

THE DARWIN TRUST OF EDINBURGH

REPORT AND ACCOUNTS

for the year ended 31 March 2024

# THE DARWIN TRUST OF EDINBURGH

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# THE DARWIN TRUST OF EDINBURGH

## TRUST INFORMATION

Scottish charity number: SC006400

Principal office: School of Biological Sciences  
Room 147 Peter Wilson Building  
Nicholas Kemmer Road  
King's Building  
Edinburgh EH9 3FH

Investment managers:	Morgan Stanley Smith Barney LLC 28 State Street, 26 <sup>th</sup> Floor Boston MA 02109	LGT Wealth Management Capital Square 58 Morrison Street Edinburgh EH3 8BP
	CIBC 100 Federal Street 37 <sup>th</sup> Floor Boston MA 02110	Rathbone Investment Management 8 Finsbury Circus London EC2M 7AZ
	Troy Asset Management Limited 2 The Boulevard City West One Office Park Gelderd Road Leeds LS12 GNT	
Bankers:	Royal Bank of Scotland Plc 206 Bruntsfield Place Edinburgh EH10 4DF	
Solicitors:	Balfour & Manson 54-66 Frederick Street Edinburgh EH2 1LS	Gillespie Macandrew 5 Atholl Crescent Edinburgh EH3 8EJ
Auditors:	MHA Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD	

## TRUSTEES' REPORT

For the year ended 31 March 2024

The Trustees have pleasure in presenting their report and the audited accounts for the year ended 31 March 2024. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the terms of the Trust deed and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published in October 2019.

### Objectives and Activities

The Darwin Trust of Edinburgh was established by a Declaration of Trust on 8 July 1983 with the purpose of "promoting education and research in the Natural Sciences and in particular Molecular Biology". Its main activity is the award of PhD studentships to individuals who are not eligible for the home/UK tuition fee so that they can pursue a PhD in the biological or biomedical sciences. Darwin Trust studentships may be held at particular institutions. Most are held at the School of Biological Sciences at the University of Edinburgh but students are also supported at the University of Birmingham (three *per* year), the Medical Research Council Laboratory of Molecular Biology in Cambridge (one *per* year), King's College London (one *per* year), and the European Molecular Biology Laboratory (one *per* year).

Since 1991 the Trust offered one or two undergraduate scholarships *per* year to students from Belarus to allow them to study in the School of Biological Sciences at the University of Edinburgh and to graduate with a BSc (Biological Sciences).

In addition to its studentship and scholarship programme the Trust supports public engagement with science, and has made occasional awards to the University of Edinburgh to support the capital cost of major initiatives in biological research.

### Key Performance Indicators and Achievements

The Trust measures the success of its studentship and scholarship programme by the number of applications that it receives, the number of awards that are made each year, the proportion of those receiving a studentship who graduate with a PhD, the proportion of those awarded an undergraduate scholarship who graduate with either a First Class or Upper Second Class degree, and the achievements of students during the course of their studies. The success of the Trust's awards for the public engagement with science is judged by the activities carried out with these awards.

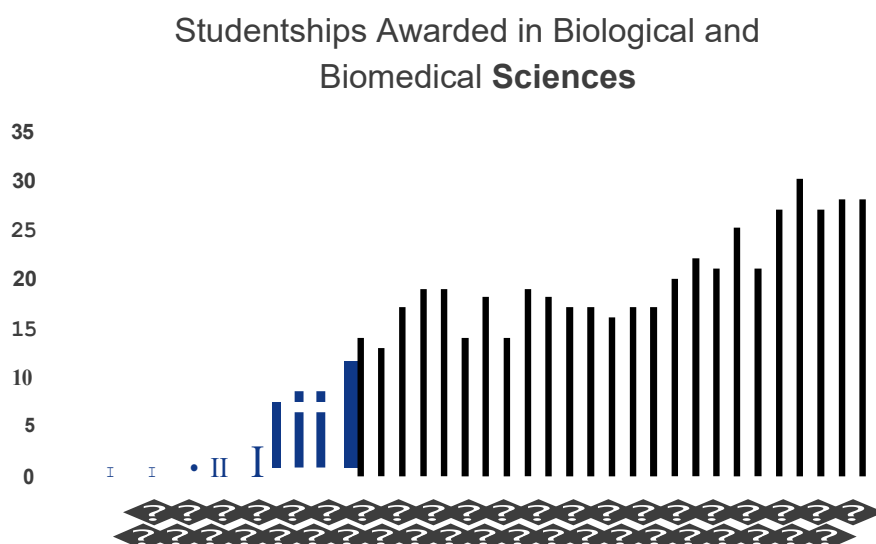
# TRUSTEES' REPORT

For the year ended 31 March 2024

## Objectives and Activities (continued)

### Awards

The Trust has now awarded a total of six hundred and twenty PhD studentships for research in biological or biomedical sciences with the number awarded each year shown in Figure 1.



**Figure 1:** The number of PhD studentships awarded by the Darwin Trust each year for research in biological or biomedical sciences.

Twenty-eight PhD studentships were awarded in 2024 as indicated in Table 1 and Table 2.

**Table 1**  
**Applications and awards 2024**

University/subject	Eligible Applications 2024 (2023)	Interviews 2022 (2021)	Awards 2022 (2021)
Edinburgh	103 (89)	31 (31)	24 (20)
Birmingham	15 (t)	10 (10)	3 (3)
MRC Laboratory of Molecular Biology	(S)	1 (2)	0 (1)
King's College, London❖	0 (2)	0 (1)	0 (1)
EMBL	*	*	1 (1)

t Information unavailable.

\* Candidates for a Darwin Trust studentship are selected from the many hundreds of applications received from students wanting to pursue a PhD at EMBL.

❖ King's College, London were unable to recruit for a studentship in 2024.

TRUSTEES' REPORT

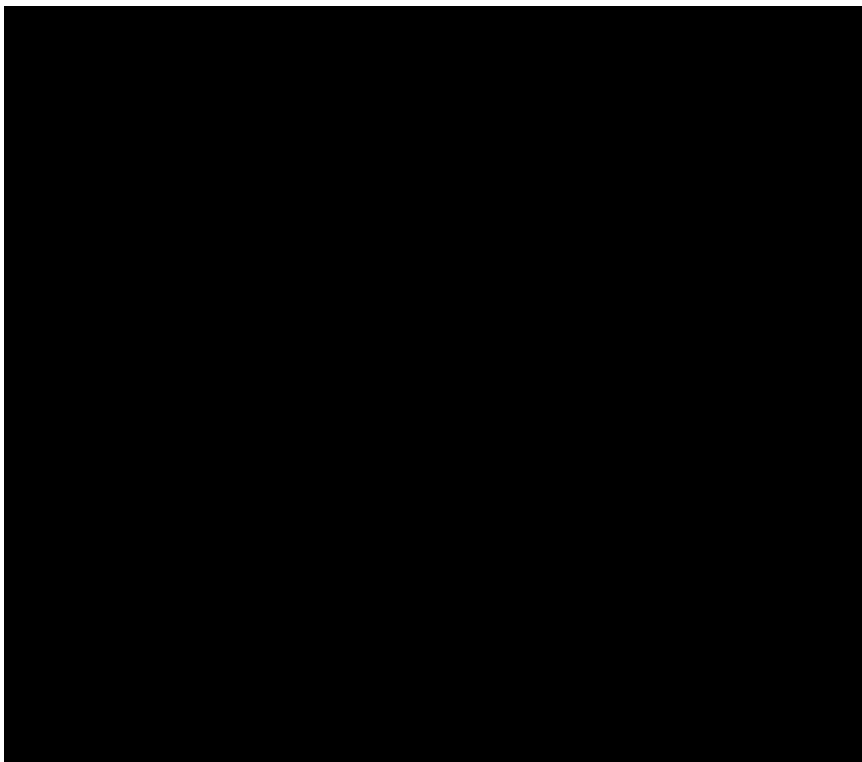
For the year ended 31 March 2024

Objectives and Activities (continued)

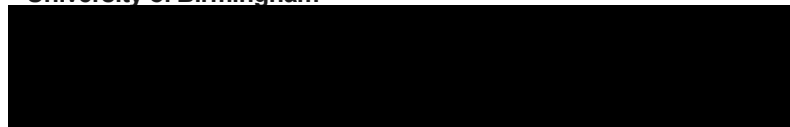
Table 2

**Postgraduate Studentships 2024**

University of Edinburgh



University of Birmingham



EMBL, Heidelberg



University of cambridge, LMB

No award this year

King's College London

No award this year

**Undergraduate Scholarship**

No award this year

## TRUSTEES' REPORT

For the year ended 31 March 2024

### Objectives and Activities (continued)

These students have come from a total of seventy-seven countries as shown in Table 3 and Figure 2.

Table 3

### Nationality of Darwin Trust Funded PhD Students 1983-2024

Home Country	No. of students	Home Country	No. of students	Home Country	No. of students	Home Country	No. of students
Abu Dhabi	1	Ethiopia	1	Malaysia	6	Spain	9
Argentina	18	France	12	Mauritius	1	Slovakia	4
Australia	1	Germany	27	Mexico	5	Sri Lanka	7
Austria	1	Ghana	17	Nepal	2	Sweden	1
Bangladesh	7	Greece	13	Netherlands	4	Syria	2
Belarus	48	Hungary	1	New Caledonia	1	Switzerland	3
Belgium	3	Hong Kong	1	New Zealand	4	Taiwan	5
Bosnia Herz.	1	India	87	Nigeria	10	Thailand	2
Brazil	6	Indonesia	1	Pakistan	5	Turkey	9
Bulgaria	6	Iran	4	Paraguay	1	Uganda	1
Cameroon	1	Iraq	1	Peru	3	Ukraine	4
Canada	9	Ireland	9	Poland	15	U.K.	17
Chile	6	Israel	2	Philippines	1	Uruguay	1
China	66	Italy	17	Portugal	5	USA	24
Colombia	10	Japan	1	Romania	15	Vietnam	1
Cuba	1	Kazakhstan	2	Russia	17	Yemen	2
Cyprus	3	Kenya	8	Serbia	5	Zimbabwe	2
Denmark	3	Lebanon	5	Singapore	7		
Egypt	6	Lithuania	4	South Africa	7		
Ecuador	1	Mali	1	South Korea	1		

Figure 2

### Country of Origin of Darwin Trust Students



**Figure 2:** This map indicates the home countries of Darwin Trust funded PhD students colour coded according to the proportion of the total students from each country. No studentships have been awarded to individuals from countries in grey.

TRUSTEES' REPORT

For the year ended 31 March 2024

Achievement and Performance

Outcomes

Thirty PhD studentship were awarded in 2019 all of which have resulted in the award of a PhD. The students and the title of their theses are listed in Table 4. This list includes the theses of four students (\*) who were awarded a studentship in 2018 and whose research was delayed by the COVID19 pandemic.

Table4  
Theses submitted by students awarded a studentship in 2019

	A system for studying parasite-IgE interactions
	Lineage dynamics of haematopoiesis: insights from single-cell multi-omics and lineage tracing
	Single-cell physiological response of <i>Escherichia coli</i> to suppressive antibiotic combinations
	Investigating CRISPR-mediated gene editing and its relationship with DNA repair in <i>Chlamydomonas reinhardtii</i>
	DGCR8-dependent control of antiviral immunity in human cells
	Investigating the roles of classic and unusual RNA-binding proteins in <i>Staphylococcus aureus</i> survival in hostile environments
	Evolution of the legume flower: case studies in the early-branching papilionoid legumes (Papilionoideae, Leguminosae)
	Plasticity of Ageing in Burying Beetles
	Specificity and mechanism of RNA trafficking from mouse to bacteria in the gut
	Chromosome evolution in <i>Rhabditina</i> (Nematoda) with a focus on programmed DNA elimination
	Metabolomic Profiles of Cardiovascular Diseases in Type 2 Diabetes and in the General Population
	Post-transcriptional regulation of fungal cell walls by RNA-binding proteins and untranslated regions
	High-resolution mapping of centromeric proteins using long-read nanopore sequencing
	Biochemical and Functional Insights into maintenance DNA Methylation by DNMT1 in context of chromatin
	Post-transcriptional roles of helix-turn-helix transcription factors in regulation of gene expression in methicillin-resistant <i>Staphylococcus aureus</i>
	Understanding the role of glucose-sensor HEXOKINASE in seedling establishment in <i>Arabidopsis thaliana</i>
	Mechanisms regulating human platelet cytoskeleton dynamics and shape change.
	Developing the Principles for Modular Genomes with the Minimal Yeast Cell Cycle
	The Evolution of Recombination Rate Variation in a Natural Population of House Sparrows



Achievement and Performance (continued)

Table 4 (continued)

	Next-generation computational optimization of protein expression systems
	Investigating host and pathogen factors that modulate the phagocytosis of <i>Cryptococcus neoformans</i> by macrophages
	Genetic validation of the function of <b>pfEMPI</b> in <i>Plasmodium falciparum</i> rosette formation
	Investigation of the link between splicing and nonsense-mediated mRNA decay in <i>Schizosaccharomyces pombe</i>
	Genome-wide and multi-scale mapping of dna supercoiling in differentiating human stem cells
	Early immune priming and activation against streptococcus pneumoniae from maternal vaccination
	Neural mechanisms underlying behavioural conflicts in <i>Drosophila melanogaster</i>
	Hob3 is required for <b>SAPK</b> pathway dependent Gefl plasma membrane recruitment
	Fungi exploit natural defence to cause cell loss in the host brain
	Roles of nucleosome asymmetry and KAT6B-mediated histone acetylation in the regulation of bivalent promoters
	Exploring the role of three deubiquitinases - UCH54, UCHL3 and USP7 in the biology of the malaria parasite
	Identification of Mutants that affect Mono-orientation in Meiosis through a Mutagenesis screen
	Spatial Regulation of Spindle-Associated Proteins in Oocytes
	h Ectopic heterochromatin provides an alternative route to fungal resistance
	Investigation of RNAi-dependent heterochromatin establishment in <i>Schizosaccharomyces pombe</i>

Of the 455 individuals awarded a PhD studentship between 1983 and 2019 438 have graduated with a PhD.

Activities of Darwin Funded Students

Entrepreneurship:

Towards the end of her PhD [REDACTED] joined a start-up company, Prozymi Biolabs ([www.prozymibiolabs.com](http://www.prozymibiolabs.com)) to help it raise initial funding with the support of Edinburgh Innovations. Prozymi Biolabs was spun out by a fellow student in the School of Biological Sciences with the aim of enzymatically removing the allergenic component of flour to help those with gluten related diseases. [REDACTED] is now employed by the company bringing with her the microbiology and bio-informatics expertise that she acquired during her Darwin Trust PhD studentship.

TRUSTEES' REPORT

For the year ended 31 March 2024

Activities of Darwin Funded (continued)

Public engagement and related activities:

Darwin Trust students have been active in public engagement activities again this year. [REDACTED] and [REDACTED] contributed Tattoo My Science at Meadows Community Festival in Edinburgh and the Falkirk Science Festival along with the Public Engagement Team of the School of Biological Sciences in Edinburgh. [REDACTED] has started a food waste initiative to reduce food waste with a goal to cut methane emissions and minimize resource wastage by diverting food from landfills. [REDACTED] volunteered for "Meet the scientist" as a public engagement opportunity as part of Biolabs on campus. [REDACTED] organised a conference for students from EMBL Rome and the Human Technopole in Milan. [REDACTED] is a Consulting Director for SiX Degrees Edinburgh, a student led environment think tank and consulting organisation. In February, [REDACTED] participated in Public Engagement with SBS in MicroArt workshops for Children's Holiday Venture, a University of Edinburgh undergrad-led charity providing activities for children in deprived areas of Edinburgh, and in April lead a session on burying beetles in the Edinburgh Science Festival. [REDACTED] delivered seven university-style tutorials to 11-13 years old students at two state schools in a programme organized by The Brilliant Club, a charity that supports less advantaged students to access the most competitive universities.

Meetings and Conferences attended:

During the past twelve months many Darwin students have taken advantage of opportunities to attend and present their work at research conferences including [REDACTED] (6th annual Early Career Research conference (ECR24), Newcastle); [REDACTED] (International Conference on Fungal Biology & Plant-Microbe Interactions (ICFBPMI-2024) Varanasi, India, and the International CEPLAS-IPK Summer School, Kloster Drubeck, Germany); [REDACTED] (7th Meeting on Regulating with RNA in Bacteria and Archaea, St. Petersburg, Florida); [REDACTED] the (British Meiosis Meeting 2024); [REDACTED] (EMBO Dynamic Kinetochore Meeting 2024, Caux, Switzerland); [REDACTED] (ASCB/EMBO meeting, Boston); [REDACTED] (ASCB/ENBO meeting Boston, MA); [REDACTED] (SIGNET conference, Perth Scotland and ICMI conference, Copenhagen Denmark); Ksenia Klimova (RNAP workshop, Oxford); [REDACTED] (Gordon Research Conference); [REDACTED] (British Society for Parasitology, Liverpool); [REDACTED] (Botanical Society of Great Britain and Ireland); [REDACTED] (British Ecological society conference 2023, Belfast); [REDACTED] (EMBO Workshop: Topology & DNA Topoisomerases in Genome Dynamics, Switzerland); [REDACTED] (British Society for Parasitology, Liverpool); [REDACTED] ("piRNAs and PIWI Proteins Genopolys", Montpellier); [REDACTED] (EMBO workshop Telomere Function and Evolution in Health and Disease, Rome); [REDACTED] (CCP4 Northern Structural Biology Meeting and Study Weekend); [REDACTED] ("Ubiquitin Signalling" at the 34th Molecular Parasitology Meeting, Massachusetts); [REDACTED] (EMBO meiosis meeting, Vienna).

At these poster prizes have been awarded to several students including [REDACTED], [REDACTED].

TRUSTEES' REPORT

For the year ended 31 March 2024

Activities of Darwin Funded (continued)

Publications:

The primary output of most research is publications in relevant journals. You can see below a selection of papers published by current and former Darwin Trust students in the last twelve months. The names of Darwin Trust funded students are highlighted in bold.

[REDACTED]  
computational platform for enhancing RNA-binding proteome data" Life Sci. Alliance (DOI: 10.26508/lsa.202402787)

[REDACTED]  
[REDACTED] "Predictive Immunoinformatics Reveal Promising Safety and Anti-Onchocerciasis Protective Immune Response Profiles to Vaccine Candidates (Ov-RAL-2 and Ov-103) in Anticipation of Phase I Clinical Trials" (<https://doi.org/10.1101/2024.05.06.592733>)

[REDACTED]  
[REDACTED]  
[REDACTED] "Two highly selected mutations in the tandemly duplicated *CYP6P4a* and *CYP6P4b* drive pyrethroid resistance in *Anopheles funestu*" (<https://doi.org/10.1101/2024.03.26.586794>)

[REDACTED] "One-Pot Biosynthesis of Acetone from Waste Poly(hydroxybutyrate)" *ACS Sustainable Chem. Eng.* 2024, 12, 7748-7756

[REDACTED]  
[REDACTED]  
[REDACTED] "C19ORF84 connects piRNA and DNA methylation machineries to defend the mammalian germ line" *Molecular Cell* 84, 1021-1035

[REDACTED] "Combinatorial Design Testing in Genomes with POLAR-seq" (<https://www.biorxiv.org/content/10.1101/2024.06.06.597521v1>)

[REDACTED] "Evolution of the Cytomegalovirus RLII Gene Family in Old World monkeys and Great Apes" *Virus Evolution* (<https://doi.org/10.1093/ve/veae066>)

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

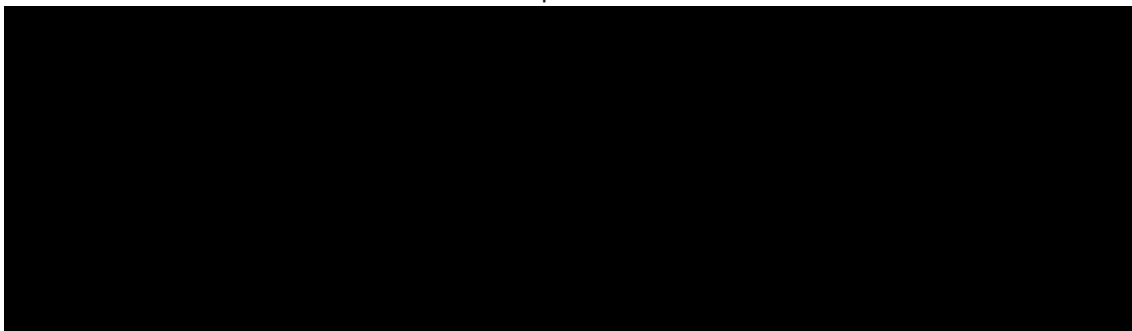
For the year ended 31 March 2024

#### Governance and Management

##### Board of Trustees

The maximum number of nine Trustees is permitted under the trust deed and the minimum is five, and Trustees are not remunerated for the time that they give to the Trust. The Trustees annually and are supported by the Finance Committee and the Administrative Committee. Decisions on the appointment of new Trustees are made by the Board as a whole with vacancies filled from nominations sought from existing Trustees that will ensure that the Board has the skills and experience necessary for successful operation of the Trust. New Trustees are given detailed information about the work of the Trust and about their role and responsibilities as a Trustee, including relevant information regarding charity law. Trustees normally remain in post for ten years but can be invited to serve for an additional term if this is agreed by the remaining Trustees.

The Trustees who have acted from the 1 April 2023 are:



\* indicates membership of the Finance Committee, t indicates membership of the Administration Committee

##### Finance Committee

The Trustees have delegated to the Finance Committee responsibility for implementing the Trust's investment policy. The Finance Committee meets quarterly to monitor the performance of the Trust's investments, to meet with its fund managers, and to discuss the Trust's investment strategy.

##### Administrative Committee

Day to day responsibility for the Trust's activities, including management of the Trust's Administrators, is delegated to the Administrative Committee. The Committee comprises three Trustees based in Edinburgh ( ), together with

). The primary remit of the Committee is management of the Trust's PhD studentship programme. The Committee meets at least once a year and discusses business as it arises at other times.

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

For the year ended 31 March 2024

#### Financial Review

#### Risk Management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operation and finances of the Trust and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained and reviewed at least annually.

The principal risks faced by the charity are related to the performance of its investments and the ability of the Trust to recruit outstanding students for its awards. The Trustees consider variability of investment returns to constitute the charity's major financial risk, and this is mitigated by having individuals with relevant expertise sitting on both the Board of Trustees and the Finance Committee, by retaining a selection of expert investment managers across a diverse portfolio, and by having 50% of its assets managed in the USA and 50% in the UK. The effectiveness of this strategy is demonstrated by the ability of the Trust to maintain the value of its endowment over time despite volatility in financial markets.

#### Investment Policy

Around half of the Trust's assets are managed in the UK and around half in the USA. The Trust uses three fund managers in the UK and two in the USA and no manager may be responsible for more than 25% of its total assets. The investment objective is to produce the best financial return within an acceptable level of risk. The target return is inflation (CPI) plus 4% *per annum* over the long term in whichever country the assets are managed. At their annual meeting in 2021 the Trustees accepted a recommendation from the Finance Committee that a proportion of the Trust's assets should be invested under a new equities mandate that would yield higher returns over the long term, but with correspondingly higher risk, while leaving sufficient funds invested under the core mandate of CPI+4% per annum to ensure that the income from investments will meet the Trust's charitable objectives and maintain the level of its endowment in the absence of external income.

The Finance Committee appoints and monitors the performance of the Trust's investment managers and aims to meet their representatives either in person or virtually at least once a year. Performance of the core mandates is monitored against agreed market benchmarks and the investment objective of Inflation (US or UK Consumer Price Index) + 4% per annum over the long term. The new equities mandates, mentioned above, have an out-performance target of MSCI World or equivalent. The Finance Committee has been authorised by the Board of Trustees to make direct investments in suitable investment vehicles.

At their annual meeting in 2022 the Trustees accepted a proposal from the Finance Committee that the Trust's ethical investment policy should instruct its fund managers to avoid direct investment in organisations that derive more than 10% of their revenue from fossil fuels, gambling, high interest rate lending, the sale or manufacture of armaments, from tobacco products, and those generating more than 3% of turnover from pornography or adult entertainment. Fund managers must also avoid direct investment in Barclays pie as this is connected to a Trustee and member of the Finance Committee.

**TRUSTEES' REPORT**

**For the year ended 31 March 2024**

**Investment Policy (continued)**

At their annual meeting in 2023 the Trustees agreed that the Trust should investigate the possibility of engaging a fiduciary manager to make management of the Trust's assets more robust by allowing access to:

- a) Strategic investment advice - Strategic Asset Allocation (SAA), portfolio construction, diversification of asset classes across the portfolio, decorrelation of assets, financial modelling, scenario analysis, research / thought leadership, training for the Finance Committee.
- b) A fully bespoke institutional investment model.
- c) The ability to quickly respond to market events.
- d) Better, more robust risk and governance arrangements.
- e) A global research database of rated external fund managers, including important ESG/RI considerations.
- f) Continuous independent assessment of, and interaction with, all fund managers; production of high-quality quarterly reporting; consolidated investment performance versus benchmark.
- g) The skills and resources to access private market investment opportunities (higher risk, higher return) and to safely execute all the required, complex documentation.
- h) Reduction in investment and operational risk.

**Reserves Policy**

At the end of the financial year 2023-2024 the value of the Trust's assets was £166m, an increase of 28% over the value of £131m at the end of the 2022-2023 financial year. The sum of £13m has been designated as a fund to cover the anticipated expenditure needed to allow all those with an active studentship on 1 October 2024 to complete their studies.

The Trust's income from Biogen royalties donated by the University of Edinburgh came to an end in 2019 and the Trust will grow its reserves from returns on its investments and receipt of funds from Sir Ken Murray's estate in the USA. The Trust received £20m from the estate during the financial year 2023-2024 value of assets in the remainder of the US estate was \$4Sm on 31 March 2024 with all the assets managed by Morgan Stanley. The IRS has been sent the information required to allow release of the remaining funds.

The Trust's expenditure is set at a level that can be sustained from investment income and any increase in the capital value of its assets while maintaining the value of the endowment in real terms. The value of the Darwin Trust's assets at the end of each financial year since inception is shown in Figure 3 and its annual charitable expenditure shown in Figure 4.

The Trust receives income from each of its fund managers through monthly payments of an amount that is roughly proportional to value of the portfolio that they manage and that, in total, is sufficient to cover the Trusts expenditure. The amount needed from each manager is reviewed annually according to the predicted expenditure for each financial year.

TRUSTEES' REPORT  
For the year ended 31 March 2024

Reserves Policy (continued)

Figure 3

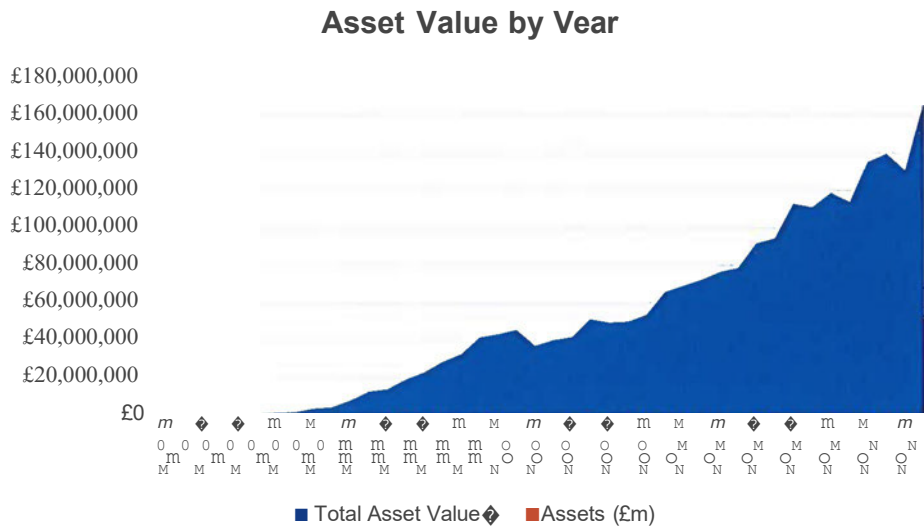


Figure 3: Value of the Darwin Trust's assets at March 3pt each year since inception.

Figure4

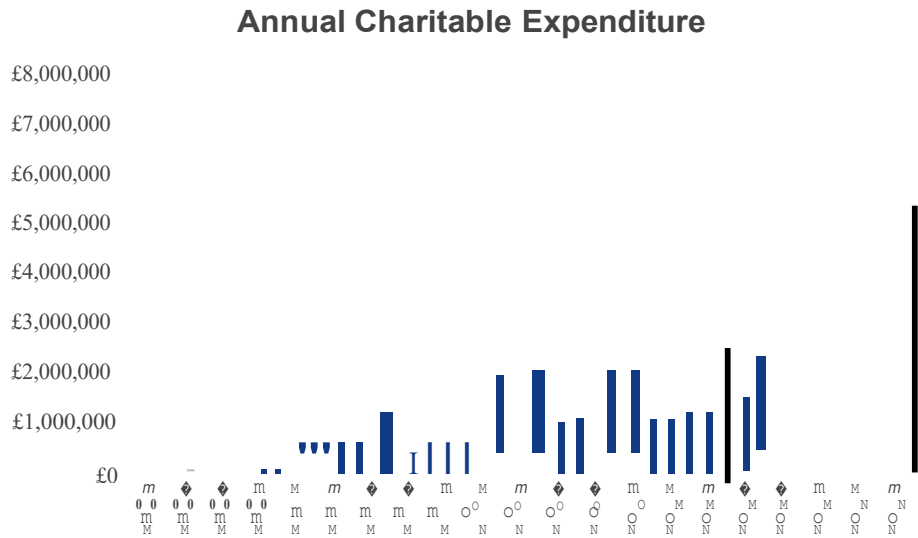


Figure 4: The Darwin Trust's charitable expenditure each year since inception

Plans for the Future

The Trust's financial position is discussed at each meeting of the Finance Committee and the long-term income and expenditure is reviewed by the Trustees at least every three or four years. The Trust is in a healthy financial position and income from its assets will allow it to sustain its current programme of funding. The Trustees have agreed that the Trust should not expand its current programme of activities but the Trust may make additional non-recurrent awards to further its aims if its finances permit. The Trust is unlikely to be in a position to do this until there is a sustained reduction in the volatility of financial markets.

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

For the year ended 31 March 2024

#### TRUSTEES' RESPONSIBILITIES

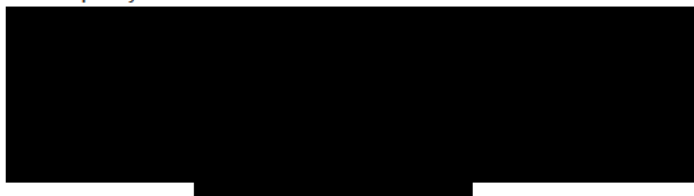
The Trustees are responsible for preparation of the Trustees' Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and to take reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors:** Geoghegans resigned as auditors following their merger with MHA on 1 February 2024 and MHA were appointed auditors from that date and have expressed a willingness to continue in that capacity.



21 September 2024



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DARWIN TRUST OF EDINBURGH

### Opinion

We have audited the financial statements of The Darwin Trust of Edinburgh (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DARWIN TRUST OF EDINBURGH (continued)**

### **Other information (continued)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE DARWIN TRUST OF EDINBURGH (continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outline 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 is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of charity management and those charged with governance to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including the testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of the charity's activities and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**MHA**  
Statutory Auditor  
6 St Colme Street  
Edinburgh  
EH3 6AD

25 September 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

*MHA is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.*

THE DARWIN TRUST OF EDINBURGH

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2024

	Notes	Unrestricted 2024 £	Unrestricted 2023 £
<b>INCOME</b>			
Investment income	2	2,654,573	1,986,727
Legacy income	3	20,016,276	
<b>Total income</b>		<u>22,670,849</u>	<u>1,986,727</u>
<b>EXPENDITURE</b>			
Raising funds - investment management fees		282,619	252,030
Charitable activities		<u>5,328,863</u>	<u>4,203,518</u>
<b>Total expenditure</b>	4	5,611,482	4,455,548
<b>NET EXPENDITURE BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		17,059,367	(2,468,821)
<b>Net gains/(losses) on investment assets</b>	7	18,814,135	(6,476,797)
<b>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS</b>		35,873,502	(8,945,618)
Total funds brought forward	11	<u>130,404,275</u>	<u>139,349,893</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	11	<u><b>166,277,777</b></u>	<u><b>130,404,275</b></u>

The Trust has no recognised gains or losses other than those included in the Statement of Financial Activities.

All income and expenditure is derived from continuing activities.

THE DARWIN TRUST OF EDNBURGH

**BALANCE SHEET**  
**As at 31 March 2024**

	Notes	2024 £	2023 £
<b>FIXED ASSETS</b>			
Investments	7	165,002,602	129,228,686
<b>CURRENT ASSETS</b>			
Cash at bank and on deposit		3,259,121	3,165,749
<b>TOTAL CURRENT ASSETS</b>		3,259,121	3,165,749
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	8	(1,953,946)	(1,930,160)
<b>NET CURRENT ASSETS</b>		1,305,175	1,235,589
<b>Total assets less current liabilities</b>		166,307,777	130,464,275
<b>LIABILITIES</b>			
Creditors: Amounts falling due after more than one year	9	(30,000)	(60,000)
<b>NET ASSETS</b>		166,277,777	130,404,275
<b>REPRESENTED BY:</b>			
Unrestricted funds			
- General	11	153,277,777	117,904,275
Designated	11	13,000,000	12,500,000
		166,277,777	130,404,275

The accounts were approved and authorised for issued by the Trustees on 21 September 2024 and signed on their behalf by



Chairman of the Finance Committee

# THE DARWIN TRUST OF EDINBURGH

## STATEMENT OF CASHFLOWS

For the year ended 31 March 2024

### RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	<b>2024</b>	<b>2023</b>
	£	£
<b>Net income/(expenditure) for the year (as per the SOFA)</b>	35,873,502	(8,945,618)
<b>Adjustments for:</b>		
Net (gains)/losses on investment assets	(18,814,135)	6,476,797
Investment income	(2,654,573)	(1,986,727)
Legacy income received as investments	(19,310,186)	
(Decrease)/increase in creditors	<u>(6,214)</u>	<u>334,342</u>
<b>Net cash (used in) operating activities</b>	<u>(4,911,606)</u>	<u>(4,121,206)</u>

<b>STATEMENT OF CASHFLOWS</b>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>For the year ended 31 March 2024</b>		£	£
<b>Cash flows from operating activities:</b>			
<i>Net cash (used in) operating activities</i>		<u>(4,911,606)</u>	<u>(4,121,206)</u>
<b>Cash flows from investing activities:</b>			
Investment income		2,654,573	1,986,727
Purchase of investments		(36,096,957)	(16,785,347)
Proceeds from sale of investments		39,527,345	17,910,240
Movement in cash held in the portfolio net of forex gains		(1,079,983)	1,528,776
<b>Net cash provided by investing activities</b>		5,004,978	4,640,396
<b>Change in cash and cash equivalents in the year</b>	14	93,372	519,190
Cash and cash equivalents at the beginning of the year	14	3,165,749	2,646,559
<b>Cash and cash equivalents at the end of the year</b>	14	<u>3,259,121</u>	<u>3,165,749</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2024

1 Accounting policies

The significant accounting policies adopted in the preparation of the accounts are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) *Basis of accounting*

The accounts have been prepared on a going concern basis under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to the accounts. The accounts are presented in sterling which is the functional currency of the Trust and are rounded to the nearest£.

The accounts have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and UK Generally Accepted Accounting Practice.

(b) *Public Benefit*

The Darwin Trust of Edinburgh constitutes a public benefit entity as defined by FRS 102.

(c) *Going concern*

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The trustees continue to monitor investment performance and to sell investments in order to meet ongoing commitments. The trustees are satisfied these efforts are sufficient and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) *Significant Assumptions and Estimations*

The trustees consider that there are no material uncertainties in relation to the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts relate to consideration of multi-year commitments. Looking forward to 2024/25, the most significant areas of uncertainty that affect the carrying value of assets are the level of investment return and the performance of the markets.

**NOTES TO THE ACCOUNTS (Continued)**  
**for the year ended 31 March 2024**

**1 Accounting Policies (continued)**

**(e) *Income***

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of the income can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust, which is normally upon notification of the interest payable by the bank.

Dividends are recognised once the dividend has been declared and notification received of the dividend due. This is normally upon notification by the respective investment managers.

Legacies are recognised following granting of probate when the administrator/executor of the estate has communicated in writing both the amount and settlement date. Where the gift is in a form other than in cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title of the asset having been transferred to the Trust. Where the Trust is notified of a material legacy which has not been recognised as the related recognition criteria have not been fully met, this is disclosed in the notes to the accounts.

**(f) *Expenditure***

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure; it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is recognised on an accrual basis. The Trust is not registered for VAT and all expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. Costs relating to a particular activity are allocated directly while others are apportioned on the most appropriate basis as set out in note 3.

While Scholarships are awarded for a 4 year period, they are subject to the completion of an annual review and are consequently recognised when paid.

The cost of raising funds consists of investment management costs and certain professional fees.

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its activities and services. It includes both costs which can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Included within charitable support costs are governance costs which reflect those expenses associated with meeting the constitutional and statutory requirements of the Trust and therefore include the audit fees and costs linked to the strategic management of the Trust.

**(g) *Foreign currency transactions***

Transactions in foreign currencies are recorded at the rate of exchange ruling at the balance sheet date. Monetary assets and liabilities denominated in foreign currencies are also retranslated at that rate. All differences are taken to the Statement of Financial Activities.



**NOTES TO THE ACCOUNTS (Continued)**  
**for the year ended 31 March 2024**

**1 Accounting Policies (continued)**

(h) *Fixed Asset Investments*

The investments held by the Trust are revalued at the end of each financial year to reflect their market value at that date.

Some of the investment funds utilise derivatives, specifically short position call options, which are valued at market rates at the year end. The amounts included in change in market value are the realised gains or losses on closed contracts and the unrealised gains or losses on open contracts.

Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

(i) *Debtors*

Other debtors are recognised at settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

(j) *Cash at Bank and in Hand*

Cash at bank and in hand include cash and short term highly liquid investments with a short maturity date of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) *Financial Instruments*

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

Other financial instruments, such as derivatives including forward contracts and options, are recognised when the Trust becomes a party to the contractual provisions of the instrument and are initially recognised at fair value, which is normally the transaction price. At the end of each reporting period, the Trust measures the instrument at fair value and recognise any changes in fair value in the Statement of Financial Activities.

(l) *Funds*

All Trust monies are held in an unrestricted fund and are available for the use at the discretion of the Trustees in furtherance of the general objectives of the charity.

<b>2 Investment income</b>	<b>Unrestricted 2024 £</b>	<b>Unrestricted 2023 £</b>
Dividends and interest from the portfolios	2,609,672	1,976,020
Bank interest	44,901	10,707
	<u>2,654,573</u>	<u>1,986,727</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2024

3	<b>Legacy income</b>		<b>Unrestricted 2024 £</b>	<b>Unrestricted 2023 £</b>
	Income from the Murray estate		20,016,276	
4	<b>Expenditure</b>	<b>Basis of allocation</b>	<b>Unrestricted 2024 £</b>	<b>Unrestricted 2023 £</b>
	<b>Raising funds</b>			
	Investment management fees	Direct	282,619	252,030
	<b>Charitable activities</b>			
	Scholarships (note 5)	Direct	4,762,831	4,171,365
	Donations to support scientific activities	Direct	401,221	(30,000)
	Support costs	Below	164,811	62,153
	Total charitable activities expenditure		5,328,863	4,203,518
	<b>Total expenditure</b>		<b>5,611,482</b>	<b>4,455,548</b>
	<b>Support costs</b>			
	Administration expenses	Usage	73,749	36,493
	Legal and professional fees	Direct	71,088	7,280
	Governance costs - audit and accountancy	Usage	19,974	18,380
			<b>164,811</b>	<b>62,153</b>
5	<b>Scholarships</b>		<b>Unrestricted 2024 £</b>	<b>Unrestricted 2023 £</b>
	Payments to students for financial assistance		2,629,284	2,132,062
	Payment of fees to Universities		2,133,547	2,039,303
			<b>4,762,831</b>	<b>4,171,365</b>
6	<b>Trustees' remuneration and expenses</b>			

Trustees are not remunerated for their services. 3 trustees (2023: 4) received reimbursement of expenses in the year totalling £2,859 (2023: £1,751).

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2024

7	Investments	Equities and bonds £	Cash £	2024 £
	Opening market value	128,722,061	506,625	129,228,686
	Additions at cost	36,096,957	(36,096,957)	
	Disposal proceeds	(39,527,345)	39,527,345	
	Gains/(losses) on investments	18,703,483	110,652	18,814,135
	Investment management fees	-	(286,584)	(286,584)
	Dividend income	-	2,575,089	2,575,089
	Legacy income	19,310,186	706,090	20,016,276
	Cash withdrawn	-	(5,345,000)	(5,345,000)
		<u>163,305,342</u>	<u>1,697,260</u>	<u>165,002,602</u>

	Equities and bonds £	Cash £	2024 £	2023 £
<i>UK Investment Managers</i>				
LGT Wealth Management	15,165,147	366,546	15,531,693	14,381,667
Rathbone Investment Mgt	42,801,903	130,145	42,932,048	29,184,849
Troy Asset Management Ltd	19,061,680		19,061,680	18,671,298
<i>US Investment Managers</i>				
MSSB LLC	28,066,238	1,200,569	29,266,807	16,504,839
CIBC	<u>58,210,374</u>	-	<u>58,210,374</u>	<u>50,486,033</u>
	<u>163,305,342</u>	<u>1,697,260</u>	<u>165,002,602</u>	<u>129,228,686</u>
Historic cost	<u>135,753,314</u>	<u>1,697,260</u>	<u>137,450,574</u>	<u>119,340,115</u>

The exchange rules ruling in relation to Sterling at 31 March used in these accounts were as follows:

	2024	2023
US Dollar	<u>1.262</u>	1.235

The investment objective is to produce the best financial return within an acceptable level of risk. Performance for the majority of funds is monitored against agreed market benchmarks and the investment objective of Inflation (US or UK Consumer Price Index)+ 4% per annum over the long term. The new mandates approved in September 2021, have an out-performance target of MSCI World or equivalent.

Monitoring of the investment managers is delegated to the Finance Committee who have been authorised by the Board of Trustees to directly invest up to 20% of the Trust's assets. Overall risk management includes inflation risk mitigation through investment in real assets; capital volatility; diversification of assets and sterling-based liabilities as some assets are non-sterling based. The portfolios held by Rathbones and CIBC include execution-only investments with Vanguard and Fundsmith LLP.

# THE DARWIN TRUST OF EDINBURGH

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2024

### 7 Investments (continued)

Credit risk: Fixed interest securities are affected by trends in interest rates and inflation. If interest rates go up the value of capital may fall and vice versa. Inflation will also decrease the real value of capital. The value of a fixed interest security is also affected by its credit rating.

Counterparty risk: Where an investment manager has entered into a currency hedging arrangement, for example, there is a risk that other parties may fail to meet their obligations. This may lead to delays in recovering amounts due, receiving less or nothing.

Currency risk: As the Trust invests in overseas securities, movement in exchange rates may, if not hedged, cause the value of investment to increase or decrease.

8	<b>Creditors: amounts due within one year</b>	<b>2024</b>	<b>2023</b>
		£	£
	Accruals	1,492,765	1,819,481
	Grant commitments (note 10)	461,181	110,679
		<u>1,953,946</u>	<u>1,930,160</u>
9	<b>Creditors: amounts due after more than one year</b>	<b>2024</b>	<b>2023</b>
		£	£
	Grant commitments (note 10)	<u>30,000</u>	<u>60,000</u>
10	<b>Grant commitments</b>	<b>2024</b>	<b>2023</b>
		£	£
	School of Biological Sciences	431,181	
	University of Edinburgh - Public Engagement		80,679
	EpicrossBorders	60,000	90,000
		<u>491,181</u>	<u>170,679</u>
	Amounts due within one year	461,181	110,679
	Amounts due after more than one year	<u>30,000</u>	<u>60,000</u>
		<u>491,181</u>	<u>170,679</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2024

11 Unrestricted funds

	At 1 April £	Net income/ (expenditure) £	Transfers £	At 31 March £
<b>2023/24</b>				
General fund	117,904,275	35,873,502	(500,000)	153,277,777
Fees and scholarship fund	12,500,000	-	500,000	13,000,000
	<u>130,404,275</u>	<u>35,873,502</u>		<u>166,277,777</u>
<b>2022/23</b>				
General fund	129,849,893	(8,945,618)	(3,000,000)	117,904,275
Fees and scholarship fund	9,500,000		3,000,000	12,500,000
	<u>139,349,893</u>	<u>(8,945,618)</u>		<u>130,404,275</u>

The designated Fees and Scholarship Fund is set up to cover expected future commitments to students.

12 Legacy of Professor Sir K Murray

The charity is the residual beneficiary under the will of the late Professor Sir K Murray. During 2023/24, the Trust received as legacy income an amount equivalent to 40% of the estate of Sir K Murray as at July 2023. As the estate is complex and is still to be finalised, we understand that the Trustees have formed the opinion that while the remaining balance of the legacy receivable is expected to be substantial, it still cannot currently be quantified with reasonable certainty at this time and no further amount has therefore been recognised as an asset receivable by the charity at 31 March 2024.

13 Contingent liabilities

There are expected future commitments to students in terms of fees and scholarships. In line with the accounting policy set out at note I(d), these costs are not recognised until an unencumbered obligation arises and the amounts are paid. A designated fund has been set up (note 11) to cover these potential costs.

14 Analysis of changes in net funds

	1 April 2023 £	Cashflows £	31 March 2024 £
Borrowings			
Cash and cash equivalents	<u>3,165,749</u>	<u>93,372</u>	<u>3,259,121</u>
	<u>3,165,749</u>	<u>93,372</u>	<u>3,259,121</u>

**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2024**

**15 Related party transactions**

There were no transactions with related parties, except as disclosed in note 6, in either the current or previous years.