

**Trustees' Report and
Financial Statements for the Year Ended 31 March 2026**

for

The Moredun Foundation
(a company limited by guarantee)

The Moredun Foundation
Contents of the financial statements
For the year ended 31 March 2026

	Page
Trustees' annual report, incorporating the strategic report.....	1
Report of the independent auditor	18
Consolidated statement of financial activities	
(including the consolidated income and expenditure account)	21
Charitable company statement of financial activities	
(including the charitable company income and expenditure account)	22
Consolidated statement of financial position	23
Charitable company statement of financial position	24
Consolidated statement of cash flows	25
Charitable company statement of cash flows	26
Notes to the financial statements	27

The Moredun Foundation

Trustees' annual report, incorporating the strategic report For the year ended 31 March 2026

The trustees present their annual report (including their strategic report) together with the financial statements of the charity for the year ended 31 March 2026 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and the Charities SORP (FRS 102).

Our objectives:

- to undertake, promote and assist in promoting and undertaking experimental and other scientific research concerning the diseases of farm livestock, wild and domestic animals, fish and birds and other scientific research in areas which affect animal welfare, human health, the environment or otherwise is of public concern and to disseminate the results of such research and generally to promote agricultural research and the dissemination of the results of such research

In summary:

- we are committed to promoting the highest possible standards of animal health and welfare through research and education
- we are recognised worldwide for our contribution to research into infectious diseases of farmed livestock
- our work has always been firmly based on addressing the needs of the farming industry
- our research has led to the development of many vaccines, diagnostic tests and improved treatment strategies for farm animals across the globe

From our objectives, we have four key strategic objectives for the future.

Our strategic objectives:

- To promote livestock health and welfare through research and education
- To lead in livestock health solutions for environmentally sustainable global food security
- To be a leading global provider of research and testing services to the animal health, aquaculture and biotechnology industries
- To be a leading location and collaborative environment for science and technology organisations

From our strategic objectives we have six key goals.

Our six key goals:

- Provide advice, tools and plans for sustainable and regenerative livestock farming in Scotland and across the world
- Develop innovative vaccines, diagnostic tests and disease control programmes for livestock (ruminant, pigs and poultry) and aquaculture species
- Expand the impact of the Moredun Group through attracting funding from multiple sources and retaining strong financial controls
- Contribute to regional and global food security, combined with reduced intensity of greenhouse gas emissions, through improving efficiency and reducing disease in food producing species
- Focus on 'One Health' targets including emerging and zoonotic pathogens of livestock, wildlife and their interactions with the environment
- Increase income from our commercial subsidiary companies to re-invest into supporting the next generation of infectious disease experts in Scotland

Our objectives and goals have adapted and informed our activities for over 100 years. Today the organisation that is Moredun encompasses many different activities. Our main activities are listed below.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

The Moredun Foundation

- was formed by farmers for farmers in 1920 (then known as the Animal Diseases Research Association)
- it is dedicated to improving the understanding, treatment and prevention of infectious diseases by developing a variety of outreach programmes for farmers, vets and the public
- it supports a broad and varied range of research initiatives within the Moredun Research Institute
- it is the owner and landlord of Pentlands Science Park which extends to 22 acres and provides purpose-built offices, laboratories and animal accommodation
- it is home to around 22 tenant companies working in a wide range of commercial and research fields
- the income supports our research scientists in the Institute



Moredun Research Institute

- it conducts world class scientific research on the infectious diseases of livestock, caused by important viruses, bacteria and parasites and it works closely with farmers and vets to improve livestock health and support sustainable agriculture through the development of diagnostic tests and the creation of novel vaccines to combat infectious disease
- our research also helps find solutions to other major challenges such as ensuring safe and sustainable food and water supplies - the consequences of a changing climate and biodiversity
- collaborates with four other globally renowned research institutions to deliver the Scottish Government funded Strategic Research Portfolio 2022-2027 on agriculture, environment, food, land and rural communities



Moredun Scientific Limited

- one of our commercial subsidiaries
- is a contract research organisation specialising in animal health, aquaculture, biosafety testing of biopharmaceuticals and provision of testing standards to the water industry
- its work enables companies to develop, register and commercialise their products
- the expert staff work with our global client base to ensure on time delivery of studies to the required quality standards
- after leaving sufficient reserves, profits are transferred to the Foundation to support our charitable work



Pentlands Science Park Limited

- another of our commercial subsidiaries
- it manages the facilities within our science park
- it manages the support services including engineering, catering, cleaning, maintenance, conferencing and our centralised stores and purchasing department
- after leaving sufficient reserves, profits are transferred to the Foundation to support our charitable work



Equine Grass Sickness Fund

- a division within the Foundation
- is dedicated to supporting and advancing research into grass sickness and further improving the treatment of grass sickness, a major cause of mortality in horses and ponies in the UK with more than 95% of cases proving fatal
- it funds a biobank and research programmes within our Research Institute and also funds research at specialised centres throughout the UK



Wormvax Australia Pty Ltd

- is a company registered in Australia
- it manufactures and sells a vaccine, developed by Moredun Research Institute, to aid in the reduction of *Haemonchus contortus* egg shedding
- the vaccine results in lower pasture larval contamination and reduced disease caused by Barber's Pole worms in lambs



The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

ISVA Karl Linklater Award Fund

- a division within the Foundation
- was set up to help sponsor delegates to attend the International Sheep Veterinary Association (ISVA) congresses, such as young veterinarians in lower income countries who are trying to advance their knowledge and skills in sheep health and production
- is named after one of our former board members



Genomia Management Limited

- a consortium of four research organisations which operated the Genomia Fund - Genomia Fund our Research Institute was one of the members
- the company ceased trading on 6 December 2024 and was subsequently dissolved on 3 June 2025



Our membership

The Moredun Foundation currently has in excess of 9,500 members and associate members. These are drawn mainly from the agricultural and veterinary sectors and support the Foundation by membership subscriptions and donations. Members are allocated into regions throughout the United Kingdom comprising North of Scotland, South of Scotland, North of England, South of England, Wales and Northern Ireland and each region has a regional advisors committee. The Chairs of the regional advisors committees sit on the full board of The Moredun Foundation.

Our structure

In addition to the organisations noted above, there are other companies within the Moredun group. All companies included in these consolidated accounts are listed in note 37.

Our governance

The activities of the charity are ultimately controlled by the board of trustees which meets four times per year.

Membership of the board:

- the board is permitted to have a minimum of twelve members and a maximum of eighteen members
- each trustee appointed is required to retire by rotation at the third Annual General Meeting following his or her election or re-election as a trustee at a general meeting
- a trustee who has been continuously in office is required to retire and is not eligible for re-election at the Annual General Meeting first occurring on or after the ninth anniversary of his or her first appointment as a director
- any such person who is not eligible shall not be reappointed as a director unless the board consents to the appointment and resolves that exceptional circumstances exist, and that the individual possesses specific or unique skills, expertise, or experience of significant value to the charity
- the Memorandum and Articles of Association detail the formal mechanisms for the appointment and removal of trustees
- for the purposes of appointing new trustees a Board Appointments Committee is convened consisting of the Chair, the Group Chief Executive and the Company Secretary.
- this committee makes recommendations to the Foundation board
- in the case of appointing a replacement Chair, the exiting Chair is permitted to sit on the Committee.

Performance of the board:

- performance assessments are carried out by the Chair of the board annually and documented for audit purposes
- the Company Secretary is responsible for carrying out the performance assessment of the Chair of the board of trustees
- performance assessments are focused on the attendance at board and other meetings and contributions made to the proceedings of the Foundation.
- procedures are in place to ensure that the board is properly representative of the Foundation's interests, its end-user interest and stakeholder groups whilst having regard for the age, gender and occupation of its members
- the membership of the board has an appropriate balance of skills and expertise, including adequate agricultural, scientific, business and financial management experience.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

The board comprises the following people:

- the Chair
- the Vice Chair (if appointed)
- the Chairs of the main operating subsidiaries (The Moredun Research Institute, Moredun Scientific Limited and Pentlands Science Park Limited)
- the Chair of the Equine Grass Sickness Fund (an operating division of The Moredun Foundation)
- the representative of The Royal Highland and Agricultural Society of Scotland
- the Chairs of the six regional advisors committees of The Moredun Foundation
- any other persons so elected from time to time with relevant experience, skills and standing

Board training:

- new trustees undergo an induction process, co-ordinated by the Chair, which briefs them on their legal obligations under charity and company law and provides training on the structure, governance, management and operations of the charity and its group of companies
- whilst all our board members are selected because of their experience, skills and standing there are times when board training takes place – this can be formal presentations, informal training sessions, away days or through written updates published by organisations such as the Office of the Scottish Charity Regulator.

Board committees:

Several committees exist throughout the group including health and safety, ethics, quality and environmental improvement initiatives. The main committees of the board are as follows:

- **Chairs' Executive Committee:** The Chairs' Executive Committee deals with urgent matters and makes recommendations to the full board. It comprises the Chairs of The Moredun Foundation, Moredun Research Institute, Pentlands Science Park Limited and Moredun Scientific Limited together with the Vice Chair of The Moredun Foundation, the Group Chief Executive, the Group Finance Director and the Chief Operating Officer. The Committee usually meets four times per annum.
- **Group Audit Committee:** The Group Audit Committee consists of representative non-executive board members from each of the main parts of the group and considers the appointment of internal and external auditors, audit fees, the nature and scope of audits, any problems and reservations arising from audits and any matters the auditor may wish to discuss (in the absence of management where necessary). It also reviews the arrangements for the assessment and management of risk and the effectiveness of internal control systems and sets the remuneration levels for the Chairs of Moredun organisations and non-executive board members in the commercial subsidiaries. The Group Chief Executive, the Group Finance Director and the Deputy Group Finance Director attend meetings. As part of the Corporate Governance procedures, the members of the committee have an opportunity to meet with both the internal and external auditors with no executive staff being present. On an annual basis the Group Audit Committee conducts a review of its own effectiveness considering ways in which it might be strengthened or developed. The committee met twice during the year.
- **Group Health & Safety Oversight Committee:** The Group Health & Safety Oversight Committee consists of representative non-executive board members from each of the main parts of the group and considers the goals and standards the Moredun Group aim to attain for the management of health and safety, reviews the annual health and safety report focusing particularly on key metrics including notifiable incidents or accidents, major areas of concern or non-compliance with relevant standards and compliance with standards. It also reviews the internal health and safety audit programme, considers the major findings of investigations and management's response, and ensures co-ordination between internal parties where applicable. It also reviews the findings of ad hoc external health and safety audits and regulatory bodies' reports (e.g. Health and Safety Executive, Scottish Environmental Protection Agency) and appoints an external health and safety auditor. The Group Chief Executive, the Chief Operating Officer and the Health & Safety Manager attend meetings. As part of the Corporate Governance procedures, the members of the committee have an opportunity to meet with external auditors with no executive staff being present. The committee met twice during the year.
- **Group Remuneration Committee:** The Group Remuneration Committee reviews the salaries of the senior personnel within the group. Its membership comprises the Chairs of the major parts of the group supported by the Group Chief Executive, the Group Finance Director and the Group Human Resources Manager. Executive staff are not present for discussions surrounding their own remuneration. The committee met once during the year.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

- **Equine Grass Sickness Fund Committee:** The committee consists of individuals involved in the equine community, including owners, and scientists involved in research into the disease. The Committee Chair is also a trustee of The Moredun Foundation. The Committee includes a scientific representative of the Moredun Research Institute's Scientific Director and also the Company Secretary of the Foundation. The Committee usually meets four times per year.

Our directors and trustees

The directors of the charitable company are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. The trustees serving during the year and since the year end were as follows:

Mr G T G Baird ^{1, 4} (<i>Chair</i>)	Mrs T Acton ⁸
Dr J Angell	Mr S A Brown ⁷
Professor E R Cameron ³	Miss R L Hall (<i>Resigned 4 December 2025</i>)
Mr W G Gray ⁵	Mrs A Logan ¹²
Mr W O Kyle ⁶	Mr A M Murphy ⁹
Dr J D Mackinnon (<i>Resigned 4 September 2025</i>)	Mr W J G Scott ²
Sir Muir Russell ^{1, 4}	Mr C W Tweed ¹¹ (<i>Appointed 12 June 2025</i>)
Mr P R Scott Aiton ^{1, 4}	Mr J Yeomans ¹⁰
Dr P J Jeffries ^{1, 4} (<i>Appointed 4 September 2025</i>)	Mrs K A Rowell (<i>Appointed 4 December 2025</i>)

¹ Member of the Chairs' Executive Committee; ² Member of the Group Audit Committee; ³ Member of the Group Health & Safety Oversight Committee; ⁴ Member of the Group Remuneration Committee; ⁵ Representative of The Royal Highland and Agricultural Society of Scotland; ⁶ Chair of the North of Scotland Regional Advisors Committee; ⁷ Chair of the South of Scotland Regional Advisors Committee; ⁸ Chair of the North of England Regional Advisors Committee; ⁹ Chair of the South of England Regional Advisors Committee; ¹⁰ Chair of the Wales Regional Advisors Committee; ¹¹ Chair of the Northern Ireland Regional Advisors Committee; ¹² Chair of the Equine Grass Sickness Fund Committee

Our Group Finance Director and Company Secretary, Mr Colin Burnett, retired on 27 June 2025. Mr. Burnett had been in post since June 2000 and the board thank him for all his contributions to Moredun. The board were pleased to appoint his successor, Ms Rosie Shankey.

None of the trustees had any notifiable interest in the charity at any time during the year.

Board meetings are attended by three executive members of staff who are not members of the board and are not trustees: Professor Tom McNeilly (Group Chief Executive and Scientific Director), Ms Rosie Shankey (Group Finance Director and Company Secretary), and Dr Richard Mole (Chief Operating Officer). The executive staff do not have any voting rights on the board.

In accordance with the amendment to the Companies Act, the company confirms that it has in place a Directors' and Officers' Liability Insurance Policy. Whilst every effort is made by the organisation to manage Health and Safety and other business risks, by the very nature of the work involved it is deemed appropriate to have this policy in place covering all trustees of the organisation.

Our management

As noted above, the activities of the charity are ultimately controlled by the board of trustees which meets four times per year. The Group Chief Executive ensures the efficient and effective running of the charity. The trustees, through the Group Audit Committee, regularly review the effectiveness of the charity's systems of financial control.

The trustees are responsible for identifying the major business risks faced by the charity and for determining the appropriate course of action to manage those risks. Accordingly, the trustees receive reports as necessary to deal with such risks that arise.

The charity also has in place a group wide business continuity plan which is regularly tested and reviewed. The trustees approve the annual budget and consider the actual results compared with budget at each board meeting.

Senior management remuneration setting policy

The remuneration of the senior management is determined by the Group Remuneration Committee with reference to appropriate pay scales, market salary surveys and individual and corporate performance measures.

Equality, diversity and inclusion

The charity, although not employing people directly, has employees within some of its subsidiaries (Moredun Research Institute, Moredun Scientific Limited and Pentlands Science Park Limited).

The Moredun Group is an equal opportunities employer. We value people as individuals with diverse opinions, cultures, lifestyles and circumstances. We are committed to equality of opportunity and to providing a service and following practices which are free from unfair and unlawful discrimination. We ensure that no person receives less favourable treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation, or is disadvantaged by conditions or requirements which cannot be shown to be relevant to performance. We seek to ensure that no person is victimised or subjected to any form of bullying or harassment. This applies to all employees, consultants, contractors, volunteers, casual workers and agency workers and applies to all areas of employment including recruitment, selection, training, career development and promotion.

The Moredun Group operates a number of policies including access to a family healthcare scheme and flexible working arrangements. We work to the Fair Work Framework and follow the Fair Work principles.

We are committed to creating a positive and inclusive environment, respecting equality and diversity and encouraging good relations.

Statement of trustees' responsibilities

The trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the trustees' annual report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the result of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Financial statements are published on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the trustees. The trustees' responsibility also extends to the on-going integrity of the financial statements contained therein.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Legal and administrative details

The Moredun Foundation is a company limited by guarantee governed by its Memorandum and Articles of Association (as amended) dated 9 September 2004. The liability of members in the event of a winding up is limited to £1. It is registered as a charity with the Scottish Charity Regulator.

Charity number	SC022515 (Scotland)
Company number	SC151865 (Scotland)
Website	www.moredun.org.uk

Principal business address and registered office address:

Pentlands Science Park
Bush Loan
Penicuik
Midlothian
EH26 0PZ

External auditor

Henderson Loggie LLP
The Stamp Office
Level 5
10-14 Waterloo Place
Edinburgh
EH1 3EG

Internal auditor

Wbg Services LLP
168 Bath Street
Glasgow
G2 4TP

Bankers

Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

Handelsbanken plc
3 Thomas More Square
London
E1W 1WY

National Australia Bank
800 Bourke St
Docklands
Victoria 3008
Melbourne
Australia

Solicitors

Shepherd and Wedderburn LLP
9 Haymarket Square
Edinburgh
EH3 8UL

Stockbrokers

Charles Stanley & Company Limited
2 Multrees Walk
Edinburgh
EH1 3DQ

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Strategic report

Our achievements and knowledge exchange

Many more of our achievements are detailed on our website but we have listed a few examples here.



Translating research into real world impact

A cornerstone of Moredun's mission is ensuring that the latest scientific research is not confined to academic settings but is made accessible and practical for those who need it most

Throughout the year, Moredun continued to translate scientific research into practical benefits for farmers, veterinarians, policymakers and wider society. Through targeted communications, stakeholder engagement and applied research programmes, the organisation helped ensure that scientific knowledge was accessible, relevant and capable of delivering real-world impact. This contributes to wider societal goals of improving animal health and welfare, reducing climate change emissions, restoring biodiversity, and enhancing food security.

During 2025–2026, The Moredun Foundation continued its long-standing programme of practical livestock health factsheets, producing accessible, evidence-based guidance on some of the most pressing challenges facing farmers and advisers. Publications during the year covered *Haemonchus contortus* infections and haemonchosis, livestock infectious disease in a changing climate, maximising lamb survival at lambing, and nematodiosis. Together, these resources translated current research and veterinary expertise into clear, actionable advice on disease prevention, sustainable parasite control, flock productivity and adapting to emerging risks. Distributed digitally and in print, the factsheets remain an important way of ensuring that trusted science reaches those making day-to-day decisions on farm, helping to improve animal health, welfare and resilience across the livestock sector.

Moredun also continued to use online events to reach wider audiences and provide timely, practical information to advisers, veterinarians, farmers and students. A new interactive webinar series, the Sheep Health Advisors Forum, was launched during the year for advisers, veterinarians and other professionals involved in sheep health. The first session brought together experts from Moredun and the Register of Sheep Advisers (RoSA), with presentations from Dr Dave Bartley on roundworm control and resistance, Dr Stewart Burgess on sheep scab, and Dr Philip Skuce on liver fluke. Discussion focused on the growing influence of climate change on parasite epidemiology, the challenge of anthelmintic resistance, and the importance of strategic monitoring, diagnostics and sustainable control approaches. The positive response to the first session demonstrated strong demand for collaborative professional development opportunities that combine expert insight with open discussion.

Her Royal Highness, the Princess Royal, visited the Moredun Research Institute in October 2025 to learn about emerging livestock disease threats linked to climate change and to meet researchers working to protect animal health in Scotland. The visit coincided with a special event on livestock infectious diseases in a changing climate, which explored how changing weather patterns and shifting ecosystems are creating new disease risks for UK livestock farming. Delegates attended a panel discussion focused on preparedness, surveillance and the scientific response required to manage these evolving challenges. Contributors included Dr Sheila Voas, Scottish Chief Veterinary Officer, who outlined the Scottish Government's role in disease preparedness and policy coordination. Dr Alan Murphy highlighted the importance of strengthening disease surveillance systems to support earlier detection, while Dr Piet van Rijn shared lessons from recent bluetongue outbreaks in the Netherlands and developments in DIVA vaccine technologies. The event highlighted the importance of proactive, science-led solutions and strong collaboration between researchers, government and industry to safeguard animal health, rural livelihoods and food security in a changing climate.

Moredun was delighted to welcome senior animal health leaders from the Quads Alliance this year, including Chief Veterinary Officers from the United Kingdom, Australia, Canada, New Zealand and the United States. The visit showcased the breadth of Moredun's research, diagnostic and surveillance capabilities. Presentations included an overview of the Moredun Group, the Meat and Livestock Australia-funded scour worm project, pathology and surveillance services, and Moredun's role in COVID diagnostics and future bluetongue testing capacity. This high-level international visit demonstrated the global relevance of Moredun's expertise and the organisation's role in contributing to shared approaches for current and emerging animal health challenges.

Our achievements and knowledge exchange (continued)



Inspiring future generations through education

Education is a vital strand of Moredun's mission to promote livestock health and welfare, with a strong emphasis on engaging young people, particularly those in rural and remote areas

Moredun staff are actively encouraged to volunteer their time for educational outreach, helping to spark interest in Science, Technology, Engineering, and Mathematics (STEM) subjects and introduce the next generation to potential career paths in the sciences.

Moredun continued to inspire the next generation and broaden public understanding of livestock science through a range of outreach activities during the year. At Dynamic Earth's Careers Showcase in March, Moredun delivered interactive, hands-on experiences including protein modelling, parasite microscopy, virtual reality simulations and pipetting challenges, giving young people a practical insight into careers in science, research and agriculture. Around 500 pupils and teachers from seven schools across Scotland attended, with strong engagement throughout the day.

In June, Moredun was also pleased to support Open Farm Sunday at Rosemains Steading, Pathhead, for a second consecutive year. The event provided a valuable opportunity to engage families and members of the public, particularly those without a farming background, helping to raise awareness of the role science plays in protecting animal health, food production and sustainable farming.

As part of Lantra's Industry Champions initiative, Moredun's Dr Eilidh Geddes took part in an online careers event designed to introduce young learners to opportunities within Scotland's rural industries. Broadcast live from Moredun's New Milton Farm, the session provided an engaging overview of Eilidh's career pathway, current role, the diversity of careers available within a research organisation and the skills and qualifications that can support entry into the sector. The event reached schools across Scotland and helped promote awareness of the varied and rewarding opportunities available in livestock science, agriculture and rural innovation.



Connecting directly with farmers through on-farm events

Direct engagement with farmers remains one of the most effective ways for Moredun to share knowledge, discuss current research, and respond to practical on-the-ground concerns

Recognising that many in the agricultural community prefer face-to-face learning, Moredun staff regularly attend on-farm events across the UK to provide trusted, research-based advice in person. Moredun participated in two National Sheep Association (NSA) events during June and July, strengthening engagement with sheep farmers and industry stakeholders across the UK. At NSA Highland Sheep, seminars were delivered by Drs David Griffiths, Eilidh Geddes and Chris Cousens, covering current livestock health challenges and research developments. At NSA Sheep Northern Ireland, Dr Philip Skuce represented Moredun in the seminar programme, sharing expertise on priority sheep health issues. The Northern Ireland event was facilitated through the support of regional board member, Campbell Tweed, and helped strengthen relationships with local stakeholders while supporting the continued development of Moredun's regional advisor network.

At the QMS Monitor Farm Meeting held at Knockroon Farm, Crosshill, Ayrshire, Moredun's mobile laboratory was used to demonstrate faecal egg counting techniques to 37 attendees. Farmers brought their own flock samples for testing and were able to see how results could be interpreted using the FECcheck app to inform treatment decisions. The event generated valuable discussion on sustainable parasite control, practical flock health management and the benefits of evidence-based decision making.

Moredun also contributed to a Whole Farm Planning event organised by the Soil Association and The Farmer Network Ltd in Alnwick. Staff engaged with farmers on how faecal egg counts can be used to reduce anthelmintic use, improve targeting of treatments and support more sustainable parasite control strategies.

Moredun was invited to contribute to an animal health and welfare meeting for farmers within the Northumberland National Park. Working alongside a local veterinary practice, Dr Holly Hill presented research on enzootic abortion in sheep, including progress towards the development of new vaccines for this important disease. Dr Sarah Thomson also provided an overview of Moredun membership and the benefits of connecting farmers directly with trusted scientific advice and practical resources.

Our achievements and knowledge exchange (continued)

The meeting provided an important opportunity to engage directly with farmers in a distinctive upland farming environment and to discuss livestock health priorities relevant to local businesses.



Collaboration, listening and inclusive engagement

At the heart of Moredun's approach is a commitment to collaboration—working closely with partners, listening to those on the ground, and ensuring that research is shaped by real-world needs

Moredun recognises that meaningful progress in livestock health and sustainable agriculture comes from shared knowledge, mutual respect, and open dialogue across sectors.

Throughout the year, Moredun routinely hosts a diverse range of visitors, including farmers, policymakers, educators, and those not directly involved in science or agriculture. These visits provide valuable opportunities to exchange ideas, understand evolving challenges, and adapt research to inform practical action.

Many upland sheep farmers across the UK continue to face significant losses from louping ill, a tick-borne viral disease which has become an increasing concern since the withdrawal of the previous vaccine in 2017. In the absence of a vaccine, many businesses have become increasingly reliant on acaricide treatments to control the ticks that spread infection. Recognising the importance of restoring vaccine availability, Moredun has developed an effective research vaccine and has pursued an innovative route to commercialisation in partnership with Kernfarm. As the market opportunity alone was insufficient to attract traditional commercial investment, Moredun and its partners launched a fundraising model supported by industry and charitable donations. By the year end, over £1 million had been secured in donations, pledges and grant support, including £100k from the Scottish Government and £450k through a DEFRA-funded project focused on the impact of environmental change on tick populations and livestock health in the uplands. This work demonstrates how research organisations can play a direct role in overcoming market barriers where important livestock health solutions may otherwise fail to reach farmers.



Moredun outreach activities in the Islands

Continuing our collaborative approach to rural areas

Moredun continued to strengthen its engagement with remote and island communities, recognising the importance of locally relevant solutions to support resilient farming systems and sustainable rural economies.

Through the SEFARI Fellowship programme, Moredun contributed to work focused on connecting communities and science to help shape Orkney's agricultural future. This initiative explored how collaborative approaches, local knowledge and research expertise can be brought together to identify priorities for future farming systems, livestock health and environmental resilience within island settings. The work has also helped lay foundations for wider discussion around future living lab approaches and place-based innovation models that ensure rural communities are directly involved in shaping research priorities and practical solutions.



Moredun staff recognised for research

Recent awards have highlighted the outstanding contributions of Moredun staff whose work is delivering clear benefits to the public, agriculture, and animal welfare

Moredun staff, students and supporters continued to receive recognition for their achievements and contributions across science, leadership and stakeholder engagement. Some notable awards in the year include:

- Honorary Fellowships were awarded to Colin Burnett, Prof Elisabeth Innes and Matthew Colston in recognition of their significant contributions to Moredun and the wider livestock sector.
- Dr Stew Burgess was highly commended for the Place-based Impact Award at Interface's 10th Scottish Knowledge Exchange Awards for his role in the Scottish Government-funded Sheep Scab Control Programme on Lewis & Harris.
- At Lantra Scotland's ALBAS awards, former Moredun PhD student, Karen Keegan, won the Research Project category for her work using Nanopore sequencing to investigate zoonoses and antimicrobial resistance at the wildlife-livestock interface.

Our achievements and knowledge exchange (continued)

- PhD student Naomi Defty won the SCOTIA Agricultural Club Postgraduate Competition for her work on the novel control of poultry red mite and was also awarded third place for her oral presentation at the SEFARI PhD Showcase.
- Gillian Mitchell received third place for her poster presentation on peatland restoration and livestock health at the Scottish Government ENRA Conference.

These successes reflect Moredun's continued commitment to supporting talent, innovation and the next generation of scientific leaders.



Strengthening collaboration through Moredun's Regional Advisors network

Moredun's close and historic relationship with its stakeholders—farmers, veterinarians, and those involved in agricultural industries—continues to define its approach to research and knowledge exchange

A key part of this engagement strategy is the Moredun Regional Advisors Network—an enthusiastic group of volunteers from across the livestock sector who help communicate research findings and advise on regional animal health priorities.

Moredun's six regional boards cover the South and North of England, Wales, Northern Ireland, and the South and North of Scotland. Each board is made up of farmers, veterinarians, Suitably Qualified Persons (SQPs), students, and industry representatives, reflecting a diverse cross-section of stakeholders. The Chairs of each regional board also contribute to the main Moredun Foundation board, helping to ensure that insights from across the livestock sector directly inform strategic decisions. Moredun's regional boards continued to meet throughout the year and provide valuable intelligence which will help drive Moredun's future focus. Their continued involvement underlined the importance of Moredun's regional volunteers as vital ambassadors who ensure the organisation remains grounded in the practical realities of livestock farming. Their work supports not only the development of relevant scientific solutions but also strengthens public trust and understanding of the role that research plays in improving animal health, farming sustainability, and food security.



Policy engagement

Moredun's close and historic relationship with its stakeholders—farmers, veterinarians, and those involved in agricultural industries—continues to define its approach to research and knowledge exchange

Moredun continued to play an active role in supporting evidence-based policy development and strengthening links between science, government, industry and international partners. Through visits, stakeholder meetings and targeted engagement activities, the organisation helped ensure that research expertise could inform practical decision-making on animal health, welfare and rural policy.

A Science-Policy Exchange Day was held at Pentlands Science Park and Firth Mains Farm, bringing together policy leads and researchers to discuss current priorities, future evidence needs and opportunities for collaboration. The programme highlighted Moredun's capacity to deliver policy-relevant research through its land assets, livestock facilities and applied research infrastructure. Demonstrations included biodiversity-focused grazing systems, environmental monitoring technologies, wetland opportunities and facilities supporting livestock health research.

Following the event, a number of responsive projects were commissioned or progressed, including work on living labs, sheep scab dip disposal, bluetongue impact assessment and wider sustainable farming priorities. This engagement strengthened relationships with key stakeholders and reinforced Moredun's role as a trusted provider of evidence to inform agricultural and environmental policy.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Our performance

Each year, the Foundation sets out certain performance targets. The following table summarises the Foundation's performance against its agreed targets.

Our agreed Performance targets	Performance achieved
1. Increase awareness of the work of the Foundation, improve our knowledge management and transfer this knowledge to third parties for public benefit.	Moredun Factsheets: Four factsheets were produced covering key livestock health challenges including <i>Haemonchus contortus</i>, livestock infectious disease in a changing climate, maximising lamb survival, and nematodiosis. These were distributed directly to members, with a further 300 online accesses, extending their reach across the livestock sector. Trade articles: Numerous trade articles were produced covering various topics including: parasite control, infectious disease management and sustainable livestock systems, helping to communicate research findings to industry audiences. Events: Moredun partnered with the National Sheep Association and others to deliver webinars and knowledge exchange events addressing key issues including parasite control, antimicrobial use and disease prevention. These complemented wider contributions to industry initiatives such as SCOPS, supporting the uptake of best practice across the sector. Public engagement: This remained an important component of knowledge transfer. Activities included careers events such as the Dynamic Earth Showcase, which engaged approximately 500 pupils and teachers, as well as Open Farm Sunday and school visits through the Mobile Laboratory, reaching both local and more remote communities. Farmer-focused engagement: This included workshops, monitor farm meetings and participation in national and regional events, providing practical guidance on livestock health and welfare. Moredun also supported cross-sector knowledge exchange through events and symposia, including a One Health symposium on toxoplasmosis, helping to inform research priorities and policy discussions.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Our performance (continued)

Our agreed performance targets

2. Consolidate the distinguished scientific research reputation of the Institute and grow research contract income from competitive sources.

Performance achieved



Institute scientists published 81 refereed publications in 2025/26, an increase of 16% over the previous year.



In 2025/26 the Institute secured 60% of its total revenue income (excluding bank interest received) from competitive and commercial activity (2024/25: 57%). Research contracts income increased by 10.2% as a result of an increased focus on targeted grant acquisition and policy relevant research.



We concluded the purchase of Firth Mains Farm in the year. This will be a key part of our sustainable farming research as well as being an exemplar 'living lab'. Within the Institute, we also invested an additional £620k in capital expenditure thereby increasing our research capability and a further £55k in patents and trademark protection.

3. To further develop and exploit strategic research output in the commercial sector building on the established pipeline of research and intellectual property and increase gift aid payments from Moredun Scientific Limited to the Foundation in order for the Foundation to increase its support of the Institute in furtherance of its charitable objectives.



Moredun Scientific Limited generated £4,648,647 (2024/25 £5,008,847) of commercial turnover – a decrease of 7% due to a downturn in demand in the biosafety division. Gift aid distributions to the Foundation amounted to £57,771 (2024/25: £478,220).



Several large grants were awarded to the Research Institute by external organisations as noted elsewhere. The Foundation funding to the Institute (excluding Equine Grass Sickness Fund grants) amounted to £825,600 (2024/25: £1,023,600).

4. Ensure occupancy levels are maintained at a high level within the science park and increase gift aid payments from Pentlands Science Park Limited to the Foundation in order for the Foundation to increase its support of the Institute in furtherance of its charitable objectives. Allied to this, service delivery should be of a high level whilst ensuring the cost base is attractive for existing and potential tenants.



Occupancy levels within the science park remained high at over 98% with a very low turnover of tenants. Gift aid distributions to the Foundation from Pentlands Science Park Limited amounted to £251,000 (2024/25: £201,000).

Retention of tenants, and maintaining occupancy at a high level, is testament to the dedication of staff who are focused on ensuring tenants receive an excellent standard of service, in well maintained facilities at a fair and transparent cost. The planned preventative maintenance project along with the health and safety programme continue to be progressed with tenants being advised as appropriate.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Our performance (continued)

Our agreed performance targets

5. Continue to review operations throughout the group to ensure all organisations are focused on the main strategic and operational aims of Moredun and are structured in such a way as to efficiently and effectively meet these objectives.

Performance achieved



Strategic and business planning models are regularly reviewed by senior management and the board of trustees to ensure alignment of objectives throughout the group. Regular meetings of the senior management group were held to ensure strong communication, consistency and collaboration.



In addition, risk registers are regularly reviewed and updated throughout the group and discussed at each board meeting. An opportunities register has also been developed this year.

Financial review

Headline data:

- The group results show a net expenditure before other recognised gains and losses, for the year amounting to £312,665 (2025: net income of £725,898).
- The group's net assets decreased by £208,463 during the year (2025: increased by £620,044).
- Total group income dropped by 2.75% primarily due to a decrease in grants received in respect of non commercial research contracts.
- Expenditure on charitable activities increased by 3.2% primarily as a result of higher direct research costs associated with the increased scientific outputs, together with inflationary pressures across all cost lines.
- Expenditure on raising funds (primarily the costs within our commercial subsidiaries) remained broadly similar year on year despite the inflationary pressures experienced throughout the group.

Overall, the trustees are satisfied with the underlying results for the year, taking account of the challenging wider economic climate which included significant inflationary pressures on our cost base during the year.

The total income of **The Moredun Foundation** (company only) decreased by 11% over the last year. Income from property remained broadly the same, while charitable income decreased by just under 44% when compared with last year due to the reduction in gift aid from the commercial subsidiaries. Total expenditure decreased by just under 2% largely due to a reduction in grants paid to Moredun Research Institute, as noted below. The deficit for the financial year before the net gain on the revaluation of investments as stated in the statement of financial activities amounted to £289,449 (2025: surplus £39,162). Grants provided to Moredun Research Institute to further the charity's objectives (excluding grants from the Equine Grass Sickness Fund) decreased by 19% and amounted to £825,600 (2025: £1,023,600).

The deficit for the **Moredun Research Institute**, as stated in the statement of financial activities for that organisation, amounted to £233,006 (2025: surplus £545,933). This deficit included the receipt of capital grants amounting to £163,291 (2025: £997,439) which will be amortised in future years. The underlying revenue position is therefore a deficit of £396,297 (2025: deficit £451,506). Capital grants received in the year include £92k from the Scottish Government to establish bluetongue virus testing and surveillance at the Institute. The total income of the Institute increased by 3.8% (or decreased by 1.7% including capital grants). There was an 10.2% increase in research contract income during the year reflecting the significant success by our research staff in grant acquisition. We also acknowledge the significant funding from the Scottish Government Rural and Environment Science and Analytical Services Division (RESAS) which amounted to £6.1 million – an overall decrease of 2.5% from the previous year. Within this, programme funding increased by 0.7%, whilst competitive Scottish Government funding decreased by 68%. Total expenditure increased by 3.4% due to higher subcontracted resource costs linked to increased scientific throughput, as well as rising costs associated with inflation, including higher staffing costs following the increase in employer national insurance rates.

Financial review (continued)

Turnover within **Moredun Scientific Limited** decreased by 7% compared to the previous year. The animal health division turnover increased by 6%, largely due to the mix of contracts undertaken in the year. The turnover of the biosafety division decreased by 28% because of a downturn in demand and a move towards new non-animal technologies. The turnover of the aquaculture division increased by 42% due to a growth in contract acquisition. Overall, the post-tax loss for the financial year amounted to £47,489 (2025: profit £382,715). Gift aid was distributed to the Foundation amounting to £57,771 (2025: £478,220).

Turnover within **Pentlands Science Park Limited** increased by 3% during the year. The services division turnover remained broadly consistent, while the administration division saw an increase in turnover of 13% primarily due to increased expenses recovered from tenants and other group companies. Overall, the post-tax profit for the financial year amounted to £234,200 (2025: £133,877) from which gift aid was distributed to the Foundation amounting to £251,000 (2025: £201,000).

Turnover within **Wormvax Australia Pty Ltd** increased to Aus\$2.3million (£1.1million) from Aus\$2.2million (£1.1million) last year as a result of steady sales despite climatic and economic pressures in the Australian market. Post-tax profits increased to Aus\$608,821 (£303,163) from Aus\$556,852 (£293,838) last year.

Further details can be found under our achievements and performance set out earlier in this report. Changes in fixed assets and investments are shown in notes 22, 23 and 24.

Our investment powers and policy

- The trustees, having regard to the liquidity requirements of running the Foundation and the group, have kept available funds on interest-bearing term deposits in line with our treasury management policy.
- They seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail price index. The invested funds held on deposit achieved an average rate of around 2.7% against the retail price index of 4.1% for the year. Given the substantial level of investment that is planned and ongoing operational needs, it is important that the majority of funds are held on deposits maturing in one year or less.
- Alternative investment options are kept under regular review. In all cases, careful consideration is given to liquidity, risk, and expected return, within the context of a prudent and conservative investment approach. The primary objective remains the preservation of the charitable group's reserves, both in terms of protecting capital values and mitigating the longer-term impact of inflation on the real purchasing power of those reserves.
- An Investment Policy has been formally agreed with the Fund's stockbrokers. The Equine Grass Sickness Fund portfolio is managed on a discretionary basis in accordance with the parameters set out within this policy. The portfolio is guided by a "balanced" investment objective, operating within a "medium-low" risk profile. The policy incorporates a number of clearly defined investment restrictions and ethical considerations. Specifically, investments are avoided in: (a) companies or funds whose activities are detrimental to animal health and welfare, or which undertake animal testing for cosmetic purposes; (b) companies involved in military activities (including armaments), gambling, tobacco, or alcohol; and (c) entities that do not demonstrate positive Environmental, Social and Governance (ESG) credentials.
- The Foundation owns a large property holding known as Pentlands Science Park which provides a strong rental roll, and therefore income, for the charity. There are around 20 tenants on the park.

Our reserves policy

- Reserves are needed to bridge the funding gaps between spending on the charity's activities and receiving payments from funders, tenants and other bodies in respect of that work. Reserves are also held to cover contingencies and potential events which may disrupt the normal operational activities.
- The reserves policy was reviewed during the year and a revised reserves strategy was developed. This strategy considers the group's strategic and operational environment to identify risks that may require the use of unrestricted reserves.
- Following this review, the trustees concluded that a minimum of £17.3 million of liquid unrestricted reserves should be maintained to respond to such risks. At 31 March 2026, unrestricted reserves totalled £33.9 million (2025: £34.2 million). Of this amount, £17.7 million is invested in fixed assets, leaving £16.2 million in free reserves (2025: £17.7 million).

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Our reserves policy (continued)

- As not all reserves are held in liquid form, and given the nature of the charity's activities, the directors are satisfied with the level of reserves during the year. This is particularly the case in the context of a challenging financial environment and the purchase of Firth Mains Farm in the year, which reduced liquid reserves. Actions are being taken to address ongoing deficits within the group and increase free reserves towards the minimum level set out in the policy. The reserves policy is reviewed every six months to ensure it remains appropriate and reflects current circumstances.

Our plans for future periods

- A Strategic Plan covering the period 2024 to 2028 has been formally agreed across all boards within the group and endorsed by senior management. The Plan has been communicated to all staff through a structured programme of engagement sessions. Key performance targets for 2026/27 have been reviewed and remain closely aligned with the group's core objectives, as outlined on page 1. These targets are centred on scientific output, knowledge transfer for public benefit, income generation, long-term financial sustainability, and continued investment in Science Park infrastructure.
- Financial budgets have been prepared and approved by the board. Over the near term, significant investment will continue to be directed towards upgrading scientific equipment, facilities, and infrastructure. This will be funded through a combination of revenue expenditure, the prudent use of reserves, and, where appropriate, the leasing of specialist equipment to reflect the pace of technological advancement.
- A key priority remains maintaining high occupancy levels within the Science Park, alongside sustaining and, where possible, increasing Gift Aid contributions from commercial subsidiaries. In addition, there will be an ongoing focus on securing grant funding and maximising overhead recovery across both research and commercial activities.
- Financial performance will continue to be subject to close and regular monitoring.

Going concern

After making reasonable enquiries the board are satisfied that the charity has adequate unrestricted resources, of which a high percentage is held in cash, to continue its objectives for the foreseeable future. The company continues to adopt the going concern basis in preparing these financial statements.

Principal risks and uncertainties

- The board regularly reviews and updates the risk register for the Foundation and the wider group, categorising risks under the headings of strategic, operational, financial and regulatory.
- Principal risks are future funding, ongoing changes to regulations (particularly legislation governing how we work and funding implications), health and safety, and cyber security.
- Controls are documented and regularly reviewed through quality assurance audits and internal audits conducted under the auspices of the Group Audit Committee.

Statement as to disclosure of information to auditor

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Auditor

The auditor, Henderson Loggie LLP, will be proposed for reappointment at the annual general meeting in accordance with section 485 of the Companies Act 2006.

The Moredun Foundation

Trustees' annual report, incorporating the strategic report (continued) For the year ended 31 March 2026

Exemptions

The trustees have taken advantage of the special exemption conferred by section 62 of the Companies Act 2006 applicable to companies limited by guarantee, allowing them to dispense with the requirement of using the word Limited, or the abbreviation Ltd., after the company name.

In approving the trustees' annual report, the trustees are also approving the strategic report in their capacity as company directors.

On behalf of the board


Gareth Baird - 2026-09-16, 07:28:26 UTC

Mr Gareth T G Baird

Chair
Edinburgh

3 September 2026

Opinion

We have audited the financial statements of The Moredun Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise the consolidated and charitable company statements of financial activities (including the income and expenditure accounts), the consolidated and charitable company statements of financial position, the consolidated and charitable company statements of cash flows, and notes to the financial statements, including 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 group's and parent charitable company's affairs as at 31 March 2026 and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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' (who are also the directors of the charitable company for the purpose of company law) 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 group and parent charitable company'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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Strategic Report and Directors' Report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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 6, the trustees (who are also the directors of the parent charitable company for the purposes of company law) 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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.

As part of our planning process:

- We enquired of management the systems and controls the group and parent charitable company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charitable company. We determined that the following were most relevant: FRS 102, health and safety legislation, employment law (including the Working Time Directive), anti-bribery and corruption, and compliance with the UK Companies Act and charity law.
- We considered the incentives and opportunities that exist in the group and parent charitable company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the group and parent charitable company, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

Report of the independent auditor to the trustees and members of The Moredun Foundation

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

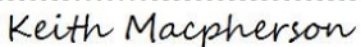
- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of relevant board and other trustee or management meetings for discussions of irregularities including fraud;
- Review of correspondence from regulators and legal advisors, where applicable;
- Considering relevant internal audit reports and findings;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the carrying value of tangible assets, fair value of investments and the calculation of accruals and deferred income;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Testing key revenue lines, in particular cut-off, for evidence of management bias; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the 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. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 charitable company'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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Keith Macpherson – 2026-09-16, 07:52:51 UTC

Keith Macpherson (Senior Statutory Auditor)
For and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditor

Henderson Loggie LLP
The Stamp Office
Level 5
10-14 Waterloo Place
Edinburgh
EH1 3EG

Henderson Loggie LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

The Moredun Foundation

Consolidated statement of financial activities
(including the consolidated income and expenditure account)
For the year ended 31 March 2026

	Note	Unrestricted Funds £	Restricted Funds £	Total 2026 £	Total 2025 £
Income from:					
Donations & legacies	2	34,839	590,902	625,741	1,095,621
Charitable activities	3	520,286	11,781,136	12,301,422	12,099,798
Other trading activities	4	8,064,945	21,316	8,086,261	8,333,243
Investments	5,6	1,175,812	16,137	1,191,949	1,295,618
Other income	7	12,355	-	12,355	20,648
Total income	9	9,808,237	12,409,491	22,217,728	22,844,928
Expenditure on:					
Raising funds ¹	10	7,088,946	-	7,088,946	7,138,908
Charitable activities	11	1,303,953	14,166,181	15,470,134	14,989,715
Total expenditure	14	8,392,899	14,166,181	22,559,080	22,128,623
Net income/(expenditure) before gains on investments		1,415,338	(1,756,690)	(341,352)	716,305
Gains on investments:					
Net gains on revaluation of investments	18	-	28,687	28,687	9,593
Net income/(expenditure)	20	1,415,338	(1,728,003)	(312,665)	725,898
Net transfers between funds	32	(1,818,892)	1,818,892	-	-
		(403,554)	90,889	(312,665)	725,898
Other recognised gains/(losses):					
Foreign currency gain/(loss) on revaluation of investment in subsidiary undertaking		104,202	-	104,202	(105,854)
Net movement in funds		(299,352)	90,889	(208,463)	620,044
Reconciliation of funds:					
Total funds brought forward		35,113,307	9,357,400	44,470,707	43,850,663
Total funds carried forward		34,813,955	9,448,289	44,262,244	44,470,707

The notes on pages 27 to 57 form part of these financial statements

¹ Expenditure on 'Raising funds' includes the costs of our commercial subsidiaries.

The Moredun Foundation

Charitable company statement of financial activities
(including the charitable company income and expenditure account)
For the year ended 31 March 2026

		Unrestricted Funds	Restricted Funds	Total 2026	Total 2025 As Restated
	Note	£	£	£	£
Income from:					
Donations & legacies	2	45,861	83,698	129,559	112,507
Other trading activities	4	53,219	2,484	55,703	133,511
Investments	5,6	2,548,086	16,137	2,564,223	2,943,345
Other income	7	277,334	-	277,334	230,591
Total income	9	2,924,500	102,319	3,026,819	3,419,954
Expenditure on:					
Raising funds	10	255,222	4,539	259,761	268,596
Charitable activities	11	2,603,250	176,363	2,779,613	2,882,461
Other expenditure	13	276,894	-	276,894	229,735
Total expenditure	14	3,135,366	180,902	3,316,268	3,380,792
Net (expenditure)/income before gains on investments		(210,866)	(78,583)	(289,449)	39,162
Gains on investments:					
Net gain on revaluation of investments	18	-	28,687	28,687	9,593
Net gains on investments		-	28,687	28,687	9,593
Net (expenditure)/income	20	(210,866)	(49,896)	(260,762)	48,755
Net transfers between funds	32	176,392	(176,392)	-	-
Net movement in funds		(34,474)	(226,288)	(260,762)	48,755
Reconciliation of funds:					
Total funds brought forward		18,806,924	5,098,758	23,905,682	23,856,927
Total funds carried forward		18,772,450	4,872,470	23,644,920	23,905,682

The notes on pages 27 to 57 form part of these financial statements

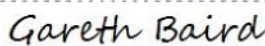
The Moredun Foundation (registered number: SC151865)

Consolidated statement of financial position
As at 31 March 2026

		2026		2025	
	Note	£	£	£	£
Fixed assets:					
Intangible assets	22	331,233		331,079	
Tangible assets	23	26,421,583		24,746,684	
Investments	24	219,847		192,838	
			26,972,663		25,270,601
Share of gross assets of jointly controlled entities	25	-		1,263	
Share of gross liabilities of jointly controlled entities	25	-		(1,263)	
			-		-
Total fixed assets			26,972,663		25,270,601
Current assets:					
Stock	26	347,539		396,777	
Debtors: falling due within one year	27	6,011,378		4,987,034	
Cash at bank and in hand	35	16,349,179		18,641,910	
Total current assets		22,708,096		24,025,721	
Liabilities:					
Creditors: falling due within one year	29	(5,418,515)		(4,825,615)	
Net current assets			17,289,581		19,200,106
Total assets less current liabilities					44,470,707
Provisions for liabilities	30		-		-
Total net assets			44,262,244		44,470,707
The funds of the group:					
Restricted funds	32		9,448,289		9,357,400
Unrestricted funds	33		34,813,955		35,113,307
Total group funds	33		44,262,244		44,470,707

The financial statements were approved by the board of trustees and authorised for issue on 3 September 2026.

Signed on behalf of the board


Gareth Baird – 2026-09-16, 07:28:26 UTC

Mr Gareth T G Baird
Chair

The notes on pages 27 to 57 form part of these financial statements

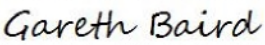
The Moredun Foundation (Registered number: SC151865)

Charitable company statement of financial position
As at 31 March 2026

		2026		2025	
	Note	£	£	£	£
Fixed assets:					
Tangible assets	23	18,238,334		18,437,912	
Investments	24	220,200		193,191	
Total fixed assets		18,458,534		18,631,103	
Current assets:					
Stock	26	15,928		19,415	
Debtors: falling due within one year	27	769,277		589,587	
Cash at bank and in hand	35	5,118,585		5,282,668	
Total current assets		5,903,790		5,891,670	
Liabilities:					
Creditors: falling due within one year	29	(717,404)		(617,091)	
Net current assets		5,186,386		5,274,579	
Total assets less current liabilities		23,644,920		23,905,682	
Provisions for liabilities	30	-		-	
Total net assets		23,644,920		23,905,682	
The funds of the charity:					
Restricted funds	32	4,872,470		5,098,758	
Unrestricted funds	33	18,772,450		18,806,924	
Total charity funds	33	23,644,920		23,905,682	

The financial statements were approved by the board of trustees and authorised for issue on 3 September 2026.

Signed on behalf of the board


Gareth Baird – 2026-09-16, 07:28:26 UTC

Mr Gareth T G Baird
Chair

The notes on pages 27 to 57 form part of these financial statements

The Moredun Foundation
Consolidated statement of cash flows
For the year ended 31 March 2026

		2026	2025
	Note	£	£
Cash from operations	34	77,808	(329,482)
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		1,793	27,260
Proceeds from sale of investments		29,687	-
Purchases of intangible fixed assets	22	(54,681)	(28,805)
Purchases of tangible fixed assets	23	(2,729,879)	(1,969,838)
Purchase of investments		(28,009)	-
Capital grants received		163,291	997,439
(Increase)/decrease in foreign currency valuation of subsidiary entity		(104,202)	105,854
Net purchases of fixed term deposits	35	2,924,966	(3,556,037)
Dividends received		7,246	7,947
Interest received		344,215	460,600
Net cash from investing activities		554,427	(3,955,580)
Net increase/(decrease) in cash and cash equivalents	35	632,235	(4,285,062)
Cash and cash equivalents at beginning of year	35	4,865,873	9,150,935
Cash and cash equivalents at end of year	35	5,498,108	4,865,873

The notes on pages 27 to 57 form part of these financial statements

The Moredun Foundation

Charitable company statement of cash flows
For the year ended 31 March 2026

		2026	2025
	Note	£	£
Cash from operations	34	(142,814)	119,526
Cash flows from investing activities			
Proceeds from sale of investments		29,687	-
Purchases of investments		(28,009)	-
Purchases of tangible fixed assets	23	(146,891)	(177,628)
Net purchases of fixed term deposits	35	(275,000)	(520,000)
Dividends received		7,246	7,947
Interest received		116,698	117,052
Net cash from investing activities		(296,269)	(572,629)
Net decrease in cash and cash equivalents	35	(439,083)	(453,103)
Cash and cash equivalents at beginning of year	35	1,092,668	1,545,771
Cash and cash equivalents at end of year	35	653,585	1,092,668

The notes on pages 27 to 57 form part of these financial statements

The Moredun Foundation

Notes to the financial statements For the year ended 31 March 2026

1. Accounting policies

The Moredun Foundation is a private limited company, limited by guarantee, incorporated under the Companies Act in Scotland, with company number SC151865. The address of the registered office is given on page 7 and the nature of the company's operations and its principal activities are set out on in the trustees' annual report.

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

Basis of preparing the financial statements

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) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements have been prepared under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Currency

The company's functional and presentational currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

Public benefit entity

The Moredun Foundation constitutes a public benefit entity as defined by FRS 102.

Going concern

The trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for a period of at least twelve months from the date the financial statements are authorised for issue. Forecasts and projections are prepared and performance is monitored against these. They therefore continue to adopt the going concern basis in preparing the annual financial statements.

Fund accounting

In accordance with the Charities SORP (FRS 102) all income and expenditure is dealt with through the statement of financial activities, including those items which affect capital reserves. Funds are classified as either restricted funds or unrestricted funds. The statement of financial activities provides information on all recognised gains and losses experienced during the year and incorporates information on movements in capital resources to form a single statement of all movements between opening and closing funds. Incoming resources include not only incoming revenue but also receipts of capital such as Scottish Government capital grants. Designated funds relate to funds set aside for specific purposes. The designated development fund relates to money set aside for the development of scientific research and knowledge exchange activities within the Moredun Foundation in conjunction with the Moredun Research Institute. The designated building maintenance fund relates to funds set aside for maintenance work on the science park in recognition of the age of the buildings and the likely need for greater maintenance requirements in future years. Currently 1.5% of the annual rental income is placed in this fund. The designated scientists' funds arise from scientific staff within Moredun Research Institute carrying out personal consultancies or other external paid work. One third is retained by the Institute within general funds and the remaining balance is either paid to the member of staff by way of the usual payroll system or retained in a designated fund to be used within the Institute at the discretion of the member of staff.

Turnover

Turnover is the total amount excluding trade discounts and value added tax derived from the provision of goods and services falling within the ordinary activities of the business. Where the substance of a contract is that the contractual obligations are performed gradually over time, revenue is recognised as contract activity progresses to reflect the partial performance of the contractual obligations.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

1. Accounting policies (continued)

Turnover (continued)

The amount of revenue reflects the accrual of the right to consideration as contract activity progresses by reference to the value of the work performed adjusted for any uncertainties as to the amount the client will accept and be able to pay. These amounts are included in amounts recoverable on contracts. Amounts invoiced for work not yet completed are included in deferred income.

Restricted income and associated expenditure

Restricted income is any income which is for purposes as designated by the grantor or donor and can be applied only to those purposes. Where expenditure in the income and expenditure account has been financed by restricted income, both have been dealt with under the accruals concept.

Income: grants – research expenditure (including the related staff pension cost)

Grants for research expenditure are credited to income in the period in which they are receivable and in which associated costs are incurred. Where unconditional grant entitlement depends on conditions being met by the Institute, sums received against future costs are shown as deferred income. The major source of grant income is the Scottish Government.

Income: grants - capital expenditure

Grant receipts in respect of capital expenditure are recognised in the statement of financial activities when the charity is entitled to the funds, when these can be measured and when their receipt is probable. These grants are treated as a restricted fund and are amortised at rates equal to the corresponding depreciation charge.

Expenditure recognition and allocation

Expenditure is recognised when a liability is incurred. Expenditure on raising funds are those costs incurred in attracting donations and legacies and those incurred in non-primary purpose trading activities that raise funds. Charitable activities include expenditure associated with research work, bioservices and diagnostic services and include both the direct costs and support costs relating to these activities. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources. When this has not been possible an estimate has been made of the allocation to each activity.

Pension costs

The group contributes to employees' personal pension plans. These contributions are charged to the income and expenditure account in the period in which they are incurred. Moredun Research Institute is a member of the Research Councils Pension Scheme which is administered by the Joint Superannuation Services ("JSS"). The Institute remits contributions to the scheme for employees.

Foreign currency translation

Assets and liabilities held in foreign currencies are converted to sterling using the rate at the year end date. Any exchange differences arising on transactions during the year are taken to the income and expenditure account.

Assets held under finance lease or hire purchase agreements

Assets held under finance lease or hire purchase agreements are capitalised and included in tangible fixed assets. An equivalent amount is credited to finance lease/hire purchase creditor in the statement of financial position. This creditor is then amortised by the capital element of the repayment. The interest payable under any finance lease or hire purchase agreement is charged to the income and expenditure account in the period in which it falls due.

Operating leases

Lessee: Operating lease payments are charged to the income and expenditure account on a straight line basis over the lease term.

Lessor: Assets leased to group companies and third parties are treated as operating leases where no rights are given approximating to ownership. Annual rental income is credited to the income and expenditure account on a straight line basis over the lease term.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

1. Accounting policies (continued)

Research and development

Research and development costs necessarily incurred in the manufacture of products are allocated to cost of sales in the period in which the expenditure is incurred.

Rechargeable costs

Rechargeable costs from the group service company to other group companies are included in the income and expenditure account and are analysed to the appropriate cost category and are offset against rechargeable costs in the group accounts.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

Depreciation is calculated using the straight-line method to allocate cost to the assets' residual values over their estimated useful lives as follows:

Freehold property	50 years	Fixtures and fittings	6.7 - 10 years
Plant and machinery	6.7 -25 years	Motor vehicles	4 years

Freehold land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised within the income and expenditure account.

All freehold property is included within tangible fixed assets. This includes property used by the group for its own use and property let out as, predominantly, the tenants selected are those that further the charity's own purposes or benefit the charity's beneficiaries.

Intangible fixed assets

Intangible fixed assets are shown in the statement of financial position at cost less amounts written off by way of amortisation over their estimated useful life. Amortisation is provided using the straight line method, commencing on the date of asset registration for the following periods: patents 20 years, trademarks 10 years.

Investments

Quoted investments are carried at bid value. Realised and unrealised gains and losses on revaluation and disposal are recognised in the year in which they arise. Unlisted investments are included at cost except where there is provision against an identified permanent diminution in value. These impairment charges are included in the income and expenditure account as amounts written off investments.

Stock

Stock is stated at the lower of cost and net realisable value. Cost is defined as suppliers' invoice price. Livestock is stated at replacement cost.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, and deposits held at call with banks.

Creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Notes to the financial statements (continued)
For the year ended 31 March 2026

1. Accounting policies (continued)

Accruals and deferred income

The recognition of accruals and deferred income involves estimating costs and revenues attributable to the reporting period where invoices or receipts are not yet received. These estimates are reviewed regularly and adjusted where necessary, but actual outcomes may differ.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and amounts from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

1. Accounting policies (continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Taxation

The Moredun Foundation is recognised by HM Revenue & Customs as a charity and accordingly is exempt from corporation tax on its charitable activities.

Basis of consolidation

The group accounts include the accounts of The Moredun Foundation and its wholly owned subsidiaries made up to 31 March 2026.

Acquisitions are accounted for under the acquisition method of accounting. On acquisition of a business or subsidiary undertaking, the assets and liabilities acquired are included in the statement of financial position at their estimated fair value. Where the purchase price exceeds the fair value of the assets acquired the surplus is capitalised and written off over its estimated useful life. Where the fair value of the assets acquired exceeds the purchase price the difference is credited to capital reserve and written off over its estimated useful life.

The jointly controlled entity of the group is included in the financial statements in proportion to the group's share of its income, expenses, assets and liabilities.

No income and expenditure account is presented for The Moredun Foundation as provided by Section 408 of the Companies Act 2006.

Prior year restatement

During the year, the charity identified that certain costs had not been allocated in line with the underlying use of resources or the intended cost allocation methodology. A reallocation has therefore been undertaken to better reflect the appropriate functional classifications. Where material, this has been treated as a prior period adjustment, with comparatives restated in accordance with FRS 102 and the Charities SORP. Where not material, the impact has been recognised in the current period. This adjustment improves the accuracy, consistency, and transparency of the financial statements. There was no impact on the comparative net movement in funds within the statement of financial activities.

Amendments to FRS 102 introduced by the Period Review 2024

The amendments to FRS 102, along with the revised Charities SORP 2026, are applicable for accounting periods commencing on or after 1 January 2026, with earlier adoption permitted. The trustees have opted not to adopt these amendments early, as such, the amendments will be implemented for the accounting year ending 31 March 2027.

The most significant amendments are the replacement of Section 23, now renamed 'Revenue from Contracts with Customers', and Section 20 'Leases'. The other less significant changes are not currently expected to have a material impact. The new revenue and leasing requirements seek to provide greater consistency and alignment with International Financial Reporting Standards, namely IFRS 15 and IFRS 16.

Notes to the financial statements (continued)
For the year ended 31 March 2026

1. Accounting policies (continued)

Amendments to FRS 102 introduced by the Period Review 2024 (continued)

The charitable company is currently planning for the implementation of these changes. Under the new lease accounting requirements these changes will be applied using the modified retrospective approach which avoids the restatement of comparative figures. The implementation of the changes would see leased assets recognised as right-of-use assets on-balance sheet, with a lease liability recognised based on the discounted value of any future commitments, plus payments related to optional extension periods if considered reasonably certain. Exemptions to this approach will be considered for certain short-term leases or low-value assets.

Under the new revenue accounting requirements, management expects these changes to be applied using the modified retrospective approach which avoids the restatement of comparative figures.

Management are reviewing the current and expected future revenue transactions to determine the necessary performance obligations, transaction prices, and overall recognition and presentation to ensure compliance with the changes.

As at the date of signing the financial statements, and given the changes relate to future periods, it has been deemed impractical to determine the amounts involved.

Critical accounting judgements and estimation uncertainty

Charity management and the board of trustees make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise.

The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the financial year include:

- 1.1. Tangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Depreciation takes place over the estimated useful life down to the assessed residual value. The carrying amount of the company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.
- 1.2. Amounts recoverable on contracts represent the proportion that costs incurred for work performed to date bear to the estimated total costs of a contract. Any cost whose recovery is not probable is recognised as an expense immediately. The carrying value of amounts recoverable is regularly tested and management considers the nature and progress of each contract and applies assumptions around anticipated completion and recoverability.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

2. Income: donations & legacies

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Donations & legacies	92,825	74,476	436,738	61,887
Capital grants				
• Scottish Government	-	-	102,680	10,000
• UK Government	-	-	-	873,551
• Non-governmental sources	-	-	60,611	113,888
Total capital grants	-	-	163,291	997,439
Memberships & subscriptions	36,734	38,031	25,712	36,295
	129,559	112,507	625,741	1,095,621
Attributable to funds as follows:	£	£	£	£
Restricted funds	83,698	70,687	590,902	1,055,386
Unrestricted funds	45,861	41,820	34,839	40,235
	129,559	112,507	625,741	1,095,621

3. Income: charitable activities

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Scientific research work	-	-	12,301,422	12,099,798
Attributable to funds as follows:	£	£	£	£
Restricted funds	-	-	11,781,136	11,348,071
Unrestricted funds	-	-	520,286	751,727
	-	-	12,301,422	12,099,798

Included in income from charitable activities are the following government grants:

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Moredun Research Institute research grants:				
• Scottish Government	-	-	6,147,556	6,304,191
• UK Government bodies	-	-	2,428,487	1,645,736
• European Union	-	-	262,017	579,056
Moredun Research Institute Bioservices:				
• Scottish Government (<i>Single Farm Payment</i>)	-	-	31,885	29,022
Moredun Research Institute Diagnostics				
• Scottish Government (<i>Surveillance</i>)	-	-	234,000	234,000
	-	-	9,103,945	8,792,005

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

4. Income: other trading activities

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Events	11,471	13,938	27,302	26,527
Merchandise sales	2,457	5,315	2,456	5,315
Science park management	-	-	1,947,711	1,792,966
Commercial research contracts	-	-	2,791,116	2,484,339
Commercial development work	-	-	3,021,192	3,722,784
Equipment rental income & overhead recovery	-	-	154,036	100,438
Other income	41,775	114,258	142,448	200,874
	55,703	133,511	8,086,261	8,333,243
Attributable to funds as follows:	£	£	£	£
Restricted funds	2,484	3,521	21,316	3,521
Unrestricted funds	53,219	129,990	8,064,945	8,329,722
	55,703	133,511	8,086,261	8,333,243

5. Income: investments

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Gift aid from subsidiaries	308,771	679,220	-	-
Property rental income	2,131,640	2,139,126	855,473	870,398
Interest receivable (note 6)	116,566	117,052	329,230	417,273
Dividends	7,246	7,947	7,246	7,947
	2,564,223	2,943,345	1,191,949	1,295,618
Attributable to funds as follows:	£	£	£	£
Restricted funds	16,137	19,161	16,137	19,105
Unrestricted funds	2,548,086	2,924,184	1,175,812	1,276,513
	2,564,223	2,943,345	1,191,949	1,295,618

6. Interest receivable and similar income

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Amounts receivable from third parties	116,566	117,052	329,230	417,273

All of the Foundation's interest receivable arises from money held in interest bearing deposit accounts.

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

7. Income: other

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Royalties	-	-	12,355	20,648
Other	277,334	230,591	-	-
	277,334	230,591	12,355	20,648
Attributable to funds as follows:	£	£	£	£
Restricted funds	-	-	-	-
Unrestricted funds	277,334	230,591	12,355	20,648
	277,334	230,591	12,355	20,648

8. Income: gross share of jointly controlled entities income

The gross share of jointly controlled entities income (group) amounted to £nil (2025: £nil) of which £nil was unrestricted (2025: £nil). The company ceased trading on 6 December 2024 and was dissolved on 3 June 2025.

9. Total income

Total income (company) amounted to £3,026,819 (2025: £3,419,954) of which £2,924,500 was unrestricted (2025: £3,326,585) and £102,319 was restricted (2025: £93,369).

Total income (group) amounted to £22,217,728 (2025: £22,844,928) of which £9,808,237 was unrestricted (2025: £10,418,845) and £12,409,491 was restricted (2025: £12,426,083).

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
An analysis of income by geographical market is given below:				
United Kingdom	2,988,425	3,392,286	16,563,792	15,078,640
Europe	-	-	2,311,626	2,529,604
Rest of the world	38,394	27,668	3,342,310	5,236,684
	3,026,819	3,419,954	22,217,728	22,844,928

10. Expenditure: raising funds

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
This can be analysed as follows:				
Merchandise	4,328	2,113	1,844	1,162
Science park management	-	-	3,551,343	3,388,132
Rent collection fee	253,379	264,627	-	-
Investment management costs	2,054	1,856	-	-
Commercial research and development contracts	-	-	3,535,759	3,749,614
	259,761	268,596	7,088,946	7,138,908

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

10. Expenditure: raising funds (continued)

Attributable to funds as follows:	£	£	£	£
Restricted funds	4,539	3,321	-	-
Unrestricted funds	255,222	265,275	7,088,946	7,138,908
	259,761	268,596	7,088,946	7,138,908

11. Expenditure: charitable activities

	Company		Group	
	2026	2025	2026	2025
	As restated			
This can be analysed as follows:	£	£	£	£
Staff	-	-	6,879,028	6,887,800
Direct project expenditure	-	-	4,296,161	3,645,182
Grants	947,375	1,138,914	-	-
Depreciation	346,469	349,776	998,629	967,280
Governance costs (note 12)	28,067	21,932	66,893	70,778
Support costs (note 12)	1,457,702	1,371,839	3,229,423	3,401,094
Loss on disposal of patents	-	-	-	17,581
	2,779,613	2,882,461	15,470,134	14,989,715
Attributable to funds as follows:	£	£	£	£
Restricted funds	176,363	162,234	14,166,181	13,470,322
Unrestricted funds	2,603,250	2,720,227	1,303,953	1,519,393
	2,779,613	2,882,461	15,470,134	14,989,715

All expenditure on charitable activities relates to scientific research work.

12. Allocation of support and governance costs

Company	Scientific Research Work	Governance costs	2026	2025
			As restated	
This can be analysed as follows:	£	£	£	£
Staff	297,843	11,861	309,704	250,795
Office & premises	843,539	-	843,539	813,975
Repairs & cleaning	66,369	-	66,369	44,896
Travel, hospitality & board away day	4,708	4,088	8,796	8,406
Communications & logistics	63,776	-	63,776	66,553
Legal & professional	88,012	12,118	100,130	83,831
Other	26,076	-	26,076	59,178
Marketing & exhibits	1,405	-	1,405	48
Training	-	-	-	196
Bank charges	1,383	-	1,383	1,396
Irrecoverable VAT	64,591	-	64,591	64,497
	1,457,702	28,067	1,485,769	1,393,771

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

12. Allocation of support and governance costs (continued)

Group	Scientific Research Work	Governance costs	2026	2025
This can be analysed as follows:	£	£	£	£
Staff	311,811	16,411	328,222	294,372
Office & premises	1,087,104	-	1,087,104	1,266,070
Repairs & cleaning	696,369	-	696,369	744,009
Travel & hospitality	48,435	-	48,435	44,359
Communications & logistics	70,532	-	70,532	87,300
Legal & professional	259,143	50,482	309,625	266,204
Other	190,629	-	190,629	123,523
Marketing & exhibits	44,897	-	44,897	54,564
Training	69,372	-	69,372	57,382
Bank charges	6,437	-	6,437	28,911
Irrecoverable VAT	444,694	-	444,694	504,818
	3,229,423	66,893	3,296,316	3,471,872

The charity allocates its support costs as shown in the tables above. Support costs are allocated on a basis consistent with the use of resources. When this has not been possible an estimate has been made of the allocation to each activity.

13. Expenditure: other

	Company		Group	
	2026	2025	2026	2025
	As restated			
This can be analysed as follows:	£	£	£	£
Other	276,894	229,735	-	-
	276,894	229,735	-	-
Attributable to funds as follows:	£	£	£	£
Restricted funds	-	-	-	-
Unrestricted funds	276,894	229,735	-	-
	276,894	229,735	-	-

14. Total expenditure

Total expenditure (company) amounted to £3,316,268 (2025: £3,380,792) of which £3,135,366 was unrestricted (2025: £3,215,237) and £180,902 was restricted (2025: £165,555).

Total expenditure (group) amounted to £22,559,080 (2025: £22,128,623) of which £8,392,899 was unrestricted (2025: £8,658,301) and £14,166,181 was restricted (2025: £13,470,323).

15. Analysis of staff costs

The Moredun Foundation has no employees. It is operated by employees of Pentlands Science Park Limited. A proportion of their salaries is reimbursed to Pentlands Science Park Limited on a basis commensurate with the average number of working hours spent per member of staff on the activities of The Moredun Foundation.

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

15. Analysis of staff costs (continued)

Average number of employees:

The average number of employees of the group during the year was as follows:

	Number		Full time equivalents	
	2026	2025	2026	2025
Scientific	128.2	132.4	119.9	123.8
Other	65.0	64.7	48.9	47.7
	193.2	197.1	168.8	171.5

Total staff costs:

The group's total staff costs comprise the following:

	2026	2025
	£	£
Wages and salaries	7,648,932	7,659,347
Social security costs	1,002,636	810,084
Pension costs	1,355,590	1,369,484
Redundancy payments	-	49,765
Third party recharges and royalties	46,195	45,441
	10,053,353	9,934,121

Staff remuneration ranges above £60,000:

The number of employees who received remuneration (including taxable benefits but excluding employers' pension contributions) above £60,000 was:

	2026	2025
£60,001 - £70,000	13	14
£70,001 - £80,000	4	6
£80,001 - £90,000	3	2
£90,001 - £100,000	1	2
£100,001 - £110,001	-	1
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	23	27

Eight (2025: fifteen) of the employees noted above are employed by Moredun Research Institute and are accruing pension rights under the Research Councils Pension Scheme, a defined benefit scheme. During the year contributions were paid in to the scheme on behalf of these employees totalling £175,382 (2025: £278,315).

Fifteen (2025: twelve) of the employees noted above are members of the money purchase schemes for employees employed out with the Research Councils Pension Scheme (RCPS). During the year contributions were paid in to the schemes on behalf of these employees totalling £153,389 (2025: £127,341).

Senior management remuneration:

The members of the senior management group comprise the Chief Executive (who is also the Scientific Director), the Deputy Scientific Director, the Group Finance Director, the Chief Operating Officer, the Director of Communications, the Managing Director of Moredun Scientific Limited, the Park Manager and the Group Human Resources Manager.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

16. Senior management remuneration and trustees' expenses and remuneration

The total cost of employee benefits of the senior management group, including employers' pension and employers' national insurance contributions, were £967,569 for 7.8 posts (2025: £918,021 for 8 posts). Employers' national insurance contributions included within these figures amounted to £104,759 (2025: £85,315).

Trustees' expenses and remuneration:

During the year seven (2025: eight) trustees of the charity claimed travel expenses, the total of which amounted to £3,924 (2025: £4,189).

No trustees received remuneration however five (2025: four) trustees received fees from wholly owned subsidiaries of The Moredun Foundation, for services to the group as follows:

	2026		2025	
	Fees £	Employers Pension contributions £	Fees £	Employers Pension Contributions £
Mr G T G Baird	23,917	3,588	23,153	3,473
Sir Muir Russell	11,959	-	11,577	-
Dr J Mackinnon	6,395	-	11,288	-
Mr P R Scott Aiton	10,166	915	9,841	-
Dr P J Jeffries	7,658	-	-	-
	60,095	4,503	55,859	3,473

Mr G T G Baird, Sir Muir Russell and Mr P R Scott Aiton received the remuneration via Pentlands Science Park Limited. Dr J Mackinnon and Dr P J Jeffries received the remuneration via Moredun Scientific Limited. The legal authority under which the payments are made is the Articles of Association.

Information on trustees related party disclosures is given in note 40.

Directors/trustees indemnity policy:

A directors/trustees indemnity policy is in place which covers all trustees. This is deemed essential given the nature of the work involved within the charity.

17. Pension schemes

All Research Institute staff who were employed prior to 1 June 2018 were eligible to join one of a number of pension schemes encompassed within the Research Councils Pension Scheme (RCPS), which is administered by the Joint Superannuation Services (JSS).

There are several different schemes within the RCPS, which have varying benefits and contributions. Further information in relation to these schemes is available from the Civil Service Pension site at www.civilservicepensionscheme.org.uk. The RCPS schemes are by analogy to the Principal Civil Service Pension Schemes (PCSPS), which are unfunded, with the benefits secured against future tax yields.

As with most public sector pension schemes, the RCPS schemes are multi-employer defined benefits schemes, where the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. The Research Institute therefore accounts for these schemes as if they were defined contribution schemes.

During the year contributions payable by the Institute to JSS (excluding the impact of holiday pay accruals) amounted to £646,162 (2025: £726,362). Outstanding employer contributions at 31 March 2026 amounted to £47,288 (2025: £61,182).

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

17. Pension schemes (continued)

Staff joining the Institute after 1 June 2018 are eligible to join a group personal pension scheme. The assets of the scheme are invested with an insurance company and are held separately from those of the Institute. During the year contributions payable by the Institute amounted to £289,023 (2025: £247,004). Outstanding employer contributions at 31 March 2026 were £24,558 (2025: £22,845).

Staff within Moredun Scientific Limited and Pentlands Science Park Limited are eligible to join group personal pension schemes. The assets of the schemes are invested with an insurance company and are held separately from those of the companies.

During the year contributions payable by Moredun Scientific Limited (excluding the impact of holiday pay accruals) amounted to £192,644 (2025: £195,093). Company contributions outstanding at the year-end amounted to £14,816 (2025: £16,611).

During the year contributions payable by Pentlands Science Park Limited (excluding the impact of holiday pay accruals) amounted to £229,492 (2025: £200,287). Company contributions outstanding at the year-end amounted to £19,863 (2025: £16,563).

18. Gains on revaluation of investments

The net gains on the revaluation of investments (group and company) amounting to £28,687 (2025: gain £9,593) related to the unrealised gain and the increase (2025: increase) in value of the investment portfolio associated with the Equine Grass Sickness Fund. All sums for this year and the previous year were included in restricted reserves.

19. Net share in the results for the year in jointly controlled entities

The net share in the results in jointly controlled entity (group) relates to Genomia Management Limited and amounted to a loss of £nil (2025: loss £nil) before realised and unrealised changes in the valuation of investments. The company ceased trading on 6 December 2024 and was dissolved on 3 June 2025.

All sums for the previous year were included in unrestricted reserves.

20. Net (expenditure)/income for the financial year

The net (expenditure)/income is stated after charging/(crediting) the following:

	Note	Company		Group	
		2026	2025	2026	2025
		£	£	£	£
Amortisation of intangible fixed assets	22	-	-	54,527	50,579
Depreciation of owned fixed assets	23	346,469	349,776	1,051,948	994,460
Net loss on the sale of fixed assets		-	-	1,239	21,627
Loss on disposal of patents		-	-	-	17,581
Staff costs	15	-	-	10,053,353	9,934,121
External auditor's remuneration – audit fee		10,250	9,750	35,700	33,610
Internal auditor's remuneration – audit fee		2,813	1,283	11,252	11,252
External auditor's remuneration – non audit work		-	-	3,530	11,179
Operating lease rental charges:					
- plant & machinery		-	-	21,260	18,538
- property		-	-	-	11,704

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

21. Taxation

Analysis of the tax charge

The tax charge on the surplus on ordinary activities for the year comprises:

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
UK corporation tax:				
Current year	-	-	-	-
Previous year tax adjustment	-	-	-	-
Total UK tax	-	-	-	-
Australian corporation tax				
Current year	-	-	106,939	90,551
Previous year tax adjustment	-	-	(382)	(610)
	-	-	106,557	89,941
Australian withholding tax	-	-	4,205	3,752
Total Australian tax	-	-	110,762	93,693
Total current tax	-	-	110,762	93,693
Deferred tax (note 30)	-	-	-	-
Tax on surplus on ordinary activities	-	-	110,762	93,693

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
UK corporation tax:				
Tax on surplus on ordinary activities (as above)	-	-	110,762	93,693
Total tax charge in the year	-	-	110,762	93,693

Factors that may affect future period's tax charges:

The tax charge in the current year relates to trading subsidiaries. When the reserves of each subsidiary have risen to levels agreed by the respective boards, surplus profits will be transferred by way of gift aid to The Moredun Foundation. This will have the effect of reducing the tax charge in any future period that gift aid payments are made.

Reconciliation of total tax charge included in income and expenditure account

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

21. Taxation (continued)

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
(Loss) on ordinary activities before tax on commercial activities	-	-	(122,060)	(162,628)
(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2025: 25%)	-	-	(30,515)	(40,657)
R&D tax credit	-	-	(31,102)	(28,098)
Provisions tax adjustment	-	-	376	336
Disallowable admin expense	-	-	48	-
Net decelerated capital allowances	-	-	6,471	(1,777)
	-	-	(54,722)	(70,196)
Australian tax	-	-	110,762	93,693
Deferred tax (note 30)	-	-	-	-
Unrelieved tax losses not recognised	-	-	54,722	70,196
	-	-	110,762	93,693

22. Fixed assets: intangible

The movement in intangible assets within the **group** during the year was as follows:

	Trademarks	Patents	Total 2026
Group	£	£	£
Cost/Valuation			
At 1 April 2025	31,255	643,368	674,623
Additions	1,368	53,313	54,681
Disposals	-	-	-
At 31 March 2026	32,623	696,681	729,304
Amortisation			
At 1 April 2025	27,624	315,920	343,544
Charge for the year	3,419	51,108	54,527
Eliminated on disposals	-	-	-
At 31 March 2026	31,043	367,028	398,071
At 31 March 2026	1,580	329,653	331,233
At 31 March 2025	3,631	327,448	331,079

There are no trademarks or patents capitalised within the company.

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

23. Fixed assets: tangible

The movement in tangible assets within the **company** during the year was as follows:

Company	Freehold Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost				
At 1 April 2025	23,539,423	3,676,808	320,373	27,536,604
Additions	43,980	95,121	7,790	146,891
Disposals	-	-	-	-
At 31 March 2026	23,583,403	3,771,929	328,163	27,683,495
Accumulated Depreciation				
At 1 April 2025	5,654,695	3,186,484	257,513	9,098,692
Charge for the year	250,769	87,289	8,411	346,469
Eliminated on disposals	-	-	-	-
At 31 March 2026	5,905,464	3,273,773	265,924	9,445,161
Net Book Value				
At 31 March 2026	17,677,939	498,156	62,239	18,238,334
At 31 March 2025	17,884,728	490,324	62,860	18,437,912

The trustees do not consider the carrying value to be materially different from the market value. Included in this figure is approximately £8,000,000 relating to land (2025: £8,000,000). Depreciation commenced when the assets were brought into use.

The movement in tangible assets within the **group** during the year was as follows:

Group	Freehold Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost or Valuation				
At 1 April 2025	24,003,079	19,833,404	689,008	44,525,491
Additions	1,779,242	937,273	13,364	2,729,879
Disposals	-	(90,653)	(13,211)	(103,864)
At 31 March 2026	25,782,321	20,680,024	689,161	47,151,506
Accumulated Depreciation				
At 1 April 2025	5,897,788	13,277,411	603,608	19,778,807
Charge for the year	254,338	783,710	13,900	1,051,948
Eliminated on disposals	-	(87,621)	(13,211)	(100,832)
At 31 March 2026	6,152,126	13,973,500	604,297	20,729,923
Net Book Value				
At 31 March 2026	19,630,195	6,706,524	84,864	26,421,583
At 31 March 2025	18,105,291	6,555,993	85,400	24,746,684

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

23. Fixed assets: tangible (continued)

Included in the cost of fixed assets at 31 March 2026 is plant & machinery of £1,307,676 (2025: £1,307,676) which is stated at valuation. This valuation is in respect of certain plant and equipment which was transferred on the re-organisation of the Moredun Foundation. These assets have been fully depreciated. The historical cost of these assets was £1,869,259 (2025: £1,869,259) and the depreciation that would have been charged to date based on historical cost would be £1,869,259 (2025: £1,869,259).

24. Fixed assets: investments

The movement on fixed asset investments during the year was as follows:

Company	At 1 April 2025 £	Disposals & impairments £	Additions £	Net gain £	At 31 March 2026 £
Unlisted – investments in subsidiaries	353	-	-	-	353
Listed	192,838	(29,687)	28,009	28,687	219,847
	193,191	(29,687)	28,009	28,687	220,200
Group					
Listed	192,838	(29,687)	28,009	28,687	219,847
	192,838	(29,687)	28,009	28,687	219,847

The listed investments at 31 March 2026 form part of the Equine Grass Sickness Fund and are detailed below. They are listed on the London Stock Exchange and stated at market value.

Name	2026 £	2025 £
Edinburgh Investment Trust plc	16,475	18,563
ABRDN Equity Income Trust plc	-	14,322
Murray International Trust plc	17,225	18,428
RIT Capital Partners plc	17,120	15,208
Blackrock World Mining Trust plc	18,400	10,483
CQS New City High Yield Fund Ltd	9,386	9,766
Personal Assets Trust plc	13,237	12,612
Polar Capital Funds plc UK Value Opportunities	14,260	14,069
Scottish Mortgage Investment Trust plc	14,775	14,221
Man UK ICVC (Man GLG Undervalued Assets Professional)	14,472	13,496
The North American Income Trust plc	12,072	10,408
UK Government 4.125% 29.01.27	15,094	15,101
Man Fixed Interest ICVC (Man GLG High Yield Opportunities Professional)	15,630	15,660
Caledonia Investments plc	9,551	10,501
Temple Bar INV TR ORD	17,168	-
UK Government % 22.10.31	14,982	-
	219,847	192,838

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

24. Fixed assets: investments (continued)

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility to growth. Liquidity risk is anticipated to be low as listed investments are traded in markets with good liquidity and high trading volumes and this is expected to continue. The charity invests in pooled investment vehicles and is therefore directly exposed to credit risk.

This risk is mitigated by the underlying assets of the pooled arrangements being ring-fenced from the pooled manager, the regulatory environments in which the pooled manager operates and diversification of investments amongst a number of pooled funds. Market risk arises principally in relation to equities held in the pooled vehicles. The charity manages this exposure to market risk by constructing a diverse portfolio of investments across various markets and by retaining expert advisors to manage its investment portfolio.

25. Jointly controlled entities

The group was involved in the jointly controlled entity Genomia Management Limited. The company ceased trading on 6 December 2024 and was dissolved on 3 June 2025.

26. Stock

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Livestock	-	-	37,190	57,080
Consumables and merchandise	15,928	19,414	310,349	339,697
	15,928	19,414	347,539	396,777

27. Debtors: falling due within one year

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Amounts due from group undertakings	338,862	283,139	-	-
Trade debtors	144,802	149,632	3,362,819	2,363,805
Other debtors	285,613	156,816	1,552,675	1,691,603
Amounts recoverable on contracts	-	-	971,476	811,728
Corporation tax	-	-	124,408	119,898
	769,277	589,587	6,011,378	4,987,034

28. Leasing agreements

Lessor operating leases: future minimum lease payments under non-cancellable operating leases fall due as follows:

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
In one year or less	1,689,132	1,581,254	812,848	705,483
In more than one year but no more than five years	5,152,027	4,638,837	1,680,027	1,158,554
In more than five years	6,973,780	6,947,463	1,160,280	265,963
	13,814,939	13,167,554	3,653,155	2,130,000

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

28. Leasing agreements (continued)

Lessee operating leases: future minimum lease payments under non-cancellable operating leases fall due as follows:

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
In one year or less	-	-	10,224	30,242
In more than one year but no more than five years	-	-	25,124	1,982
		-	35,348	32,224

Future minimum lease payments included in Group lessee operating leases in one year or less amounted to £10,224 (2025: £30,242) of which £nil (2025: £11,704) related to a property lease and £10,224 (2025: £18,538) related to equipment leases.

29. Creditors: falling due within one year

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Amounts due to group undertakings	295,263	344,096	-	-
Trade creditors	101,400	8,431	1,091,353	805,898
Other creditors	53,807	15,554	343,818	432,506
Corporation tax	-	-	48,449	282
Other taxes and social security	32,962	57,114	343,431	319,258
Accruals	68,801	25,167	1,054,517	785,009
Deferred income	165,171	166,729	2,536,947	2,482,662
	717,404	617,091	5,418,515	4,825,615

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Deferred income arises as follows:				
Opening balance	166,729	178,217	2,482,662	1,774,544
Received in the year	818,541	895,752	8,098,347	7,975,472
Released in the year	(820,099)	(907,240)	(8,044,062)	(7,267,354)
Closing balance	165,171	166,729	2,536,947	2,482,662

Deferred income comprises payments received in advance of the service provision or before any performance conditions attached to the items of income have been met. All amounts deferred at the year end will be released in future financial periods as and when contractual obligations are fulfilled.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

30. Provisions for liabilities

Deferred tax has not been provided due to the tax losses position within the commercial subsidiaries.

31. Securities

A bond and floating charge exists over the whole assets and property of The Moredun Foundation in favour of the Bank of Scotland. A standard security was granted over 18.74 acres of The Moredun Foundation's land at Milton Bridge, Penicuik in favour of Avant Homes (Scotland) Limited on 17 March 2025.

32. Restricted funds

Restricted funds are as follows:

- The **Property Fund** represents contributions made by other organisations toward the construction cost of specific property. An amount equivalent to the depreciation charge on the assets purchased is released to the income and expenditure account annually.
- The **Equine Grass Sickness Fund** was established to provide scientific research into the condition of grass sickness in equines. Income is donated for this specific purpose.
- The **Centenary Fund** was established to provide funding for the mobile laboratory with any surplus being used for fellowships, studentships and innovative research.
- The **Mobile Laboratory Fund** was established following the receipt of donations and sponsorship for the purchase and fit out of the mobile laboratory. An amount equivalent to the depreciation charge on the assets purchased is released to the Income and Expenditure Account annually.
- The **Mary Swan Howie Fund** was established following the receipt of a legacy from the late Mary Swan Howie to fund research relating to sheep and cattle.
- The **ISVA Karl Linklater Award Fund** was established to help sponsor delegates to attend the International Sheep Veterinary Association congresses, such as young veterinarians in lower income countries who are trying to advance their knowledge and skills in sheep health and production.
- The **James Stobo Legacy Fund** was established to be used for serendipitous research.
- The **Scottish Government Fund** was established to provide for scientific research, funded by the Scottish Government's Rural and Environment Science and Analytical Services Division. The grants are given for specific research projects.
- The **Intellectual Property (IP) Development Fund** was established to finance work in developing the intellectual property of Moredun Research Institute.
- The **Pentlands Science Park Limited Studentship Fund** was set up to finance studentships out of funds gift aided by the company to the group holding company, The Moredun Foundation, and subsequently granted to the Moredun Research Institute. The fund is now closed.
- The **Capital Equipment Fund** relates to funds received for the purchase of capital equipment. An amount equivalent to the depreciation charge on the assets purchased is released to the Income and Expenditure Account annually.
- The **Fellowship Fund** relates to funds received to fund fellowships out of funds gift aided by subsidiaries to the group holding company, The Moredun Foundation and subsequently granted to Moredun Research Institute.

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

32. Restricted funds (continued)

- **Research restricted funds** represent monies received from various sources for specific purposes which have been fully spent during the financial year. An amount equivalent to the deficit arising from unfunded costs supporting the scientific work is covered by transfer from the unrestricted reserves
- The **Louping Ill fund** relates to funds received through donations and grants to help bring a new Louping Ill vaccine to market.

Movements on restricted funds within the company:

The movements on restricted funds within the **company**, including transfers, **during the year** were as follows:

Company	Balance at 1 April 2025	Incoming	Outgoing	Movement in Funds Unrealised Gain	Transfers	Balance at 31 March 2026
31 March 2026	£	£	£	£	£	£
Property Fund	4,435,042	-	-	-	(176,392)	4,258,650
Equine Grass Sickness Fund	547,901	87,561	(171,603)	28,687	-	492,546
Centenary Fund	7,237	49	(1,254)	-	-	6,032
Mobile Laboratory Fund	34,265	-	(5,706)	-	-	28,559
Mary Swan Howie Fund	50,000	-	-	-	-	50,000
ISVA Karl Linklater Award Fund	6,192	14,584	(2,339)	-	-	18,437
James Stobo Legacy Fund	18,121	125	-	-	-	18,246
	5,098,758	102,319	(180,902)	28,687	(176,392)	4,872,470

The movements on restricted funds within the **company**, including transfers, **during the previous year** were as follows:

Company	Balance at 1 April 2024	Incoming	Outgoing	Movement in Funds Unrealised Gain	Transfers	Balance at 31 March 2025
31 March 2025	£	£	£	£	£	£
Property Fund	4,611,434	-	-	-	(176,392)	4,435,042
Equine Grass Sickness Fund	608,803	93,060	(163,555)	9,593	-	547,901
Centenary Fund	8,373	-	-	-	(1,136)	7,237
Mobile Laboratory Fund	38,642	-	-	-	(4,377)	34,265
Mary Swan Howie Fund	50,000	-	-	-	-	50,000
ISVA Karl Linklater Award Fund	6,004	188	-	-	-	6,192
James Stobo Legacy Fund	20,000	121	(2,000)	-	-	18,121
	5,343,256	93,369	(165,555)	9,593	(181,905)	5,098,758

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

32. Restricted funds (continued)

Movements on restricted funds within the group:

The movements on restricted funds within the **group**, including transfers, **during the year** were as follows:

Group	Balance at 1 April 2025	Incoming	Movement in Funds Outgoing	Other Recognised Gains	Transfers	Balance at 31 March 2026
31 March 2026	£	£	£	£	£	£
Property Fund	4,435,042	-	-	-	(176,392)	4,258,650
Equine Grass Sickness Fund	547,901	87,561	(83,576)	28,687	(88,027)	492,546
Centenary Fund	7,237	49	(981)	-	(273)	6,032
Mobile Laboratory Fund	34,265	-	(5,706)	-	-	28,559
Mary Swan Howie Fund	50,000	-	-	-	-	50,000
ISVA Karl Linklater Award Fund	6,192	14,584	(2,339)	-	-	18,437
James Stobo Legacy Fund	18,121	125	-	-	-	18,246
Scottish Government Fund	-	6,381,556	(6,381,556)	-	-	-
IP Development Fund	10,369	-	(10,369)	-	-	-
Capital Equipment Fund	4,144,779	163,291	(319,416)	-	109,302	4,097,956
Fellowship Fund	103,494	-	(208,258)	-	240,000	135,236
Research Restricted Funds	-	5,399,580	(7,133,862)	-	1,734,282	-
Louping Ill Fund	-	362,745	(20,118)	-	-	342,627
	9,357,400	12,409,491	(14,166,181)	28,687	1,818,892	9,448,289

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

32. Restricted funds (continued)

The movements on restricted funds within the **group**, including transfers, **during the previous year** were as follows:

Group	Balance at 1 April 2024	Incoming	Movement in Funds Outgoing	Other Recognised Gains	Transfers	Balance at 31 March 2025
	£	£	£	£	£	£
31 March 2025						
Property Fund	4,611,434	-	-	-	(176,392)	4,435,042
Equine Grass Sickness Fund	608,803	93,060	(68,303)	9,593	(95,252)	547,901
Centenary Fund	8,373	-	-	-	(1,136)	7,237
Mobile Laboratory Fund	38,642	-	-	-	(4,377)	34,265
Mary Swan Howie Fund	50,000	-	-	-	-	50,000
ISVA Karl Linklater Award Fund	6,004	188	-	-	-	6,192
James Stobo Legacy Fund	20,000	121	-	-	(2,000)	18,121
Scottish Government Fund	-	6,538,191	(6,538,191)	-	-	-
IP Development Fund	60,948	-	(50,579)	-	-	10,369
Pentlands Science Park Limited Studentship Fund	2,164	-	(2,164)	-	-	-
Capital Equip. Fund	3,216,877	1,146,965	(1,131,226)	-	912,163	4,144,779
Fellowship Fund	117,820	-	(254,326)	-	240,000	103,494
Research Restricted Funds	-	4,647,558	(5,425,533)	-	777,975	-
	8,741,065	12,426,083	(13,470,322)	9,593	1,650,981	9,357,400

Scottish Government grants:

Grants received from the Scottish Government can be analysed as follows:

	2026 £	2025 £
Grants for current expenditure²:		
Research portfolio	6,147,556	6,304,191
Surveillance	234,000	234,000
Grants for capital expenditure – surveillance	102,680	10,000
	6,484,236	6,548,191
Whereof:		
Included in income	6,381,556	6,538,191
Included in capital	102,680	10,000
	6,484,236	6,548,191

The Scottish Government provides funding each year towards a portfolio of strategic science and research. The research carried out by Moredun is both directed and long-term. Both of these attributes are becoming increasingly important as governments respond to the complex challenges facing them.

Scottish Government funding of science forms an important part of the science base of the country, enhancing its reputation for excellence and relevance in rural, agricultural and environmental research.

² Excluding funds received in respect of the Single Farm Payment amounting to £31,885 (2025: £29,022) as disclosed in note 3.

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

33. Analysis of net assets between funds

Analysis of net assets within the company:

The analysis of net assets within the **company** at **31 March 2026**, between funds, is as follows:

Company	Tangible fixed assets	Investments	Net current assets	Total
31 March 2026	£	£	£	£
Restricted funds				
Property Fund	4,258,650	-	-	4,258,650
Equine Grass Sickness Fund	-	219,847	272,699	492,546
Centenary Fund	-	-	6,032	6,032
Mobile Laboratory Fund	28,559	-	-	28,559
Mary Swan Howie Fund	-	-	50,000	50,000
ISVA Karl Linklater Award Fund	-	-	18,437	18,437
James Stobo Legacy Fund	-	-	18,246	18,246
	4,287,209	219,847	365,414	4,872,470
Unrestricted funds				
General Accumulated Fund	13,951,125	353	3,958,355	17,909,833
Designated Development Fund	-	-	460,000	460,000
Designated Building Maintenance Fund	-	-	402,617	402,617
	13,951,125	353	4,820,972	18,772,450
Total funds	18,238,334	220,200	5,186,386	23,644,920

The analysis of net assets within the **company** at **31 March 2025**, between funds, is as follows:

Company	Tangible fixed assets	Investments	Net current assets	Total
31 March 2025	£	£	£	£
Restricted funds				
Property Fund	4,435,042	-	-	4,435,042
Equine Grass Sickness Fund	-	192,839	355,062	547,901
Centenary Fund	-	-	7,237	7,237
Mobile Laboratory Fund	34,265	-	-	34,265
Mary Swan Howie Fund	-	-	50,000	50,000
ISVA Karl Linklater Award Fund	-	-	6,192	6,192
James Stobo Legacy Fund	-	-	18,121	18,121
	4,469,307	192,839	436,612	5,098,758
Unrestricted funds				
General Accumulated Fund	13,968,605	353	4,000,687	17,969,645
Designated Development Fund	-	-	460,000	460,000
Designated Building Maintenance Fund	-	-	377,279	377,279
	13,968,605	353	4,837,966	18,806,924
Total funds	18,437,912	193,192	5,274,578	23,905,682

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

33. Analysis of net assets between funds (continued)

Unrestricted funds included above are as follows:

The **general accumulated fund** relates to unrestricted funds built up since the inception of the Foundation.

The designated **Development Fund** relates to money set aside for the development of scientific research and knowledge exchange activities within the Moredun Foundation in conjunction with the Moredun Research Institute.

The designated **Building Maintenance Fund** relates to funds set aside for maintenance work on the science park in recognition of the age of the buildings and the likely need for greater maintenance requirements in future years.

Analysis of net assets within the group:

The analysis of net assets within the **group** at **31 March 2026**, between funds, is as follows:

Group 31 March 2026	Intangible fixed assets £	Tangible fixed assets £	Investments £	Net current assets £	Total £
Restricted funds					
Property Fund	-	4,258,650	-	-	4,258,650
Equine Grass Sickness Fund	-	-	219,847	272,699	492,546
Centenary Fund	-	-	-	6,032	6,032
Mobile Laboratory Fund	-	28,559	-	-	28,559
Mary Swan Howie Fund	-	-	-	50,000	50,000
ISVA Karl Linklater Award Fund	-	-	-	18,437	18,437
James Stobo Legacy Fund	-	-	-	18,246	18,246
Capital Equipment Fund	-	3,786,427	-	311,529	4,097,956
Fellowship Fund	-	-	-	135,236	135,236
Louping Ill Fund	-	-	-	342,627	342,627
	-	8,073,636	219,847	1,154,806	9,448,289
Unrestricted funds					
General Accumulated Fund	331,233	18,347,947	-	15,212,543	33,891,723
Designated Development Fund	-	-	-	460,000	460,000
Designated Building Maint. Fund	-	-	-	402,617	402,617
Designated Scientists' Funds	-	-	-	59,615	59,615
	331,233	18,347,947	-	16,134,775	34,813,955
Total funds	331,233	26,421,583	219,847	17,289,581	44,262,244

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

33. Analysis of net assets between funds (continued)

The analysis of net assets within the **group** at **31 March 2025**, between funds, is as follows:

Group	Intangible fixed assets	Tangible fixed assets	Investments	Net current assets	Total
31 March 2025	£	£	£	£	£
Restricted funds					
Property Fund	-	4,435,042	-	-	4,435,042
Equine Grass Sickness Fund	-	-	192,838	355,063	547,901
Centenary Fund	-	-	-	7,237	7,237
Mobile Laboratory Fund	-	34,265	-	-	34,265
Mary Swan Howie Fund	-	-	-	50,000	50,000
ISVA Karl Linklater Award Fund	-	-	-	6,192	6,192
James Stobo Legacy Fund	-	-	-	18,121	18,121
IP Development Fund	-	-	-	10,369	10,369
Capital Equipment Fund	-	3,778,553	-	366,226	4,144,779
Fellowship Fund	-	-	-	103,494	103,494
	-	8,247,860	192,838	916,702	9,357,400
Unrestricted funds					
General Accumulated Fund	331,079	16,498,824	-	17,367,305	34,197,208
Designated Development Fund	-	-	-	460,000	460,000
Designated Building Maint. Fund	-	-	-	377,279	377,279
Designated Scientists' Funds	-	-	-	78,820	78,820
	331,079	16,498,824	-	18,283,404	35,113,307
Total funds	331,079	24,746,684	192,838	19,200,106	44,470,707

Unrestricted funds included above are as follows:

In addition to those funds noted above, the designated **scientists' funds** arise from scientific staff within Moredun Research Institute carrying out personal consultancies or other external paid work. One third is retained by the Institute within general funds and the remaining balance is either paid to the member of staff by way of the payroll system or retained in a designated fund to be used within the Institute at the discretion of the member of staff.

The designated **innovation fund** relates to money set aside for innovative research and developing the research output of the Moredun Research Institute.

The Moredun Foundation

Notes to the financial statements (continued)
For the year ended 31 March 2026

34. Reconciliation of net movement in funds to net cash inflow/(outflow) used in operating activities

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Net movement in funds (pages 21 and 22)	(260,762)	48,755	(208,463)	620,044
Dividends included in investing activities	(7,246)	(7,947)	(7,246)	(7,947)
Capital grant included in investing activities	-	-	(163,291)	(997,439)
Unrealised gain/(loss) on revaluation of overseas subsidiary	-	-	104,202	(105,854)
Net (gain) on revaluation of investments	(28,687)	(9,593)	(28,687)	(9,593)
Interest income included in investing activities	(116,566)	(117,052)	(329,230)	(417,273)
Loss on disposal of tangible fixed assets	-	-	1,239	21,627
Depreciation of tangible fixed assets	346,469	349,776	1,051,948	994,460
Amortisation of intangible fixed assets	-	-	54,527	50,579
Loss on disposal of patents	-	-	-	17,581
(Increase)/decrease in debtors	(179,822)	48,351	(1,039,328)	(592,037)
Decrease/(increase) in stock	3,487	(269)	49,237	17,685
Increase/(decrease) in creditors	100,313	(192,495)	592,900	78,685
Cash from operations	(142,814)	119,526	77,808	(329,482)

35. Components of cash and cash equivalents and term deposits

The components of cash and cash equivalents for the **company** were as follows:

	At 1 April 2025 £	Net cash Flows £	At 31 March 2026 £
Company			
Cash and cash equivalents:			
Cash at bank and in hand	1,092,668	(439,083)	653,585
Term deposits not included in cash and cash equivalents:			
Term deposits	4,190,000	275,000	4,465,000
Cash at bank and in hand per the statement of financial position	5,282,668	(164,083)	5,118,585

The components of cash and cash equivalents for the **group** were as follows:

	At 1 April 2025 £	Net cash flows £	At 31 March 2026 £
Group			
Cash and cash equivalents:			
Cash at bank and in hand	4,865,873	632,235	5,498,108
Term deposits not included in cash and cash equivalents:			
Term deposits	13,776,037	(2,924,966)	10,851,071
Cash at bank and in hand per the statement of financial position	18,641,910	(2,292,731)	16,349,179

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

36. Analysis of changes in net debt

The analysis of changes in net debt for the **company** is as follows:

Company	At 1 April 2025 £	Cash flows £	At 31 March 2026 £
Cash at bank and in hand	1,092,668	(439,083)	653,585
Term deposits	4,190,000	275,000	4,465,000
Total net debt	5,282,668	(164,083)	5,118,585

The analysis of changes in net debt for the **group** is as follows:

Group	At 1 April 2025 £	Cash flows £	At 31 March 2026 £
Cash at bank and in hand	4,865,873	632,235	5,498,108
Term deposits	13,776,037	(2,924,966)	10,851,071
Total net debt	18,641,910	(2,292,731)	16,349,179

37. Subsidiary undertakings and basis of consolidation

The following subsidiary undertakings are wholly owned by The Moredun Foundation and have been included in the consolidated financial statements using the acquisition method of accounting.

Moredun Research Institute is a company limited by guarantee and therefore has no share capital. The Moredun Foundation is the only member of Moredun Research Institute.

Subsidiary name Company number/Charity number	Shares held by The Moredun Foundation	Principal activity
Moredun Research Institute SC149440/SC022353	N/A	Research into infectious diseases in livestock.
Moredun Scientific Limited SC107439	100% issued ordinary shares	Contract research & development.
Pentlands Science Park Limited SC148767	100% issued ordinary shares	Provision of services to tenants.
Moredun Animal Health Limited SC161952	100% issued ordinary shares	Dormant company.
Pentland Holdings Limited SC174058	100% issued ordinary shares	Dormant company.
Edinburgh Bio-parks Limited SC170545	100% issued ordinary shares held by Pentland Holdings Ltd	Dormant company.
Inocul8 Limited SC347044	100% issued ordinary shares held by Moredun Research Institute	Dormant company.
Pentlands Immunologics Limited SC357619	100% issued ordinary shares held by Moredun Research Institute	Dormant company.
Wormvax Limited SC357621	100% issued ordinary shares held by Moredun Research Institute	Holding company for Wormvax Australia Pty Ltd.
Evalu8 Science Limited SC357622	100% issued ordinary shares held by Moredun Research Institute	Dormant company.
Gener8 Science Limited SC357623	100% issued ordinary shares held by Moredun Research Institute	Dormant company.
Anticip8 Science Limited SC357624	100% issued ordinary shares held by Moredun Research Institute	Dormant company.

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

37. Subsidiary undertakings and basis of consolidation (continued)

The following company registered overseas has been included in the consolidated financial statements using the acquisition method of accounting:

Subsidiary name Australian company number	Shares held by The Moredun Foundation	Principal activity
Wormvax Australia Pty Ltd ACN 162 279 987	100% issued ordinary shares held by Wormvax Ltd	Manufacturing company for vaccines

The following company, which ceased trading on 6 December 2024 and which was subsequently dissolved on 3 June 2025, was included in the consolidated financial statements for the prior year using the equity method of accounting:

Jointly controlled entity	Shares/membership held	Principal activity
Genomia Management Limited SC266593	25% membership held by Moredun Research Institute	Previously, the provision of seed fund support and commercialisation of science (company limited by guarantee).

All the above companies have a 31 March year end and, apart from Wormvax Australia Pty Ltd, are registered in Scotland with a registered office address of Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 0PZ. Wormvax Australia Pty Ltd is registered in Australia with a registered office address of c/o HLB Mann Judd, Level 9, 550 Bourke Street, Melbourne, Vic 3000.

Results of the main subsidiaries

	Turnover or gross income £	Net profit or net income* £	Aggregate net assets £
Moredun Research Institute	15,669,822	(233,006)	16,184,459
Moredun Scientific Limited	4,648,647	(47,489)	1,718,976
Pentlands Science Park Limited	6,071,992	234,200	771,892

* Before tax and gift aid.

38. Financial instruments

	Company		Group	
	2026	2025	2026	2025
	£	£	£	£
Financial assets measured at fair value through the statement of financial activities	219,847	192,838	219,847	192,838

Financial assets measured at fair value through the statement of financial activities are listed investments.

39. Non-audit services

In common with many other companies and charities of a similar size, the company's auditor assists with the preparation and submission of returns to the tax authorities.

40. Related party disclosures

Wholly owned subsidiaries:

(a) Moredun Research Institute:

- Amounts were received from Moredun Research Institute as follows: property related costs including rent, rates and insurances £1,018,279 (2025: £1,001,351) and equipment maintenance, consumables and general costs £35,143 (2025: £29,476). The amount due from Moredun Research Institute at the year-end amounted to £76,613 (2025: £62,319).

The Moredun Foundation

Notes to the financial statements (continued) For the year ended 31 March 2026

40. Related party disclosures (continued)

- Amounts were paid to Moredun Research Institute as follows: grants £905,260 (2025: £1,118,851), apportionment of staff costs £49,478 (2025: £48,234) and an apportionment of general costs £21,044 (2025: £30,944). The amount due to Moredun Research Institute at the year-end amounted to £69,947 (2025: £100,871).

(b) Moredun Scientific Limited:

- Amounts were received from Moredun Scientific Limited as follows: gift aid distributions £57,771 (2025: £478,220), rent, rates and insurances £176,609 (2025: £169,216) and an apportionment of general costs £7,846 (2025: £8,287). The amount due from Moredun Scientific Limited at the year-end amounted to £988 (2025: £nil).
- No amounts were paid to Moredun Scientific Limited in both the current and previous years.

(c) Pentlands Science Park Limited:

- Amounts were received from Pentlands Science Park Limited as follows: gift aid distributions £251,000 (2025: £201,000), insurances £49,084 (2025: £41,673), rates £645 (2025: £617) and an apportionment of general costs £66,289 (2025: £191,625). The amount due from Pentlands Science Park Limited at the year-end amounted to £2,927 (2025: £83,099).
- Amounts were paid to Pentlands Science Park Limited as follows: apportionment of staff costs £217,833 (2025: £193,313), property related costs £531,110 (2025: £675,410) and an apportionment of general costs £28,509 (2025: £55,414). The amount due to Pentlands Science Park Limited at the year-end amounted to £100,576 (2025: £144,226).

(d) Wormvax Australia Pty Ltd:

- As stated in note 37, Wormvax Australia Pty Ltd is a wholly owned subsidiary of Wormvax Limited which itself is a wholly owned subsidiary of Moredun Research Institute. Amounts were received from Wormvax Australia Pty Ltd as follows: accountancy services £26,780 (2025: £26,250) and an apportionment of general costs £1,700 (2025: £1,417). The amount due from Wormvax Australia Pty Ltd at the year-end amounted to £4,462 (2025: £2,187).
- No amounts were paid to Wormvax Australia Pty Ltd in both the current and previous years.

Joint venture:

Genomia Management Limited:

- Fees of £nil (2025: £nil) in respect of support services were paid by Genomia Management Limited to Moredun Research Institute, a charitable company in which The Moredun Foundation is the sole member. The amount due by Genomia Management Limited to Moredun Research Institute at the year-end amounted to £nil (2025: £nil).
- Grants in the year of £nil (2025: £nil) were paid by Genomia Management Limited to Moredun Research Institute. The amounts due by Genomia Management Limited to Moredun Research Institute at the year-end amounted to £nil (2025: £nil). The balance of grants committed to Moredun Research Institute but unpaid at the year-end amounted to £nil (2025: £nil).

Key management and trustees:

Information on key management remuneration, trustees' expenses and remuneration is given in note 16.

Mr P R Scott Aiton is a director of Pentlands Science Park Limited and a director of The Moredun Foundation. In the year, CKD Galbraith Limited, a Limited Liability Partnership in which Mr P R Scott Aiton is a partner, charged for planning consultancy services to The Moredun Foundation totalling £6,588 (2025: £12,500). The amount due from The Moredun Foundation at the year-end amounted to £nil (2025: £nil).

Mr W G Gray and Mrs A Logan are directors of The Moredun Foundation. Mr W G Gray is also a director of Moredun Research Institute. Mr C N Burnett is a director of Wormvax Australia Pty Ltd. In the year, the Royal Highland and Agricultural Society of Scotland, incorporated under Royal Charter with charitable status, in which Mr W G Gray and Mrs A Logan are directors and Mr C N Burnett is an independent trustee of the Council of Trustees, charged for a stand at the Royal Highland Show, admission and parking tickets totalling £3,745 (2025: *one stand, admission and parking tickets* £3,917). The amount due from The Moredun Foundation at the year-end amounted to £nil (2025: £nil).

The Moredun Foundation
Consolidated income and expenditure account
For the year ended 31 March 2026

	2026		2025	
	£	£	£	£
Sales				
Commercial research contracts	2,791,116		2,484,339	
Bioservices	129,257		297,738	
Property management services	1,749,110		1,629,451	
Property administration services	198,601		163,515	
Other development services	1,871,793		2,585,954	
Commercial vaccine sales	1,149,399		1,136,830	
		7,889,276		8,297,827
Research income				
Grants – Scottish Government	6,147,556		6,304,192	
Grants – research contracts	5,399,580		4,809,879	
Diagnostic fees – Scottish Government	234,000		234,000	
Diagnostic fees – other	94,600		56,715	
Costs recovered & sundry income	296,430		397,274	
		12,172,166		11,802,060
Fundraising income				
Dividends received	7,246		7,947	
Donations & legacies	436,738		61,887	
Membership subscriptions	25,712		36,295	
Merchandise sales	2,456		5,315	
Grants and sponsorships	27,302		26,527	
Rental income	855,473		870,398	
Equipment rental & cost recoveries	154,036		100,438	
Other income	15,442		88,482	
		1,524,405		1,197,289
Total income		21,585,847		21,297,176
Cost of sales	(6,728,478)		(6,811,467)	
Direct research costs	(11,175,193)		(10,531,933)	
		(17,903,671)		(17,343,400)
Gross surplus		3,682,176		3,953,776
Administrative costs		(4,544,649)		(4,691,530)
Carried forward		(862,473)		(737,754)

This page does not form part of the statutory financial statements

The Moredun Foundation

Consolidated income and expenditure account (continued)
For the year ended 31 March 2026

	2026		2025	
	£	£	£	£
Brought forward		(862,473)		(737,754)
Other income				
Royalty income received	12,355		20,648	
Other income received	127,008		112,392	
		139,363		133,040
Operating (deficit)		(723,110)		(604,714)
Interest and similar items				
Bank interest received	327,054		417,170	
Other interest received	2,176		103	
		329,230		417,273
(Deficit) on ordinary activities before taxation		(393,880)		(187,441)
Tax on (deficit) on ordinary activities:	(110,762)		(93,693)	
(Deficit) before investment revaluations		(504,642)		(281,134)
Investment revaluations				
Unrealised gain on investments		28,686		9,593
(Deficit) for the financial year		(475,956)		(271,541)

This page does not form part of the statutory financial statements

The Moredun Foundation

Consolidated schedule of cost of sales, direct research expenses and administrative costs
Year ended 31 March 2026

	2026		2025	
	£	£	£	£
Cost of sales				
Collaborative	110,337		123,299	
Commercial research contracts	1,686,209		1,863,058	
Property services	3,359,070		3,235,199	
Rechargeable costs	168,439		131,498	
Other costs	1,404,423		1,458,413	
		6,728,478		6,811,467
Direct research expenses				
Laboratory research & QA costs	4,103,591		3,444,206	
Experimental livestock	192,574		199,927	
Salaries	6,879,028		6,887,800	
		11,175,193		10,531,933
Administrative costs				
Administration & QA salaries	328,222		294,732	
Fees payable to trustees in subsidiaries	78,681		77,341	
Fees payable to directors in subsidiaries	60,095		55,859	
Recruitment agency costs	14,284		26,336	
Rent, rates, insurance & service charges	423,682		445,370	
Heat and light	663,422		820,700	
Cleaning & uniforms	64,476		52,010	
Repairs, improvements & renovations	108,933		142,303	
Hire & rental charges	20,257		33,746	
IT contracts	56,685		58,140	
Motor expenses	23,472		21,740	
Travel & subsistence	21,802		22,014	
Hospitality	3,428		1,654	
Telephone, postage, printing & stationery	70,532		87,324	
Merchandise	1,843		1,162	
Donations, membership & subscriptions	25,513		28,551	
Legal, professional & consultancy fees	309,625		266,204	
Equipment servicing & repairs	502,703		515,950	
Sundry expenses	9,298		8,867	
Marketing, advertising & exhibitions	44,897		54,564	
Staff training	69,371		57,382	
Bad debts	19,917		-	
Bank charges & exchange costs	(8,805)		28,911	
Depreciation charge & amortisation	1,106,476		1,045,039	
Net loss on disposal of fixed assets	1,239		21,627	
Loss on disposal of intangible assets	-		17,581	
Equine fund expenses (excluding unrealised loss and merchandise costs)	83,576		62,797	
Irrecoverable VAT	444,694		504,818	
Rechargeable costs	173,154		97,835	
Reclaimed from service charges	(176,823)		(159,027)	
		4,544,649		4,691,530

This page does not form part of the statutory financial statements

The Moredun Foundation

Company income and expenditure account
Year ended 31 March 2026

	2026		2025	
	£	£	£	£
Income	2,910,253		3,302,902	
Expenditure	(3,316,268)		(3,380,792)	
Operating deficit		(406,015)		(77,890)
Interest receivable and similar income		116,566		117,052
(Deficit)/surplus for the financial year before investment revaluations		(289,449)		39,162
Unrealised gain on investments		28,687		9,593
(Deficit)/surplus for the financial year		(260,762)		48,755

This page does not form part of the statutory financial statements