

MEDICAL RESEARCH SCOTLAND
71st ANNUAL REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2025

*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 2025

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MEDICAL RESEARCH SCOTLAND

REFERENCE and ADMINISTRATION INFORMATION

For the year ended 31 March 2025

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* (resigned 9th June 2025)
Fiona Gillespie*
Dr Alec McLean (appointed 4 November 2023)
Dr Michael Roberts
Professor Matthew Walters
Sheryl Vickery* (appointed 17 June 2024, resigned 3 March 2025)
Michael Turner* (appointed 18 June 2025)
Anita Simmers (appointed 18 June 2025)

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

CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

MEDICAL RESEARCH SCOTLAND

REFERENCE and ADMINISTRATION INFORMATION

For the year ended 31 March 2025

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 2025



BUCKINGHAM PALACE

As Patron of Medical Research Scotland, I am pleased to reflect on another year of the organisation's ongoing commitment to encourage and support promising individuals at the early stages of their careers in medical research. The breadth of research topics highlighted in this annual report and the distribution of projects across the Scottish Universities is highly encouraging for the future of medical research.

In the last year, the charity supported 17 new PhD students, taking the overall number of graduate studentships supported since the funding scheme was launched, to more than 170. These graduates join the Medical Research Scotland alumni scheme to stay connected and offer support for outreach and career development events organised by the charity.

Medical Research Scotland also supported 33 undergraduates at Scottish Universities through the vacation scholarship scheme, offering 6 weeks of research training. At school level, the annual online Medical Research Scotland Academy offered outstanding insight to pupils in S4, 5 and 6 into the opportunities a career in medical research can offer. The number of schools engaging with the Academy increases year on year, an indicator that this is a valuable addition to the education programme. The Early Career Researcher grants also provide start up support for six individuals beginning their independent research careers.

As Patron of Medical Research Scotland, I continue to be impressed by the range of funding schemes supported by the charity covering the many stages of a research career. I am confident that Medical Research Scotland will continue to offer outstanding and generous support to early career scientists in Scotland and encourage excellent 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 of the signature.

MEDICAL RESEARCH SCOTLAND

CHAIR’S REPORT

For the year ended 31 March 2025

I am delighted to report that Medical Research Scotland had another highly successful year in 2024-25 in terms of our support for training and developing early career researchers. Our flagship PhD studentship programme was again oversubscribed and after peer review 17 studentships were awarded. These studentships cover the whole of Scotland with six Universities being granted awards. Our vacation scholarships and early career awards continued to be popular, with 22 and 6 grants awarded, respectively. We continue to work together with Daphne Jackson Trust supporting researchers returning to work after a career break and we currently have 4 individuals being supported. In addition, this year we have joined with the Royal College of Physicians and Surgeons of Glasgow (RCPSG) to offer a PhD studentship for a clinically qualified candidate. Applications were received from 19 well qualified candidates, and one award was made, which will start in August 2025.

We are delighted with the continuing positive feedback received from schools and teachers attending our online MRS Academy. This programme engages senior school pupils and explains the opportunities offered by a career in medical research through four live online Friday morning sessions in March. Over 5,300 hours of the sessions were streamed live or on demand, which included a variety of topics, quizzes and demonstrations to showcase how research is carried out. A new theme was introduced this year: the “What is.....?” Theme. This year it was “What is Physiology?”. Themes going forward will include Pharmacology, Toxicology and Biochemistry.

Medical Research Scotland actively works at engaging and developing our cohort of PhD students. A welcome event via Teams introduces each new cohort of first year PhD students to the aims and values Medical Research Scotland and also enables the students to meet each other. Our two-day Researcher Development Event was held for a third year at the Atholl Palace at Pitlochry with 62 students attending. Everyone presented either on their project, their career development experiences, or outreach projects undertaken.

Our aim is to achieve a healthier future. To support this, we provide opportunities for school pupils to see and hear about medical research; fund undergraduate and postgraduate students; provide early career grants; and fund 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. We believe that our support of medical research is having a positive influence on research and health across Scotland. The Trustees strive to ensure our support is timely and relevant and endeavour to improve and extend our offering to society. I believe we are making a real difference and that we are helping to meet the health challenges facing Scotland.

Heather Wallace
Professor Heather M Wallace

Chair
05 December 2025
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MEDICAL RESEARCH SCOTLAND**TRUSTEES' REPORT****For the year ended 31 March 2025**

The Trustees present their report along with the Financial Statements of the Trust for the year ended 31st March 2025. 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), the Charities (Regulation and Administration) (Scotland) Act 2023 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. Fund awardees then advertise and carry out interviews by the academic institution and representatives from the external organisation (and the Trust if appropriate) and subsequently offer to qualified students. 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.

MEDICAL RESEARCH SCOTLAND

TRUSTEES' REPORT (continued)

For the year ended 31 March 2025

Grant-making Policy (continued)

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.

Early Career Research Grant applications are internally assessed for eligibility prior to external peer review by an external expert reviewer and an internal reviewer, 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 MRS-RCPSG Clinical PhD Studentships undergo a two-stage process of review with MRS and RCPSG scientific reviewers carrying out a preliminary detailed scientific review of all the applications to shortlist. The Clinical PhD Students named on the resulting shortlist of applications are interviewed by a Panel of MRS and RCPSG representatives. The Interview Panel make a recommendation of award to the MRS Board of Trustees and RCPSG Scholarship Committee, who make the final decision of the award.

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 at six months, one year and at the end of the Fellowship.

Funding Awarded

During the 2024-25 Financial Year the Trustees awarded a total of 17 PhD Studentships (14 in 2023/24), 6 Early Career Researcher grants (5 in 2023/24), and 22 Vacation Scholarship Awards (33 in 2023/24). Zero new Daphne Jackson Fellowship awards were made (2 in 2023-24). The Trustees commenced and awarded the inaugural MRS-RCPSG Clinical PhD Studentship to one student. The topics of the PhD Studentships cover a wide range, including liver disease, dementia, diabetes, gum disease (periodontitis), heart disease, motor neuron disease, Parkinson's disease, kidney disease, inflammatory bowel disease. The total value of the funding awarded amounted to £2,645,198.

Achievements and Performance

The Trust's **Annual Plan** for 2024-25 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.

17 PhD Studentships were awarded. The Trustees awarded the first MRS-RCPSG Clinical PhD Studentship in the year. Six new Early Career Researcher Grants were awarded. The Trustees awarded 22 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 2025

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 Meet the Researcher Showcase will take place outside the reporting period on the 12th June 2025 at the Technology and Innovation Centre (TCI), University of Strathclyde, Glasgow.

The fifth annual MRS Academy took place during March 2025 over four days with 28 schools across Scotland participating and a total of 3,500 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 March 2024 with 62 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 monitor the performance and income generated by the Trusts portfolio as well as periodic reviews of the Trust's Investment Policy Statement which includes overall investment strategy, the suitability of ethical restrictions.

8. To have the Trust's Annual Report & Financial Statements available through its website during 2024.

The Annual Report & Financial Statements was printed and signed on 10th October 2024 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.

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 2025

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 was appointed and subsequently stepped down within the period and one further trustee was appointed. 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 £1,653,877 during the year, compared with £1,591,408 in 2023-2024 and royalties were £473,797 compared with £348,636. The Trust is grateful for legacy and donation awards during the year of £31,373 (2024: £2,677,322).

Investment Policy and Performance

Baillie Gifford Funds Report

The Trust invests in two Baillie Gifford funds in order to meet its overall investment objective of achieving long term returns which exceed inflation by 4% per annum. The two funds are the Baillie Gifford Responsible Global Equity Income Fund and the Baillie Gifford Monthly Income Fund. The Trust also holds income in a liquidity fund with BlackRock in order to generate additional return whilst diversifying counterparty risk.

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 market. 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.

The primary aim of the Monthly Income fund is to deliver 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. The fund has 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 the fund also has 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.

MEDICAL RESEARCH SCOTLAND**TRUSTEES' REPORT (continued)****For the year ended 31 March 2025****Investment Policy and Performance (continued)*****Baillie Gifford Funds Report (continued)***

It has been an eventful year in the world and in investment markets, and many of the individual headlines, from the 'Trump bounce' when the US election result became known to 'Liberation day' when the Trump administration's trade and tariff announcements were first made, have sent the market first one way and then another. The end of the period saw an abrupt pivot in U.S. policy on Ukraine which sent shockwaves through Europe, forcing the European Union to reconsider its defence strategy and increase defence spending. And even in the field of artificial intelligence (AI), progress has not been smooth, with sharp share price declines of the largest US technology companies, including the 'Magnificent 7' stocks that have driven the American stock market forward in recent years, in January. DeepSeek, a Chinese startup company, released a low-cost competitor product in artificial intelligence. This was perceived as a threat to the dominance of the mostly US-based leaders in the field and caused investors to reassess their concentrated positioning in these technology behemoths. Over the period as a whole however, AI and the Magnificent Seven have continued to dominate the returns in a market which has become increasingly concentrated, as these companies have capitalised on current growth opportunities. Whilst both your funds have some exposure through Microsoft and Apple, it remains the case that generally these types of fast-growing disruptive companies do not fit the funds' investment approaches due to the lack of dividends and potentially less dependable growth over the long term. Against this backdrop, over the past year both the General Fund and the Earmarked Fund have delivered a return of 4.2%, with the Responsible Global Equity Fund returning 5.3% and the Monthly Income Fund returning 2.5%. These returns, whilst positive, have not matched the very strong return from Global Equities. The lower return from the Monthly 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 bonds, property and infrastructure. Since the Trust's initial investment in the funds in 2020, overall returns remain ahead of the targeted level of 4% per annum above inflation, and operational performance at the funds' underlying holdings remains generally encouraging.

Property Funds

The Trust also holds investments in the Charity Property Fund to provide diversification as well as additional income generation.

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.

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.

MEDICAL RESEARCH SCOTLAND

TRUSTEES’ REPORT (continued)

For the year ended 31 March 2025

Reserves Policy (continued)

At the end of the reporting period, the total funds held by the charity amounted to £52,247,174 (2024: £53,605,370) with £14,269,858 (2024: £15,628,976) 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.
- The impact of Cyber Security threats on the Trust – mitigated by managing the stability and security of IT networks and software, with continuous monitoring of access and performance by staff, the secretariat and IT partners. The Trustees continue to be cautious of the potential for random cyber security threats and take appropriate precautionary actions.

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 2025/26** 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.

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 expand 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 2025

Plans for the Future (continued)

Mission (continued)

- Subject to available income, to accept FTE increase applications from Daphne Jackson Fellows in their final year.
- To make funds available for up to five 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.

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 Annual Report & Financial Statements available through its website annually.
- 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.

MEDICAL RESEARCH SCOTLAND**TRUSTEES' REPORT (continued)****For the year ended 31 March 2025****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.

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 2025 form part of this Report and are presented on pages 17 to 34.

Auditor

CT Audit Limited 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 2025****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:

Heather Wallace

.....
Professor Heather M Wallace (Chair)

Date: [05 December 2] 2025

INDEPENDENT AUDITOR'S REPORT to the TRUSTEES of**MEDICAL RESEARCH SCOTLAND****For the year ended 31 March 2025****Opinion**

We have audited the financial statements of Medical Research Scotland (the 'charity') for the year ended 31 March 2025 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 2025, 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 2025

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement (set out on page 13), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under this Act.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT to the TRUSTEES of

MEDICAL RESEARCH SCOTLAND (continued)

For the year ended 31 March 2025

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:

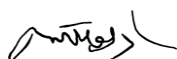
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of Trustee meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

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

05 December 2025

Date:

CT Audit Limited 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 2025**

	Notes	Un- restricted income fund £	Un- restricted capital fund £	Restricted income fund £	Restricted capital fund £	Total 2025 £	Total 2024 £
Income and endowments from:							
Donations and legacies	7	25,373	-	6,000	-	31,373	2,677,322
Charitable activities – royalty income		473,797	-	-	-	473,797	348,636
Investments		1,244,385	-	409,491	-	1,653,876	1,591,408
Other		6,344	-	-	-	6,344	5,373
Total income		1,749,899	-	415,491	-	2,165,390	4,622,739
Expenditure on:							
Raising Funds		-	-	-	-	-	-
Charitable activities	8	784,630	-	1,724,152	-	2,508,782	2,213,583
Total expenditure		784,630	-	1,724,152	-	2,508,752	2,213,583
Net gains/(losses) on investments		156,746	(798,073)	-	(373,477)	(1,014,804)	2,738,466
Net income/(expenditure)		1,122,015	(798,073)	(1,308,661)	(373,477)	(1,358,196)	5,147,622
Transfers between funds	5	(323,020)	-	323,020	-	-	-
Net movement in funds		798,995	(798,073)	(985,641)	(373,477)	(1,358,196))	5,147,622
Total funds brought forward		4,282,332	33,694,062	2,921,159	12,707,817	53,605,370	48,457,748
Total funds carried forward		5,081,327	32,895,989	1,935,518	12,334,340	52,247,174	53,605,370

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 20 to 34 form part of these financial statements.

MEDICAL RESEARCH SCOTLAND**BALANCE SHEET****As at 31 March 2025**

	Notes	£	2025 £	£	2024 £
Fixed assets					
Investments at fair value	11		53,041,023		50,557,732
Cash at investment manager	11		2,695,478		4,543,995
			-----		-----
			55,736,501		55,101,727
Current assets					
Debtors	12	108,102		92,040	
Cash at bank – as Secretaries	13	706,235		2,566,624	
		-----		-----	
		814,337		2,658,664	
		-----		-----	
Creditors: amounts falling due within one year					
Creditors	14	33,162		34,958	
Grants payable	15	4,270,502		4,120,063	
		-----		-----	
		4,303,664		4,155,021	
		-----		-----	
Net current liabilities			(3,489,327)		(1,496,357)
			-----		-----
Total assets less current liabilities			52,247,174		53,605,370
			-----		-----
Net assets	16		52,247,174		53,605,370
			=====		=====
Unrestricted funds					
Unrestricted capital fund	4		32,895,989		33,694,062
Unrestricted income fund	16		5,081,327		4,282,332
			-----		-----
			37,977,316		37,976,394
Restricted funds					
Restricted capital fund	6	12,334,340		12,707,817	
Restricted income fund	5	1,935,518		2,921,159	
		-----		-----	
			14,269,858		15,628,976
			-----		-----
			52,247,174		53,605,370
			=====		=====

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

Heather Wallace.....
Professor Heather M Wallace (Chair)**Date:** [05 December 2] 2025

The notes on pages 20 to 34 form part of these financial statements.

MEDICAL RESEARCH SCOTLAND**STATEMENT of CASH FLOWS****For the year ended 31 March 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(1,864,687)	3,048,496
		-----	-----
Cash flows from investing activities			
Dividends, interest and returns from investments		1,653,876	1,591,408
Proceeds from sale of investments		4,103,660	-
Net purchase of investments		(5,753,238)	(2,639,908)
		-----	-----
Net cash provided by/(used in) investing activities		4,298	(1,048,500)
		-----	-----
Change in cash and cash equivalents in the reporting period		(1,860,389)	1,999,996
		-----	-----
Cash and cash equivalents at the beginning of the reporting period		2,566,624	566,628
		-----	-----
Cash and cash equivalents at the end of the reporting period	13	706,235	2,566,624
		=====	=====

The notes on pages 20 to 34 form part of these financial statements.

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS****For the year ended 31 March 2025****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 are 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 2025****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 enhanced 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% (2024: 35%) to Governance activities and 65% (2024: 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 2025****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 2025

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. Unrestricted designated capital fund

	2025 £	2024 £
Balance at 1 April	33,694,062	31,973,860
Cost of raising funds	-	-
Net realised gains on sale of investments	-	-
Unrealised (losses)/gains on investments	(798,073)	1,720,202
	-----	-----
Balance at 31 March	32,895,989	33,694,062
	=====	=====

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.

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****5. Restricted income funds**

Movement during the year was as follows:

2025

	At 1 April 2024 £	Investments and other income £	Legacies & donations £	Grants awarded £	Cost of raising funds, support and admin costs £	Transfers £	At 31 March 2025 £
Neurological Diseases	-	16,996	-	(278,293)	(3,865)	265,162	-
Cancer	256,080	172,010	6,000	(215,135)	(39,118)	-	179,837
Arthritis	209,562	81,034	-	(33,314)	(18,429)	-	238,853
Diabetes	1,590	7,960	-	(65,598)	(1,810)	57,858	-
Kidney	109,075	15,881	-	(35,834)	(3,612)	-	85,510
Cardiac and vascular disease	36,951	102,887	-	(82,584)	(23,398)	-	33,856
Miscellaneous conditions	315,185	12,723	-	(42,883)	(2,893)	-	282,132
Nutrition in the elderly	150,000	-	-	-	-	-	150,000
Multiple Sclerosis	71,543	-	-	-	-	-	71,543
ME	70,645	-	-	(19,649)	-	-	50,996
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	1,171,189	-	-	(474,333)	-	-	696,855
MRC Funding - general funds	383,403	-	-	(383,403)	-	-	-
	----- 2,921,159 =====	----- 409,491 =====	----- 6,000 =====	----- (1,631,026) =====	----- (93,126) =====	----- 323,020 =====	----- 1,935,518 =====

Transfers represent funding awards for specific medical conditions where insufficient restricted funds are available, and the costs for these are met by unrestricted funds.

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****5. Restricted income funds (continued)****2024**

	As at 1 April 2023 £	Investments & 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 2025****6. Restricted capital funds**

Movement during the year was as follows:

2025

	As at 1 April 2024	Realised gain on investments	Unrealised (loss)/gain on investments	At 31 March 2025
	£	£	£	£
Neurological diseases	527,435	-	(15,501)	511,934
Cancer	5,338,046	-	(156,883)	5,181,163
Arthritis	2,514,748	-	(73,907)	2,440,841
Diabetes	247,025	-	(7,260)	239,765
Kidney	492,860	-	(14,485)	478,375
Cardiac & vascular diseases	3,192,933	-	(93,839)	3,099,094
Miscellaneous conditions	394,770	-	(11,602)	383,168
	-----	-----	-----	-----
	12,707,817	-	(373,477)	12,334,340
	=====	=====	=====	=====

2024

	As at 1 April 2023	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
	=====	=====	=====	=====

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 2025****7. Donations and legacies**

2025	Unrestricted income fund £	Restricted income fund £	Total 2025 £
Legacies	21,000	-	21,000
Donations	4,373	6,000	10,373
	-----	-----	-----
	25,373	6,000	31,373
	=====	=====	=====
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
	=====	=====	=====

8. Analysis of charitable activities

2025	Unrestricted income fund £	Restricted income fund £	Total 2025 £
Grant making activity:	505,252	1,631,026	2,136,278
Support costs (note 9)	209,638	69,879	279,517
Governance costs (note 9)	69,740	23,247	92,987
	-----	-----	-----
	784,630	1,724,152	2,508,782
	=====	=====	=====
2024	Unrestricted income fund £	Restricted income fund £	Total 2024 £
Grant making activity:			
Grants payable (note 15)	363,245	1,431,307	1,794,552
Grant funding returned	(40,509)	-	(40,509)
Support costs (note 9)	273,078	91,026	364,104
Governance costs (note 9)	71,577	23,859	95,436
	-----	-----	-----
	667,391	1,546,192	2,213,583
	=====	=====	=====

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****9. Analysis of support and governance costs**

2025	Charitable activities	Governance costs	Total 2025
	£	£	£
Secretaries' fees	137,579	74,081	211,660
Miscellaneous	17,268	-	17,268
Blue 2/Altar (development of AMS, website hosting, system maintenance	13,020	-	13,020
Stripe (communications development)	39,391	-	39,391
Salary costs	45,683	-	45,683
Researcher development and training	26,576	-	26,576
Auditors' remuneration - audit	-	14,796	14,796
Auditors' remuneration - non-audit	-	4,110	4,110
	-----	-----	-----
	279,517	92,987	372,504
	=====	=====	=====

2024	Charitable activities	Governance costs	Total 2024
	£	£	£
Secretaries' fees	146,094	78,666	224,760
Miscellaneous	25,617	-	25,617
Blue 2/Altar (development of AMS, website hosting, system maintenance	20,421	-	20,421
Stripe (communications development)	75,447	-	75,447
Salary costs	44,874	-	44,874
Researcher development and training	40,524	-	40,524
Researcher showcase event	11,126	-	11,126
Auditor's remuneration – audit	-	13,230	13,230
Auditor's remuneration – non-audit services	-	3,540	3,540
	-----	-----	-----
	364,104	95,436	459,540
	=====	=====	=====

In 2025, investment management fees of £239,499 (2024: £198,361) 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 £232,486 (2024: £203,217) The reinvested fee rebates therefore amounted to £7,013 (2024: £4,856).

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 2025

10. Staff costs

	2025 £	2024 £
Gross wages	43,821	43,349
Employer's pension contribution	1,862	1,525
	-----	-----
	45,683	44,874
	=====	=====

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 (2024: nil).

Meeting expenses amounting £445 (2024: £1,016) were reimbursed to two (2024: four) of the Trustees.

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

11. Investments

	Investment Property £	UK Stock Exchange listed £	Total at fair value £	Cash investments £	Total £
Market Value at 1 April 2024	27,500	50,530,232	50,557,732	4,543,995	55,101,727
Additions	-	3,753,239	3,753,239	2,000,000	5,753,239
Disposals - proceeds	-	(3,661)	(3,661)	(4,100,000)	(4,103,661)
Net realised gains/(losses)	-	-	-	124,091	124,091
Net-unrealised investment (losses)/gains	-	(1,266,287)	(1,266,287)	127,392	(1,138,895)
	-----	-----	-----	-----	-----
Market Value at 31 March 2025	27,500	53,013,523	53,041,023	2,695,478	55,736,501
	=====	=====	=====	=====	=====
Historical Cost	27,500	44,736,422	44,763,922	2,264,091	47,028,013
	=====	=====	=====	=====	=====

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 2024 to reflect only income funds being designated as cash investments.

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

12. Debtors

	2025 £	2024 £
Accrued income	108,102 =====	92,040 =====

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

	2024 £	Cash flows £	2025 £
Secretaries	2,566,624 =====	(1,860,389) =====	706,235 =====

The Trust has no debt financing.

14. Creditors: amounts falling due within one year

	2025 £	2024 £
Accrued fees	33,162	34,190
Tax and social security payments	-	768
	-----	-----
	33,162 =====	34,958 =====

MEDICAL RESEARCH SCOTLAND

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

15. Grants payable

	2025		2024	
	£	£	£	£
<i>(a) Reconciliation of grants payable</i>				
At 1 April		4,120,063		3,863,376
Grants awarded and authorised in the year	2,645,198		1,891,004	
Grant creditors written back or released	(508,920)		(89,585)	
Grant awards cancelled and recovered	-		(6,867)	
	-----		-----	
Grants payable for the year	2,136,278		1,794,552	
Grants repaid and reimbursed in the year	-		(40,509)	
	-----		-----	
Grants payable for the year		2,136,278		1,754,043
Grants paid during the year		(1,985,839)		(1,497,356)
		-----		-----
As at 31 March		4,270,502		4,120,063
		=====		=====
<i>(b) Grants falling due within one year</i>				
Unrestricted income fund		2,394,636		1,969,202
Restricted income fund		1,875,866		2,150,861
		-----		-----
		4,270,502		4,120,063
		=====		=====

(c) Grants awarded

Grants awarded and authorised during the year were as follows:

Institution	Number of awards	£	£
PHD Studentship - 2025			
University of Dundee	3	99,941	
University of Edinburgh	6	199,766	
University of Glasgow	4	132,707	
University of St Andrews	2	66,428	
University of Strathclyde	1	33,239	
University of the West of Scotland	1	33,314	
		-----	565,395
Early Career grants 2025			
University of Edinburgh	3	59,296	
University of St Andrews	1	20,000	
University of Strathclyde	1	18,500	
University of the West of Scotland	1	7,675	
		-----	105,471

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025*****(c) Grants awarded (continued)***

Institution	Number of awards	£	£
<i>Vacation Scholarships awarded 2025</i>			
Edinburgh Napier University	1	2,520	
Heriot-Watt University	1	2,520	
Robert Gordon University	1	2,520	
University of Aberdeen	4	10,080	
University of Dundee	2	5,040	
University of Edinburgh	8	20,160	
University of Glasgow	2	5,040	
University of St Andrews	2	5,040	
University of Strathclyde	1	2,520	
		-----	55,440

Conditional grants awarded in previous years, now unconditional:***PHD Studentship***

University of Aberdeen	11	178,731	
Glasgow Caledonian University	1	923	
University of Dundee	9	141,048	
University of Edinburgh	43	572,913	
Edinburgh Napier University	2	22,679	
University of Glasgow	27	311,872	
Heriot-Watt University	3	22,119	
Robert Gordon University	1	44,257	
University of St. Andrews	8	83,074	
University of Stirling	2	67,322	
University of Strathclyde	21	343,037	
		-----	1,787,975

Daphne Jackson Memorial Fellowship

University of Edinburgh	2	58,433	
University of Glasgow	1	42,883	
		-----	101,316

Vacation Scholarships awarded 2022 to 2024

Heriot-Watt University	2	4,578	
University of Edinburgh	9	20,445	
University of Glasgow	2	4,578	
		-----	29,601

			2,645,198
			=====

(c) Commitments

In addition 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 2025 was £2,924,726 (2024: £2,646,317) of which £1,992,842 (2024: £1,441,005) is expected to be payable within one year if certain conditions are satisfied.

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****16. Analysis of net assets between funds**

2025	Fixed assets	Net current assets / (liabilities)	Total
	£	£	£
Unrestricted funds			
Unrestricted capital fund	32,895,989	-	32,895,989
Unrestricted income fund	6,192,322	(1,110,995)	5,081,327
	-----	-----	-----
	39,088,311	(1,110,995)	37,977,316
	-----	-----	-----
Restricted funds			
Restricted capital fund	12,334,340	-	12,334,340
Restricted income fund	4,313,850	(2,378,332)	1,935,518
	-----	-----	-----
	16,648,190	(2,378,332)	14,269,858
	-----	-----	-----
Total funds	55,736,501	(3,489,327)	52,247,174
	=====	=====	=====

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
	=====	=====	=====

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.

MEDICAL RESEARCH SCOTLAND**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****17. Reconciliation of net income / (expenditure) to net cash outflow from operating activities**

	2025 £	2024 £
Net deficit/income for the reporting period (as per statement of financial activities)	(1,358,196)	5,147,622
<i>Adjustments for:</i>		
Loss/(gain) on investments	1,014,804	(2,738,466)
Dividends, interest and rents from investments	(1,653,876)	(1,591,408)
Decrease/increase in debtors)	(16,062)	1,964,136
Increase in creditors	148,643	266,612
	-----	-----
Net cash (used in)/provided by operating activities.	(1,864,687)	3,048,496
	=====	=====

18. 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.

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

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

	2025 £	2024 £
Listed investments (note 11)	55,736,501	50,557,732
	=====	=====

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