a £377K TSB grant for the Beef and Sheep Centre for investigating novel non intrusive methods to monitor performance in beef animals for improving carcass composition and a £710K TSB grant seeking solutions to more sustainable lamb production through techniques introducing more taste and less waste. The Animal Behaviour and Welfare team won £579K from BBSRC to better understand aggressive behaviour in pigs and another £399K to investigate how food type and quantity affects chicken foraging behaviour. The Epidemiology and Animal Health team was awarded £596K investigating further the risks E coli O157 poses for humans.

In a partnership based on our longstanding collaboration with the Roslin Institute, the Royal (Dick) School of Veterinary Studies and other schools within the University of Edinburgh we made joint submissions to the Research Excellence Framework, a process used to assess the value of publicly funded research.
New Learning

Our reputation for education tailored to rural industries and our commitment to improving educational access continued. We introduced a BSc in Agricultural Bioscience at Ayr and reviewed and revalidated science degrees at SRUC.

In Aberdeen a new, well-supported, three year MSc in Rural Business Management, using distance learning and study weekends, offers opportunities to those in full time employment.

The first cohort of students studying for an MSc in Applied Poultry Science by distance learning, graduated this year.

A free online course from SRUC and the University of Edinburgh offering the chance to learn more about the ethics and science of animal welfare, was designed for people with no previous knowledge. Over 30,000 people, from 152 countries, have registered for this Massive Open Online Course (MOOC) entitled Animal Behaviour and Welfare.

The ‘Dairy Skills Initiative’, a unique partnership involving SRUC, NFU Scotland, Lantra, Dumfries & Galloway Employment TAP and Skills Development Scotland, offers school leavers with no previous farm experience 12 week placements on local dairy farms, at no cost to the host farmers. “It helps them build confidence and gain the skills employers are looking for.”

The Potato Roguing courses run by SRUC at Craibstone and Elmwood continue to help Scotland’s potato sector maintain its high health status and equip applicants with valuable skills.

Third year students on our Trust-funded, paid, internships found summer placements with SAC Consulting helpful to their studies and their future prospects.
Standing Out
In celebrating the successes of SRUC, our staff and students, we acknowledge their contribution to our culture of excellence.

Making the Grade
The employability of SRUC students was recognised by two independent reports:

In a review of FE by Education Scotland for the Scottish Funding Council SRUC achieved the highest possible “effective” rating. It highlighted “very good opportunities and preparation for progression to further study and employment” praising “a strong approach to developing employability skills through contact with industry”.

The ‘Enhancement-led Institutional Review’ (ELIR) of HE, carried out by the Quality Assurance Agency commented “students are supported to develop vocationally relevant skills and to think about their future employment, helped by the practical nature of the subjects taught and opportunities for work experience.”

In the 2014 National Student Survey 89% of degree students expressed satisfaction with their experience of SRUC, exceeding both the average for Scottish institutions (87%) and the UK average (86%). Student Experience Manager Sonia Filby said: “Students’ opinions are critical to how we evaluate and go on improving what we do so it’s very gratifying to know they consider we are performing well overall.”

Barony and Oatridge campuses received College Development Network Awards, recognising the talent, skills and achievements of staff and learners. Barony’s monthly online student newsletter won the Student Enterprise Award category celebrating projects making a wider impact. Oatridge Campus was recognised for its approach to enhancing employee engagement, working with Telford College, City of Edinburgh Council, Trade Unions, the Workers Educational Association and training body APSE.

Student Success
Andrew Taylor, 2nd year BSc (Hons) Agriculture at Ayr won - RABDF/De Lacey - National Dairy Student of the Year.

Joseph Williams, 3rd year BSc (Hons) Agriculture at Ayr won AgriScot Business Skills Competition “a very good understanding of what makes a successful business work.”

SRUC Garden Design students collected a Gold, a Silver Gilt and two Silver medals at Gardening Scotland.


SRUC Oatridge students Cameron Smith, Bryan Gove and Douglas Dowling won LANTRA Awards. “Once again the quality of SRUC nominees has been outstanding.”

Ross Learmonth, 3rd year BSc Agriculture at Aberdeen takes Gold in Pinnacle Business Management award “Ross impressed with his robust and well thought out business case.”

Elmwood Campus Professional Cookery students Abbie Clunie, Rachel Anderson and Blair Rae, Highly Commended trophy at Skills for Chefs and Skills for Service Awards.

Avian Science PhD student Laura Beeson (Ayr) awarded the British poultry Council Scholarship 2013. “This is a high profile award and just recognition of her progress to date.”
Staff Success

In Cambridge Massachusetts Bert Tolkamp accepted SRUC’s Ig Nobel award for research using pedometers on dairy cows. “Our research is providing new opportunities to protect and improve cattle health and welfare.”

Tom McEvoy, Animal Science lecturer at Edinburgh, presented with the European Embryo Transfer Association’s Pioneer Award for his contribution to embryo transfer. “When you look at the list of previous winners and their contribution to science it is humbling.”

In another example of SRUC expertise in dairy research and consultancy Hugh McClymont, Farm Manager at Crichton Royal Farm in Dumfries, won Farmers Weekly Dairy Farmer of the Year. “Under the watchful eye of the industry and academia, Hugh and his team deliver dairying excellence.”

Senior Sheep Consultant Dr John Vipond a joint winner of the George Hedley Memorial Award, presented for services to the sheep industry by the National Sheep Association. “John remains passionate about helping farmers do better and many have benefited from his wisdom.”

The Hospitality Education at Elmwood Campus ranked first at Catering in Scotland Excellence Awards. “The way we work with outside businesses or agencies and product development work with the SAC Consulting Food Team gave us the edge.”

Geneticist Dr Eileen Wall: Sir John Hammond Award for contribution to animal science and production. “Worked with some of the leading researchers and industry to develop genetic improvement tools which are used by farmers every day.”

Appointed to Young Academy of Scotland: “The mix of expertise, from academia, industry and policy sectors, is extraordinary.”
Corporate Responsibility

SRUC is committed to honouring its responsibilities to its staff, students, the community, stakeholders and the environment.

Reducing our Environmental Impact

The SRUC Environment Team continues to demonstrate SRUC’s determination to achieve a low carbon agenda. As a signatory of the Universities and Colleges Climate Commitment for Scotland we are committed to addressing the challenges of climate change and improving Scotland’s natural and built environment through our primary role as an educator, trainer and researcher, as an owner of a large and complex estate and as the focus of many local communities.

We were selected to become part of the College Carbon Management Programme, offered specifically for colleges with new or revised estates by Resource Efficient Scotland (RES) and the Scottish Funding Council. It will help drive down the costs of energy, water, travel and waste management. SRUC’s Carbon Management Plan is close to publication.

Click Travel was appointed SRUC’s Travel Management Service. This allows the Environment Team to capture accurate travel carbon data for the organisation, whilst providing a ‘one-stop-shop’ for staff and best value for money.

ISO 14001:2004 Certification standard has been retained by the SAC Consulting Environment and Design Group and the Elmwood Campus/Golf Course. Projects have ranged from some staff monitoring their travel carbon emissions, to the installation of a wormery at Elmwood Golf Course. The certification is an impetus for positive environmental improvements and offered students opportunities to get involved in practical environmental management at Elmwood.

Environment Officer Kate Thornback was selected as a judge for the EAUC Green Gown Awards which SRUC has previously won. She will represent the Positive Behaviours Topic Support Network, a network of environmental professionals in Scotland working on sustainability through student, staff and community engagement in further and higher education institutions.
Staff and Student Contributions

Thirteen teams of students participated in SRUC’s extracurricular programme, devising projects, improving sustainability at all campuses and in the grounds. The Environment, Health and Safety Group and SRUC Trust funded nine projects.

The Environment Team also helped organise a successful Climate Fair encouraging staff and students to question their choices on travel, food and the natural world. There were demonstrations of progress in reducing emissions at SRUC and an opportunity to test drive a Nissan Leaf electric car.

The six week Environment Student Summer Placement was taken by 2nd year student Daniel Howie with the opportunity to gain experience in environmental management and shadow members of the team. SRUC also welcomed Morgan Large, an Intern from Dale Bumpers College, University of Arkansas and Ramsay McEwan, a pupil from Currie Community High School involved in the Partners in Business/Careers Academy mentoring programme.

SRUC staff from across the country took part in both the Living Streets Walk to Work Week and Bike Week. Both successful initiatives encouraged staff to consider their travel habits and to think about alternative travel modes of transport.

Staff and Community Well-being

In line with its BS OHSAS 18001:2007 accreditation, SRUC is committed to safe working. We trained 129 staff in risk assessment, 72 managers on their health and safety responsibilities and our farm managers have a Vocational Qualification for Safe Working in Agriculture.

SRUC pledged to actively support the Scottish Farm Safety Partnership planned by NFU Mutual and have hosted events organised by the Health and Safety Executive and other agencies.

We have nine defibrillators across our main campuses, with a training programme established for SRUC first aiders. Elmwood Golf Course is part of the “Defibs Save Lives” campaign launched by Ryder Cup Captain Bernard Gallacher.

We continue to support responsible public access on and around our farmland. A programme updating information boards for visitors and walkers began at our Kirkton hill farm.

An SRUC Trust Fund grant was awarded to Care Farming Scotland to help support a Development officer. Apex Scotland took over administration activities formerly provided by SRUC.
Honours & Awards
SRUC has recognised excellence in making awards to:

Personal Professorship

Dr Lutz Bünger
Professor of Growth Genetics

Emeritus Professorship

Professor George Marshall
Emeritus Professor of Plant Science

Readerships

Dr Bruce Ball
Reader in Soil Science

Dr Joanne Conington
Reader in Applied Livestock Genetics

Dr Simon Turner
Reader in Applied Ethology

The Sir R C Stewart Prize for Consultancy

Gavin Hill
Senior Beef Specialist

The Inverarity Prize

David Lamb and Patrick Hughes
SAC Food and Drink

External Awards

Honorary Fellowship of SRUC

Nigel Miller
President of the National Farmers Union of Scotland

Visiting Professorship

Professor Karl M Rich
Visiting Professor in Animal Health and Behavioural Economics

Dr Ute Skiba
Visiting Professor in Biogeochemistry

Dr Glenn Marion
Visiting Professor in Mathematical Biology

Excellence in Teaching

Dr Lou Ralph
Environment and Countryside Team
SRUC/SAC Commercial Boards

Back Row: Thom Young, Professor Geoff Simm, Stewart Houston, Cameron Law, Bob Howat, Luke Bonwick, Professor Seamus McDaid CBE, David Green, Jonathan Cowens

Middle Row: Sandy Cumming OBE, Wilson Marshall, Professor David McKenzie, Kate Richards, Dr John Gilliland OBE, Dr Colette Backwell, Professor Grahame Buffel CBE, Fred Dinning, Ian Taylor

Front Row: Donald Biggar, Lord Jamie Lindsay, Janet Swadling, Patrick Machray, Alistair Marshall
Our Mission
Committed to excellence in the advancement, communication and translation of knowledge throughout the rural sector.

Our Vision
Leading innovation and sustainable development in agriculture, land and the rural sector.

Our Global Aims
To create SRUC academic resources which have local delivery, national impact and global influence.
To be an international leader in land-based research, education and consultancy services.
To be a sustainable, well-resourced organisation with exemplary credentials and real ownership amongst students, staff and stakeholders.
To continue to build on our assets and reputation.

Directors’ Report 2013 - 2014
The SRUC Board is pleased to present an abstract from the statutory financial statements for the year ended 31 March 2014.

The income and expenditure account for the year to 31 March 2014 reflects a full year of transactions for the four colleges that merged to form SRUC. The comparative figures include the results of the former SAC for the twelve months to 31 March 2013 together with the results of Barony, Oatridge and Elmwood for the six months period to 31 March 2013, making a comparison with the prior year figures very difficult.

In addition, income and expenditure includes transactions relating to the non-land based courses at Elmwood for the first few months of the financial year until they transferred to Fife College on 1 August 2013.

The results reflect a difficult trading period where, in common with many of our customers, our farms were affected by significant increases in input costs which were not reflected in the prices paid for the outputs. In addition, there were a number of one off and merger costs which have also impacted on the results. Funding was made available for some merger costs from the Scottish Funding Council but in the year ended 31 March 2014 in excess of £0.5m of such costs were borne by SRUC. The surplus also reflects receipt of non-recurring income and the release of accruals no longer required. Adjusting for these amounts produces an underlying operating loss of £0.2m.

Summarised Results for the Year to 31 March 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income</td>
<td>84,068</td>
<td>67,241</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure</td>
<td>80,783</td>
<td>65,945</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus on continuing operations after depreciation of tangible fixed assets</td>
<td>3,285</td>
<td>1,296</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus for the year retained within reserves</td>
<td>2,167</td>
<td>4,290</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total funds</td>
<td>51,943</td>
<td>55,722</td>
<td>51,318</td>
<td>54,451</td>
</tr>
</tbody>
</table>

Summarised Balance Sheets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Fixed assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>101,594</td>
<td>106,890</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(43,018)</td>
<td>(44,661)</td>
</tr>
<tr>
<td>Investments</td>
<td>170</td>
<td>142</td>
</tr>
<tr>
<td>Endowment asset investments</td>
<td>4,014</td>
<td>3,920</td>
</tr>
<tr>
<td>Current assets</td>
<td>20,406</td>
<td>27,681</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>(17,786)</td>
<td>(27,369)</td>
</tr>
<tr>
<td>Net current assets/ (liabilities)</td>
<td>2,620</td>
<td>312</td>
</tr>
<tr>
<td>Total assets less current liabilities</td>
<td>65,384</td>
<td>66,608</td>
</tr>
<tr>
<td>Creditors: amounts falling due after one year</td>
<td>(119)</td>
<td>(156)</td>
</tr>
<tr>
<td>Provisions for liabilities</td>
<td>(1,238)</td>
<td>(1,272)</td>
</tr>
<tr>
<td>Net assets excluding pension liability</td>
<td>51,943</td>
<td>55,722</td>
</tr>
<tr>
<td>Pension liability</td>
<td>(12,084)</td>
<td>(9,458)</td>
</tr>
<tr>
<td>Net assets including pension liability</td>
<td>39,859</td>
<td>46,264</td>
</tr>
<tr>
<td>Deferred capital grants</td>
<td>40,560</td>
<td>44,487</td>
</tr>
<tr>
<td>Endowment reserve</td>
<td>4,014</td>
<td>3,920</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>52</td>
<td>24</td>
</tr>
<tr>
<td>General reserve excluding pension liability</td>
<td>19,401</td>
<td>16,749</td>
</tr>
<tr>
<td>Pension liability</td>
<td>(12,084)</td>
<td>(9,458)</td>
</tr>
<tr>
<td>General reserve including pension liability</td>
<td>7,317</td>
<td>7,291</td>
</tr>
<tr>
<td>Total funds</td>
<td>51,943</td>
<td>55,722</td>
</tr>
</tbody>
</table>

Contents
- Reaching Out
- Speaking Out
- Finding Out
- Standing Out
- Corporate Responsibility
- Honours & Awards
- SRUC Board
- Accounts

Photography: Peter Middleton, Chris Hoskins, David Anderson, SRUC
I am delighted to present our Annual Report for the first full year of SRUC, Scotland’s Rural College. It has been a very busy year but one in which we have made considerable progress in bringing together the former land-based colleges of Barony, Elmwood and Oatridge and the Scottish Agricultural College into one organisation. Some of the real benefits of the merger have begun to be realised with a renewed emphasis on the value of the integration of research, education and consultancy activities in the unique “Scottish System”, of which we are so proud. Indeed, this has never been more relevant as the competing demands on our land from a growing population against the background of the need to manage resources, protect the environment and address climate change are increasingly understood.

This year our Education staff have excelled themselves with the highest possible quality ratings being received for both our Higher and Further Education from the Quality Awards Agency and Education Scotland, respectively; an outstanding achievement so soon after merger.

Our researchers have been pleased to work even more closely with the University of Edinburgh, having made a joint submission to the Research Excellence Framework (REF) 2014 in late 2013. This long standing close working relationship with the University led us to announce jointly in March 2014 our intention to explore a much closer strategic alignment between SRUC and the University. These discussions are continuing very positively and have been widely welcomed by staff, stakeholders and funders. We are very excited about the role which we can play in developing the “One Health” agenda.

I believe our consultancy services are second to none, offering practical solutions based on the evidence of sound research. The newly formed SAC Consulting Board will ensure farmers and other stakeholders continue to be well served with an emphasis on helping them drive up their profitability. We are also committed to maintaining the country’s disease surveillance demands, an area in which we have a very strong track record and critical national expertise.

Our success over the last year has been against a challenging financial background and the intricacies of bringing together systems and processes to support SRUC. I am very grateful to staff across the organisation for their input and continued enthusiasm. I also wish to thank my fellow Directors on the SRUC Board and the SAC Commercial Board, and in particular our Chairman, Lord Jamie Lindsay, and the Vice Chairs for their outstanding guidance and support.

We look forward to working with our partners for the benefit of our stakeholders in the year to come.