

MEDICAL RESEARCH SCOTLAND
70th ANNUAL REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2024

*Medical Research Scotland is the operational name of the
Scottish Hospital Endowments Research Trust (SHERT)
Recognised in Scotland as a charity with Scottish Charity No. SC014959*

MEDICAL RESEARCH SCOTLAND

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2024

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MEDICAL RESEARCH SCOTLAND

REFERENCE and ADMINISTRATION INFORMATION

For the year ended 31 March 2024

Medical Research Scotland is the largest independent charity funder of medical research in Scotland and its objective is to:

- Support people in the early stages of their careers in medical research in Scotland
- Support the highest quality clinical and laboratory based research, which is aimed at improving understanding of the basic mechanisms of disease processes; or the diagnosis, treatment or prevention of disease; or the advancement of medical technology.

Patron

HRH The Princess Royal

Trustees

The following served as Trustees during the year:

Professor Heather Wallace

Professor Martin Denvir

Linda Duncan*

Alasdair Gill*

Fiona Gillespie*

Dr Alec McLean (appointed 4 November 2023)

Dr Michael Roberts

Barry Rose* (resigned 1 January 2024)

Professor Matthew Walters

Sheryl Vickery* (appointed 17 June 2024)

The Trustees denoted with * are members of the Audit & Investment Committee.

Principal Address

Princes Exchange

1 Earl Grey Street

Edinburgh

EH3 9EE

Secretaries

Turcan Connell

Princes Exchange

1 Earl Grey Street

Edinburgh

EH3 9EE

Auditor

Chiene + Tait LLP (trading as CT)

61 Dublin Street

Edinburgh

EH3 6NL

MEDICAL RESEARCH SCOTLAND

REFERENCE and ADMINISTRATION INFORMATION

For the year ended 31 March 2024

Investment Manager

Baillie Gifford & Co
Calton Square
1 Greenside Row
Edinburgh
EH1 3AN

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Savills Investment Management (The Charities Property Fund)
33 Margaret Street
London
W1G 0JD

Mayfair Capital Investment Management Limited (PITCH Fund)
55 Wells Street
London
W1T 3PT

MEDICAL RESEARCH SCOTLAND

PATRON'S FOREWORD

For the year ended 31 March 2024



BUCKINGHAM PALACE

This Annual Report highlights the continued commitment of Medical Research Scotland to encourage and support promising individuals at the early stages of their careers in medical research. The breadth of research topics and the distribution across the Scottish Universities is highly encouraging for the future of health research.

Medical Research Scotland aims to promote excellence in the field of medical research and to help talented individuals establish a career in scientific research. The charity has supported a further 14 new PhD students in the last year taking the overall total number of graduate studentships supported over the last decade to more than 140. The new Alumni scheme is an excellent opportunity for the graduates supported by the charity to remain linked to Medical Research Scotland and to offer their support for the research events organised by the charity.

Medical Research Scotland also provides opportunities for school pupils and undergraduates encouraging them to consider the opportunities in health-based research through the outreach programme to schools, the Medical Research Academy, and the Vacation Scholarship programme. By providing a programme of webinars for schools, Medical Research Scotland's Academy reached a large number of schools, many of which were situated in the more remote areas of Scotland. The Vacation Scholarship scheme funded 33 undergraduates across 10 universities or research institutes. The Meet the Researcher Showcase is also an excellent opportunity for those school pupils thinking of a career in medical research to experience hands on exhibits and to meet and talk to the doctoral candidates supported by Medical Research Scotland.

The Early Career Researcher grants support individuals starting out in their independent research careers. In addition, in collaboration with the Daphne Jackson Trust, the charity supports a further 2 postdoctoral fellows returning to research after a career break. The Trustees are to be commended for their variety of approaches to be inclusive to the whole of Scotland across a broad age range of potential researchers.

As Patron of Medical Research Scotland, I am impressed by the number and range of funding schemes supported by the charity. I am confident that Medical Research Scotland will continue to offer excellent support to developing scientists in Scotland and will encourage and create research that will have a global benefit.

A handwritten signature in black ink, appearing to read 'Anne', with a long horizontal line extending from the end.

MEDICAL RESEARCH SCOTLAND

CHAIR'S REPORT

For the year ended 31 March 2024

It is with pleasure that I report the continuing success of Medical Research Scotland in funding early career scientists including undergraduates and doctoral candidates. This year we supported 14 New PhD students and 33 Vacation Scholarships. We also supported 5 Early Career Research grants for those individuals starting out on an independent research career, and 2 scientists returning to research after a career break in collaboration with the Daphne Jackson Trust.

This year produced some challenges for our students, particularly financial ones in the face of exceptional increased costs of living. Following the Christmas top-up stipend payment made in December 2022, we were able to raise the students' stipend for the 2023-24 academic year, backdated to April 2023.

Medical Research Scotland aims to provide our doctoral students with additional skills and our Researcher Development Event held in March 2023 was a forum for our students to gain insight from the experience of our previous graduates and senior scientists and clinicians. All of our attending students presented at the event with each yearly cohort describing a different aspect of their PhD so far.

The Medical Research Scotland Academy was held in March, and we attracted a further increase in the numbers of schools and individual attendees. Four sessions, each of just under an hour, were held over 4 weeks with over 2,400 hours streamed (live or on demand).

In June we held a Meet the Researcher showcase event at the University of Strathclyde's Technology and Innovation Centre in Glasgow. This event is open to Senior 4-senior 6 school pupils and provides hands on exposure to scientific ideas, demonstrations and hands-on exhibits. Our own PhD students provide many of the exhibits and are on hand to enthusiastically discuss their research with the school pupils. Ten schools and 180 pupils attended this enlightening showcase.

With almost 100 successful PhD graduates through our funding scheme, we have initiated an alumni association which aims to encourage our graduates to maintain association with Medical Research Scotland and provides them with an opportunity to give something back by helping with our academy and researcher showcase.

An annual review of our offerings confirmed that our outreach meets the terms of our mission. We provide opportunities for school pupils to see and hear about medical research, we start funding at the undergraduate level, through postdoctoral training, to early career grants and to returning researchers. Our support covers the whole of Scotland geographically via secondary schools and Scotland's Universities and Research Institutes.

In conclusion, Medical Research Scotland provides a range of opportunities for the development of the next generation of medical researchers in Scotland. Through our funding support, we are positively influencing research into health and disease across Scotland. The Trustees will continue to work tirelessly to improve and extend our offering to society and I am confident we will help meet the health challenges facing the nation.

Professor Heather M Wallace

Chair

10th October 2024.....

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT

For the year ended 31 March 2024

The Trustees present their report along with the Financial Statements of the Trust for the year ended 31st March 2024. The Financial Statements have been prepared in accordance with the accounting policies set out in Note 2 to the Financial Statements and comply with the Trust's constitutive legislation the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard 102 applicable in the UK and Republic of Ireland (FRS 102).

Objectives and Activities

The objectives of the Trust are to:

- Receive and hold endowments, donations and bequests;
- Award funding to promote medical research in Scotland;
- Engage in fundraising activities for the purposes of the Trust;
- Develop and exploit ideas and exploit intellectual property.

The Trust aims to improve health standards by funding research of the highest quality into the cause, diagnosis, treatment and prevention of all forms of illness and genetic disorders, and into the advancement of medical technology.

The Trust fulfils its objectives by providing a range of opportunities to support and encourage research-minded individuals to pursue high-calibre research in medicine, independently or in collaboration with colleagues in their own or other universities, major hospitals and research units in Scotland, or with external organisations operating in healthcare-related fields. Through its short Undergraduate Vacation Scholarships, PhD Studentships, Early Career Researcher Grants and its support of part-time Daphne Jackson Trust Fellowships, the Trust offers funding for medical researchers. All of the award streams help to prepare the recipient researchers for a career, or return to a career, in academia or the health-related commercial sector.

Grant-making Policy

The Trust aims to support research of the highest quality. It has a rigorous system of assessment of funding applications before they reach Trustees.

Funding decisions for the PhD Studentship awards are taken in a two-stage process. Applications, detailing a defined research project, are subject to expert peer review by members of the specially-appointed PhD Studentship Panel (on which selected Trustees sit alongside expert external reviewers), who are first provided (by the Scientific Adviser) with sufficient information about each to enable them to declare any possible conflict of interest in any application. The Panel members then review the applications independently and subsequently the applications are considered by all the non-conflicted Panel members meeting in committee. Recommendations for funding are then made to the Trustees, who take the final decisions. Those accepting the offer of funding then select appropriately highly-motivated and qualified students following advertisement and interview by a group comprising the academic institution and representatives from the external organisation and also the Trust, if appropriate. Following appointment of suitable students, recipients of PhD awards must submit annual reports providing information about progress on both the academic and external organisation aspects of the award. These are scored by the scientific Trustees to ensure that the work is progressing satisfactorily before payment of subsequent years' fees is made.

Vacation Scholarship applications are reviewed separately and independently by the scientific and medical Trustees, who make recommendations to the Trustees. The final funding decisions are taken by all the Trustees in light of those recommendations and available funds. After completion of the Vacation Scholarship, a short report is required from the award holder and the student. These reports are reviewed by all the Trustees.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Grant-making Policy (continued)

Early Career Research Grant applications are internally assessed for eligibility prior to external peer review by at least two external expert reviewers whose recommendations are used to allocate awards. A set-up report and final report on the projects are required, which are reviewed by the Scientific Adviser and Trustees.

The Trust also sponsors a number of Daphne Jackson Trust Fellowships with Trustees participating in the funding decisions taken by the Daphne Jackson Trust. Progress reports are received by the Trust from recipients of these Fellowships on a six monthly basis.

Funding Awarded

During the 2023-24 financial year the Trustees awarded a total of 14 PhD Studentships (15 in 2022-23), 5 Early Career Researcher grants (3 in 2022-23) and 33 Vacation Scholarship Awards (32 in 2022-23). 2 new Daphne Jackson Fellowship awards were made (none were made in 2022-23). The topics of the PhD Studentships cover a wide range, including Multiple Sclerosis, myotonic dystrophy, dermatitis, frontotemporal dementia, cancer, respiratory conditions and influenza diagnostics. The total value of the funding awarded amounted to £1,891,004.

Achievements and Performance

The Trust's Annual Plan for 2023-24 and performance against it are summarised as follows:

1. To award up to 25 UK fee fully funded PhD Studentship Awards for innovative projects submitted by universities working in collaboration with external organizations, delivering outstanding student experience; to make funds available for up to 50 Undergraduate Vacation Research Scholarships; to make funds available for up to 6 Early Career Researcher Grants for newly established researchers to assist them in developing their own independent programme of research; to appoint up to two Daphne Jackson Fellowships for those returning to biomedical research following a career break and, subject to available income, to accept FTE increase applications from Daphne Jackson Fellows in their final year.

14 PhD Studentships were awarded. The Trustees accepted two Daphne Jackson Fellowship Awards. Five new Early Career Researcher Grants were awarded. The Trustees awarded 33 Undergraduate Vacation Research Scholarships during the year.

2. To significantly raise awareness of the Trust within the Scottish academic and global business communities, seeking to ensure appropriately high-quality applications and, with that in mind, to improve quality and breadth of marketing materials and public engagement, including through social media presence.

The availability of the PhD Studentships was again widely circulated among the academic and commercial medical sectors. The number and quality of the applications received indicates these continue to be popular and competitive.

The Trustees continued their engagement with a public relations and marketing agency in order to develop marketing materials and develop the Trust's strategy further, in particular in connection with raising awareness with a view to increasing legacies and donations.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Achievements and Performance (continued)

3. To develop and build on Meet the Researcher Showcase and MRS Academy events, creating new ways of working with a wider secondary education audience.

The postponed Meet the Researcher Showcase from February 2023 took place on the 6th June 2023 at the Technology and Innovation Centre (TCI), University of Strathclyde, Glasgow. There were morning and afternoon sessions for different intakes of pupils, with 180 pupils attending from 10 different schools.

The fourth annual MRS Academy took place during March 2024 over four days with over 1,800 teachers and students from 47 schools across Scotland participating and a total of 3,473 hours of live and on-demand learning streamed across the webinar sessions with very positive feedback from participants

4. To continue the provision of the Researcher Development Event for PhD Studentships.

A very successful in-person Researcher Development Event took place in April 2023 with 58 PhD Students in attendance.

5. To monitor the impact of changing from only company partnerships for PhD Studentship Awards to both commercial and non-commercial organizations.

The awards made during the year included both commercial and non-commercial external partners. Broadening the range of partnerships continues to be effective, encouraging applications that otherwise would not have been possible. In the coming years the Trustees will look to determine whether or not there are specific impacts arising from this diversity and monitoring will continue.

6. To improve awards and outcomes monitoring in order to show their impact and inform strategic decision making.

This continues to be an aim of the Trustees. The continued delays in delivering full functionality of the online application management system (AMS) have slowed this. The AMS has allowed applicants to submit applications online but the full back office information processing has not yet been completed. Once the AMS is fully functional, better analytics should be available. During the year, however, the Trustees did carry out a review of the various award streams and concluded that the funding strategy continues to be impactful and fit for purpose, comparing well with analogous programmes in the sector.

7. To keep under close review the Trust's investment portfolio and its income requirements; to review the strategy and management of the Trust's investment portfolio; to diversify the Trust's investments by investing in dedicated property funds; and to keep under close review any constraints on investment choice the Trustees agree.

The Audit & Investment Committee continues to review the Trust's Investment Policy Statement to include strategy and restrictions.

8. To have the Trust's Annual Report & Financial Statements available through its website during 2023.

The Annual Report & Financial Statements was printed and signed on 22nd November 2023 and is available on the Trust's website.

9. To actively seek legacy receipts through a dedicated project to raise the profile of the Trust.

Working with Stripe Communications and the Trust Secretaries, the Trustees produced marketing materials in order to increase awareness of the Trust and seek legacy receipts and donations. The materials were launched

10. To continue implementation of the online application systems for all Awards.

The Trustees continued to work with the online application system developer in connection with all award applications.

11. To keep under review all Award processes and criteria.

The Trustees continue to keep this under review.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Achievements and Performance (continued)

12. To keep under review the Trusteeship of the Trust to ensure appropriate breadth of expertise and continued good governance of the Trust

During the period, one Trustee retired. The Trustees regularly consider upcoming retirement of Trustees in order to plan ahead for that.

13. To review the quality and effectiveness of the services provided to the Trust in line with the agreed timetable.

The Trustees continue to do this in line with the agreed timetable.

14. To work with Stripe Communications to drive applications, increase awareness of the Trust and improve marketing materials as well as to encourage an increase in legacies to the Trust through a dedicated legacies project.

The relationship with Stripe Communications continues to be very effective in connection with the MRS Academy online event, the legacies project and the PhD Studentship communications.

15. To be compliant with GDPR and all relevant laws and regulations.

In accordance with applicable data protection laws, the Trustees and Trust Secretaries carried out the annual review of their data protection policy to ensure compliance with GDPR.

Financial Review

The Trust can only spend income and it is therefore reliant on the income from its investments, legacies, donations and royalties. Income generated on the investment portfolio and related cash deposits was £1,591,408 during the year, compared with £1,293,170 in 2022-2023 and royalties were £348,636 compared with £259,580. The Trust is grateful for legacy and donation awards during the year of £2,677,322 (2023: £2,183,323).

Investment Policy and Performance

The Trust has chosen to invest in two Baillie Gifford funds and two property funds in order to meet its overall investment objective of achieving long term returns which exceed inflation by 4% per annum. The two Baillie Gifford funds are the Baillie Gifford Responsible Global Equity Income Fund and the Baillie Gifford Multi Asset Income Fund. The property funds are the Charities Property Fund and the Property Income Trust for Charities (PITCH). The Trust also holds income in a liquidity fund with BlackRock in order to generate additional return whilst diversifying counterparty risk.

Baillie Gifford Funds Report

The Baillie Gifford Responsible Global Equity Income Fund's objective is to achieve growth in both income and capital over rolling five-year periods, whilst delivering a yield higher than that of the global equity markets. The fund seeks to invest responsibly in companies which can deliver both a dependable income stream and real growth in income and capital. Baillie Gifford invests globally, and focusses on long-term growth and income, rather than short-term yield, in order to deliver better outcomes over time. Baillie Gifford invests responsibly by emphasising sustainability, by excluding stocks operating in certain industries and by investing only in companies which meet the principles embodied in the United Nations Global Compact. The companies which are excluded are those that derive more than 10% of their annual revenues from the production or sale of alcohol, the production or sale of tobacco, fossil fuel extraction and production, the production or sale of weapons and armaments, adult entertainment or gambling.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Investment Policy and Performance (continued)

The Multi Asset Income fund changed its name to the Sustainable Income Fund at the end of March 2023, to better reflect its primary aim of delivering a sustainable stream of income which protects against inflation over time. The managers believe that the best income payers of tomorrow will be the forward-thinking companies and countries that are successfully adapting to meet the needs of a sustainable economy. Over the long term, they are confident that an emphasis on sustainability will lead to better investment decisions and financial returns for clients. As well as changing its name, the fund has also formally adopted sustainability indicators which the managers believe will help deliver the fund's objectives and provide clarity on the beliefs which underpin its approach, and added some investment exclusions, including Fossil Fuel extraction and production, which complement the bottom-up analysis which is carried out on each holding across all asset classes.

The investment environment has remained challenging. Whilst we have seen inflation start to ease, we have not seen the magnitude of interest rate cuts that had been predicted at the start of the year, and the ongoing geopolitical tension with the war in Ukraine and unrest in the Middle East persist. That said, during the 12 months under review both the General (unrestricted) fund and the Earmarked (restricted) fund returned 9.7% thanks to a good 12.8% return from the Responsible Global Equity Income Fund and 6.4% from the Sustainable Income Fund. Despite a positive absolute return, the RGEI Fund lagged its index as investors' appetite for risk increased and the so-called 'Magnificent Seven' US technology stocks performed very strongly. Whilst the fund has some exposure through Microsoft and Apple, these types of fast-growing disruptive companies do not fit the Fund's investment approach due to the expected share price volatility and lack of dividend. There will always be periods when equity markets rally strongly as investors' appetite for risk increases, and the Fund's returns may lag in those periods. The quality growth compounders held in the Fund lead to lower volatility of returns when compared to global equity benchmarks, a feature important to clients. As such, the manager sees foregoing some of the upside in strong equity markets as the "insurance premium" paid to ensure resilience in more challenging macro and market environments. The manager remains focused on the fundamentals of the companies held as this is the best way to deliver attractive performance over the long term. The slightly lower return from the Sustainable Income Fund reflects its broader diversification and the challenges of a higher interest rate environment for those asset classes that are more sensitive to changes in interest rate expectations such as property and infrastructure in particular.

Property Funds

The Charities Property Fund posted a positive total return of +0.7% for the last 12 months, whilst the PITCH fund delivered a total return of -0.9%. This compares to the AREF UK All Balanced Open-Ended Property Fund Index which registered a return of -0.7% for the last 12 months. The Audit and Investment Committee are satisfied that the funds continue to deliver an attractive yield to the portfolio (5.6% for the Charities Property Fund and 6.4% for PITCH) with the prospect of future capital gains.

The Audit and Investment Committee keeps all the investments under regular review.

Environmental, Social and Corporate Governance

Environmental, Social and Corporate Governance (ESG) refer to the three central factors in measuring the sustainability and ethical impact of an investment in a company or business. The Trustees continue to give consideration to ESG and the Trust's investment managers are actively engaged in all three areas.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Reserves Policy

The Trust's original endowment generates income. The Trust has a limited power to borrow money or draw upon capital to meet expenditure of a capital nature, but otherwise may only spend its income for the purposes of the award funding and management of the Trust.

The Trust's expenditure on Charitable activities has remained at broadly the same level for this year. The continued and increasing support by the Trust of PhD Scholarship Awards, Vacation Scholarship Awards and Daphne Jackson Trust Fellowships and the development of these funding streams and continuing Early Career Researcher Grants will increase expenditure year on year and reduce the income surplus.

The Trust continues to seek to meet expenditure commitments as they fall due for payment out of its predictable flow of income and expects to be able to do so.

At the end of the reporting period, the total funds held by the charity amounted to £53,605,370 (2023: £48,457,748) with £15,628,976 (2023: £13,307,005) of that amount representing Restricted Funds and so unavailable for general purposes.

Risk Management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the operations and finances of the Trust, have reviewed those risks, both in the Audit & Investment sub-committee and at full Trust meetings, and are satisfied that systems are in place to mitigate exposure to the major risks. The Trust maintains a Risk Register which is reviewed and updated regularly. In terms of examples of specific risks identified and the way in which the Trustees are mitigating against them, the Trustees report as follows:-

- The impact on the Trust of ethical issues related to certain types of research or investment policy – mitigated by (i) monitoring possible areas of sensitivity, (ii) maintaining and reviewing the Trust's ethical research and ethical investment policies and (iii) ensuring award recipients adhere to the Trust's Standard Conditions, any requirement to obtain authority approvals and relevant AMRC guidelines on ethics.
- The impact on the Trust of falling or failing income sources – mitigated by monitoring information from the investment managers on the size of the invested income fund and income cash balance and projections of income and cash flow for at least two financial years ahead.
- The impact on the Trust of failing to comply with applicable law and regulatory reporting requirements – mitigated by identifying key legal and regulatory requirements and monitoring any proposed changes, reviewing regularly the expertise and training of the Trust's Board and maintaining access to ongoing professional advice.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Plans for the Future

The Trustees continue to carry out a comprehensive strategic review of the Trust's activities in light of the current and likely future direction of the medical research and health care environments in Scotland.

The Trust's Annual Plan 2024/2025 is as follows:

Mission

- To be a nimble and innovative funder of medical research in Scotland with a primary focus on early career development, education and training.
- To make up to 25 UK fee fully funded PhD Studentship Awards, subject to available income, for innovative projects submitted by universities working in collaboration with external organizations, delivering outstanding student experience.
- To make funds available for up to 50 Undergraduate Vacation Research Scholarships.
- To appoint up to two Daphne Jackson Fellowships for those returning to biomedical research after a career break.
- Subject to available income, to accept FTE increase applications from Daphne Jackson Fellows in their final year.
- To make funds available for up to 6 Early Career Researcher Grants for newly-established researchers to assist them in developing their own independent programme of research.
- To continue the provision of the Researcher Developer Event for PhD Studentships.
- To develop and build on Meet the Researcher Showcase and MRS Academy events, creating new ways of working with a wider secondary education audience.

Presence

- To raise significantly awareness of the Trust in the Scottish academic and global business communities, seeking to ensure appropriately high-quality applications.
- To improve quality and breadth of marketing materials and public engagement, including through social media presence.
- To engage with other funding bodies in order to diversify the Charity's offering.
- To further cultivate the Alumni Network through various communication initiatives and events in order to promote awareness.
- To engage through social media platforms in an informative and focused manner.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Plans for the Future (continued)

Financial

- To keep under close review the Trust's investment portfolio and its income requirements.
- To review the strategy and management of the Trust's investment portfolio specifically to consider other ways of boosting the portfolio's income yield.
- To ensure appropriate diversification of Trust's investment portfolio to achieve the required income target.
- To have the Trust's most recent Annual Report & Financial Statements available through its website.
- To keep under close review any constraints on investment choice the Trustees agree.
- To monitor the implementation of the Charities (Regulation and Administration) Act 2023 and the possible opportunity to reorganise capital funds.
- To actively seek legacy receipts through a dedicated project to raise the profile of the Trust.
- To improve awards and outcomes monitoring in order to show their impact and inform strategic decision making.
- To monitor and maintain website.
- To engage with students to support publicity and public relations.

Delivery

- To work with a 3rd party communications company to drive applications, increase awareness of the Trust, improve marketing materials and consider further online formats.
- To work with a 3rd party communications company to encourage an increase in legacies to the Trust through a dedicated legacies project.
- To work with a 3rd party communications company to provide communication support for applications from different funding streams.
- To continue implementation of the online application systems for all Awards.
- To keep under review all Award processes and criteria.
- To review processes on different funding streams and implement set timeline for opening and closing of award calls.
- To keep under review membership of the Trust to ensure appropriate breadth of expertise and continued good governance.
- To review the quality and effectiveness of the services provided to the Trust in line with the agreed timetable.
- To be compliant with GDPR and all relevant laws and regulations.

Structure, Governance and Management

The Trust is a body corporate constituted under the Hospital Endowments (Scotland) Act 1953 (repealed and re-enacted by the National Health Service (Scotland) Act 1978) all as subsequently amended, most recently by the Smoking, Health and Social Care (Scotland) Act 2005, which repealed the Trust's non-departmental public body status. The Trust was established to receive and hold endowments, donations and bequests and to award funding from these funds to promote medical research in Scotland. It is empowered by the National Health Service and Community Care Act 1990 to engage in fundraising activities for the purposes of the Trust. It is also required by the Health & Medicines Act 1988 where feasible to develop and exploit ideas and to exploit intellectual property.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Structure, Governance and Management (continued)

The Trust funds are administered in terms of this legislation by a body of Trustees who receive no fee or remuneration for their services. Trustees are appointed by the existing Trustees and, in accordance with the Standing Orders of the Trust, the minimum number of Trustees is six and the maximum is fifteen. In accordance with the constitutive legislation, Trustees may not be appointed for a period exceeding four years, and are eligible for re-appointment only once.

The Trustees meet at least twice-yearly to agree the broad strategy and areas of activity for the Trust, including considering applications for funding, investment, reserves and risk management policies and performance. There is also an Audit & Investment sub-committee which normally meets twice a year to consider accounting and investment issues in more detail. The day-to-day administration of awards and processing and handling of applications prior to consideration by the Trust (or the relevant sub-committee) is dealt with by the Trust Secretaries and Scientific Adviser.

In addition to ensuring a breadth of expertise among the scientific Trustees, consideration is also given to ensuring that other skill requirements among the Trustees are met. New Trustees may be sought by open advertisement or through dialogue with the research universities.

The induction process for any newly appointed Trustee comprises a welcome pack including a brief history of the Trust, a copy of the constitutive legislation, guidance on the duties and responsibilities of charity trustees, a copy of the most recent Annual Report & Financial Statements and any other relevant documentation. There is an opportunity to discuss particular issues with either the Chair or the Trust Secretaries, and there is an explanation of the award-making process and the organisational structure.

There is also training offered to both new and existing Trustees at Trust meetings and this is at least annually, but more frequently if appropriate.

The Trustees are the key management personnel and make all decisions and Turcan Connell as secretaries process the transactions.

Financial Statements

The financial statements for the year to 31st March 2024 form part of this Report and are presented on pages 18 to 35.

Auditor

CT have expressed their willingness to continue in office as auditor and will be proposed for re-appointment at the Annual General Meeting.

Statement of disclosure of information to auditor

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- so far as the Trustee is aware, there is no relevant information of which the Charity's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information, and to establish that the Charity's auditor is aware of the information.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2024

Statement of Trustees' responsibilities

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

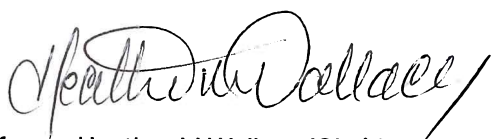
The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the income and expenditure of the Charity for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service (Scotland) Act 1978. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees and authorised to be signed on their behalf by:



Professor Heather M Wallace (Chair)

Date: 10th October 2024

INDEPENDENT AUDITOR'S REPORT to the TRUSTEES of

MEDICAL RESEARCH SCOTLAND

For the year ended 31 March 2024

Opinion

We have audited the financial statements of Medical Research Scotland (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities (including the income and expenditure account), the balance sheet, the cash flow statement and notes to the financial statements, 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 Financial Reporting Standard 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 charity's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. 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.

INDEPENDENT AUDITOR'S REPORT to the TRUSTEES of

MEDICAL RESEARCH SCOTLAND (continued)

For the year ended 31 March 2024

Auditor's responsibilities for the audit of the financial statements (continued)

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Trustee meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members and trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



CT
Chartered Accountants and Statutory Auditors
61 Dublin Street, Edinburgh, EH3 6NL

Date: 21/10/24

CT are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MEDICAL RESEARCH SCOTLAND

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2024

	Notes	Un- restricted income fund £	Un- restricted capital fund £	Restricted income fund £	Restricted capital fund £	Total 2024 £	Re- presented Total 2023 £
Income and endowments from:							
Donations and legacies	8	90,490	-	2,586,832	-	2,677,322	2,183,323
Charitable activities – royalty income		348,636	-	-	-	348,636	259,580
Investments		1,201,584	-	389,824	-	1,591,408	1,293,170
Other		5,373	-	-	-	5,373	16,668
Total income		1,646,083	-	2,976,656	-	4,622,739	3,752,741
Expenditure on:							
Charitable activities	9	667,391	-	1,546,192	-	2,213,583	2,543,674
Total expenditure		667,391	-	1,546,192	-	2,213,583	2,543,674
Net gains on investments		166,392	1,720,202	-	851,872	2,738,466	356,833
Net income/(expenditure)		1,145,084	1,720,202	1,430,464	851,872	5,147,622	1,565,900
Transfers between funds	6	(39,635)	-	39,635	-	-	-
Net movement in funds		1,105,449	1,720,202	1,470,099	851,872	5,147,622	1,565,900
Total funds brought forward		3,176,883	31,973,860	1,451,060	11,855,945	48,457,748	46,891,848
Total funds carried forward		4,282,332	33,694,062	2,921,159	12,707,817	53,605,370	48,457,748
		=====	=====	=====	=====	=====	=====

The charity has no recognised gains or losses other than those included in the Statement of Financial Activities. All activities relate to continuing operations.

The notes on pages 21 to 35 form part of these financial statements.

MEDICAL RESEARCH SCOTLAND

BALANCE SHEET

As at 31 March 2024

	Notes	2024 £	Re-presented 2023 £
Fixed assets			
Investments at fair value	12	50,557,732	45,985,749
Cash at investment manager	12	4,543,995	3,737,603
		55,101,727	49,723,352
Current assets			
Debtors	13	92,040	2,056,176
Cash at bank – as Secretaries	14	2,566,624	566,628
		2,658,664	2,622,804
Creditors: amounts falling due within one year			
Creditors	15	34,958	25,032
Grants payable	16	4,120,063	3,863,376
		4,155,021	3,888,408
Net current liabilities		(1,496,357)	(1,265,604)
Total assets less current liabilities		53,605,370	48,457,748
Net assets	17	53,605,370	48,457,748
Unrestricted funds			
Unrestricted capital fund	5	33,694,062	31,973,860
Unrestricted income fund	17	4,282,332	3,176,883
		37,976,394	35,150,743
Restricted funds			
Restricted capital fund	7	12,707,817	11,855,945
Restricted income fund	6	2,921,159	1,451,060
		15,628,976	13,307,005
		53,605,370	48,457,748

Approved and authorised for issue by the Trustees and signed on their behalf by:


Chair

10th October 2024

The notes on pages 21 to 35 form part of these financial statements.

MEDICAL RESEARCH SCOTLAND

STATEMENT of CASH FLOWS

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	3,048,496	(1,712,563)
Cash flows from investing activities			
Dividends, interest and returns from investments		1,591,408	1,293,170
Proceeds from sale of investments		-	9,808,819
Net purchase of investments		(2,639,908)	(9,356,745)
Net cash provided by/(used in) investing activities		(1,048,500)	1,745,244
Change in cash and cash equivalents in the reporting period		1,999,996	32,681
Cash and cash equivalents at the beginning of the reporting period		566,628	533,947
Cash and cash equivalents at the end of the reporting period	14	2,566,624	566,628

The notes on pages 21 to 35 form part of these financial statements.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the Charity's transactions are denominated. They comprise the financial statements of Medical Research Scotland.

The objective of Medical Research Scotland is to improve health standards by funding research of the highest quality into the cause, diagnosis, treatment and prevention of all forms of illness and genetic disorders and into the advancement of medical technology.

Medical Research Scotland is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC014959. Details of the principal address can be found on page 1 of these financial statements.

2. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting standard applicable in the UK and Republic of Ireland (FRS 102)', the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Medical Research Scotland meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements re disclosed in note 3.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

Going concern

Due to the strong balance sheet and cash position, the Trustees are of the opinion that the Charity can continue to meet its objectives as they fall due for the foreseeable future. In making this assessment the Trustees have taken into account all available information about the future for at least 12 months from the date of the approval of these accounts, including the current economic climate. As a consequence, the Trustees have prepared the financial statements under the going concern basis.

Income recognition

Income is recognised when the Charity becomes entitled to the income, the receipt is probable and the amount can be measured reliably.

Where there are terms placed on income that limit the Charity's discretion over how that income can be used, that income is shown as restricted income in the financial statements.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. Accounting policies (continued)

Income recognition (continued)

Dividend income and interest on Government stocks are credited when they become ex-dividend and are measured at fair value, generally the transaction value. Accrued interest on fixed interest stocks received on disposal and acquisition is credited to the Statement of Financial Activities. Deposit interest receivable is recognised using the effective interest rate applicable to the asset, generally the transaction value. Where the Charity has elected to take shares instead of cash dividends under enhances scrip dividend offers, the cash equivalent is included as income. The income of the Charity includes, where applicable, any recoverable tax deducted at source.

Investment income arising from capital funds is allocated to the appropriate Unrestricted Income or Restricted Income Fund to which it relates.

Where the Charity has elected to take accumulation units or shares instead of cash dividends, the cash equivalent is included as income.

Legacies and donations are included in the period in which they are receivable, which is when the Charity becomes entitled to the resource. Entitlement exists when the Trustees have sufficient evidence that a gift has been left, the executor is satisfied that the gift will not be required to satisfy claims on the estate and any conditions are within the control of the Charity or have been met. Legacy income is measured at fair value, generally the cash amount receivable, and is discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable. Legacies and donations given for general medical research are included in Unrestricted Funds, and those given for research into specific medical conditions or illnesses at the request of the donor are included within Restricted Funds. Unless the donor has specified that the legacies or donations must be held as capital the amounts will be included initially within the Income Funds. An appropriation is made to Capital Funds thereafter at the discretion of the Trustees.

Gifts in kind are recorded at their market value at the date of donation.

Royalties are receivable from the commercial exploitation of the intellectual property resulting from research funded (in whole or in part) by the Charity. Royalty receipts are credited to revenue in the period receivable once the receipt is probable and the amount can be measured reliably.

Recognition and allocation of expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended. All charitable expenses and costs of generating funds are apportioned between Unrestricted and Restricted Income Funds 75% and 25% respectively. The Trustees consider this allocation reasonable based on the balance on the Unrestricted and Restricted Funds.

Expenditure is shown inclusive of any irrecoverable VAT.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income and fundraising costs for raising donations and legacy income. Charitable activities comprise grants payable and support costs for processing grants and applications. Governance costs relate to costs incurred in respect of strategic or constitutional matters and also compliance with statutory reporting requirements. Where the Secretaries fees cannot be directly attributed to these categories they are estimated 35% (2023 35%) to Governance activities and 65% (2023: 65%) to Grant-making activities.

Foreign exchange gains and losses

Transactions in foreign currencies are recorded at an average rate over the financial period. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance sheet date. All currency differences are taken to the Statement of Financial Activities (SOFA).

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. Accounting policies (continued)

Grants

Grants payable are charged to the SOFA when the application is approved and a valid expectation created with the recipient that the grant will be paid. Where the grant offer or an element thereof, is conditional, such grants are not recognised as expenditure until the conditions are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment but are not accrued as expenditure.

Fund accounting

The nature and purpose of each fund are explained in notes 5,6 and 7.

Investments

Listed investments are included in the financial statements at fair value at the reporting date, the unrealised gain or loss on revaluation being applied to Unrestricted or Restricted Capital Funds in the period in which they arise as appropriate. Fair value is based on quoted market prices in an active market.

Land is included at agricultural value, being the appropriate estimate of fair value.

Gains or losses arising on the sale of investments during the year are taken to Unrestricted and Restricted Capital Funds as appropriate. Within the Restricted Capital Funds gains or losses are allocated based on the balance of the funds held at the beginning of the year.

Debtors

Accrued income relates to legacies and dividend income to which the charity is entitled but which has not been received before the year end.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier which is normally the invoice price.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Financial assets and financial liabilities

Financial instruments are recognised in the statement of financial activities when the charity becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price and subsequently accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as basic in accordance with Chapter 11 of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method, other than listed investments which are recognised initially at cost and subsequently at fair value, which is normally mid-market value. Where the fair value cannot be reliably measured, they are recognised at cost less impairment. Gains and losses on listed investments are recorded through net income.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

2. Accounting policies (continued)

Financial assets and financial liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Charity has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

3. Critical judgements and estimates

In preparing the financial statements trustees make estimates and assumptions which affect reported results, financial position and disclosure of contingencies. Use of available information and application of judgement are inherent in the formation of the estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The estimates and assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Legacy income is measured at the estimated amount receivable. Where part of a legacy left to the Charity includes property or shares to be sold, judgement is used to estimate the amount receivable.

Grants payable are recognised as a liability based on the judgement that a valid expectation has been created with the recipient that the grant will be paid. Estimation may be required where there is uncertainty as to the amount that will be claimed by the recipient.

4. Comparative statement of financial activities

2023 – Re-presented

Notes	Un-restricted income fund £	Un-restricted capital fund £	Restricted income fund £	Restricted capital fund £	Total 2023 £
Income and endowments from:					
Donations and legacies 9	987,894	-	1,195,429	-	2,183,323
Charitable activities – royalty income	259,580	-	-	-	259,580
Investments	944,478	-	348,692	-	1,293,170
Other	9,683	-	6,985	-	16,668
Total income	2,201,635	-	1,551,106	-	3,752,741
Expenditure on:					
Raising funds – investment management	-	-	-	-	-
Charitable activities	1,397,163	-	1,146,551	-	2,543,674
Total expenditure	1,397,163	-	1,146,511	-	2,543,674
Net gains on investments	43,810	216,081	-	96,942	356,833
Net income/(expenditure)	848,282	216,081	404,595	96,942	1,565,900
Transfers between funds	(261,606)	-	261,606	-	-
Net movement in funds	586,676	216,081	666,201	96,942	1,565,900

Gains on the charity's income funds in 2022-23 have been re-represented under net gains on investments rather than other income.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

5. Unrestricted designated capital fund

	2024 £	2023 £
Balance at 1 April	31,973,860	31,757,779
Cost of raising funds	-	-
Net realised gains on sale of investments	-	635,313
Unrealised gains on investments	1,720,202	(419,232)
	=====	=====
Balance at 31 March	33,694,062	31,973,860

The unrestricted designated capital fund is derived from legacies, bequests and donations which were allocated by the Trustees as capital funds invested to generate income for the purposes of general medical research.

6. Restricted income funds

Movement during the year was as follows:

2024

	As at 1 April 2023 £	Investme nts & other income £	Legacies & donations £	Grants awarded £	Cost of raising funds, support & admin costs £	Transfers £	As at 31 March 2024 £
Neurological diseases	-	16,179	150,000	(201,046)	(4,768)	39,635	-
Cancer	-	163,749	300,000	(159,411)	(48,258)	-	256,080
Arthritis	135,751	77,142	-	19,404	(22,735)	-	209,562
Diabetes	5,386	7,578	-	(9,141)	(2,233)	-	1,590
Kidney	98,413	15,118	-	-	(4,456)	-	109,075
Cardiac & vascular diseases	-	97,946	-	(32,130)	(28,866)	-	36,951
Miscellaneous conditions	347,065	12,112	-	(40,422)	(3,570)	-	315,185
Nutrition in the elderly	-	-	150,000	-	-	-	150,000
Multiple Sclerosis	71,543	-	-	-	-	-	71,543
ME	70,645	-	-	-	-	-	70,645
Respiratory diseases in children	54,760	-	-	-	-	-	54,760
Deafness	27,462	-	-	-	-	-	27,462
Blindness	27,462	-	-	-	-	-	27,462
COVID Biomedical Research	-	-	-	36,252	-	-	36,252
MRC funding - earmarked	612,573	-	1,035,670	(477,054)	-	-	1,171,189
MRC funding - general	-	-	951,162	(567,759)	-	-	383,403
	=====	=====	=====	=====	=====	=====	=====
	1,451,060	389,824	2,586,832	(1,431,307)	(114,885)	39,635	2,921,159

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

6. Restricted income funds (continued)

2023

	As at 1 April 2022 £	Investme nts & other income £	Legacies & donation s £	Grants awarded £	Cost of raising funds, support & admin costs £	Transfers £	As at 31 March 2023 £
Neurological diseases	-	14,762	-	(194,250)	(3,263)	182,751	-
Cancer	-	149,405	-	(139,496)	(33,020)	23,111	-
Arthritis	80,922	70,385	-	-	(15,556)	-	135,751
Diabetes	-	6,914	-	-	(1,528)	-	5,386
Kidney	87,668	13,794	-	-	(3,049)	-	98,413
Cardiac & vascular diseases	-	89,366	-	(113,663)	(19,751)	44,048	-
Miscellaneous conditions	338,456	11,051	-	-	(2,442)	-	347,065
Multiple Sclerosis	71,543	-	-	-	-	-	71,543
ME	70,645	-	-	-	-	-	70,645
Respiratory diseases in children	54,760	-	-	-	-	-	54,760
Deafness	27,462	-	-	-	-	-	27,462
Blindness	27,462	-	-	-	-	-	27,462
COVID							
Biomedical Research	-	-	20,000	(31,696)	-	11,696	-
MRC funding – earmarked	25,941	-	1,175,429	(588,797)	-	-	612,573
	784,859	355,677	1,195,429	(1,067,902)	(78,609)	261,606	1,451,060
	=====	=====	=====	=====	=====	=====	=====

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

7. Restricted capital funds

Movement during the year was as follows:
2024

	As at 1 April 2023 £	Cost of raising funds £	Realised gain on investments	Unrealised gain on investments £	As at 31 March 2024 £
Neurological diseases	492,078	-	-	35,357	527,435
Cancer	4,980,208	-	-	357,838	5,338,046
Arthritis	2,346,171	-	-	168,577	2,514,748
Diabetes	230,466	-	-	16,559	247,025
Kidney	459,821	-	-	33,039	492,860
Cardiac & vascular diseases	2,978,894	-	-	214,039	3,192,933
Miscellaneous conditions	368,307	-	-	26,463	394,770
	11,855,945	-	-	851,872	12,707,817

2023

	As at 1 April 2021 £	Cost of raising funds £	Realised gain on investments	Unrealised gain on investments £	As at 31 March 2023 £
Neurological diseases	488,055	-	1,684	2,339	492,078
Cancer	4,939,486	-	17,044	23,678	4,980,208
Arthritis	2,326,988	-	8,029	11,154	2,346,171
Diabetes	228,581	-	789	1,096	230,466
Kidney	456,061	-	1,574	2,186	459,821
Cardiac & vascular diseases	2,954,536	-	10,195	14,163	2,978,894
Miscellaneous conditions	365,296	-	1,260	1,751	368,307
	11,759,003	-	40,575	56,367	11,855,945

The restricted capital funds are derived from legacies, bequests and donations which were donated from specific areas of medical research and which form the restricted funds of the charity.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

8. Donations and legacies

2024	Unrestricted income fund £	Restricted income fund £	Total 2024 £
Legacies	78,412	-	78,412
Donations	12,078	-	12,078
Grant income	-	2,586,832	2,586,832
	90,490	2,586,832	2,677,322
	=====	=====	=====
2023	Unrestricted income fund £	Restricted income fund £	Total 2023 £
Legacies	25,688	-	25,688
Donations	2,844	20,000	22,844
Grant income	959,362	1,175,429	2,134,791
	987,894	1,195,429	2,183,323
	=====	=====	=====

9. Analysis of charitable activities

2024	Unrestricted income fund £	Restricted income fund £	Total 2024 £
Grant making activity:			
Grants payable (note 17)	363,245	1,431,307	1,794,552
Grant funding returned	(40,509)	-	(40,509)
Support costs (note 11)	273,078	91,026	364,104
Governance costs (note 11)	71,577	23,859	95,436
	667,391	1,546,192	2,213,583
	=====	=====	=====
2023	Unrestricted income fund £	Restricted income fund £	Total 2023 £
Grant making activity:			
Grants payable (note 17)	1,161,336	1,067,902	2,229,238
Support costs (note 11)	181,501	60,500	242,001
Governance costs (note 11)	54,326	18,109	72,435
	1,397,163	1,146,511	2,543,674
	=====	=====	=====

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

10. Analysis of support and governance costs

2024	Charitable activities £	Governance costs £	Total 2024 £
Secretaries' fees	146,094	78,666	224,760
Miscellaneous	25,617	-	25,617
Blue 2 (development of AMS, website hosting, system maintenance	20,421	-	20,421
Stripe (communications development)	75,447	-	75,447
Salary costs	44,874	-	44,874
Commercial training	51,650	-	51,650
Auditor's remuneration – audit	-	13,230	13,230
Auditor's remuneration – non-audit services	-	3,540	3,540
	-----	-----	-----
	364,104	95,436	459,540
	=====	=====	=====
2023	Charitable activities £	Governance costs £	Total 2023 £
Secretaries' fees	105,551	56,835	162,386
Miscellaneous	24,930	-	24,930
Blue 2 (development of AMS, website hosting, system maintenance	24,678	-	24,678
Stripe (communications development)	31,441	-	31,441
Salary costs	43,469	-	43,469
Commercial training	11,932	-	11,932
Auditor's remuneration – audit	-	12,300	12,300
Auditor's remuneration – non-audit services	-	3,300	3,300
	-----	-----	-----
	242,001	72,435	314,436
	=====	=====	=====

In 2024, investment management fees of £198,361 (2023: £204,942) were incurred. In terms of the Investment Management agreement, charges levied within the Baillie Gifford OEIC holdings are set off against the periodic management fees with any excess being rebated to the Trust and reinvested. The charges levied within the OEIC holdings were reported at £203,217 (2023 £230,945) The reinvested fee rebates therefore amounted to £4,856 (2023 £26,003).

Bases of allocation

Where costs are directly attributable to an activity, they are allocated to that activity. Where items of expenditure relate to more than one activity, the cost is apportioned on the basis of usage or staff time as appropriate and allocated to each activity on that basis. Secretaries' fees are allocated on the basis of staff time with the exception of fees for specific work which are allocated to the relevant activity.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

11. Staff costs

	2024 £	2023 £
Gross wages	43,349	41,711
Employer's pension contribution	1,525	1,758
	-----	-----
	44,874	43,469
	=====	=====

The average number of employees during the year were as follows:
Scientific Adviser

No	No
1	1

No employees received emoluments above £60,000, and the Trustees did not receive any direct remuneration for their services during the year (2023: nil).

Meeting expenses amounting £1,016 (2023: £980) were reimbursed to four (2023: three) of the Trustees.

There are no other key management personnel as Trustees make all decisions and Turcan Connell as secretaries process the transactions.

12. Investments

	Investment property £	Listed investments £	Total at fair value £	Cash investments £	Total £
Market value at 1 April 2023 (Re-presented)	27,500	45,958,249	45,985,749	3,737,603	49,723,352
Additions	-	1,999,908	1,999,908	2,640,000	4,639,908
Disposals	-	-	-	(2,000,000)	(2,000,000)
Net realised and unrealised gains in the year	-	2,572,074	2,572,074	166,392	2,738,466
	-----	-----	-----	-----	-----
	27,500	50,530,232	50,557,732	4,543,995	55,101,727
	=====	=====	=====	=====	=====
Historical cost	27,500	40,986,845	41,014,345	4,240,000	45,254,345
	=====	=====	=====	=====	=====

The Charity is a joint beneficiary of an estate comprising potential development land. The potential development land has not yet been sold and has been included in the financial statements as an investment property. The land included in the balance sheet is at agricultural value as a development value cannot be quantified with reasonable accuracy.

The allocation of investments between cash and those held at fair value has been re-presented as at 1 April 2023 to reflect only income funds being designated as cash investments.

13. Debtors

	2024 £	2023 £
Prepayments	-	30,660
Accrued income	92,040	2,025,516
	-----	-----
	92,040	2,056,176
	=====	=====

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

14. Cash at bank and analysis of changes in net debt

	2023 £	Cash flows £	2024 £
Secretaries	566,628	1,999,996	2,566,624
	=====	=====	=====

The Trust has no debt financing.

15. Creditors: amounts falling due within one year

	2024 £	2023 £
Accrued fees	34,190	24,244
Tax and social security payments	768	788
	-----	-----
	34,958	25,032
	=====	=====

16. Grants payable

	2024 £	£	£	2023 £
(a) Reconciliation of grants payable				
At 1 April		3,863,376		3,511,696
Grants awarded and authorised in the year	1,891,004		2,253,911	
Grant creditors written back or released	(89,585)		-	
Grant awards cancelled and recovered	(6,867)		(24,673)	
	-----		-----	
	1,794,552		2,229,238	
Grants repaid and recovered in the year	(40,509)		-	
	-----		-----	
Grants payable for the year		1,754,043		2,229,238
Grants paid during the year		(1,497,356)		(1,877,558)
		-----		-----
At 31 March		4,120,063		3,863,376
		=====		=====
(b) Grants falling due within one year:				
Unrestricted income fund		1,969,202		1,937,507
Restricted income fund		2,150,861		1,925,869
		-----		-----
		4,120,063		3,863,376
		=====		=====

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

16. Grants

(c) Grants awarded

Grants awarded and authorised during the year were as follows:

Institution	Number of awards	£	£
PHD Studentship awarded 2024			
University of Aberdeen	1	31,684	
University of Dundee	1	31,684	
University of Edinburgh	6	190,104	
University of Glasgow	3	95,052	
University of St. Andrews	1	31,684	
University of Strathclyde	2	63,368	

			443,576
Early Career Grants awarded 2024			
University of Aberdeen	1	19,971	
University of Edinburgh	2	39,867	
University of St Andrews	1	19,988	
CRUK Beatson Institute	1	18,340	

			98,166
Vacation Scholarships awarded 2024			
Edinburgh Napier University	2	4,578	
Glasgow Caledonian University	1	2,287	
Heriot-Watt University	1	2,289	
University of Aberdeen	2	4,578	
University of Dundee	4	8,775	
University of Edinburgh	9	20,601	
University of Glasgow	6	13,734	
University of St Andrews	2	4,578	
University of Stirling	3	6,867	
University of Strathclyde	3	6,867	

			75,154
Conditional grants awarded in previous years, now unconditional and authorised:			
PHD Studentship awarded 2024			
Heriott-Watt University	2	7,687	
University of Aberdeen	8	97,204	
University of Dundee	6	77,499	
University of Edinburgh	24	292,457	
University of Glasgow	12	270,656	
University of St. Andrews	3	39,445	
University of Strathclyde	13	188,753	
Edinburgh Napier University	1	11,186	
Glasgow Caledonian University	1	29,162	
University of Stirling	2	43,917	
Robert Gordon University	1	21,576	
Unallocated	1	100	

			1,079,642

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

16. Grants (continued)

(c) Grants awarded (continued)

Institution	Number of awards	£	£
Daphne Jackson Memorial Fellowship awarded 2024			
University of Edinburgh	3	126,647	
University of Glasgow	2	67,819	
		-----	194,466

			1,891,004
			=====

(c) Commitments

In additions to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued as expenditure at 31 March 2024 was £4,707,663 (2023: £3,960,886) of which £2,061,347 (2023: £2,032,601) is expected to be payable within one year if certain conditions are satisfied.

17. Analysis of net assets between funds

2024	Fixed assets £	Net current assets / (liabilities) £	Total £
Unrestricted funds			
Unrestricted capital fund	33,694,062	-	33,694,062
Unrestricted income fund	4,679,796	(397,464)	4,282,332
	-----	-----	-----
	38,373,858	(397,464)	37,976,394
	-----	-----	-----
Restricted funds			
Restricted capital fund	12,707,817	-	12,707,817
Restricted income fund	4,020,052	(1,098,893)	2,921,159
	-----	-----	-----
	16,727,869	(1,098,893)	15,628,976
	-----	-----	-----
Total funds	55,101,727	(1,496,357)	53,605,370
	=====	=====	=====

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

17. Analysis of net assets between funds (continued)

2023	Fixed assets £	Net current assets / (liabilities) £	Total £
Unrestricted funds			
Unrestricted capital fund	31,973,860	-	31,973,860
Unrestricted income fund	3,366,415	(189,532)	3,176,883
	-----	-----	-----
	35,340,275	(189,532)	35,150,743
	-----	-----	-----
Restricted funds			
Restricted capital fund	11,855,945	-	11,855,945
Restricted income fund	2,527,132	(1,076,072)	1,451,060
	-----	-----	-----
	14,383,077	(1,076,072)	13,307,005
	-----	-----	-----
Total funds	49,723,352	(1,265,604)	48,457,748
	=====	=====	=====

The Unrestricted Funds represent the funds which the Trustees are free to use in accordance with the charitable objects.

The Restricted Funds are derived from legacies, bequests and donations which were donated for specific areas of medical research and which form the Restricted Funds of the Charity. The Trustees may only use these Restricted Funds to make grants for medical research into the specific areas noted within the original terms of the legacy, bequest or donation.

18. Reconciliation of net income / (expenditure) to net cash outflow from operating activities

	2024 £	2023 £
Net income for the reporting period (as per statement of financial activities)	5,147,622	1,565,900
Adjustments for:		
Gain on investments	(2,738,466)	(346,266)
Dividends, interest and rents from investments	(1,591,408)	(1,293,170)
Decrease/increase in debtors)	1,964,136	(1,999,303)
Increase in creditors	266,612	360,276
	-----	-----
Net cash provided by/(used in) operating activities.	3,048,496	(1,712,563)
	=====	=====

19. Non-audit services

In common with many other charities of our size and nature, we use our auditors to assist in the preparation of the financial statements.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

20. Financial assets measured at fair value through income and expenditure

Financial assets measured at fair value through income and expenditure comprises:

	2024 £	2023 £
Listed investments (note 12)	50,557,732 =====	45,985,749 =====

There were no financial liabilities measured at fair value through income and expenditure.