

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR TO 31 DECEMBER 2025

CHARITY NUMBER: SC046167

SCOTTISH CHARITABLE INCORPORATED ORGANISATION

COMPANY NUMBER: CS002197

Henderson Black & Co

CHARTERED ACCOUNTANTS, ST ANDREWS

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST
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PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

The trustees present their annual report and financial statements of the charity for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Constitution, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), effective 1 January 2019.

Objectives and activities for the public benefit

The objectives of the charity set out in the Constitution are to promote, conduct and support research, clinical service development, education and training in photobiology relevant to skin, its diseases and prevention of those diseases; the use of laser and non-laser energy-emitting sources to investigate and treat skin disorders and to undertake laboratory-based research; to provide staff, accommodation, instruments, equipment and materials relating to the foregoing; and to promote for the public benefit knowledge relating to the foregoing.

The trustees consider how best to meet public benefit when reviewing the charity's aims and objectives, in planning future activities for the year ahead and beyond.

Review of achievements and performance

The Photobiology Research and Education Trust continued to support clinical research, education and training in photodermatology, through photodiagnostic and phototherapeutic approaches with a focus on light in the causation, diagnosis and treatment of disease.

We have initiated new research ventures in photodermatology and continued existing projects. We have a continuous stream of visitors from the UK and beyond, all keen to learn about photodermatology – clinical, research and education. Recent examples of international visitors include a clinical fellow from Singapore for one-year in 2024-2025 and a clinical observer from Thailand for six-months in 2026.

We continue to present our photodermatology research at conferences, and we have had multiple published abstracts arising from conference presentations in the UK and internationally in 2025-26 and we are currently very actively promoting our research and educational activities at conferences in 2026, reflecting the endeavours of our photodermatology research.

We continue to have a prominent focus on patient and public engagement activities, and this continues to expand and is hugely important in terms of keeping in contact with our patients and raising awareness of photodermatological issues with the public and of ensuring that all our clinical, research and educational photodermatological activities have patients at the heart of all we do. We now also have a major research focus on photodermatology patient engagement, as demonstrated by Dr O'Reilly's ongoing MD research programme.

We continue to develop our research areas in photosensitivity diseases, photodiagnosis and phototherapeutics, and on the light-based therapies of UV phototherapies and photodynamic therapy, including developments in home-based daylight photodynamic therapy, innovations in real-time light monitoring in daylight PDT, LED-base light testing and Far-UVC.

The Photobiology Research and Education Trust continued to provide funding to NHS Tayside to contribute towards the employment of one member of staff who fulfils a major administrative and facilitatory role for the photodermatological research and activities for the Charity. This allows successful delivery of clinically directed research and educational activities and training.

PRET is also continuing to part fund Dr Marese O'Reilly, who is undertaking an MD research programme in the field of photodermatology and patient engagement and this fully aligns with the research, educational and training objectives of PRET.

The Unit successfully published 26 papers in peer-reviewed journals in 2025-2026. Our focus remains on improving the care of patients with light sensitive diseases and on developing and optimising light-based therapies for a range of skin diseases.

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Financial review

The results of the period are set out in the Statement of Financial Activities. Donations totalling £nil (2024 - £100) were received in the year. Expenditure was £106,248 (2024 - £45,219) and unrealised gains on investments were £119,723 (2024 - £106,181). This resulted in net income for the period of £87,049 (2024 - £110,827) and unrestricted reserves carried forward, of £2,150,011 (2024 - £2,062,962). There were no restricted reserves at the year end (2024 - £nil).

Plans for the future

Our photodermatological research and educational activities are evolving and expanding, and we will continue to focus on promoting and undertaking clinical service development and research in photodermatology. We plan to develop further educational and training courses and programmes of activity to address the needs of clinicians, allied medical professionals, patients and the public in all aspects of photodermatology. We will also continue to explore the opportunities of educational course content delivery to raise awareness, knowledge and skills relating to photodermatology. Our next photodermatology course will take place in Dundee in April 2027 and should attract around 36-40 delegates.

We continue to develop and evolve innovative application of light sources for diagnosis and treatment and to define the optimal ways to treat patients through light-based treatments. We will continue to explore ways to apply innovative developments in photomedicine, photophysics and photobiology to improving patient care and engaging the patients and public in our activities.

Photodermatology is a highly specialised sub-speciality of dermatology and succession planning is a key objective of the trustees. We are keen to identify and support trainees who have expressed a particular interest in this field. As noted above, in conjunction with the Photobiology Trust Fund, another Scottish charity, we 50:50 fund and support a Specialty Trainee in Dermatology (Dr Marese O'Reilly), who is undertaking a two-year period of research on the theme of "Applying Realistic Medicine in photodermatology". This commenced in September 2024, with the objectives of PRET at the core of this research and will end in late 2027 due to a period of maternity leave. Furthermore, we are also eager to foster interest in a photodermatology post-CCT fellowship on a recurring basis as we consider this to be an ideal way to attract trainee dermatologists into clinical research and educational aspects of photodermatology.

Investment policy and performance

The investment policy of the trustees will be regularly reviewed. At present it is to adopt a conservative approach aimed at a balanced return with medium risk. The investment portfolio is structured to provide a predictable level of income to sustain the programme of charitable activities and services. The trustees have reviewed the performance of the investments and are satisfied with the results.

Risk management

As its main source of income, the trustees consider the variability of investment returns from the portfolio to be the charity's major financial risk. In July 2024 the trustees completed the transfer of the investment portfolio to Rathbone Investment Management who manage the portfolio on a discretionary basis.

A further risk is the ability to recruit able trustees with relevant skills and experience. The trustees address this risk by seeking to identify individuals with an interest in the charity's activities along with individuals with relevant financial, legal and administrative experience.

Reserves policy

The charity holds reserves in the form of cash and stock market investments to provide the charity with adequate financial stability and the means to meet its charitable objectives for the foreseeable future. The trustees aim to fund activities, initially, from the cash available and also from the income from the investment portfolio. The trustees believe that the reserves at the period end are adequate for their purposes. Should the opportunity arise to provide further funding for trainees then stock market investments may need to be liquidated to provide sufficient cashflow.

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Structure, Governance and Management

The charity is a SCIO (Scottish Charitable Incorporated Organisation) established by a constitution dated 2 December 2015.

The charity trustees are also the members of the organisation. A Board of trustees meets regularly to control the activities of the organisation. The maximum number of trustees on the Board is five and the minimum number of trustees is three. The quorum for Board meetings is two charity trustees. The office-bearers of the charity are a chairperson, treasurer and secretary.

The Constitution states that the organisation (and its assets and operations) will be managed by the Board and the Board may exercise all powers of the organisation.

Reference and administrative information

Address of Administrative Office	Head of Photobiology Unit, Ninewells Hospital & Medical School, Dundee, DD1 9SY
Scottish Charity number	SC046167
Companies House number	CS002197
Independent Examiner	Joanne Paul, Henderson Black & Co, 149 Market Street, St Andrews, Fife, KY16 9PF
Bankers	Bank of Scotland plc, PO Box 1000, BX2 1LB
Investment Managers	Rathbones Investment Management, George House, 50 George Square, Glasgow, G2 1EH

Trustees

The following persons have served as trustees during the period and since the period end:

Professor Sally Ibbotson	(Chair)
Professor Harry Moseley	(Treasurer)
Professor Robert Dawe	(Secretary)
Dr Ewan Eadie	

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025

Trustees' Responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity, including its income and expenditure, for that period. In preparing the financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 provisions of the charity Trust deed. They are also responsible for safeguarding the assets of the charity and 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees and signed on their behalf by;

Sally Ibbotson

Professor Sally Ibbotson
(Chair)

Date: 18/09/2026

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

FOR THE YEAR ENDED 31 DECEMBER 2025

I report on the accounts of the charity for the year ended 31 December 2025 which are set out on pages 6 to 13.

Respective Responsibilities of Trustees and Examiner

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). The charity trustees consider that the audit requirement of Regulation 10(1)(a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1)(c) of the Act and to state whether particular matters have come to my attention.

This report is made to the trustees, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might state to the trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the trustees for my work or for this report.

Basis of Independent Examiner's Statement

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006 (as amended). An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In the course of my examination no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44 (1)(a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations have not been met, or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Joanne Paul

**Joanne Paul CA
Partner
Henderson Black & Co
Chartered Accountants**

Date: 18/09/2026

**Chestney House
149 Market Street
St Andrews
Fife
KY16 9PF**

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) FOR THE YEAR ENDED 31 DECEMBER 2025

		Total funds 2025	Total funds 2024
	Notes	£	£
Income from:			
Donations		-	100
Charitable activities		32,201	200
Investments		41,373	49,565
Total income		<u>73,574</u>	<u>49,865</u>
Expenditure on:			
Raising funds	3	14,417	7,308
Charitable activities	4	91,831	37,911
Total expenditure		<u>106,248</u>	<u>45,219</u>
Net (expenditure)/income before gains on investments		(32,674)	4,646
Net gains on investments		<u>119,723</u>	<u>106,181</u>
Net income and net movement in funds		87,049	110,827
Reconciliation of funds:			
Total funds brought forward		<u>2,062,962</u>	<u>1,952,135</u>
Total funds carried forward		<u><u>2,150,011</u></u>	<u><u>2,062,962</u></u>

The statement of financial activities includes all gains and losses in the year.
All income and expenditure derives from continuing activities.

The notes on pages 9 to 13 form an integral part of these accounts.

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

BALANCE SHEET AS AT 31 DECEMBER 2025

	Notes	Total funds 2025 £	Total funds 2024 £
Fixed assets:			
Investments	5	2,071,279	1,971,730
Investment in wholly owned subsidiary	6	40,350	33,758
Total fixed assets		<u>2,111,629</u>	<u>2,005,488</u>
Current assets:			
Cash at bank and in hand		53,249	99,193
Prepayments		-	320
Total current assets		<u>53,249</u>	<u>99,513</u>
Liabilities:			
Creditors: amounts falling due within one year			
Creditors and accruals	7	14,867	42,039
Total current liabilities		<u>14,867</u>	<u>42,039</u>
Net current assets		<u>38,382</u>	<u>57,474</u>
Total assets less current liabilities/ Total net assets		<u><u>2,150,011</u></u>	<u><u>2,062,962</u></u>
The funds of the charity:			
Unrestricted income funds			
General Fund		2,150,011	2,062,962
Total charity funds		<u><u>2,150,011</u></u>	<u><u>2,062,962</u></u>

These financial statements were approved by the trustees and signed on their behalf by:

Sally Ibbotson

Professor Sally Ibbotson, (Chair)

Date: 18/09/2026

The notes on pages 9 to 13 form an integral part of these accounts.

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	Total funds 2025 £	Total funds 2024 £
Cash flows from operating activities:			
Net cash used in operating activities (see below)		<u>(100,899)</u>	<u>(7,064)</u>
Cash flows from investing activities:			
Income from investments		41,373	49,565
Purchase of investments	5	(882,590)	(1,425,176)
Proceeds from sale of investments		855,885	1,367,247
Decrease in cash held for investment	5	<u>40,287</u>	<u>96,412</u>
Net cash provided by investing activities		<u>54,955</u>	<u>88,048</u>
Change in cash and cash equivalents in the year		(45,944)	80,984
Cash and cash equivalents brought forward		99,193	18,209
Cash and cash equivalents carried forward		<u><u>53,249</u></u>	<u><u>99,193</u></u>
Analysis of changes in net debt			
Cash at 1 January		99,193	18,209
Cash flows in year		(45,944)	80,984
Cash at 31 December		<u><u>53,249</u></u>	<u><u>99,193</u></u>
Reconciliation of net movement in funds to net cash flow from operating activities			
Net movement in funds		87,049	110,827
Adjustments for:			
Investment income shown in investing activities		(41,373)	(49,565)
Gains on investments		(119,723)	(106,181)
Decrease/(increase) in debtors		320	(320)
(Decrease)/increase in creditors		<u>(27,172)</u>	<u>38,175</u>
Net cash used in operating activities		<u><u>(100,899)</u></u>	<u><u>(7,064)</u></u>

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025

1 Accounting Policies

Charity information

Photobiology Research and Education Trust is a registered charity, governed by its constitution. It is a registered charity with the Office of the Scottish Charity Regulator. The registered office is Head of Photobiology Unit, Ninewells Hospital & Medical School, Dundee, DD1 9SY.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

For the year ended 31 December 2025 the charity was not required to prepare consolidated accounts. Therefore these accounts present information about Photobiology Research and Education Trust as an individual undertaking and not about its group.

The charity meets the definition of a public benefit entity under FRS 102.

These financial statements are presented in pounds sterling, the functional currency of the Trust. Monetary amounts are rounded to the nearest pound.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.2 Fund accounting

All of the funds held by the charity are unrestricted. Unrestricted funds are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

1.3 Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Dividends and other investment income is recognised once it has been declared and notification has been received. This is normally upon notification by the charity investment adviser. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank or investment adviser. Non-cash donations, such as shares, are valued at the fair value of the asset donated.

1.4 Deferred income

Grantors may specify a time period which limits the charity's ability to spend a grant. When income is received in advance of the specified time period, it is deferred until the charity has performed the activity related to the specified time period. Income received in advance of the provision of a service, such as a seminar, is deferred until the criteria for income recognition are met (see 1.3).

1.5 Expenditure and irrecoverable VAT

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. All expenditure is accounted for on an accruals basis.

1.6 Support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. These costs are allocated in full to unrestricted charitable expenditure.

1.7 Fixed asset investments

Investments in quoted shares, bonds and similar investments are a form of basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses on revaluation and disposals throughout the year. The charity does not acquire put options, derivatives or other complex financial instruments.

The investment in the subsidiary is initially measured at cost and subsequently measured at fair value as at the balance sheet date. Fair value is considered to be net asset value, discounted (if appropriate) to reflect the company's lack of profitability.

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

1 Accounting policies (continued)

1.8 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Basic financial assets (which include cash and bank balances) and basic financial liabilities (which include creditors) are initially measured at the amount receivable or payable including any transaction costs and are subsequently carried at amortised cost using the effective interest method. Basic financial assets/liabilities, classified as receivable/payable within one year, are not amortised.

1.9 Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between the sales proceeds and the opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.10 Taxation

The charity is exempt from tax on income and gains under applicable legislation to the extent that these are applied to its charitable objects.

1.11 Judgements in applying accounting policies and key sources of estimation

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates. In preparing these financial statements, the trustees have made the following judgements:

Accruals

Trustees estimate the requirements for accruals using post year end information. This identifies costs that are expected to be incurred for services provided by other parties. Accruals are only released when there is a reasonable expectation that these costs will not be invoiced in the future.

2 Transactions with trustees and employees

The trustees are considered the key management personnel of the charity. No remuneration was paid to the trustees in the year (2024 - none). No expenses were reimbursed to trustees in the year (2024 - none).

The value of the work done by trustees in giving of their time for meetings and other matters on behalf of the charity is not reflected in the accounts as it cannot be quantified.

During 2025, one employee of University of Dundee carried out administrative support work for the charity until May 2025. University of Dundee recharged the employee's salary cost to the charity. The cost recharged was £6,862 (2024 - £16,820). Following this one employee of NHS Tayside then carried out the administrative support work for the charity. NHS Tayside recharged the employee's salary cost to the charity. The cost recharged was £12,121. The charity had no employees of its own (2024 - none).

3 Expenditure on raising funds

	2025	2024
	£	£
Investment broker's fees	14,417	7,308
	<u>14,417</u>	<u>7,308</u>

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

4 Expenditure on charitable activities	2025	2024
	£	£
Grants to institutions:		
University of Dundee - PhD student	51,659	12,692
Administrative support salary costs (see note 2)	18,983	16,820
Administrative work	420	-
Conference	12,014	-
Prizes	-	500
Research work	6,310	-
Training courses	954	656
Travel expenses	-	4,309
Independent examiner's fees	1,080	1,254
Subscriptions	-	599
Sundry expenses	411	1,081
	<u>91,831</u>	<u>37,911</u>

The trustees regard the salary costs as support costs of the charity.

5 Investments

Investments at market value comprised:	2025	2024
	£	£
Equities	2,024,464	1,884,628
Investment dealing account (cash)	46,815	87,102
	<u>2,071,279</u>	<u>1,971,730</u>

The historical cost of equities at 31 December 2025 was £1,801,134 (2024 - £1,691,542).

Movement in fixed asset investments	2025	2024
	£	£
Opening market value at 1 January	1,971,730	1,911,146
Additions to investments at cost	882,590	1,425,176
Disposals at carrying value	(850,940)	(1,286,619)
Change in cash held for investment	(40,287)	(96,412)
Net gain/(loss) on revaluation	108,186	18,439
Market value as at 31 December	<u>2,071,279</u>	<u>1,971,730</u>

All investments are carried at their fair value. Investments are traded either at offer prices for investment funds or stock exchange market prices. The basis of fair value is equivalent to market value using bid price or traded market prices. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy sections of the trustees' annual report.

Material investments

The trustees consider individual investment holdings, in excess of 10% of the portfolio value, to be material.

Material interest by value	2025	2024
	£	£
Alliance Witan plc	<u>-</u>	<u>199,040</u>

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

5 Investments (continued)

Investment risk

FRS 102 requires the disclosure of information in relation to certain investment risks. These risks are set out by FRS 102 as follows:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises the currency risk, interest rate risk and other price risk.

Currency risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.

Interest rate risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.

Other price risk: this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The charity has exposure to these risks because of the investments it makes to implement its investment strategy. The Trustees manages investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the charity's strategic investment objectives. These investment objectives and risk limits are monitored by the Trustees by regular reviews of investment portfolios. Further information on the Trustees' approach to risk management and the charity's exposure to credit and market risks are set out below.

Credit risk: The charity invests in pooled investment vehicles and is therefore directly exposed to credit risk in relation to the instruments it holds in the pooled investment vehicles and is indirectly exposed to credit risks arising on the financial instruments held by the pooled investment vehicles. Direct credit risk arising from pooled investment vehicles is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled managers operate and diversification of investments amongst a number of pooled arrangements. Pooled investment arrangements used by the charity comprise authorised unit trusts. Indirect credit risk arises in relation to underlying investments held in the bond pooled investment vehicles. This risk is mitigated by only investing in pooled funds which invest in at least investment-grade credit-rated securities.

Currency risk: The charity is subject to currency risk because some of the charity's investments are held in overseas markets, via the pooled investment vehicles.

Interest rate risk: The charity is not subject to interest rate risk through the investments held.

Other price risk: Other price risk arises principally in relation to equities held in pooled vehicles. The charity manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

PHOTOBIOLOGY RESEARCH AND EDUCATION TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2025 (continued)

6 Investment in wholly owned subsidiary

	2025	2024
	£	£
Share in group undertaking and participating interest		
Cost:		
At 1 January	33,758	26,644
Net gain/(loss) on revaluation	6,592	7,114
At 31 December	<u>40,350</u>	<u>33,758</u>

The charity owned 100% of the ordinary share capital of Spectrattox Limited, a company registered in Scotland (company number SC328032). The share was donated, on 21 March 2019, by Photobiology Trust Fund, a charity with which Photobiology Research and Education Trust, shares similar charitable objectives and activities. The principal activity of Spectrattox Limited is research and development on social sciences and humanities. In its accounts for the year to 31 December 2025, Spectrattox Limited reflected capital and reserves of £40,350 (2024 - £33,758), a gift aided donation of £nil (2024 - £nil) to the charity and a profit for the year of £6,592 (2024 - £7,114).

Professor S Ibbotson, Professor R Dawe and Dr E Eadie are directors of Spectrattox Limited.

7 Creditors and accruals

	2025	2024
	£	£
Creditors	3,580	324
Accruals	11,287	13,787
Deferred income (note 8)	-	27,928
	<u>14,867</u>	<u>42,039</u>

8 Deferred income

	2025	2024
	£	£
As at 1 January	27,928	-
Amount released in year - conference fees & sponsorship	(27,928)	-
Amount deferred in year - conference fees & sponsorship	-	27,928
As at 31 December	<u>-</u>	<u>27,928</u>