REGISTERED CHARITY NUMBER: 007058

REPORT OF THE TRUSTEES AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

FOR

HANNAH DAIRY RESEARCH FOUNDATION

Galbraith Pritchards
20 Barns Street
Ayr
Ayrshire
KA7 1XA

HANNAH DAIRY RESEARCH FOUNDATION

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FOR THE YEAR ENDED 31 MARCH 2026

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their report with the financial statements of the charity for the year ended 31 March 2026. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Foundation seeks to advance and promote understanding, knowledge and education by supporting all aspects of dairy research including the biology, wellbeing of dairy animals and dairy technology. The Foundation's aim is to stimulate original scientific research, encourage and inspire young scientists in the field, invigorate industry and enable dairy farmers through advances in knowledge, technology and good practice. The Foundation promotes investigations, experiments and research relating to such subjects. In pursuance of these objectives the Foundation publishes the Journal of Dairy Research and awards funding for scientific research.

Journal of Dairy Research

The Journal of Dairy Research publishes high-quality, novel scientific research covering the spectrum from the physiology and biochemistry of milk secretion to the utilisation of milk in dairy products.

Scientific Research and other Charitable Activities

In previous years the Foundation invited nominations for three year Hannah PhD Studentships. More recently applications have been invited for small research grant awards up to £27,500.

The Foundation also holds an annual dairy science conference which attracts delegates from around the world and organises workshops for early career researchers and farmers.

Grant Making

Grant applications are considered by a sub-committee of the Board of Trustees with input from an independent assessor and their recommendation are then forwarded to the main Board for approval.

ACHIEVEMENTS AND PERFORMANCE

The Journal of Dairy Research continues to be successful, in what is a fast-changing environment for publications and access to scientific research journals in particular.

Grant totalling £161,439 were awarded in the year to 31 March 2026. With research activity reviving further awards are expected to be made in the coming year.

In November 2025, the Foundation hosted another successful conference at the Moredun Research Institute, Edinburgh with worldwide online participation. A further conference is planned for November 2026.

FINANCIAL REVIEW

Financial position

Overview

An operating surplus of £10,403 (2025 - £7,266), after grant awards of £161,439 (2025 - £150,630), was earned in the year to March 2026. After accounting for realised and unrealised gains of £225,746 (2025 - losses of £9,815), total funds increased by £266,149 (2025 - decreased by £2,549) to £4,429,465.

Investment policy and performance

The Foundation's investment managers, Brooks Macdonald Asset Management Limited (formerly Cornelian Asset Managers Limited), have been given the objective of generating income and capital growth, to keep pace with inflation over the long term, from a broad range of assets that when combined have medium risk under normal market conditions. The market value of the fund in March 2026 was £3,722,623 against a historic cost of £3,245,937. Income from the investment portfolio for the year amounted to £121,985.

FINANCIAL REVIEW

Reserves policy

The Trustees have reviewed the reserves of the Foundation. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. All the funds are unrestricted and at 31 March 2026 amounted to £4,429,465.

FUTURE PLANS

It is intended to continue to meet the charity's aims and objectives by providing research grants, promoting the Journal of Dairy Research, hosting an annual conference and hosting workshops while exploring other ways of supporting understanding, knowledge and education in all aspects of dairy research.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Hannah Research Institute was founded in 1928 as a result of a recommendation by the Development Commission. Originally an unincorporated charity governed by a Deed of Trust, it was converted to a Scottish Charitable Incorporated Organisation (SCIO) on 9 April 2014, the Institute adopted a new Constitution and changed its name to Hannah Research Foundation to better reflect its main new role as a funder of scientific research. A further change of name, to Hannah Dairy Research Foundation, was adopted in November 2017.

Recruitment and appointment of new trustees

Trustee appointments are based on merit, through an open and transparent process, and to ensure that it is properly representative of the Foundation's research programme, its end-user interest and stakeholder groups and that a practical balance among scientific, academic, farming and business expertise is maintained. The Chairman has responsibility for ensuring that Trustees adopt and follow good practice in corporate governance, including the efficient and effective conduct of Trustee business; the holding of regular Trustee meetings and the setting up of appropriate sub-committees. The Chairman has responsibility for providing an induction process for newly appointed Trustees, briefing them as to their terms of appointment and their collective and individual responsibilities. The Trustees delegated day-to-day management of the Foundation until 31 March 2022 to its Chief Executive Officer. A small executive team of Trustees and the Secretary has been created to maintain that function.

Risk management

The Trustees have assessed the major risks to which the Foundation is exposed, in particular those related to the operations and finances of the Foundation, and are satisfied that systems are in place to mitigate exposure to the major risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
007058

Principal address
20 Barns Street
Ayr
KA7 1XA

Trustees
D Roberts (Chairman)
P I H Graham (Treasurer)
E Innes
B Mackie
S Simpson
Rory H Christie
A Haggerty
E R Cameron
G Simm (appointed 3/3/2026)
C Mason (appointed 11/4/2026)
J Fitzpatrick (appointed 22/4/2026)

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Examiner
Galbraith Pritchards
20 Barns Street
Ayr
Ayrshire
KA7 1XA

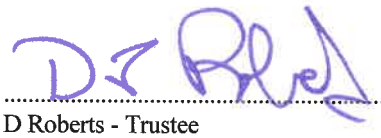
Bankers
Virgin Money
43 Alloway Street
Ayr
KA7 1SP

Solicitors
Mitchells Roberton
George House
36 North Hanover Street
Glasgow
G1 2AD

Investment Fund Managers
Brooks Macdonald Asset Management Limited
80 Hanover Street
Edinburgh
EH2 1EL

Management
Mitchells Roberton - Solicitors (Secretary to the Trustees)

Approved by order of the board of trustees on 20.10.2026 and signed on its behalf by:



D Roberts - Trustee

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF HANNAH DAIRY RESEARCH FOUNDATION

I report on the accounts for the year ended 31 March 2026 set out on pages five to sixteen.

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's 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.

Basis of the independent examiner's report
My examination was carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. 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 seeking explanations from you as 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 connection with 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 to 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.

Marguerite Roos

Marguerite Roos BAcc CA
The Institute of Chartered Accountants of Scotland

Galbraith Pritchards
20 Barns Street
Ayr
Ayrshire
KA7 1XA

Date: 26 October 2026

HANNAH DAIRY RESEARCH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	31/3/26 Unrestricted fund £	31/3/25 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies		959	-
Charitable activities			
Royalty		132,512	152,424
Investment income	2	140,073	120,013
Total		273,544	272,437
EXPENDITURE ON			
Raising funds	3	18,318	20,542
Charitable activities	4		
Other costs		29,586	32,223
Grant awards		161,439	150,630
Journal of Dairy Research and Conference Costs		53,798	57,954
Charitable donations		-	500
Other		-	3,322
Total		263,141	265,171
Net gains/(losses) on investments		255,746	(9,815)
NET INCOME/(EXPENDITURE)		266,149	(2,549)
RECONCILIATION OF FUNDS			
Total funds brought forward		4,163,316	4,165,865
TOTAL FUNDS CARRIED FORWARD		4,429,465	4,163,316

The notes form part of these financial statements

HANNAH DAIRY RESEARCH FOUNDATION

BALANCE SHEET
31 MARCH 2026

	Notes	31/3/26 Unrestricted fund £	31/3/25 Total funds £
FIXED ASSETS			
Investments			
Investments	9	3,722,624	3,479,023
Investment property	10	-	385,001
		3,722,624	3,864,024
CURRENT ASSETS			
Debtors	11	149,819	10,671
Cash at bank		669,897	492,228
		819,716	502,899
CREDITORS			
Amounts falling due within one year	12	(112,875)	(203,607)
NET CURRENT ASSETS		706,841	299,292
TOTAL ASSETS LESS CURRENT LIABILITIES		4,429,465	4,163,316
NET ASSETS		4,429,465	4,163,316
FUNDS	13		
Unrestricted funds:			
General fund		4,429,465	4,163,316
TOTAL FUNDS		4,429,465	4,163,316

The financial statements were approved by the Board of Trustees and authorised for issue on 20.10.2026 and were signed on its behalf by:

.....
D Roberts - Trustee

.....
P I H Graham - Trustee

The notes form part of these financial statements

HANNAH DAIRY RESEARCH FOUNDATION

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	31/3/26 £	31/3/25 £
Cash flows from operating activities			
Cash generated from operations	1	(359,550)	(96,305)
Net cash used in operating activities		(359,550)	(96,305)
Cash flows from investing activities			
Purchase of fixed asset investments		(665,414)	(895,844)
Sale of fixed asset investments		712,577	897,475
Sale of investment property		349,983	-
Interest received		18,090	7,112
Dividends received		121,983	112,901
Net cash provided by investing activities		537,219	121,644
Change in cash and cash equivalents in the reporting period		177,669	25,339
Cash and cash equivalents at the beginning of the reporting period		492,228	466,889
Cash and cash equivalents at the end of the reporting period		669,897	492,228

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31/3/26 £	31/3/25 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	266,149	(2,549)
Adjustments for:		
(Gain)/losses on investments	(255,746)	9,815
Interest received	(18,090)	(7,112)
Dividends received	(121,983)	(112,901)
Increase in debtors	(139,148)	(198)
(Decrease)/increase in creditors	(90,732)	16,640
Net cash used in operations	(359,550)	(96,305)

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/25 £	Cash flow £	At 31/3/26 £
Net cash			
Cash at bank	492,228	177,669	669,897
	492,228	177,669	669,897
Total	492,228	177,669	669,897

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Income is stated net of VAT.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are charged in the year whenever an unconditional offer of grant is conveyed to the recipient. Grant awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to the grant are outside of the control of the Foundation

Intangible assets
Intangible assets comprise the cost of purchasing the half-share of the Journal of Dairy Research from the Institute of Food Research. The Trustees consider that this should be amortised over four years on a straight-line basis to reflect the period over which the current income stream can be maintained with confidence.

Investment property
Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Taxation
The charity is exempt from tax on its charitable activities. It is registered for VAT and any irrecoverable VAT is included in the expenditure concerned.

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1. ACCOUNTING POLICIES - continued

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investment funds
Investments are included in the accounts at market value. Any increase in the market value is credited to reserves as detailed in the Statement of Financial Activities. Any reduction in the value of investments in the year is debited in a similar manner.

Grants from external sources
Income from donations and grants, including capital grants, is included in incoming resources when they are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.

- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met. When donors specify that donations and grants, including capital grants, are for particular restricted purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. INVESTMENT INCOME

	31/3/26	31/3/25
	£	£
Other fixed asset invest - FII	121,983	112,901
Deposit account interest	18,090	7,112
	140,073	120,013

continued...

3. RAISING FUNDS

Investment management costs

	31/3/26	31/3/25
	£	£
Investment management	17,771	16,108
Rented property costs	547	4,434
	18,318	20,542

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities	Support costs (see note 5)	Totals
	£	£	£	£
Other costs	-	-	29,586	29,586
Grant awards	-	161,439	-	161,439
Journal of Dairy Research and Conference Costs	53,798	-	-	53,798
	53,798	161,439	29,586	244,823

5. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Other costs	11,957	17,629	29,586

6. TRUSTEES' REMUNERATION AND BENEFITS

Included in governance costs, D Roberts, Chairman, received a £5,000 honorarium for services in the year ended 31.03.26. (Last year £10,000 for services in the years 2024 & 2025).

Also included in governance costs, P Graham, Treasurer, received a £2,500 honorarium for services in the year ended 31.03.26. (Last year £2,500 for 2025).

Trustees' expenses

	31/3/26	31/3/25
	£	£
Trustees' expenses	527	351

continued...

7. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £
INCOME AND ENDOWMENTS FROM	
Charitable activities	
Royalty	152,424
Investment income	120,013
Total	272,437
EXPENDITURE ON	
Raising funds	20,542
Charitable activities	
Other costs	32,223
Grant awards	150,630
Journal of Dairy Research and Conference Costs	57,954
Charitable donations	500
Other	3,322
Total	265,171
Net gains/(losses) on investments	(9,815)
NET INCOME/(EXPENDITURE)	(2,549)
RECONCILIATION OF FUNDS	
Total funds brought forward	4,165,865
TOTAL FUNDS CARRIED FORWARD	4,163,316

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2025 and 31 March 2026	160,000
AMORTISATION	
At 1 April 2025 and 31 March 2026	160,000
NET BOOK VALUE	
At 31 March 2026	-
At 31 March 2025	-

continued...

9. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2025	3,479,023
Additions	665,414
Disposals	(674,620)
Revaluations	252,807
At 31 March 2026	3,722,624
NET BOOK VALUE	
At 31 March 2026	3,722,624
At 31 March 2025	3,479,023

	31/3/26 £	31/3/25 £
UK Fixed Interest	658,810	527,795
International Fixed Interest	107,516	107,865
UK Equities	772,719	720,607
International Equities	765,335	842,302
International & Thematic	774,189	597,646
Hedge Funds & Alternatives	175,713	268,633
Property	212,857	124,320
Structured Return	255,484	289,855
	3,722,623	3,479,023

If fixed asset investments had not been revalued they would have been included at the following historical cost:

	31/3/26 £	31/3/25 £
Cost	3,245,937	3,221,397

10. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 April 2025	385,001
Disposals	(385,001)
At 31 March 2026	-
NET BOOK VALUE	
At 31 March 2026	-
At 31 March 2025	385,001

continued...

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/26	31/3/25
	£	£
Trade debtors	132,512	-
Other debtors	11,060	550
VAT	1,014	-
Prepayments and accrued income	5,233	10,121
	149,819	10,671

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/26	31/3/25
	£	£
Trade creditors	-	10,349
VAT	-	27,494
Grants payable	101,824	161,214
Accruals and deferred income	11,051	4,550
	112,875	203,607

13. MOVEMENT IN FUNDS

	At 1/4/25	Net movement in funds	At 31/3/26
	£	£	£
Unrestricted funds			
General fund	4,163,316	266,149	4,429,465
TOTAL FUNDS	4,163,316	266,149	4,429,465

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	273,544	(263,141)	255,746	266,149
TOTAL FUNDS	273,544	(263,141)	255,746	266,149

continued...

13. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/24	Net movement in funds	At 31/3/25
	£	£	£
Unrestricted fund	4,165,865	(2,549)	4,163,316
TOTAL FUNDS	4,165,865	(2,549)	4,163,316

Comparative net movement in funds included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted fund	272,437	(265,171)	(9,815)	(2,549)
TOTAL FUNDS	272,437	(265,171)	(9,815)	(2,549)

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/24	Net movement in funds	At 31/3/26
	£	£	£
Unrestricted fund	4,165,865	263,600	4,429,465
TOTAL FUNDS	4,165,865	263,600	4,429,465

Net movement in funds included in the above are as follows:

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted fund	545,981	(528,312)	245,931	263,600
TOTAL FUNDS	545,981	(528,312)	245,931	263,600

continued...

14. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2026.

15. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no controlling party.