



Beatson Institute for Cancer Research

Report and financial statements
Year to 31 March 2026

Limited by guarantee
Company No SC084170
Scottish Charity No SC006106

Directors' Report

The Directors are pleased to submit the Annual Report and audited financial statements of Beatson Institute for Cancer Research, trading as the Cancer Research UK Scotland Institute (CRUK SI), for the year ended 31 March 2026.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

None of the Directors, who are the Trustees of the Charity and, for the purposes of the Companies Act 2006, Directors of the company, have a financial interest in the company.

Vision: Applying Cancer Discovery to Patient Benefit

At the CRUK Scotland Institute (CRUK SI), our overarching vision is to make pioneering discoveries that increase our understanding of cancer; build collaborative, multidisciplinary teams that drive progress towards clinical translation; and train the next generation of diverse and leading cancer researchers.

Strategy

By understanding the fundamental mechanisms that drive cancer, both at early and late stages of the disease, we aim to uncover new preventative and therapeutic approaches for the benefit of patients. As a subsidiary of Cancer Research UK (CRUK), we are addressing three fundamental cancer challenges:

- 1) Biology of early disease (How cancers start): How can we detect cancer earlier, identify factors ("bad actors") leading to poor prognosis and design preventative strategies?
- 2) Energetic needs and metabolism (How cancers grow): What are the novel therapeutic vulnerabilities associated with increased energetic stress in tumours cells; either alone or following treatment?
- 3) Metastasis and microenvironment (How cancers spread): What are the therapeutic vulnerabilities of metastasising cancers and disseminated disease, and what is the impact of the immune system on metastasis?

At the heart of our strategy is an unparalleled suite of complex *in vivo* and organoid models that accurately recapitulate these critical events in human cancer. To achieve this effectively, we ensure our *in vivo* models are extensively and rigorously benchmarked against the appropriate human cancer, their pathology and co-morbidities – something we term 'disease positioning'.

To deliver this highly relevant strategy, we have defined some specific objectives in areas where we feel we are ideally placed to make a clear impact and where we will aim target our efforts and resources:

- 1) Becoming a centre of excellence for liver cancer
- 2) Making a step change in *in vivo* models
- 3) Targeting protein synthesis to block initiation and progression
- 4) Targeting energetic stress and the tumour microenvironment following radiotherapy
- 5) Identifying and targeting mitochondrial genetic and metabolic vulnerabilities
- 6) Building a greater understanding of cancer immunology and metastasis

Strategic Report

Achievements, Performance and Plans for Future Periods

Our portfolio of research activity continues to address key components of CRUK's research strategy, fundamental cancer challenges and our own specific objectives.

External relationships

This year, the Universities of Edinburgh and Glasgow came together to produce an exciting joint vision for the future of biomedical research in Scotland, the Scottish Health and Biomedicine Institute (SHBI), which is complementary to the strategy of the CRUK Scotland Institute. Aligning with both, the Nexus project will be a new state-of-the-art preclinical facility located on the Gartnavel campus that will encompass not only *in vivo* science but also a broader vision for spatial and computational biology with an estimated cost ~£100 million.

We continue to raise the international profile of the Institute. Our Beatson International Cancer Conference (Cancer Models: from Data to Discovery), held in July, was outstanding and included Scott Lowe (Memorial Sloan Kettering Cancer Center) giving the Sir George Beatson Lecture. Our early career researchers also organised the 4th FEBS–IUBMB–ENABLE International Molecular Biosciences Conference in Glasgow with ~120 participants.

Highlights of 2025/26

	2026	2025
No of Research Groups	<u>21</u>	<u>21</u>
No of Primary Research Papers	124	105
No of Reviews	28	24
TOTAL PUBLICATIONS	152	129

Value of income, excluding CRUK Core grant	<u>£16.4M</u>	<u>£13.1M</u>
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Non-core income increased by 25% in the year (2025: 5.0% increase) due to increased grant and contract income. Underlying non-core research income increased by 29% to £14.3M (2025: increased 21.0% to £11.1M) due to success across a range of awards including CRUK, other charity and commercial funders and awards held at UoG.

Achievements

We made considerable progress with our research themes this year, highlighted by the number of primary research papers (124) we published, including in liver (Raven et al., Nature 2025), preclinical models (Chia et al., Cell Reports Medicine 2025; May et al., Disease Models & Mechanism 2025), protein production (Kanellos et al., Nature Genetics 2025), mitochondria (Galloway et al., Cell Reports 2025; Dias et al., Molecular Cell 2025; Boscenco et al., Nature Genetics 2025) and data/AI (Liu et al., Nature Communications 2025; Seyedshahi et al., Nature Communications 2025; White et al., Nature 2025).

We made excellent progress in targeting additional external funding. Prof Martin Bushell, with co-investigator Prof Ferenc Mueller (Birmingham), was awarded a Wellcome Trust Discovery Award (£640k), Prof Danny Huang, with co-lead Prof David France (Glasgow), a UKRI Project grant (£420k) and Prof Seth Coffelt a Breast Cancer Now Project grant (£400k). Prof David Bryant's UKRI Future Leaders Fellowship was extended for a further 3 years (£700k), Profs Owen Sansom and Ram DasGupta were awarded a Mark Foundation Aspire II grant (£570k) and there was further MRC funding for the mouse data platform (£1.1 million). Many of our early career researchers were also successful with smaller grant applications and fellowships, including Drs Laura Martinez-Escardo (Prostate Cancer UK), Alex Raven (UKRI FLF), Lucy Li (CSO), Nadia Nesreddin (CRUK Biology to Prevention) and Patricia Centeno (British Skin Foundation).

Key personnel changes

We made two key appointments this year. Staff Scientist, Dr Ross Gray joined us to lead a team focused on data capture, curation, processing and FAIR data sharing. This will enable an outward facing data platform for the institute's larger national/international endeavours (e.g., the MRC National Mouse Genetics Network and CRC-STARS) and leverages additional MRC funding. Dr Ralitsa Madsen (from University of Dundee), who works on cellular signalling/proteomics and holds a UKRI Future Leaders Fellowship, also joined us in January.

Reviews

We continue to assess our group leaders on a regular basis. Prof Danny Huang had a highly successful QQR in November, scoring 4.6/5.0 (Forefront/Outstanding) and Dr Ed Roberts was successfully promoted to Senior Group Leader in January with a score of 4.3/5.0. Senior Staff Scientists Leo Carlin and David Lewis were also both promoted to Professor.

Funding

CRUK provides an annual core grant that covers staff costs, laboratory running costs and a proportion of the overheads of the Institute. It also provides grants to enable the purchase of equipment and smaller grants, competitively awarded to particular scientists within the Institute, in support of particular research projects.

Other funding sources also provide much needed support for research programmes. These include: The Medical Research Council, the Biotechnology and Biological Sciences Research Council, the Wellcome Trust, the Royal Beatson Endowment Funds of NHS Greater Glasgow & Clyde, DEBRA, AstraZeneca UK, Pancreatic Cancer UK, Tenovus Scotland, the British Skin Foundation, the National Institutes of Health, Scenic Biotech BV, Boehringer Ingelheim RCV GmbH & Co KG, the Beatson Cancer Charity, Worldwide Cancer Research, Medical Research Scotland, Asthma and Lung Foundation Partnership, Novartis, the Mark Foundation for Cancer Research, EMBO, American Friends of Cancer Research on behalf of Iterion, Trogenix Limited, the Genetics Society, the Urology Foundation, the British Society for Immunology, Neophore, Cell Guidance Systems, the Biochemical Society, the Royal Microscopical Society, Omidion Limited, Neobe Therapeutics Limited, University of Warwick, DiogeniX, iOnctura S.A, iOnctura, B.V, Umea University, and Avacta Life Sciences Limited.

The Institute is also very grateful for the financial contributions it continues to receive from many individuals and other charitable organisations. These funds are used to promote new research through the funding of salaries and laboratory expenses and equipment.

Key management personnel remuneration

The Board of Directors and the Senior Management Team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Institute on a day to day basis. All Trustees / Directors give of their time freely and no Director received remuneration in the year. Details of Directors' expenses are disclosed in note 11 to the financial statements.

The pay of the senior staff is reviewed annually by the Remuneration Committee and normally increased in line with CRUK pay guidelines. In addition, the Directors benchmark pay scales against other CRUK core funded Institutes to ensure we are competitive.

Financial Review

The Institute's charitable activity is primarily funded in the form of grants from CRUK.

Total income in the year increased to £33.4M (2024/25: £30.7M) due to increased research funding across all areas of the Institute, including a return to pre-pandemic levels of Core funding from CRUK. The value of income to be recognised in future years from research grants and contracts awarded to the Institute is £17.2M (2024/25: £14.5M) – see note 16.

80.8% of expenditure (£27.6M; 2024/25: £25.1M) was invested directly in core research staff, research support, projects and facilities. The remaining 19.2% represents essential support and administration costs of the Institute's operations.

Expenditure in the year has increased to £34.2M (2024/25: £31.4M), reflecting the increased activity along with the increasing cost of undertaking research.

As a result, the Institute is reporting a decrease in funds for the year of £0.8M (2024/25: decrease £0.8M).

The net book value of fixed assets has increased by £0.2M (2024/25: decrease £0.5M) to £7.7M (2024/25: £7.5M) as replacement of obsolete equipment was funded primarily by a combination of exceptional bank interest in the year and success in various funding calls.

Investment policy and objectives

In accordance with the Institute's Articles, the Directors have the power to invest in such stocks, shares, investments and property in the UK as they see fit.

The Investment policy supports the Reserves policy, and as a result, cash in excess of the Institute's working capital requirement is retained in the form of interest-bearing bank deposits.

The Directors' overarching investment objective in the current economic climate is to ensure that funds are invested in an appropriate manner to ensure their security and liquidity. Accordingly, the Directors decided that such deposits should be spread over a number of major UK clearing banks with appropriate credit ratings from which the funds are readily accessible.

Foreign currency settlement

The Institute procures goods and services in a number of foreign currencies, principally US dollars and Euros. Where likely future spend can be reasonably predicted, forward currency contracts are occasionally used to ensure certainty of outflows and not for speculative purposes.

Promoting the success of the Institute

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term

The Institute makes all key decision through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve outcomes for patients but every decision and operational approach is regularly reviewed for its impact on all stakeholders and the need for any changes or modifications to decisions previously taken.

The interests of the company's employees

Our employees are vital to the Institute and we regard ongoing, regular engagement with them as a top priority. We measure employee engagement through regular feedback and joint communication sessions. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. All staff are offered access to a number of well-being support services and the Institute seeks to ensure that staff welfare is actively considered and addressed. Through our health and safety policies as well as through local staff committees we also actively seek to ensure that the working environment meets due high standards of safety and security.

The need to foster the company's business relationships with suppliers, customers, and others

Our relationships with partners and suppliers are key to our effectiveness. The Institute actively seeks to engage in strategic partnerships with major funders to deliver benefit to the wider scientific community. Where the Institute has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the Institute community and stakeholders.

The impact of the company's operations on the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. The Institute encourages all staff and students to participate in initiatives to reduce negative environmental impacts. These include the promotion of recycling of waste and actions to maximise efficiency in energy consumption.

The desirability of the company maintaining a reputation for high standards of business conduct

Our reputation is fundamental to our future success. We use our organisational values and behaviours in our recruitment and training for our employees to ensure that we maintain high standards, and these are used in our appraisal processes. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.

The need to act fairly as between members of the company

In terms of members of the Institute, fairness in our dealings is upheld through having a clear and well communicated strategy, and financial discipline backed by strong internal controls. We have transparent reporting at regular intervals through the year, continual access to senior management and a track record of successful growth through new staff and students who have been appropriately integrated into the Institute. We aim to be a fully inclusive organisation and we will not unfairly discriminate against our students, staff or any other member of our community and stakeholders.

Key Employment Policies

Disabled employees

The Institute is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Institute gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Institute. If members of staff become disabled the Institute continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement:

The Institute systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Institute is encouraged, in part by means of a regular staff forum.

Pay Differential Relative to Gender

The Institute published its Pay Differential Relative to Gender (PDR2G) for 2025 in March 2026. Compared to 2024, the mean hourly pay gap between females and males decreased by 0.55% points and the median hourly pay gap decreased by 1.7% points in 2025.

The figures shown here do not include Group Leaders who are employed by the University of Glasgow and who will feature in its Gender Pay Data:

PDR2G	2025	2024	2023
Mean	8.89%	9.44%	11.60%
Median	4.26%	5.95%	7.28%

The Institute is committed to reducing its PDR2G through actions identified in our gender pay action plan, which is regularly reviewed by our Board of Directors. During the year, we have taken the following actions to improve our gender pay gap:

- Improved recruitment with gender balanced interview panels and applicant shortlists and inclusive language on adverts
- Engaged our early career researchers to understand career challenges
- Offered flexible work patterns and up to 18 months maternity cover
- Reviewed grades to address any pay gaps
- Promoted women's development through coaching, mentoring, and leadership programs
- Ensured equal representation in seminars and conferences

We will continue our efforts to support career development for females in science, including postdoc transitions to independent research through mentoring, fellowship guidance, and leadership training.

Principal Risks and Uncertainties

Risk framework

The Directors have overall responsibility for risk management and have established the risk appetite of the organisation. They monitor the effectiveness of its risk management systems and internal control processes. The Directors review key risks on an on-going basis, seeking assurance from management that key risks are being managed appropriately, as well as that mitigation measures are operating effectively.

The Institute's risk management strategy comprises the following elements:

- Systems and processes to identify and assess risks, including clear and easily accessible whistleblowing procedures
- Effective processes to treat and mitigate risks in accordance with risk appetite
- Proactive monitoring and review of the risk management process, as well as the effectiveness of risk mitigation measures
- Communication of risk information appropriate to the requirements of internal and external stakeholders

Risk summary

An on-going theme amongst many of the Institute's risks remains the underlying funding environment. Whilst CRUK's seven-year commitment to the Institute and return to pre-pandemic levels of funding has alleviated this, the 1.75% indexation of the Core award when considered against inflationary trends presents an on-going challenge. Careful management of the remainder of the McNab legacy has enabled uncommitted funds to continue to be used to support operational costs of the Institute.

Capital investment in infrastructure and strategically important research technologies also remains a significant challenge. Major elements of plant/ equipment are becoming increasingly inefficient and/or approaching end of life. Alongside that, technological progress demands continual investment in new research technologies to ensure that the Institute remains equipped to deliver world-class research. Good progress has been made on this front with an agreement being reached with the University of Glasgow to release funding for a significant investment in infrastructure across the Gartnavel campus, including refurbishment of the animal facility and construction of a new shared building. In addition to this, CRUK has made strategic awards to the Institute to support the purchase of strategically important equipment and infrastructure. Furthermore, we were pleased to note CRUK announcing availability of significant funding to advance data and AI research. The four CRUK Institutes are collectively preparing to apply for this funding.

Despite these challenges, the Institute does remain in a strong financial position with sufficient free reserves and healthy cash balances. Current cash flow projections give the Directors confidence that it is appropriate to prepare the financial statements on a going concern basis.

New & emerging risk themes

The proportion of our research activity funded by external grant awards remains high at over 40%. If this can be maintained, it will contribute towards establishing sustainable operating budgets in future years. However, in light of the recent announcement by UKRI about a changing approach to funding, there is concern over the impact on the Institute. These changes may impact renewal timescales of major network awards and large programme applications, as well as increasing the competition for funding from other grant awarding bodies.

Principal risks

The Institute's principal risks have been identified in the context of Institute strategy. The drivers of the Institute's strategic success are as follows:

- Delivery of world leading cancer research
- Development and maintenance of strong research partnerships
- Support for translation of research to clinical benefit
- Maintenance of an excellent reputation
- Attraction and retention of outstanding talent
- Maintenance of financial sustainability and operational stability

The Institute's principal risks and mitigation measures are as follows:

Risk	Mitigation Measures
Strategic Outcome Risks	
Failure to deliver world leading cancer research	▪ Ensure alignment of Institute vision/strategy with that of core funders ▪ Establish and maintain an optimum balance between basic science, drug discovery and clinical programmes ▪ Maintain an outstanding/world-class standard of research ▪ Maintain and utilise the strategic advantages provided by operating as an independent research Institute ▪ Actively promote Institute vision/strategy to ensure that research projects and external funding are aligned with Institute strategy
Failure to develop and maintain strong research partnerships	▪ Maximise the potential of local partnerships (University of Glasgow/ Institute of Cancer Sciences/ Glasgow Cancer Centre/ NHS / University of Edinburgh) ▪ Establish and maintain productive research partnerships (collaborators/ funding bodies/commercial partners) ▪ Avoid research relationships with inappropriate (reputationally damaging) partners
Failure to support the translation of research to clinical benefit	▪ Actively facilitate translation of the Institute's research into effective new cancer treatments ▪ Establish and maintain a strong clinical research capacity and capability ▪ Integrate BICR research programmes into a co-ordinated Scotland-wide cancer prevention strategy
Strategic Enablement Risks	
Failure to maintain an excellent reputation	▪ Maintain high standards of research integrity that minimise likelihood of scientific misconduct ▪ Establish and enforce policies/procedures that address ethical misconduct and breach of legislation (bullying/harassment allegations, financial fraud, data protection, health & safety, the Animals (Scientific Procedures) Act 1986) ▪ Maintain high standards of equality, diversity and inclusion (including gender pay and ethnicity employment gaps) ▪ Prepare for, and mitigate against, the Institute becoming the subject of negative animal rights protest/activism/publicity campaign ▪ Maintain a positive public image inclusive of press/social media coverage
Failure to attract and retain outstanding talent	▪ Actively promote positive factors (and address the negative factors) with a view to attracting and retaining outstanding research talent ▪ Maintain high levels of staff engagement and morale by offering competitive remuneration/ employee benefits, opportunities for advancement, effective communication ▪ Establish clear succession plans for key members of staff (Institute Director, Group Leaders, Service Managers and others)
Failure to maintain financial sustainability and operational stability	▪ Manage funding to ensure that strategic outcomes can be delivered ▪ Effective processes that monitor and control expenditure (inflation, pension scheme liability, FX rate exposure) ▪ Provide and maintain the high standard of research infrastructure necessary for achievement of strategic outcomes (buildings, equipment, research services, administrative functions) ▪ Plan for and mitigate against operational disruption events that could result in prolonged interruption to research activities (pandemic, fire, flood, cyber-attack, loss/failure of key supplier, etc) ▪ Maintain an effective organisational management framework (structure, decision making, internal communication)

Reserves policy

The Institute reports Total Funds amounting to £23.9M (2024/25: £24.7M). Of these, £5.3M (2024/25: £5.7M) relate to capital funds arising from grants recognised as income. A further £4.8M (2024/25: £3.5M) of Restricted Funds represents funds donated for specific research projects and recognised as income, but which have yet fully to be spent.

The Directors have reviewed the Institute's need for reserves in line with the guidance issued by the Charity Commission. The Reserves policy considers the need for working capital to allow for variations in timing of grant receipts and to allow the Directors to embark on particular projects in advance of the receipt of external funding. In order to maintain sufficient reserves to manage such considerations and support on-going operations, the Directors seek to maintain unrestricted reserves within a range of one to three months total running costs. However, the McNab legacy has provided additional short term reserves above the level normally held. The balance of unrestricted reserves of £13.8M (2024/25: £15.4M) includes £11.4M (2024/25: £13.6M) of current assets which are liquid funds. Excluding the McNab legacy, the value of liquid funds is £6.4M (2024/25: £6.7M), which is within the range of one to three months running costs. Given the current financial outlook, the Trustees consider it prudent to hold this level of reserves, whilst continuing to utilise the McNab legacy to fund strategic investments in Research Fellows and capital equipment.

The reserves policy is reviewed on an annual basis.

Structure, Governance and Management

Beatson Institute for Cancer Research is a company limited by guarantee and registered as a charity with the Office of the Scottish Charities Regulator (OSCR).

Directors

There are two distinct categories of Director – Partner Directors and Independent Directors. Partner Directors are those Directors appointed by Cancer Research UK (CRUK). Independent Directors are appointed on the basis of their having skills, experience and/or local connections which allow them to make a substantial contribution to the work of the board.

The Articles provide that there shall be no maximum number of Directors, but at any given time at least half of the Directors must be Partner Directors, and at least one must be an Independent Director. The minimum number of Directors is set at 3.

The Articles provide that each Director will vacate office at the conclusion of the first financial statements sign-off board meeting which follows the expiry of a period of three years from the date when the Director was first appointed. The Director will then be eligible for re-appointment for a further three-year term. Independent Directors who have held office for three consecutive three-year terms are not normally eligible for re-appointment as a Director.

The Chair of the Board is nominated by Cancer Research UK in consultation with the Board.

New Directors undergo an orientation briefing on their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the Institute. During induction they meet the Chair, the Chief Executive, other Directors and key employees. Directors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role and

information regarding developments relating to their responsibilities as Directors of the Institute is provided to them.

Members' liability

As a company limited by guarantee each of its members commits to contribute up to one pound sterling (£1) to the company's debts, liabilities and costs in the event of the company being wound up and for one year after ceasing to be a member.

Organisation

The Board meets quarterly and there is also a Scientific Advisory Board (SAB) to assist the Chief Executive on matters of scientific strategy. The Chief Executive, Owen Sansom, is appointed by the Directors to manage the day to day strategy and operations of the Institute. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Directors, for operational matters including finance, employment and research activity.

The Directors have developed and approved a Governance Code of Practice, incorporating and adapting existing best practice to the Institute's particular circumstances. The Governance Code of Practice covers such matters as the role and structure of the Board, primary responsibilities, delegated powers and conflicts of interest. It is intended to guide present and future Directors of the Institute in the proper discharge of their duties and to help them exercise a high standard of governance of the Institute.

Audit Committee

The Audit Committee appointed by the Board consists of two members. One member is a Partner Director and one member is an Independent Director. A quorum shall be two members. The Chair of the Committee is appointed by the Board.

The Chief Financial Officer and a representative of the external auditors attend meetings. Other Board members also have the right of attendance. The Company Secretary is the Secretary of the Committee.

The Audit Committee meets three times a year. There is an audit planning meeting usually held in January; a financial statements review and sign off meeting, usually in May, and a third meeting, if required, in November. The Secretary circulates the minutes of meetings of the Audit Committee to all members of the Board.

Remuneration Committee

The Remuneration Committee appointed by the Board consists of three members. Two members are Independent Directors and one member is a Partner Director. A quorum shall be two members, one of whom must be the Chair of the Committee. The Chair of the Committee is appointed by the Board.

The Chair of the Board will normally be invited to attend. The Head of People and Culture, and others as appropriate, attend meetings. The Head of People and Culture is the Secretary of the Committee.

The Remuneration Committee meets twice a year and at other such times as the Committee Chair shall require.

Ultimate parent undertaking and controlling party

The Institute works closely with CRUK whose vision the Institute shares and which is a significant provider of core and project grant funding to the Institute. CRUK is considered to be the Institute's ultimate controlling parent undertaking and controlling party as Partner Directors must form at least half of the board. CRUK, a company incorporated in England, is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2026. The consolidated financial statements of CRUK are available from its registered address at 2 Redman Place, London, E20 1JQ. (www.cancerresearchuk.org)

Beatson Technology Ltd

Beatson Technology Ltd is a wholly-owned subsidiary company, registered in Scotland (Company No SC192461) and established to undertake commercial developments arising as a by-product of the Institute's charitable medical research activities. Currently, the company receives small amounts of income from time to time arising from the exploitation of intellectual property. It also undertakes any non-charitable activity, such as pharmaceutical company collaborations, where the contractual terms would not pass the conditions of the charity test.

In accordance with s405 of the Companies Act 2006, the Institute has taken advantage of the exemption available not to prepare and deliver group financial statements. Accordingly, the company's financial statements present information about it as an individual undertaking and not about it as a group.

Reference and administrative information

Scottish Charity Number: SC006106

Company Registration Number: SC084170

Principal & Registered Office: Beatson Institute for Cancer Research
Garscube Estate
Switchback Road
Bearsden
Glasgow
G61 1BD

Trustees (Directors): Professor John Iredale (chairman)
Dr Iain Foulkes
Ms Rosalie Chadwick
Professor Iain McInnes
Mr James Kergon
Mr Adrian Walsh (resigned 13 March 2026)
Mr Matthew Lynn (appointed 13 March 2026)

Director
(Chief Executive) Professor Owen Sansom FRSE

Company Secretary: Mr Gary Niven

Independent Auditors: PricewaterhouseCoopers LLP
120 Bothwell Street
Glasgow
G2 7JS

Principal Bankers: HSBC
2 Buchanan Street
Glasgow
G1 3LB

Solicitors: Burness Paull LLP
31 York Street
Glasgow
United Kingdom
G2 8AS

Statement of trustees' responsibilities

The trustees (who are also directors of Beatson Institute for Cancer Research for the purposes of company law) are responsible for preparing the Trustees' (Directors') Annual Report (including 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 prepared 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 the 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 period. 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;
- make judgments and estimates that are reasonable and prudent;
- state that applicable UK Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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. 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

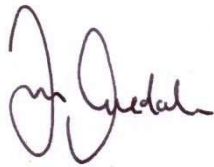
Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the Institute's auditors are unaware. Having made enquiries of fellow Directors and the company's auditors, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP are deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985, which continues in force under the Companies Act 2006.

The Directors' Report and Strategic Report are approved by the Directors and signed on their behalf:

A handwritten signature in dark ink, appearing to read 'John Iredale', is written over a faint, light blue circular stamp.

PROFESSOR JOHN IREDALE
Director

15 June 2026

Independent auditors' report to the members and trustees of Beatson Institute for Cancer Research

Report on the audit of the financial statements

Opinion

In our opinion, Beatson Institute of Cancer Research's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2026 and of its incoming resources and application of resources, including its income and expenditure, and cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 (as amended).

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2026; the Statement of Financial Activities (incorporating the Income and Expenditure Account and Statement of Total Recognised Gains & Losses) and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charitable company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members and trustees of Beatson Institute for Cancer Research

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Directors' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members and trustees of Beatson Institute for Cancer Research

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the charitable company/industry, we identified that the principal risks of non-compliance with laws and regulations related to Health and Safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of The Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of income recognition. Audit procedures performed included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims, litigation, and instances of fraud;
- Understanding of management's controls designed to prevent and detect irregularities;
- Review of board minutes;
- Identifying and testing journal entries to assess whether any of the journals appeared unusual, for example unexpected account combinations impacting income;
- Incorporating an element of unpredictability into our testing plan; and
- Reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members and trustees of Beatson Institute for Cancer Research

Use of this report

This report, including the opinions, has been prepared for and only for the charitable company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of The Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Matters on which we are required to report by exception

Under the Companies Act 2006 and The Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kelly Macfarlane (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Glasgow

15 June 2026

Statement of Financial Activities for the year ending 31st March 2026 (incorporating the Income and Expenditure Account and Statement of Total Recognised Gains & Losses)

		<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>Endowment</u> <u>Funds</u>	Total Charity Funds	Total Charity Funds
	Note	£'000	£'000	£'000	2026 £'000	2025 £'000
Income and endowments from:						
<u>Donations and legacies</u>	3	1,269	–	–	1,269	1,151
<u>Charitable activities</u>						
Research grants	4	316	29,420	–	29,736	26,970
Research contracts and services	5	454	1,175	–	1,629	1,672
Conference grants and fees		231	–	–	231	130
<u>Other</u>						
Interest receivable and similar income	6	568	–	–	568	724
Other income	7	6	6	–	12	4
Total		2,844	30,601	–	33,445	30,651
Expenditure on:						
<u>Charitable activities</u>						
Research projects	8	3,755	30,217	–	33,972	31,287
Conference	8	180	70	–	250	136
Total		3,935	30,287	–	34,222	31,423
Net (expenditure) / income before other recognised gains and losses		(1,091)	314	–	(777)	(772)
Transfer between funds	18	(599)	599	–	–	–
Net movement in funds		(1,690)	913	–	(777)	(772)
<i>Reconciliation of funds</i>						
Fund balances brought forward at the beginning of the year	18	15,450	9,193	25	24,668	25,440
Fund balances carried forward at the end of the year	18	13,760	10,106	25	23,891	24,668

There is no material difference between the net expenditure for the year stated above and the historical cost equivalents.

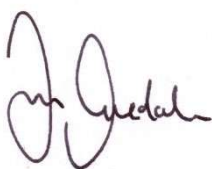
The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities. The notes on pages 24 to 40 form part of these financial statements.

Balance Sheet

as at 31 March 2026

	Note	2026 £'000	2025 £'000
Fixed assets			
Intangible assets	12	46	75
Tangible assets	12	7,669	7,452
		<u>7,715</u>	<u>7,527</u>
Current assets			
Debtors	13	6,040	5,308
Cash at bank and in hand	14	14,056	15,045
Total current assets		<u>20,096</u>	<u>20,353</u>
Creditors: amounts falling due within one year	15	<u>(3,920)</u>	<u>(3,212)</u>
Net current assets		<u>16,176</u>	<u>17,141</u>
Total assets less current liabilities		<u>23,891</u>	<u>24,668</u>
Net assets		<u>23,891</u>	<u>24,668</u>
The funds of the charity:			
Endowment funds	18	25	25
Restricted income funds	18	10,106	9,193
Unrestricted income funds	18	13,760	15,450
Total charity funds		<u>23,891</u>	<u>24,668</u>

The financial statements on pages 21 to 40 were approved by the Board of trustees on 15 June 2026 and signed on its behalf by:



Prof John Iredale
Director

The notes on pages 24 to 40 form part of these financial statements

Statement of Cash Flows for year ending 31 March 2026

	Note	2026	2025
		£'000	£'000
Cash flows generated from / (used in) operating activities	24	208	(200)
Cash flows from investing activities			
Interest income		568	724
Purchase of intangible fixed assets		–	(42)
Purchase of tangible fixed assets		(1,765)	(1,066)
Proceeds from the sale of fixed assets		–	15
Cash used in investing activities		<u>(1,197)</u>	<u>(369)</u>
Decrease in cash and cash equivalents in the year		<u>(989)</u>	<u>(569)</u>
Cash and cash equivalents at the beginning of the year		15,045	15,614
Total cash and cash equivalents at the end of the year	14	<u>14,056</u>	<u>15,045</u>

1. Accounting policies

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

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Institute meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going concern

A Memorandum of Understanding with CRUK endorses the latter's intention to provide the Institute with major long term financial support. In addition, the Institute holds significant cash balances and has undertaken forward forecasts (including the remainder of the McNab legacy), which show positive cash balances beyond twelve months from now. Based upon the directors' review of these relevant factors, the financial statements are prepared on a going concern basis.

Income

Income including donations and legacies, grants for capital items, grants that provide core funding, or grants of a general nature are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor:

- specifies that the grant or donation must only be used in future years; or
- has imposed conditions which must be met before the Institute has unconditional entitlement.

Accordingly, grants given for capital equipment are not deferred, but recognised in full when the above criteria are met as restricted income funds (see note 19). Depreciation on the assets acquired is charged annually to that fund.

Government grants are recognised under the Performance model set out in FRS 102 (section 24), whereby income is recognised when the grant proceeds are received or receivable, unless performance-related conditions are specified, in which case income is recognised only when the performance-related conditions are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the estate that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution.

Investment income derived from cash and short-term deposits is recognised on an accruals basis and treated as unrestricted funds.

1. Accounting policies (continued)

Income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as the related research work is undertaken. Income is deferred when funds are received in advance of the income being recognised. Grants and fees with regard to conference activities are recognised when receivable by the Institute.

Where grant awards or legacies have been notified to the charity, or the charity is aware of the granting of probate (in the case of legacies), and the criteria for income recognition have not been met, then the income is treated as a contingent asset and disclosed if material.

Expenditure

Expenditure is recognised when a liability is incurred.

Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. The Institute does not actively raise funds and, as a result, incurs no such costs.

Charitable activities include expenditure associated with both research and conference activities and include both the direct costs and support costs (including Governance 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.

Pensions

The Institute participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The Institute is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis and therefore, as required by FRS 102 (section 28), accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme and any movement on the deficit recovery plan in respect of the year (if applicable).

Certain staff are members of a defined contribution scheme operated by Legal & General. The employer contributions represent a fair estimate of the annual pension cost as defined by FRS 102 and, accordingly, are charged to the Statement of Financial Activities.

A small number of staff are members of the National Health Service Pension Scheme, a national unfunded, defined benefit scheme administered by the Scottish Public Pensions Agency. The Institute is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis and therefore, as required by FRS 102 (section 28), accounts for the scheme as if it were a defined contribution scheme. Pensions costs charged to the Statement of Financial Activities are the net employer contributions made in the year.

1. *Accounting policies (continued)*

Fixed assets and depreciation

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to reduce the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software – 3 to 5 years

Amortisation is included in expenditure on charitable activities in the Statement of Financial Activities. Costs associated with maintaining computer software are recognised as an expense as incurred.

Tangible assets

All assets costing more than £2,500 are capitalised at cost and depreciated on a straight-line basis over their expected useful lives as follows:

Laboratory/Service equipment:	5 to 15 years (average 6.25 years)
Computer equipment:	3 to 5 years
Leasehold Property & Improvements	25 years or length of lease, if shorter

Any realised gains or losses on disposals of fixed assets are taken to the Statement of Financial Activities in the year in which they occur. The realised gains on disposal are included in the other income source and losses are included as an additional depreciation charge which is included in the particular fund in which the investment or other asset concerned was held at the time of disposal.

Impairment of fixed assets and investments

Fixed assets and investments are subject to review for impairment when there is an indication of a reduction in their carrying value. Any impairment is recognised in the year in which it occurs.

Premises

Premises are leased by the Institute from the University of Glasgow at a nominal rent. An in-kind benefit based on the value to the Institute is incorporated within Donations and Legacies and the corresponding notional rental cost included in Expenditure under Charitable Activities.

Stocks

The value of stock held for research purposes is not considered material and any purchases are charged to revenue in the year in which the expenditure takes place.

Short-term deposits

Short-term deposits are current asset investments that are readily convertible into cash at or close to their carrying amount.

1. Accounting policies (continued)

Leasing commitments

Rentals paid under operating leases are charged in the year in which they occur.

Funds

Restricted Income Funds relate to the CRUK annual core grant and grants receivable in respect of particular research projects whose purpose is defined by or agreed with the awarding body either explicitly in its offer of award or by reference to the application by the Institute upon which the award is based. Restricted Income Funds also relate to other income the purpose of which is similarly defined by or agreed with the awarding body – particularly with regard to laboratory equipment and other capital projects. Amounts received on the condition that only the income generated is to be expended are treated as Endowments.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains and losses on translation are included in the Statement of Financial Activities.

Derivative financial instruments

Derivatives, including forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Financial Activities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Group financial statements

In accordance with s405 of the Companies Act 2006, the company has taken advantage of the exemption available not to prepare and deliver group financial statements. Accordingly, the company's financial statements present information about it as an individual undertaking and not about it as a group.

Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

2. Legal status of the Institute

The Institute is a company limited by guarantee incorporated in Scotland (SC084170) and has no share capital. As a company limited by guarantee each of its members commits to contribute up to one pound sterling (£1) to the company's debts, liabilities and costs in the event of the company being wound up and for one year after ceasing to be a member.

	2026	2025
	£'000	£'000
3. Donations and legacies		
Donations	935	917
Legacies	334	234
	1,269	1,151

The income from donations and legacies for the charity was £1,269k (2024/25: £1,151k), all of which was unrestricted.

An assessment of the annual rental value of the Beatson Institute for Cancer Research building indicates that value to be in the region of £920k. Prior to occupancy, the Institute paid a lease premium and advance rental of £1.5M, which is amortised to Costs of Charitable Activities at the rate of £60k per annum. Consequently an in-kind benefit from the University of Glasgow of £860k (2024/25: £860k) for the year to 31 March 2026 has been included within Donations with notional rent of £860k (2024/25: £860k) being included within Costs of Charitable Activities (note 8 and 9).

4. Research Grants

	2026	2025
	£'000	£'000
Grants for research projects:		
Grants from Cancer Research UK	21,055	19,260
Grants from other charities	2,004	1,781
Grants from governmental bodies	–	28
Grants through the University of Glasgow	6,677	5,901
	29,736	26,970

The income from research grants for the Institute was £29.7M (2024/25: £27.0M), of which £0.3M was unrestricted (2024/25: £0.3M) and £29.4M was restricted (2024/25: £26.7M).

Grants from governmental bodies represent monies received from the European Commission through awards from the European Research Council (ERC) and the Marie-Sklodowska-Curie (MSC) Research Fellowship programme.

5. Research contracts and services

	2026	2025
	£'000	£'000
Research contracts and performance grants	1,069	1,104
Research services	560	568
	1,629	1,672

The income from research contracts and services for the Institute was £1,629k (2024/25: £1,672k), of which £454k was unrestricted (2024/25: £468k) and £1,175k was restricted (2024/25: £1,204k).

Income from research services represents charges made to the University of Glasgow and other research bodies for accessing the Institute's research facilities. Research service income from the University of Glasgow for the year to 31 March 2026 was £107k (2024/25: £85k).

6. Interest receivable and similar income	2026	2025
	£'000	£'000
Interest on bank deposits	568	724

The Institute's investment income arises from money held in interest bearing deposit accounts and is credited to unrestricted reserves.

7. Other income	2026	2025
	£'000	£'000
Sundry income	11	1
Foreign exchange gains	1	3
	12	4

Sundry income for the year was £11k (2024/25: £1k) of which £6k was unrestricted (2024/25: £1k) and £5k was restricted (2024/25: £nil).

Foreign exchange gains for the year were £1k (2024/25: £3k) of which £nil was unrestricted (2024/25: £nil) and £1k was restricted (2024/25: £3k).

8. Analysis of expenditure on charitable activities

Costs directly allocated to activities

	Research Projects £'000	Conference £'000	2026 £'000	2025 £'000
Scientific and technical staff including student fees	13,182	22	13,204	11,994
Laboratory supplies	8,257	–	8,257	7,334
Equipment maintenance and depreciation	3,201	–	3,201	3,105
Conference venue and catering costs	–	192	192	81
Governance costs (see note 9)	114	–	114	107
Support costs (see note 9)	9,218	36	9,254	8,802
	33,972	250	34,222	31,423

8. Analysis of support and governance costs (continued)

Costs directly allocated to activities

<u>Prior Year</u>	Research Projects £'000	Conference £'000	2025 £'000	2024 £'000
Scientific and technical staff including student fees	11,973	21	11,994	11,605
Decrease in pension scheme deficit recovery plan	–	–	–	(4,608)
Laboratory supplies	7,334	–	7,334	6,904
Equipment maintenance and depreciation	3,105	–	3,105	3,148
Conference venue and catering costs	–	81	81	77
Governance costs (see note 9)	107	–	107	100
Support costs (see note 9)	8,768	34	8,802	8,703
	31,287	136	31,423	25,929

9. Analysis of support and governance costs

The Institute initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the charitable activities undertaken (see note 8) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

<u>Allocation of support costs</u>	<u>Basis</u>	General Support £'000	Governance £'000	2026 £'000	2025 £'000
Administration staff	Staff time	1,423	86	1,509	1,371
Support Staff	Usage	2,783	–	2,783	2,579
Property rental	Floor area	920	–	920	920
Power and building maintenance	Floor area	2,699	–	2,699	2,617
Communications, stationery and other costs	Head-count	597	–	597	490
Staff travel, recruitment, etc.	Usage	774	–	774	711
Legal and professional fees	Usage	42	–	42	148
Other Governance expenses	Governance	–	5	5	5
Auditors' remuneration	Governance	–	23	23	22
Finance costs	Usage	16	–	16	46
		9,254	114	9,368	8,909

9. Analysis of support and governance costs (continued)

<u>Allocation of support costs</u>	<u>Basis</u>	General	Governance	2025	2024
		Support			
<u>Prior Year</u>		£'000	£'000	£'000	£'000
Administration staff	Staff time	1,291	80	1,371	1,230
Support Staff	Usage	2,579	–	2,579	2,443
Property rental	Floor area	920	–	920	920
Power and building maintenance	Floor area	2,617	–	2,617	2,671
Communications, stationery and other costs	Head-count	490	–	490	484
Staff travel, recruitment, etc.	Usage	711	–	711	741
Legal and professional fees	Usage	148	–	148	77
Other Governance expenses	Governance	–	5	5	4
Auditors' remuneration	Governance	–	22	22	22
Finance costs	Usage	46	–	46	211
		8,802	107	8,909	8,803

10. Net outgoing resources before transfers are stated after charging:

	2026	2025
	£'000	£'000
Depreciation	1,577	1,615
Gain on sale of fixed assets	–	15
External auditors' remuneration – audit services	23	22
Rentals payable under operating leases – equipment	–	2
land & buildings (note 3)	860	860

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2026	2025
	£'000	£'000
Wages and salaries	14,145	13,118
Social security costs	1,610	1,214
Other pension costs	1,500	1,414
	17,255	15,746

The monthly average number of employees during the year, including the Chief Executive, was as follows:

	2026	2025
	Number	Number
Scientific	181	171
Technical	59	53
Secretarial and Administrative	25	25
Scientific Support	68	67
	333	316

11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (continued)

The number of employees during the year, whose total remuneration (excluding employer pension contributions) fell within the following bands, was:

	2026	2025
	Number	Number
£60,001 – £70,000	11	7
£70,001 – £80,000	3	4
£80,001 – £90,000	6	5
£90,001 – £100,000	2	2
£100,001 – £110,000	–	2
£110,001 – £120,000	1	–
£120,001 – £130,000	1	1
£130,001 – £140,000	1	–
£230,001 – £240,000	–	1
£240,001 – £250,000	1	–

Pension benefits accrued at 31 March 2026 to the above staff as members of the multi-employer pension schemes are detailed in note 20.

The majority of the Institute's scientists are employed by the Institute and their employment costs paid by the Institute and funded by grants. Thirteen (2024/25: seventeen) senior scientists have been transferred to the University of Glasgow as part of the Institute's commitment to the development of the School of Cancer Sciences and a joint cancer research strategy. These scientists continue to work exclusively on the Institute's cancer research programmes. Their employment costs are recharged to the Institute by the University and continue to be paid by the Institute from grants that it receives. Their employment costs for the year to 31 March 2026 amounted to £1,660k (2024/25: £1,775k) and are included within Staff Costs above.

The employee benefits, including and excluding employer pension contributions, of the Chief Executive and other key management personnel were:

	Incl. pension contributions		Excl. pension contributions	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Key management personnel (2025/26: 8 people, 2024/25: 8 people)	1,121	1,049	994	929

Key management personnel of the Charity have been defined as members of the Senior Management Team.

No (2024/25: none) Director receives remuneration from the Institute or from Cancer Research UK in his/her capacity in respect of their role as trustee of the Institute. Two Partner Directors – Dr Iain Foulkes and Mr Adrian Walsh (Mr Matthew Lynn from 13 March 2026) were paid by CRUK in respect of their roles at CRUK.

During the year £nil (2025: £nil) travelling expenses were paid to Directors in connection with their attendance at Board meetings.

12. Fixed assets

	Leasehold improvements	Leasehold Property	Laboratory /Service equipment	Computer equipment	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>At cost</u>						
Balance at 1st April 2025	9,154	1,516	22,994	2,997	496	37,157
Additions	421	–	1,140	204	–	1,765
Disposals	–	–	(2,433)	–	–	(2,433)
Balance at 31st March 2026	9,575	1,516	21,701	3,201	496	36,489
<u>Accumulated Depreciation and Amortisation</u>						
Balance at 1 April 2025	4,875	1,046	20,653	2,635	421	29,630
Charged in year	409	61	877	201	29	1,577
Eliminated on disposal	–	–	(2,433)	–	–	(2,433)
Balance at 31 March 2026	5,284	1,107	19,097	2,836	450	28,774
<u>Net book value</u>						
At 31 March 2026	4,291	409	2,604	365	46	7,715
At 31 March 2025	4,279	470	2,341	362	75	7,527

	Leasehold improvements	Leasehold Property	Laboratory /Service equipment	Computer equipment	Software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Prior Year</u>						
<u>At cost</u>						
Balance at 1st April 2024	9,138	1,516	22,212	2,826	454	36,146
Additions	16	–	879	171	42	1,108
Disposals	–	–	(97)	–	–	(97)
Balance at 31st March 2025	9,154	1,516	22,994	2,997	496	37,157
<u>Accumulated Depreciation and Amortisation</u>						
Balance at 1 April 2024	4,485	986	19,861	2,399	381	28,112
Charged in year	390	60	889	236	40	1,615
Eliminated on disposal	–	–	(97)	–	–	(97)
Balance at 31 March 2025	4,875	1,046	20,653	2,635	421	29,630
<u>Net book value</u>						
At 31 March 2025	4,279	470	2,341	362	75	7,527
At 31 March 2024	4,653	530	2,351	427	73	8,034

13. Debtors

	2026	2025
	£'000	£'000
Grant income receivable	3,009	2,657
Amounts owed by Cancer Research UK	1,558	1,516
Amounts owed by Beatson Technology Ltd	117	138
Prepayments and accrued income	1,237	984
Other debtors	119	13
	<u>6,040</u>	<u>5,308</u>

14. Cash at bank and in hand

	2026	2025
	£'000	£'000
Cash and short-term deposits	<u>14,056</u>	<u>15,045</u>

15. Creditors: amounts falling due within one year

	2026	2025
	£'000	£'000
Trade creditors	2,543	2,083
Accruals and deferred income	1,307	1,051
Other creditors	70	78
	<u>3,920</u>	<u>3,212</u>

Within Accruals and deferred income above, deferred income represents grant income and payments to account for research contracts received in advance of research work being undertaken. £392k (2024/25: £261k) deferred income at 31st March 2025 has been released to incoming resources. A further £703k (2024/25: £392k) of income received during the year in advance of costs being incurred with regard to research projects and contracts has been deferred as at 31 March 2026. Within this amount, £nil (2024/25: £nil) is in relation to the CRUK core grant, £180k (2024/25: £175k) to other CRUK grants and £nil (2024/25: £nil) to Beatson Technology Ltd.

16. Contingent assets

As at 31 March 2026, the Institute was in receipt of, or party to, a number of research grants and contracts with performance-related or other conditions attached. Where these conditions are not wholly within the control of the Institute and have not been met, no income has been accrued. As at 31 March the value of income to be recognised once the conditions are met was £17.2M (2024/25: £14.5M).

17. Share capital

The Institute has no share capital (2025: none) and is limited by guarantee.

18. Funds

Unrestricted Funds

Unrestricted funds represent the accumulated net incoming resources from unrestricted income funds which are available to the Institute to be expended at the Directors' discretion in furtherance of any of the Institute's objectives.

Restricted Income Funds

Research grants fund – represents the unspent amounts of grants awarded to the Institute in support of its research activities and previously recognised as income.

Capital grants fund – Grants given for capital projects and equipment are not deferred, but recognised in full as restricted income funds when the relevant criteria are met (Note 1). Depreciation on the assets acquired is charged annually to that fund together with any other amounts written off as revenue expenditure. The balance of Capital grants funds represents the net book value of fixed assets purchased with those funds together with funds recognised as income but remaining unspent at the balance sheet date.

Other restricted funds comprise the John Paul Career Development Revenue Fund – the income derived from the investment of the John Paul Career Development Fund (below) and the Staff Amenity Fund – a fund created from income derived from intellectual property to provide amenities for Institute staff.

Endowment Funds

John Paul Career Development Fund – was contributed to the Institute in order that it be invested with the resultant income being used to provide a prize for the graduate student judged best by a panel of scientists in each year. The prize should be of such a nature as will help the student in the furtherance of his or her career as a scientist.

Analysis of fund movements

	Balance at 1 April 2025 £'000	Transfer between funds £'000	Incoming resources £'000	Resources expended £'000	Other recognised gains £'000	Balance at 31 March 2026 £'000
<u>Unrestricted Funds</u>	15,450	(599)	2,844	(3,935)	–	13,760
<u>Restricted Funds</u>						
Research grants funds						
CRUK	2,160	442	20,628	(19,761)	–	3,469
Other funders	1,357	157	9,369	(9,587)	–	1,296
Others	9	–	–	–	–	9
	3,526	599	29,997	(29,348)	–	4,774
Capital grants funds –						
CRUK	5,032	–	352	(783)	–	4,601
Other funders	635	–	252	(156)	–	731
	5,667	–	604	(939)	–	5,332
<u>Total restricted funds</u>	9,193	599	30,601	(30,287)	–	10,106
<u>Endowment Funds –</u>						
John Paul	25	–	–	–	–	25
<u>Total Funds</u>	24,668	–	33,445	(34,222)	–	23,891

18. Funds (continued)

Analysis of fund movements – prior year

	Balance at 1 April 2024 £'000	Transfer between funds £'000	Incoming resources £'000	Resources expended £'000	Other recognised gains £'000	Balance at 31 March 2025 £'000
<u>Unrestricted Funds</u>	16,302	(4)	2,730	(3,578)	–	15,450
<u>Restricted Funds</u>						
Research grants funds						
CRUK	1,678	4	19,068	(18,590)	–	2,160
Other funders	1,036	–	8,498	(8,177)	–	1,357
Others	9	–	–	–	–	9
	<u>2,723</u>	<u>4</u>	<u>27,566</u>	<u>(26,767)</u>	<u>–</u>	<u>3,526</u>
Capital grants funds –						
CRUK	5,762	–	225	(955)	–	5,032
Other funders	628	–	130	(123)	–	635
	<u>6,390</u>	<u>–</u>	<u>355</u>	<u>(1,078)</u>	<u>–</u>	<u>5,667</u>
<u>Total restricted funds</u>	<u>9,113</u>	<u>4</u>	<u>27,921</u>	<u>(27,845)</u>	<u>–</u>	<u>9,193</u>
<u>Endowment Funds –</u>						
John Paul	25	–	–	–	–	25
<u>Total Funds</u>	<u>25,440</u>	<u>–</u>	<u>30,651</u>	<u>(31,423)</u>	<u>–</u>	<u>24,668</u>

Analysis of net assets between funds – as at 31 March 2026

	Tangible fixed assets £'000	Current assets £'000	Liabilities £'000	Total Net Assets £'000
Unrestricted Funds	2,383	11,377	–	13,760
Restricted Funds	5,332	8,694	(3,920)	10,106
Endowment Funds – John Paul	–	25	–	25
	<u>7,715</u>	<u>20,096</u>	<u>(3,920)</u>	<u>23,891</u>

18. Funds (continued)

Analysis of net assets between funds – as at 31 March 2025

	Tangible fixed assets £'000	Current assets £'000	Liabilities £'000	Total Net Assets £'000
Unrestricted Funds	1,860	13,590	–	15,450
Restricted Funds	5,667	6,738	(3,212)	9,193
Endowment Funds – John Paul	–	25	–	25
	<u>7,527</u>	<u>20,353</u>	<u>(3,212)</u>	<u>24,668</u>

19. Leasing commitments

At 31 March the Institute had future minimum rentals payable under non-cancellable operating leases as follows:

	2026 £'000	2025 £'000
Equipment		
Within 1 year	11	13
In 2 to 5 years	1	2

As explained in Note 3, the rent charged with regard to the cancer research centre is a notional charge.

20. Pensions

Universities Superannuation Scheme

The Institute participates in Universities Superannuation Scheme (USS). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Institute is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the Institute therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in the year.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The Institute recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement.

20. Pensions (continued)

Correcting the shortfall

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the year 1 April 2022 to 31 March 2024, at which point the rate would increase to 6.3%. The Trustee estimated that the deficit would be cleared by 30 April 2038.

The most recent formal valuation of the scheme was as at 31 March 2023 and was completed in December 2023. No Recovery Plan was required under this valuation because the scheme was in surplus on a technical provisions basis and the Institute was therefore no longer required to make deficit recovery contributions from 1 January 2024. Accordingly, the outstanding provision was released to the Statement of Comprehensive Income in the year to 31 March 2024.

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The Directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under any recovery plan in existence at the date of approving the financial statements.

Key sources of estimation uncertainty

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which was carried out using the projected unit method. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion, indicating a surplus of £7.4 billion and a funding ratio of 111.3%.

The total pension contributions paid by the Institute in respect of USS was £854k (2024/25: £879k).

20. Pensions (continued)

Scottish National Health Service Superannuation Scheme

The Institute, on behalf of certain support staff, also participates in the Scottish National Health Service Superannuation Scheme. This Scheme is notionally funded, guaranteed by statute, and provides members with defined benefits based on final pensionable salary. The scheme is a multi-employer scheme and, being notionally funded, it is not possible to identify underlying assets and liabilities. It is also contracted out of the State Second Pension (S2P). The employer's contributions are assessed every five years by an actuary, the current employer's rate being 22.5% (2024/25: 22.5%).

The pension cost net of the Scottish Government rebate in respect of this scheme for the Institute was £20k (2024/25: £22k) and represents a fair estimate of the annual pension cost as defined by FRS 102 and, accordingly, this is the amount charged in the financial statements.

Defined contribution scheme

During the year, the Institute offered a defined contribution scheme operated by Legal & General. The pension cost for the Institute was £640k (2024/25: £526k) and represents a fair estimate of the annual pension cost as defined by FRS 102 and, accordingly, this is the amount charged in the financial statements.

21. Parent Company

The Company's immediate / ultimate parent undertaking and controlling party is Cancer Research UK, a company limited by guarantee and not having a share capital, and registered in England and Wales (Company No 4325234, Charity No 1089464). The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is Cancer Research UK. The consolidated financial statements of Cancer Research UK are available from Cancer Research UK, 2 Redmond Place, London, E20 1JQ. (www.cancerresearchuk.org).

22. Members' liability

As a company limited by guarantee each of its members commits to contribute up to one pound sterling (£1) to the company's debts, liabilities and costs in the event of the company being wound up and for one year after ceasing to be a member.

23. Related party transactions

Related party disclosures concerning transactions with Cancer Research UK, as ultimate parent undertaking, are set out in notes 4, 11, 13, 15 and 18. These represent operational transactions, including grant funding received.

Amounts due to and from Beatson Technology Ltd are set out in notes 13 and 15 and represent amounts paid by the Institute on behalf of Beatson Technology Ltd or received in advance of research contracts being undertaken.

A Director of the Company holds an executive position with the University of Glasgow. Related party disclosures concerning the University are set out in Notes 3, 4 and 5. Such transactions are conducted on an arm's length basis. As at 31 March 2026, £631k was included in Debtors under Grant income receivable (2024/25: £504k).

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2026	2025
	£'000	£'000
Net expenditure before tax and other recognised gains and losses (as per the statement of financial activities)	(777)	(772)
Less: Interest receivable and similar income	(568)	(724)
Net expenditure for the reporting year	(1,345)	(1,496)
Adjustments for:		
Depreciation charges	1,577	1,615
Gain on sale of fixed assets	–	(15)
Increase in debtors	(732)	(578)
Increase in creditors	708	274
Net cash generated by / (used in) operating activities	208	(200)

25. Guarantees

The Company is party to a Group registration for VAT purposes and is jointly and severally liable for any VAT liabilities of the companies that are part of the same VAT registration.