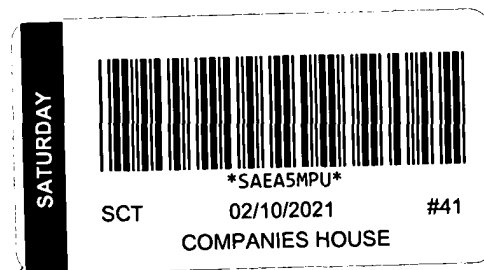


Registered Number: SC107439 (Scotland)

**Directors' Report and
Financial Statements for the Year Ended 31 March 2021
for
Moredun Scientific Limited**




Moredun

Moredun Scientific Limited
Contents of the financial statements
For the year ended 31 March 2021

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Moredun Scientific Limited

Company information
For the year ended 31 March 2021

Directors: Dr J D Mackinnon (*Chairman*)
Professor W Donachie
Professor J L Fitzpatrick
Dr P G Harlech Jones
Dr P Jeffries
Dr D Morgan
Mr J E Murray
Dr C J Shepherd

Secretary: Mr C N Burnett

Registered office address: Pentlands Science Park
Bush Loan
Penicuik
Midlothian
EH26 0PZ

Business address: Pentlands Science Park
Bush Loan
Penicuik
Midlothian
EH26 0PZ

Registered number: SC107439 (Scotland)

Auditor: Henderson Loggie LLP
11-15 Thistle Street
Edinburgh
EH2 1DF

Website: www.moredun.org.uk/commercial

Moredun Scientific Limited
Chairman's report
For the year ended 31 March 2021

The advent of the global pandemic caused by the SARS-Cov-2 virus early in 2020 created huge difficulties for many businesses, not least those involved in the type of work carried out by Moredun Scientific Limited, with laboratory and animal studies necessitating staff being on site for most of the time. In my fifth annual report as Chairman I therefore wish once again to pay tribute to our staff and to thank them for their dedication and effort throughout a very difficult year. In spite of the challenges, including all the restrictions imposed on personal and corporate life, Moredun Scientific has achieved excellent financial results. The willingness of our staff to be adaptable to the restrictions has been essential and is very much appreciated.

The Animal Health division turnover increased by just over 1.3%. Animal health studies were initiated only after careful consideration of overall risk imposed by the pandemic on our ability to complete contracted studies effectively and on time. We have invested in new services to meet the demand from the animal health industry's increasing focus on sustainable, safe, healthy and resilient food production and the pipeline of studies remains strong.

Turnover of the Biosafety division increased by over 20.7%, largely due to our involvement in the testing process for COVID-19 vaccine release, and this has contributed significantly to the division's financial performance. However, we anticipate that revenue from this source will fall back in the second half of the calendar year 2021, which will be partially offset by our more traditional service offerings increasing in throughput.


It was pleasing to see the Aquaculture division commence commercial contracts during the year and we anticipate a steady and conservative expansion of services as we develop this initiative further.

We distributed £735,730 (2020: £409,127) by way of gift aid to The Moredun Foundation, an increase of 79.8% over last year, which will further our parent company's charitable objectives. Adding the gift aid to the purchase of services and leasing of premises, Moredun Scientific contributed £1,635,515 (2020: £1,471,285) to the Moredun Group and this continues to reflect the excellent collaboration that exists and the benefit that Moredun Scientific brings to fulfilling the charitable objectives of Moredun.

I must of course thank our clients and collaborators for their continued business. As a company, we never take this for granted and I would also like to thank my fellow Directors for the expertise and experience they bring to our Board. Their contribution over the last year has been invaluable and of considerable help to our team. Particular thanks are due once again to our Managing Director, John Murray, for his skills in managing the company during another particularly challenging year.

The Board join me in thanking Dr Jon Marshall who resigned his Directorship during the year, having been appointed in September 2016. He made a significant contribution to the biosafety business and the development of the service offering over the ensuing years. His knowledge and experience were of huge benefit and we wish him well for the future.

Finally, I would like to express appreciation of the continued support and encouragement received from our parent company, the Moredun Foundation, through its Chairman, Board and Executive Committee. The pandemic sadly prevented its Centenary celebrations in 2020 but, nevertheless, Moredun Scientific is pleased to be able to make such a significant contribution to the aims and objectives of the Moredun Foundation that have withstood the test of time.



Dr J D Mackinnon
Chairman

Moredun Scientific Limited
Directors' report
For the year ended 31 March 2021

The directors present their annual report together with the audited financial statements for the year ended 31 March 2021.

Principal activities

Moredun Scientific is the commercial arm of the Moredun Foundation, a registered charity that exists to promote the highest possible standards for animal health and welfare through research and education. As a contract research organisation, Moredun Scientific's principal activities during the year were providing research and testing services to the animal health, pharmaceutical and biotechnology industries supporting the development, registration and manufacture of veterinary and human medicines.

Results

A summary of the results for the year is given in the statement of income and retained earnings on page 8. The results for the company show a turnover of £4,811,724 (2020: £4,253,961) and a profit after tax of £1,339,149 (2020: £676,451) before the gift aided distributions to The Moredun Foundation noted below.

Financial review of the business

Overall the turnover grew by an encouraging 13.1% over the previous year, this despite the challenges associated with COVID-19 and Brexit. The animal health division turnover increased by 1.3%. Contribution to the animal health turnover was once again spread across all the major animal health companies with a wide portfolio of studies available to our clients. The turnover of the biosafety division increased by 20.7%, significantly ahead of the forecasted results due to the increased utilisation of facilities on batch release testing for COVID-19 vaccines. Commercial contracts commenced within the aquaculture division with a wide range of study types coming on stream. The cryptosporidium testing division turnover decreased 2.2% from last year. Towards the end of the financial year we saw an adverse impact on the margins within this division due to post-Brexit importation procedures becoming more complex and costly.

Overall, the gross margin increased to 41.4% from the 32.2% reported last year primarily as a result of the improvements across every division either through contract type, increased use of our facilities or, in the case of aquaculture, the commencement of commercial contracts. Administrative costs decreased by 12% overall however this was influenced by the recovery of a debt position that had been provided for last year. Underlying administrative costs increased 6.5% with higher property costs reflecting the additional space utilised to enable social distancing measures to be implemented, higher quality assurance costs in part related to the increased turnover, investment in IT facilities and increased consultancy costs.

The company was able to make gift aided distributions to our parent charity, The Moredun Foundation, of £735,730, a 79.8% increase over the £409,127 recorded last year.

As reported last year, the global pandemic has caused many challenges both in health and in business. Moredun Scientific's staff have continued to rise to the challenge by maintaining most services and we are pleased to report that no staff were furloughed and we have not utilised any of the Government funding schemes associated with the pandemic.

Directors

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report:

Dr J D Mackinnon (*Chairman*)
Professor J L Fitzpatrick
Dr P Jeffries
Dr D Morgan
Dr C J Shepherd (*Appointed 3 June 2020*)

Professor W Donachie
Dr P G Harlech Jones
Dr J J A Marshall (*Resigned 17 July 2020*)
Mr J E Murray

Professor W Donachie, Dr P G Harlech Jones and Dr D Morgan retire by rotation and, being eligible, offer themselves for re-election at the forthcoming Annual General Meeting.

The directors wish to record their appreciation to Dr Jon Marshall who left the board during the year for his significant contribution.

Moredun Scientific Limited

**Director's report (continued)
For the year ended 31 March 2021**

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors 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.

The directors 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.

Statement as to disclosure of information to auditor

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

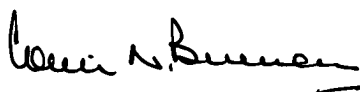
Auditor

Henderson Loggie LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

Small company exemption

In preparing this directors' report advantage has been taken of the small companies exemption.

On behalf of the board:



Mr C N Burnett
Secretary

1 September 2021

Report of the independent auditor to the members of Moredun Scientific Limited

Opinion

We have audited the financial statements of Moredun Scientific Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of income and retained earnings, the statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 March 2021 and of its profit 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.

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 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 directors' 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 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 directors 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 directors 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Report of the independent auditor to the members of
Moredun Scientific Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading correspondence with regulators including the Health and Safety Executive
- Reviewing board minutes;
- Reviewing Internal Audit reports and internal inspections in respect of Health & Safety;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to amounts recoverable on contracts, depreciation rates and stock & debtor provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); anti-bribery and corruption; and compliance with the UK Companies Act.

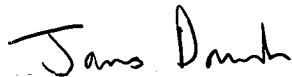
**Report of the independent auditor to the members of
Moredun Scientific Limited**

Auditor's responsibilities for the audit of the financial statements (continued)

Owing to the inherent limitations of an audit, there is an 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 recognize the non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**James Davidson (Senior Statutory Auditor)
for and on behalf of Henderson Loggie LLP
Chartered Accountants
Statutory Auditor**

24 September 2021

11-15 Thistle Street
Edinburgh
EH2 1DF

Moredun Scientific Limited

Statement of income and retained earnings
For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	1,2	4,811,724	4,253,961
Cost of sales		(2,819,955)	(2,883,078)
Gross profit		1,991,769	1,370,883
Administrative expenses		(824,722)	(937,006)
		1,167,047	433,877
Other operating income		283,510	303,009
Operating profit	6	1,450,557	736,886
Interest receivable and similar income	7	3,734	3,889
		1,454,291	740,775
Interest payable and similar charges	8	(3,950)	(395)
Profit on ordinary activities before taxation		1,450,341	740,380
Taxation on profit on ordinary activities	9	(111,192)	(63,929)
Profit for the financial year		1,339,149	676,451
Retained earnings balance brought forward		1,658,621	1,391,297
Transfer of taxable profits under gift aid to the parent company		(735,730)	(409,127)
Retained earnings balance carried forward		2,262,040	1,658,621

The notes on pages 10 to 17 form part of these financial statements

Moredun Scientific Limited (Registered Number: SC107439)

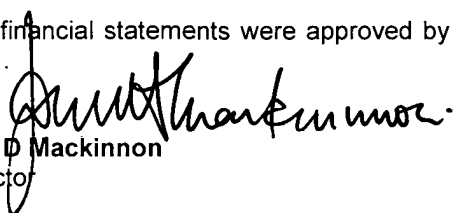
Statement of financial position
31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	10	199,231	204,245
Current assets			
Stock	11	55,346	85,727
Debtors: amounts falling due within one year	12	1,835,739	1,603,808
Cash at bank and in hand		1,060,180	442,880
		2,951,265	2,132,415
Creditors: amounts falling due within one year	13	(818,087)	(581,819)
Net current assets		2,133,178	1,550,596
Total assets less current liabilities		2,332,409	1,754,841
Creditors: amounts falling due after more than one year	13	(38,352)	(63,788)
Provisions for liabilities	15	(31,917)	(32,332)
Net assets		2,262,140	1,658,721
Capital and reserves			
Called up share capital	16	100	100
Retained earnings		2,262,040	1,658,621
Equity shareholders' funds		2,262,140	1,658,721

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 1 September 2021.

Dr J D Mackinnon
Director



The notes on pages 10 to 17 form part of these financial statements

Moredun Scientific Limited

Notes to the financial statements For the year ended 31 March 2021

1. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Section 1A Small Entities and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Moredun Scientific Limited is a private limited company, limited by shares, incorporated under the Companies act in Scotland, with company number SC107439. The address of the registered office is given on page 1 and the nature of the company's operations and its principal activities are set out in the directors' report.

The company's functional and presentational currency is GBP. No level of rounding has been applied to these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Forecasts and projections are prepared and performance is monitored against these. Within these, the impact of the COVID-19 pandemic has been considered and steps have been taken as outlined in the directors' report to mitigate the impact on operations. They therefore continue to adopt the going concern basis in preparing the annual financial statements.

Turnover

Revenue comprises the fair value of goods and services sold excluding VAT. 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 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.

Grant Income

Confirmed grant income, relating to product development expenses, is recognised as income within the income statement in the period in which the costs, to which the grant relates, were incurred.

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: computer equipment - over 4 years; plant & equipment - over 1.3 to 6.7 years; fixtures & fittings - over 6.7 years.

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 statement of income.

Moredun Scientific Limited

**Notes to the financial statements (continued)
For the year ended 31 March 2021**

1. Accounting policies (continued)

Pension costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of income in the period to which they relate.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the year end date. Deferred tax balances are not discounted. See note 15.

Foreign currency translation

Assets and liabilities held in foreign currencies are translated in to sterling at the rate of exchange ruling at the year end date. Transactions in foreign currencies are translated into Sterling at the rates of exchange ruling at the date of transaction. Exchange differences are taken into account within the statement of income.

Operating leases

Rentals paid under operating leases are charged to the statement of income on a straight-line basis over the period of the lease.

Research and Development

Research and development costs necessarily incurred in the manufacture of products are allocated to the statement of income in the period in which the expenditure was incurred.

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 hire purchase / finance lease creditor in the statement of financial position. This creditor is then amortised by the capital element of the repayments. The interest payable under any finance lease or hire purchase agreement is charged to the statement of income in the period in which it falls due.

Distributions

Taxable profits transferred to the parent entity, a registered charity, are recognised as distributions from equity when the company has made an irrevocable commitment to the parent to pay the taxable profits.

Critical accounting judgements and estimation uncertainty

Company management and the board of directors 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:

- 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.

Moredun Scientific Limited

Notes to the financial statements (continued)
For the year ended 31 March 2021

1. Accounting policies (continued)

Critical accounting judgements and estimation uncertainty (continued)

- 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.

2. Turnover

The turnover and profit before taxation are attributable to five principal activities. An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	2,819,899	2,254,062
Europe	1,801,881	1,939,253
Rest of the world	189,944	60,646
	4,811,724	4,253,961

3. Staff costs

	2021 £	2020 £
Wages and salaries	1,173,620	1,148,291
Social security costs	119,721	116,891
Other pension costs	155,508	144,729
	1,448,849	1,409,911
Group Secondment Costs	89,588	88,640
	1,538,437	1,498,551

The average monthly number of employees (including board members, casual staff and part-time staff and staff recharged to other parts of the group) during the year was as follows:

	Number		Full time equivalents	
	2021	2020	2021	2020
Scientific	32.3	30.5	30.3	29.1
Other	7.2	8.8	1.5	1.4
	39.5	39.3	31.8	30.5

4. Directors' remuneration

	2021 £	2020 £
Directors' remuneration	104,876	103,719
Directors' pension contributions to money purchase schemes	12,431	11,320
	117,307	115,039

The number of directors to whom retirement benefits were accruing was as follows:

	2021 £	2020 £
Money purchase schemes	1	1

Moredun Scientific Limited

Notes to the financial statements (continued)
For the year ended 31 March 2021

5. Pension costs

Contributions (excluding the impact of holiday pay accruals) made by the company to the employees' personal pension plans during the year amounted to £153,481 (2020: £144,896). Company contributions outstanding at the year-end amounted to £13,614 (2020: £12,576).

6. Operating profit

	2021 £	2020 £
The operating profit is stated after charging the following:		
Depreciation (note 10)	55,709	41,057
Operating lease rentals - property	110,402	106,751
External auditor's remuneration - audit fee	3,177	3,130
External auditor's remuneration - non-audit work	1,304	1,285

7. Interest receivable and similar income

Amounts receivable in respect of interest and similar income may be analysed as follows:

	2021 £	2020 £
Amounts receivable from group undertakings	-	-
Amounts receivable from others	3,734	3,889
	3,734	3,889

8. Interest payable and similar charges

Amounts payable in respect of interest and similar charges may be analysed as follows:

	2021 £	2020 £
Amounts payable to group undertakings	-	-
Amounts payable to others	3,950	395
	3,950	395

9. Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2021 £	2020 £
Current tax:		
UK Corporation Tax	104,103	35,358
Previous years tax adjustment	7,504	9,461
Total current tax	111,607	44,819
Deferred tax (note 15)	(415)	19,110
Tax on profit on ordinary activities	111,192	63,929

Moredun Scientific Limited

Notes to the financial statements (continued)
For the year ended 31 March 2021

9. Taxation (continued)

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit on ordinary activities before tax	1,450,341	740,380
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	275,565	140,672
Effects of:		
Gift aid distribution to parent charity	(139,789)	(77,734)
Expenses not deductible for tax purposes	13	5,086
R&D tax credit	(27,139)	(14,026)
Provisions tax adjustment	197	262
Accelerated capital allowances	217	(17,816)
Group relief from Pentlands Science Park Limited	(4,961)	(1,086)
Adjustments to tax charge in respect of previous periods	7,504	9,461
Deferred tax (note 15)	(415)	19,110
Total tax charge	111,192	63,929

10. Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2020	653,241	45,503	30,278	729,022
Additions	41,111	1,899	7,685	50,695
Disposals	(13,183)	-	-	(13,183)
At 31 March 2021	681,169	47,402	37,963	766,534
Accumulated Depreciation				
At 1 April 2020	466,756	32,794	25,227	524,777
Charge for the year	49,915	2,750	3,044	55,709
Depreciation on Disposals	(13,183)	-	-	(13,183)
At 31 March 2021	503,488	35,544	28,271	567,303
Net Book Values				
At 31 March 2021	177,681	11,858	9,692	199,231
At 31 March 2020	186,485	12,709	5,051	204,245

Included in the net book value of plant and machinery is a sum of £85,417 (2020: £100,715) relating to assets held under a finance lease agreement. The depreciation charge for the year relating to these assets was £15,298 (2020: £1,275).

Moredun Scientific Limited

Notes to the financial statements (continued)
For the year ended 31 March 2021

11. Stock

	2021 £	2020 £
Consumables	55,346	85,727

12. Debtors

Debtors comprised:	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	907,410	999,611
Amounts recoverable on contracts	588,789	288,524
Amounts due from group undertakings	180,803	159,437
Prepayments	20,370	104,230
Other debtors	38,392	52,006
Corporation Tax	99,975	-
	1,835,739	1,603,808

Amounts owed by group undertakings are unsecured and include trade balances.

13. Creditors

Creditors comprised:	2021	2020
Amounts falling due within one year:	£	£
Trade creditors	127,290	56,075
Amounts due to group undertakings	90,911	182,286
Corporation Tax	104,103	35,358
Other taxes and social security	151,653	128,943
Other creditors	18,854	17,160
Accruals and deferred income	299,840	137,915
Obligations under finance leases and hire purchase contracts	25,436	24,082
	818,087	581,819

Amounts owed to group undertakings are unsecured and include trade balances.

Amounts falling due after more than one year:	£	£
Obligations under finance leases and hire purchase contracts	38,352	63,788

A bond and floating charge over the whole assets of the company exists in favour of the Bank of Scotland plc. Finance lease creditors are secured on the underlying assets.

	Finance leases 2021 £	Finance leases 2020 £
The maturity of sources of debt finance are as follows:		
In one year or less, or on demand	25,436	24,082
In more than one year but no more than five years	38,352	63,788
	63,788	87,870

Moredun Scientific Limited

Notes to the financial statements (continued)
For the year ended 31 March 2021

14. Leasing agreements

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

	Property lease 2021 £	Property lease 2020 £
In one year or less	115,903	47,691
In more than one year but no more than five years	442,042	-
In more than five years	1,008,768	-
	1,566,713	47,691

15. Provisions for liabilities

	Deferred tax £
Balance at 1 April 2020	32,332
Charged to the statement of income in the year	(415)
Balance at 31 March 2021	31,917

	2021 £	2020 £
Deferred tax consists of:		
Accelerated capital allowances	34,504	34,721
Deductible temporary difference	(2,587)	(2,389)
	31,917	32,332

16. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
100	Ordinary	£1	100	100

17. Transfer of taxable profits under gift aid to parent charity

Gift aided distributions were made to The Moredun Foundation amounting to £735,730 (2020: £409,127).

18. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

Dr J J A Marshall was a director of the company until 17 July 2020. In the period until that date, Tulach Limited, a company in which Dr J J A Marshall is a director, provided consultancy services to Moredun Scientific Limited totalling £6,481 (2020: £800). The amount due from Moredun Scientific Limited at the year-end amounted to £nil (2020: £800).

Moredun Scientific Limited

Notes to the financial statements (continued)
For the year ended 31 March 2021

19. Ultimate controlling party

The parent undertaking of Moredun Scientific Limited is The Moredun Foundation, a company limited by guarantee, registered in Scotland No: 151865. The registered office address for the Moredun Foundation is Pentlands Science Park, Bush Loan, Penicuik, Midlothian, EH26 0PZ and the annual report is available for inspection at Companies House.

20. Non-audit services

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