

Charity Registration No. SC023592 (Scotland)

Company Registration No. SC157100 (Scotland)

ROSLIN FOUNDATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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ROSLIN FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Professor J R Brown (Chairman) Mr B W Gellatly
Secretary	WJM Secretaries Limited
Charity number (Scotland)	SC023592
Company number	SC157100
Registered office	Wright, Johnston & Mackenzie LLP The Capital Building 12/13 St. Andrew Square Edinburgh United Kingdom EH2 2AF
Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND
Bankers	The Royal Bank of Scotland Drummond House 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Wright, Johnston & Mackenzie 302 St Vincent Street Glasgow G2 5RZ

ROSLIN FOUNDATION

CONTENTS

	Page
Trustees' report	1 - 4
Statement of trustees' responsibilities	5
Independent auditor's report	6 - 9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 20

ROSLIN FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

The Foundation is an independent charity whose aim is to support research and business development in the field of animal biosciences as it relates to agriculture and biomedicine.

To achieve this we invite applications for funding from relevant organisations, principally The Roslin Institute part of the University of Edinburgh, a scientific research centre focused on the health and welfare of animals, which has close links with the Foundation. Applications for funding are reviewed at board meetings, and if funding is awarded, the recipient is required to update progress at future meetings.

This year, due to Covid-19 restricting activities for many organisations, including The Roslin Institute, the Foundation has not received any applications for funding, and therefore has awarded no grants (2020 - 1 grant totalling £200k).

Achievements and performance

Over the last 3 years the Foundation has continued to support projects into the research of animal health and welfare. During the year Covid-19 has affected many organisations and because of this the Foundation received no new grant applications and therefore no new applications were either reviewed or approved by the Foundation. The Foundation received no other funding or donations.

The Foundation continues to make payments towards previously awarded grants and continues to welcome applications for new funding. The Foundation continues to support ongoing projects into the research of animal health and welfare at The Roslin Institute and regularly receives and reviews updates on progress to ensure their charitable aims are being met.

The Foundation continues to support its associate and joint venture companies (see below investment section).

Financial review

The Foundation had a deficit for the year of £60k (2020 – deficit of £313k) and net assets of £479k (2020 - £539k). The results for the year are detailed on pages 10 and 11 of the financial statements.

The main financial objectives in the year were to minimise the Foundation's operating costs and to safeguard its financial assets.

Reserves policy

Reserves of the Foundation are held for the furtherance of its charitable objectives as described above. Through their budgeting and financial planning process, the trustees seek to ensure that the Foundation's operating commitments are met in full and that sufficient cash is generated to permit continuing investment to allow the Foundation to meet its objectives. The trustees consider access to liquidity to be of primary importance and can predict, with a reasonable amount of certainty, the income level for at least a period of a year.

The trustees have reviewed the reserves and risks of the Foundation and its subsidiary companies. The review concluded that the level of reserves as at 31 March 2021 of £479k is adequate for the Foundation to manage its finances and that appropriate systems are in place to manage any risks.

ROSLIN FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Investment powers and performance

In accordance with the Foundation's Memorandum and Articles of Association, the trustees have the power to invest in stocks, shares and investments. Currently the Foundation does not hold any stock in other companies outwith their portfolio of companies.

Investments

Roslin Cells, a company limited by guarantee, that was established to consolidate and develop its expertise in human stem cell research and to establish a world class facility to derive clinical grade stem cells. Following the hive down of its operational activities into two subsidiaries in December 2015 its only activity relates to its ownership of human embryonic stem cell lines, both clinical and research grade, which it licences to customers. Subsequent to year end the company has transferred ownership of the cell lines to Edinburgh University and entered into a members' voluntary liquidation on 25 November 2021..

Roslin Cell Therapies, trading as Roslin CT, was owned 100% by Roslin Cells. In January 2021 ownership transferred to Roslin Foundation and Edinburgh University. Roslin CT is a UK based contract manufacturing organisation focused on the development of Cellular Therapies and the manufacture of cellular therapy products to GMPs. The company was sold on 19 November 2021.

Censo Biotechnologies was a company originally established to be an innovative incubator and contract research organisation that worked closely with Roslin Cells. At the beginning of March 2021 Axol BioScience Ltd, an established provider of iPSC-derived cells, media, and characterisation services, and Censo Biotechnologies, announced that the two companies had signed a merger agreement. The new entity will become a leading provider of product and service solutions in the iPSC-based neuroscience, immune cell, and cardiac modeling for drug discovery and screening markets. It will offer customers validated ready-to-use cell lines and a suite of services with broader expertise, robust functional data, and customisation capabilities, all with shorter lead times. Under the terms of the agreement, Axol Bioscience will take over the management of the combined entity, with the intent to migrate the brand to Axol Bioscience. Roslin Foundation owns less than 1% of the company's ordinary share capital along with 100,000 preference shares.

Risk management

The Trustees are responsible for the management of risks faced by the Foundation and its subsidiaries. Detailed consideration of risk is delegated to the chief executive officer and the board of the trading subsidiaries. Risks are identified, assessed and controls established. The key controls used by the charity include:

- Formal agendas for, and minuting of, all board meetings;
- Comprehensive strategic planning, budgeting and management accounting;
- Clear authorisation and approval levels for all expenditure.

Through the risk management process established by the Foundation, the trustees are satisfied that the major risks are identified and have been adequately assessed and mitigated where necessary. The key risks facing the charity are typically financial and regulatory.

Going concern

The Foundation has sufficient cash to cover its overheads for at least the next twelve months. It only disburses or commits to grants if the funds are available.

After making suitable enquiries, the Trustees have a reasonable expectation that the Foundation has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Covid-19

Whilst Covid-19 remains a disruption to most businesses the impact on the Foundation and its associated companies has been minimal. Excellent IT provisions have enabled all operations to continue remotely where necessary, and there has been very little impact on our ongoing activities.

ROSLIN FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Plans for future periods

The Foundation will continue, as long as financial resources allow, to support research activities in the field of animal biosciences. It is anticipated that there will be ongoing interaction with The Roslin Institute as the trustees are committed to provide ongoing support in line with the objectives of the charity.

The trustees are now looking to realise the value in the Foundation's shareholdings in its associated companies.

Structure, governance and management

Roslin Foundation is a registered charity and a company limited by guarantee. It is constituted by its Memorandum and Articles of Association. A Board are legally responsible for the overall management and control of the Foundation.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Professor J R Brown (Chairman)

Ms H J Newiss

(Resigned 24 January 2021)

Dr D G Parnell

(Resigned 24 January 2021)

Professor J Tait

(Resigned 24 January 2021)

Mr C C Warkup

(Resigned 24 January 2021)

Mr B W Gellatly

Members of the Board are appointed in accordance with the Memorandum and Articles of Association, following a public recruitment process. The members of the Board, who act as trustees and directors, are all guarantors of the Foundation, of an amount not exceeding £1, during the period of their appointment as trustee and for a year after resignation.

The Board Members act as trustees for the purposes of charities legislation and supervision in Scotland and are directors for the purposes of the Companies Act 2006.

The Board has developed a process for the induction of new trustees which commences prior to their appointment. Interested parties are provided with details of the organisation and have an informal meeting so that they have a better understanding of the Foundation.

The duties of the Board Members are the stewardship of the foundation, public accountability and ensuring an appropriate strategy for the Foundation in the years ahead.

The day to day operating activities of the Roslin Foundation are managed by the Chief Executive Officer, Malcolm Bateman whose primary reporting relationship is to the Chair of the Board of Trustees.

Remuneration of Key Management Personnel

The trustees set the pay of key management personnel at rates which it believes are competitive within the biosciences sector and make use of benchmarking reporting to achieve this.

Equal opportunities

The Foundation is committed to providing full opportunities for the development of the talents of its staff. It is further committed to eliminate discrimination on grounds of gender, marital status, race, colour, ethnic or national origins, age, religious belief, sexual orientation or disability.

ROSLIN FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The trustees' report was approved by the Board of Trustees.



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Professor J R Brown (Chairman)

Chairman

Dated: 15 / 12 / 2021

ROSLIN FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The trustees, who are also the directors of Roslin Foundation for the purposes of company law, are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

ROSLIN FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ROSLIN FOUNDATION

Opinion

We have audited the financial statements of Roslin Foundation (the 'Foundation') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet and the 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 FRS 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 Foundation's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Foundation'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 contained within the annual report. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

ROSLIN FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ROSLIN FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the 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 directors' report included within the trustees' report has 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 Foundation 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 Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Foundation for the purpose 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 Foundation'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and 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.

ROSLIN FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ROSLIN FOUNDATION

Extent to which an audit is considered capable of detecting irregularities, including fraud

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.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Foundation, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include FRS 102, the Charities SORP (FRS 102), the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

We gained an understanding of how the Foundation is complying with these laws and regulations by making enquiries of management and the trustees. We corroborated these enquiries through our review of submitted regulatory returns and board meeting minutes.

We assessed the susceptibility of the Foundations financial statements to material misstatement, including how fraud might occur, by meeting with management and trustees to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and trustees were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and trustees oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- reviewing minutes of meetings of those charged with governance;
- reviewing the level and reasoning behind the Foundation's procurement of any legal and professional fees;
- performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

ROSLIN FOUNDATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ROSLIN FOUNDATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Keith Macpherson (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

15 / 12 / 2021

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227 West George Street
Glasgow
G2 2ND

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ROSLIN FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000	2020 £000
<u>Income from:</u>			
Investments	3	6	10
Other	4	15	16
		<hr/>	<hr/>
Total Income		21	26
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	5	81	339
		<hr/>	<hr/>
Net expenditure for the year/ Net movement in funds		(60)	(313)
Reconciliation of Funds			
Fund balances at 1 April 2020		539	852
		<hr/>	<hr/>
Fund balances at 31 March 2021		479	539
		<hr/> <hr/>	<hr/> <hr/>

All funds in the current and prior year are unrestricted.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ROSLIN FOUNDATION

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £000	£000	2020 £000	£000
Fixed assets					
Investments	10		219		100
Current assets					
Debtors	12	95		290	
Cash at bank and in hand		174		167	
		<u>269</u>		<u>457</u>	
Creditors: amounts falling due within one year	13	(9)		(18)	
Net current assets			260		439
Total assets less current liabilities			<u>479</u>		<u>539</u>
The funds of the charity:					
Unrestricted funds			479		539
			<u>479</u>		<u>539</u>

15 / 12 / 2021

The financial statements were approved by the Trustees on



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Professor J R Brown (Chairman)
Trustee

Company Registration No. SC157100

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Roslin Foundation is a private company limited by guarantee incorporated in Scotland. The registered office is Wright, Johnston & Mackenzie LLP, The Capital Building, 12/13 St. Andrew Square, Edinburgh, EH2 2AF, United Kingdom.

In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

The Foundation is a Public Benefit Entity as defined by FRS 102.

The charity has availed itself of S396 of the Companies Act 2006, as permitted in paragraph 4(1) of Schedule 1 of SI 2008 No 409, and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The charity qualifies to adopt the reduced disclosure framework for FRS 102 and has taken advantage of the exemption to present a cash flow statement.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Grants will not be committed to unless the Foundation is in a position to make the required payments and as such expenditure can be controlled by management depending on cash flow requirements. Thus the trustees do not believe there are any material uncertainties and continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

The Foundation maintains a general reserves account for its normal activities. In the event that funds are received for a specific purpose then these will be held in a restricted reserves account. Designated funds are unrestricted funds of the charity which have been set aside to fund future activities of the charity.

1.4 Income

All income is included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received. The following specific policies are applied to categories of income:

Income from trading activities represents amounts derived from the managing and leasing of research facilities, the operation of a nursery and commercial sales of bolus equipment. Rental income, nursery fees and bolus income are recognised on an accrual basis.

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Other income represents research and grant funding receivable in the year from outside bodies and other miscellaneous and exceptional income.

Revenue funds received are credited to deferred revenue income and credited to the SOFA as the related costs are incurred.

Exceptional items comprise material or one-off costs that the Trustees' consider as material to the SOFA and that their separate disclosure is necessary for an appropriate understanding of the Foundation's performance.

Investment income represent interest receivable in the year from loans and deposits and is recognised when the conditions for receipt have been met.

1.5 Expenditure

Expenditure is recognised on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised when there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Directly attributable costs are identified and charged to relevant activities to reflect the use of the resource. Indirect cost allocations to activities are accounted for by head count and area of space utilised by each activity.

Direct charitable expenditure represents the full cost of the research performed and grants payable. It includes the cost of direct staff, consumable stocks and indirect costs.

Fund-raising and publicity expenditure represents the cost of obtaining funds for research, promoting the work of the Roslin Institute and recruitment of staff.

Management and administration expenditure represents the necessity of compliance with statutory and constitutional requirements, and any other costs which are not direct charitable expenditure or fundraising and publicity expenditure.

Governance costs stated include staff costs, audit fees and Trustees' travel expenses necessary during the period.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5 to 15 years
Fixtures and fittings	3 to 15 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Foundation holds a long-term interest and where the Foundation has significant influence. The Foundation considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.9 Financial Instruments

The Foundation 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 Foundation's balance sheet when the Foundation 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.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

Derecognition of financial liabilities

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

1.10 Employee benefits

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

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.12 Research & development

Expenditure on research and development is written off to the Statement of Financial Activities in the year in which it is incurred.

2 Critical accounting estimates and judgements

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

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

The following judgements or estimation uncertainties have a significant effect on amounts recognised in the financial statements:

Carrying value of investments

The trustees annually review the fixed asset investments for indicators that the fixed asset investments are impaired. The trustees consider factors such as the financial and non-financial performance of the subsidiaries, joint ventures and associates that it holds investments in before determining whether an impairment charge is required.

Recoverability of related party debts

The trustees annually review the debtor's ledger for indicators that amounts owed from related parties are not recoverable. The trustees judge the recoverability of related party debtors and make provisions where the debt is not expected to be recovered.

3 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£000	£000
Interest receivable	6	10

4 Other

	Unrestricted funds	Unrestricted funds
	2021	2020
	£000	£000
Other income - management fee	15	16

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Charitable activities

	Unrestricted funds 2021 £000	Unrestricted funds 2020 £000
Grant commitments	-	200
Share of support costs (see note 6)	28	75
Share of governance costs (see note 6)	53	64
	<u>81</u>	<u>339</u>

6 Support costs

	Support costs £000	Governance costs £000	2021 £000	Support costs £000	Governance costs £000	2020 £000
Staff costs	-	48	48	-	54	54
Other support costs	28	-	28	75	-	75
Audit fees	-	5	5	-	10	10
	<u>28</u>	<u>53</u>	<u>81</u>	<u>75</u>	<u>64</u>	<u>139</u>
Analysed between Charitable activities	<u>28</u>	<u>53</u>	<u>81</u>	<u>75</u>	<u>64</u>	<u>139</u>

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits or reimbursement of expenses, or had expenses paid on their behalf during the year.

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Office/management	1	1
	<u>1</u>	<u>1</u>
Employment costs	2021	2020
	£000	£000
Wages and salaries	47	51
Social security costs	1	3
	<u>48</u>	<u>54</u>

There were no employees whose annual remuneration was £60,000 or more.

9 Tangible fixed assets

	Fixtures & fittings, plant & equipment £000
Cost	
At 1 April 2020	9
At 31 March 2021	<u>9</u>
Depreciation and impairment	
At 1 April 2020	9
At 31 March 2021	<u>9</u>
Carrying amount	
At 31 March 2021	-
At 31 March 2020	<u>-</u>

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Fixed asset investments

	Other investments £000
Cost or valuation	
At 1 April 2020	100
Additions	119
	<u>219</u>
At 31 March 2021	219
Carrying amount	
At 31 March 2021	219
	<u>219</u>
At 31 March 2020	100
	<u>100</u>

(a) Subsidiary companies

Roslin Foundation previously had investments in subsidiary companies, Roslin BioCentre Limited and Well Cow Limited, which were both dissolved on 22 September 2020.

(b) Joint ventures

Roslin Cells Ltd, was a company jointly controlled by Roslin Foundation and Edinburgh University. It entered a members voluntary liquidation on 25 November 2021.

Roslin Cell Therapies Ltd was a company which was 100% owned by Roslin Cells Ltd. From January 2021 joint control of the company was held by Roslin Foundation and Edinburgh University. The company was sold on 19 November 2021.

See Note 16 Events after the reporting date for further information.

(c) Other Investments

Other investments comprise a shareholding in Censo Biotechnologies Ltd. During the year the Foundation increased its holding in the investment by the acquisition of 11,315 A Ordinary Shares. Roslin Foundation owns 1% (2020 - 1%) of the Ordinary share capital in Censo Biotechnologies Ltd and Roslin Cells Ltd owns 4% of the share capital giving Roslin Foundation direct and indirect control of 3% (2020 - 3%).

All investments are held to provide return to the company.

11 Financial Instruments	2021 £000	2020 £000
Carrying amount of financial assets		
Equity instruments measured at fair value	219	100
	<u>219</u>	<u>100</u>

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12 Debtors

	2021 £000	2020 £000
Amounts falling due within one year:		
Other debtors	94	288
Prepayments and accrued income	1	2
	<u>95</u>	<u>290</u>

Included in other debtors is £94k due from related parties (2020 - £286k).

13 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Other taxation and social security	1	2
Trade creditors	2	5
Accruals	6	11
	<u>9</u>	<u>18</u>

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £000	2020 £000
Aggregate compensation	<u>48</u>	<u>54</u>

Transactions with related parties

During the year the Foundation entered into the following transactions with related parties:

ROSLIN FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Related party transactions

(Continued)

Roslin Cells Limited

During the year, sales of £15,000 (2020 - £12,500) were made from Roslin Foundation Limited. At the year end, £nil (2020 - £nil) was owed to Roslin Foundation.

Censo Biotechnologies Limited

During the year, interest of £5,603 (2020 - £7,548) was received by Roslin Foundation Limited. At the year end, £93,812 (2020 - £282,782) was owed to Roslin Foundation. This is repayable in monthly instalments commencing August 2021. All other amounts due are unsecured and have no fixed repayment terms, loans with interest are charged at 0.25% above Bank of England base rate. No guarantees have been given or received.

15 Events after the reporting date

Subsequent to the year end, the directors of Roslin Cells Limited took the company into a Members Voluntary Liquidation on 25 November 2021. As the investment of this is held at nil value in Roslin Foundation, there was no changes to the financial figures as a result.

Roslin Cell Therapies Ltd was sold on 19 November 2021.