

**THE DARWIN TRUST OF EDINBURGH**

**REPORT AND ACCOUNTS**

**for the year ended 31 March 2021**

# 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	Aberdeen Standard Capital 1 George Street Edinburgh EH2 2LL
	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 Gelder Road Leed LS12 6NT	Ruffer LLP 80 Victoria Street Longon SW1E 5LJ

Bankers: Royal Bank of Scotland Plc  
206 Bruntsfield Place  
Edinburgh EH10 4DF

Solicitors: Balfour & Manson  
54-66 Frederick Street  
Edinburgh EH2 1LS

Auditors: Geoghegans  
Chartered Accountants  
6 St Colme Street  
Edinburgh EH3 6AD

## **THE DARWIN TRUST OF EDINBURGH**

### **TRUSTEES' REPORT**

**For the year ended 31 March 2021**

The Trustees have pleasure in presenting their report and the audited accounts for the year ended 31 March 2021. 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 under 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 UK nationals, to allow them to pursue a PhD in the biological sciences. Darwin Trust studentships are only awarded to students studying at particular institutions in the UK or at the European Molecular Biology Laboratory. Most studentships are held within the School of Biological Sciences at the University of Edinburgh, but students are also supported at the University of Birmingham (three or four *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). Each studentship provides a stipend for four years and pays the annual university tuition fee up to the level charged by the University of Edinburgh. Studentships are only awarded to candidates whom the Trust believes will complete a PhD within four years and who have the potential to be a productive research scientist.

In alternate years the Trust has award one or two PhD studentships for research in the history or philosophy of science or medicine at any UK university other than that from which the candidate is already a graduate. This programme has been suspended. For many years the Trust award one or two scholarship *per* year to undergraduate students from Belarus to allow them to take the final two years of the BSc (Biological Sciences) programme at the University of Edinburgh but the Trustees agreed in 2020 to discontinue this programme because of the small number of applications received in recent years.

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**

#### **Studentships and Scholarships Programme**

The Trust measures the success of its studentship and scholarship programme by the number and quality of applications that it receives, the number of studentships and scholarships awarded, the proportion of those receiving a PhD 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 the students that it supports.

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

For the year ended 31 March 2021

#### Key Performance Indicators (continued)

Table 1 shows the number of applications for Darwin Trust studentships or scholarships to start in October 2021 together with the corresponding numbers for 2020. It was pleasing to see that the number of applications for studentships to be held in Edinburgh was similar to previous years despite uncertainties due to COVID-19.

**Table 1**  
**Applications and awards 2021**

University/subject	Eligible Applications 2021 (2020)	Interviews 2021 (2020)	Awards 2021 (2020)
Edinburgh	86 (89)	36 (42)	22 (20)
Birmingham	† (46)	7 (7)	3 (3)
MRC Laboratory of Molecular Biology	3 (7)	3 (1)	0 (1)
King's College, London	5(9)	4(5)	1 (1)
EMBL	*	*	1 (1)
Former Darwin Trust Undergraduates <sup>a</sup>	1 (1)	1 (1)	1 (1)

† This information is not available for 2021 due to disruption associated with COVID-19

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

<sup>a</sup> Students who have had a Darwin Trust Undergraduate Scholarship may be awarded a PhD studentship after they graduate.

#### Public Engagement with Science

The Trustees judge success of the Trust's awards for the public engagement with science from the activities described in reports received from the relevant organisations. Awards from the Trust have allowed the School of Biological Sciences to expand its public engagement programme and have supported the Midlothian Science Festival in taking science to local communities, many of them deprived, outside Edinburgh. Unfortunately, both of these programmes have had to curtail their in-person activities due to Covid-19 but are providing online events for schools and, in the case of the School of Biological Sciences, at the Edinburgh International Science Festival.

#### Achievements 2020 – 2021

##### Award of PhD studentships

This year twenty eight PhD studentships have been awarded to students from seventeen countries and these are listed in Table 2.

**THE DARWIN TRUST OF EDINBURGH**

**TRUSTEES' REPORT**

**For the year ended 31 March 2021**

**Achievements 2020 – 2021 (continued)**

**Table 2**

**Postgraduate Studentships 2021**

**University of Edinburgh**

Henrique Alves Domingos	Portugal
Beste Bayrak	Turkey
Mehak Chauhan	India
Haomiao Cheng	China
Tamoghna Chowdhury	India
Alakta Das	India
Pankaj Dhakad	India
Nouhoum Diallo	Mali
Philippe Gadiant	Switzerland
Anjitha Giressh	India
Vignesh Jayaraman	India
RayaneKaade	Lebanon
Isaac Martinez Ugalde	Mexico
Tanya Mathur	India
Jan Morys	Poland
Ardra Pamburayath Suresh	India
Severina Marija Pociunaite	Lithuania
Teagan Reinert	USA
Gautham Suresh Babu	India
Kiran Wadhawan	Canada
Nadeera Yumali Wiyana Hewage	Sri Lanka
Lijuan Wang	China

**University of Birmingham**

Haider Ali	Pakistan
Akanksha Thukral	India
Anjali Vasudevan	India

**University of Newcastle**

Vasilisa Sidarava	Belarus
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**EMBL, Heidelberg**

Jasmina Al-Mousawi	Denmark
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**University of Cambridge, LMB**

No student for 2021

**King's College London**

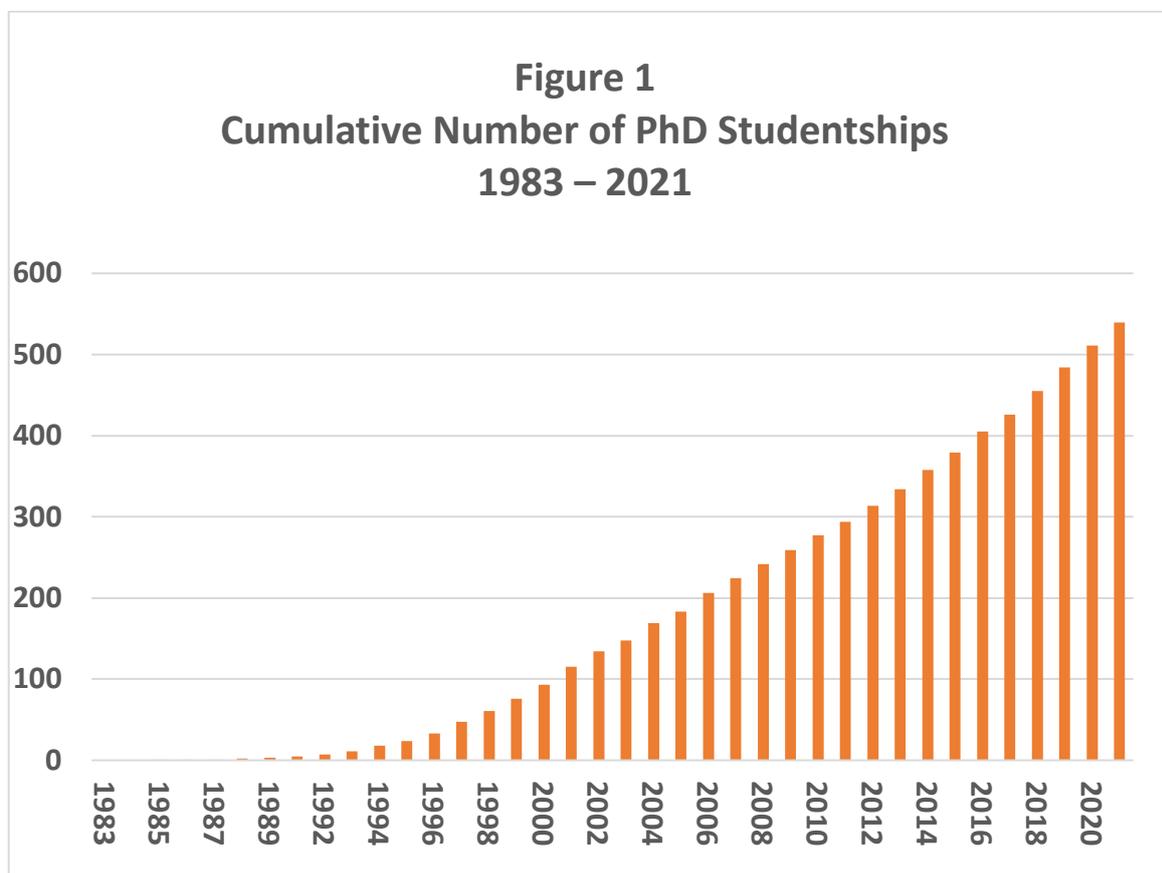
Yassmin Elmasry	Egypt
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TRUSTEES' REPORT

For the year ended 31 March 2021

Achievements 2020 – 2021 (continued)

Since inception the Darwin Trust has awarded a total of five hundred and thirty nine studentships to students from seventy countries. The cumulative number of awards is shown in Figure 1 and the nationalities of the students receiving them are listed in Table 3.



**Table 3**  
**Nationality of Darwin Trust Funded PhD Students 1983-2021**

Argentina	16	Ecuador	1	Mali	1	Singapore	6	Yemen	2
Australia	1	France	11	Malaysia	6	South Africa	6	Zimbabwe	2
Bangladesh	7	Germany	24	Mauritius	1	South Korea	1		
Belarus	46	Ghana	16	Mexico	5	Spain	9		
Belgium	3	Greece	11	Nepal	1	Slovakia	3		
Bosnia Herz.	1	Hungary	1	Netherlands	4	Sri Lanka	7		
Brazil	5	Hong Kong	1	New Caledonia	1	Sweden	1		
Bulgaria	6	India	68	New Zealand	4	Syria	2		
Cameroon	1	Iran	4	Nigeria	6	Switzerland	2		
Canada	8	Iraq	1	Pakistan	4	Taiwan	4		
Chile	4	Ireland	9	Peru	3	Thailand	2		
China	56	Israel	2	Poland	13	Turkey	8		
Colombia	7	Italy	14	Philippines	1	Uganda	1		
Cuba	2	Japan	1	Portugal	4	Ukraine	5		
Cyprus	3	Kenya	5	Romania	15	UK	17		
Denmark	3	Lebanon	5	Russia	16	Uruguay	1		
Egypt	5	Lithuania	4	Serbia	5	USA	18		

TRUSTEES' REPORT

For the year ended 31 March 2021

Achievements 2020 – 2021 (continued)

Outcome of previous awards

Twenty six students were awarded a PhD studentship in 2016, of whom twenty four have so far graduated with a PhD. These students, and the title of their theses, are listed in Table 4. Sadly, one member of this cohort, Peter Pukler, died in March 2019. He had made excellent progress with his research and was awarded a posthumous MSc by the University of Edinburgh based on the results that he had obtained.

**Table 4**  
**Theses submitted by students awarded a studentship in 2016**

<b>Ammad Abbas*</b>	<b>Understanding Phytochrome Regulation of Plant Growth and Carbon Resource Management in <i>Arabidopsis thaliana</i></b>
<b>Asma Al-Murtadha</b>	<b>Molecular Basis for the Centromere Association of the CENP-A Specific Chaperone HJURP: A Key Regulator of Centromere Maintenance</b>
<b>Lucia Campos Dominguez</b>	<b>A study on the evolution of genome dynamics across the mega-diverse genus <i>Begonia</i> L. (Begoniaceae)</b>
<b>Dmitrii Degtev</b>	<b>Proteolysis-dependent regulation of telomerase</b>
<b>Anja Dokic</b>	<b>Characterization of biofilm formation in <i>Mycobacterium abscessus</i></b>
<b>Jesus Torres Garcia</b>	<b>Epigenetic gene silencing by heterochromatin primes fungal resistance</b>
<b>Christina Hodson</b>	<b>The evolution of remarkable chromosome dynamics in two insect families with paternal genome elimination</b>
<b>Trevor Ho</b>	<b>Intein-assisted bisection mapping systematically splits proteins for Boolean logic and inducibility engineering</b>
<b>Polina Merkulova</b>	<b>Pedagogy and the Building of British Psychiatry, 1800-1914</b>
<b>Muriel Monteiro</b>	<b>Investigating the role of S-nitrosylation in plant antiviral defense</b>
<b>Michael O'Dwyer</b>	<b>Transcription Factors Induce Different Stem Cell States Through Distinct Pioneer, Collaborative and Competitive Interactions</b>
<b>Tugce Oruc</b>	<b>Predicting multidomain protein structure and function via coevolved amino acid pairs and application to polyketide synthases.</b>
<b>Derick Osakunor</b>	<b>Paediatric Schistosomiasis: Dynamics and Consequences</b>
<b>Peter Pukler†</b>	<b>Translation regulation in primary mouse T cells</b>
<b>Surabhi Ranavat</b>	<b>Floral biology and taxonomic complexity in the genus <i>Alpinia</i> Roxb. (Zingiberaceae)</b>
<b>Tom Ratz</b>	<b>Causes and consequences of plasticity in parental and offspring behaviour in the burying beetle <i>Nicrophorus vespilloides</i></b>
<b>Sarah Ressel</b>	<b>Systematic analysis of small RNA function in respiratory virus infection</b>
<b>Ana Rodriguez Rodriguez</b>	<b>Regulation of polarised growth in fission yeast by the Stress-Activated Protein Kinase pathway</b>
<b>Diana Munoz Sandoval</b>	<b>Investigating Disease Tolerance using a Human Re-challenge Model of <i>Falciparum</i> Malaria</b>
<b>Pedro Silva</b>	<b>Ubiquitin ligases regulate chromatin organisation during meiotic prophase in <i>Drosophila melanogaster</i></b>
<b>Aishwarya Sivakumar</b>	<b>Rapid Changes in Genome Organisation During Exit from Pluripotency and the Role of the Nuclear Envelope in Maintaining the Pluripotent State</b>
<b>Guillaume Terradot</b>	<b>Electrophysiological Functions of Microbes</b>
<b>Sergio Heli Triana</b>	<b>Single cell genomics as a tool to study viral infection and immunity</b>
<b>Saudamini Venkatesan</b>	<b>Sex-differences in parasite infection and immunity in wild wood mouse populations</b>
<b>Mateen Waiget</b>	<b>Designing an anti-allergy biologic for the clearance of IgE</b>
<b>Tahirah Yasmin</b>	<b>Structure and distribution of homologous recombination intermediates formed during <i>Escherichia coli</i> DNA double-strand break repair</b>

\*Ammad Abbas started his PhD in 2015

† MSc

TRUSTEES' REPORT

For the year ended 31 March 2021

**Achievements 2020 – 2021 (continued)**

96% of the three hundred and eighty eight students awarded a PhD studentship between 1983 and 2016 have graduated with a PhD, and 94% of forty nine students awarded an undergraduate scholarship have graduated with a first class or upper second class degree.

**Achievements of Darwin Funded Students**

Despite disruption to research throughout the whole of the 2020-2021 academic year due to COVID-19, the Darwin Trust funded students have been active in publishing papers, attending online conferences, participating in public engagement activities, and in supporting their discipline and their fellow students. All of the students who were awarded a studentship to start work in October 2020 are now engaged in their research. Many were unable to come to the UK when they had expected. Some began their project in their home country, while others delayed starting their studentship until they could travel to the UK. Students who were already in post at the start of the pandemic have continued their research but have had to cope with restrictions on their access to laboratories or field sites.



Student achievements

*Asma Al-Murtadha* recently completed her PhD in the School of Biological Sciences in Edinburgh is now developing an automated device that she plans to commercialise to allow remote monitoring of cell cultures. She is doing this in collaboration with engineers at Edinburgh Napier University and with financial support through awards from the University of Edinburgh.



*Anton Dubenko* is in the third year of his PhD in the School of Biological Sciences in Edinburgh. He was a member of a group of research students who supported their colleagues during COVID-19 lockdowns for which they received an award recognising their contribution to student wellbeing in the School. Anton represents the College of Science and Engineering on the University of Edinburgh Doctoral College that supports postgraduate students across the University.



*Ksenia Klimova* is now in the second year of her PhD at the School of Biosciences at the University of Birmingham. She has started a YouTube channel in Russian that she is using to share her experiences as a PhD student and to post short educational videos related to her research including one providing information about the Darwin PhD studentship programme and how to apply.

TRUSTEES' REPORT

For the year ended 31 March 2021

Achievements 2020 – 2021 (continued)



*Derick Osakunor* completed his PhD in 2020 and was awarded the 2021 Ker Memorial Prize for the best PhD thesis addressing infectious diseases at the University of Edinburgh. His research into paediatric schistosome infection in Zimbabwe has been used in the WHO Neglected Tropical Diseases Roadmap that was launched earlier this year. Derick is continuing research into schistosomiasis at the Children's National Research Institute in Washington DC.



*Kate Maskalenka*, an alumna of the Darwin Trust undergraduate scholarship programme, is in the final year of her PhD working at the BBSRC Babraham Institute in Cambridge. She has supervised summer bioinformatics projects as part of the Research Access Programme 2021 for undergraduates from under-represented or disadvantaged groups, has completed a consultancy project with Cambridge Consulting Network, and has joined the Babraham Equality4Success committee.



*Feifei Zhang* is a final year student in the Usher Institute in Edinburgh and is leading research identifying predictors of the course of the COVID-19 epidemic in sub-Saharan Africa. This is a collaboration with the UK NIHR Global Health Research Unit Tackling Infections to Benefit Africa (TIBA), a partnership addressing the burden of infectious disease across Africa, and with staff at the WHO African Region. This work has been published in *Nature Medicine* and her achievements have been recognised by an award for external engagement and impact. from the School of Biological Sciences.



*Vasilisa Sidarava and Uladzislau Litvin* were awarded Darwin Trust scholarships in 2019 to allow them to complete their undergraduate studies in the School of Biological Sciences. They have each graduated with a first class degree and were jointly awarded the prize for the top student in the Cell Biology and Molecular Biology Honours programme.



TRUSTEES' REPORT

For the year ended 31 March 2021

**Achievements 2020 – 2021 (continued)**

**Publications**

Many Darwin Trust students have published their research during the 2020-2021 academic year. The small selection below indicates both the variety and the quality of the work that they are doing.

Bossoh, N. A. (2021) Victorian hope for aerial navigation: Argyll as a theorist of flight and the first president of the Aeronautical Society of Great Britain. *Endeavour* 45, 100753

Dokic, A. *et al.* Mycobacterium abscessus biofilms produce an extracellular matrix and have a distinct mycolic acid profile. *The Cell Surface* 7, 100051 (2021)

Zhang, F., Chase-Topping, M., Guo C-G., van Brunnik, B A D., Brierly, L., Woolhouse., M E J (2020) Global discovery of human-infective RNA viruses: A modelling analysis. *PLOS Pathogens* doi:10.1371/journal.ppat.100907

Gonzalez de la Rosa, P. M., Thomson, M., Trivedi, U., Tandonnet, S., Blaxter, M. (2021) A telomere-to-telomere assembly of *Oscheius tipulae* and the evolution of rhabditid nematode chromosomes. *G3 Genes Genomes Genetics* 11 (1) jkaa020

Ho, T. Y. H., Shao, A., Lu, Z., Savilahti, H., Menolascina, F., Wang, L., Dalchau, N., Wang, B. (2021) A systematic approach to inserting split inteins for Boolean logic gate engineering and basal activity reduction. *Nature Communications* 1–12 doi:10.1038/s41467-021-22404-9

Hodson, C. A. & Ross, L. (2021) Evolutionary Perspectives on Germline-Restricted Chromosomes in Flies (Diptera). *Genome Biology and Evolution* 13, 1–19.

Ratz, T., Nichol, T. W., Smiseth, P. T. (2020) Parental responses to increasing levels of handicapping in a burying beetle *Behavioural Ecology* 31: 73-80

**Governance and Management**

**Board of Trustees**

The maximum number of Trustees permitted under the trust deed is nine, and the minimum is five. The Board meets annually and is supported by the Finance Committee and the Administration Committee. Trustees give their time freely and no Trustee is remunerated for time given to the Trust. Vacancies on the Board are filled from nominations sought from existing Trustees and these are made in light of any perceived gap in the skills and experience necessary for the operation of the Trust. Decisions on the appointment of new Trustees are made by the Board as a whole. 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.

At the Trustees' annual meeting on 19<sup>th</sup> September 2020 Sir Tom McKillop resigned as a Trustee and as Chairman of the Finance Committee. Tom had been a Trustee for 26 years and had been a member of the Finance Committee for much of this time, and had been its Chairman since 2013. This was a critical period for the Trust as Tom took on the Chairmanship following the death of the Trust's founder Sir Ken Murray. Mr Ed Kirwan has succeeded Tom as Chairman of the Finance Committee, and Mr Finlay Macdonald accepted the invitation to fill the vacancy on the Board of Trustees.

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

For the year ended 31 March 2021

#### Board of Trustees (continued)

The Trustees who have acted from the 1 April 2020 are:

Iain Mattaj\* PhD, FRS, FMedSci, FRS (Chairman)

Robin C Allshire<sup>†</sup> PhD, FRS, FRSE

Jean D Beggs<sup>†</sup> CBE, PhD, FRS, FRSE

Andrea Brand PhD, FRS, FMedSci

David J Finnegan\*<sup>†</sup> PhD, FRSE (Chairman of the Administrative Committee)

Edward J Kirwan\* BA (Hons), FCSI (Chairman of the Finance Committee from 1 October 2020)

Finlay Macdonald\*, from 1 October 2020

Thomas F W McKillop\* KB, PhD, FRS, FRSE (Chairman of the Finance Committee) until 30 September 2020

Anthony P Owens\*

Lesley Yellowlees CBE, FRSC, FInstP, FRSE

\* indicates membership of the Finance Committee, <sup>†</sup> 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 Administrator and Secretary Ms Heather Hall, is delegated to the Administrative Committee. The Committee comprises three Trustees based in Edinburgh (Robin Allshire, Jean Beggs and David Finnegan), together with Dr Heidrun Interthal (University of Edinburgh), Professor Chris Thomas (University of Birmingham) and Dr Jeyaprakash Arulanandam (University of Edinburgh). Included in the remit of the Committee is management of the Trust's PhD studentship programme and consideration of *ad hoc* requests for funding. The Committee meets at least once a year and discusses business at other times as it arises.

#### 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, and by retaining a selection of expert investment managers across a diverse portfolio. 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.

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

For the year ended 31 March 2021

#### Financial Review (continued)

##### Investment Policy

Investment management is currently delegated to four managers in the UK and two in the USA. No single manager may be responsible for more than 25% of the Trust's assets and the Trust aims to have half of its assets managed in the UK and half in the USA. 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 whatever country the assets reside. This is designed to provide the Trust with sufficient funds to meet its charitable objectives while maintaining 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 in person annually. Performance 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 Finance Committee has been authorised by the Board of Trustees to directly invest up to 20% of the Trust's assets.

The charity's ethical, social and environment policy is for the investment managers to avoid tobacco (defined as an organisation that has 33% or more, of its turnover in the sale and production of tobacco products). The investment managers must also avoid direct investment in Barclays plc as this is connected to a Trustee and member of the Finance Committee.

##### Reserves Policy

During the financial year 2020-2021 the value of the Trust's assets increased from £113.7m to £135.2m, largely as a result of the recovery financial markets over this period, and was £143.3m on 30 June 2021. The sum of £8.0m has been designated as a fund to cover the anticipated expenditure for the studentships that have already been awarded and that still have students in post.

The Trust's income from Biogen royalties donated by the University of Edinburgh has come to an end and in future the Trust will grow its reserves from increases in the value of its assets and from receipt of Sir Ken Murray's estate in the USA. The estate is currently valued at about \$71m. Release of the estate by the US Internal Revenue Service has been delayed by the shutdown due to COVID-19 but the Trust hopes to receive these funds sometime in 2021–2022.

The Trust aims to maintain the value of its endowment in real terms and the value at the end of each financial year since inception is shown in Figure 2. Expenditure is set at a level that can be sustained from investment income and the Trust's annual charitable expenditure since inception is shown in Figure 3.

TRUSTEES' REPORT

For the year ended 31 March 2021

Financial Review (continued)

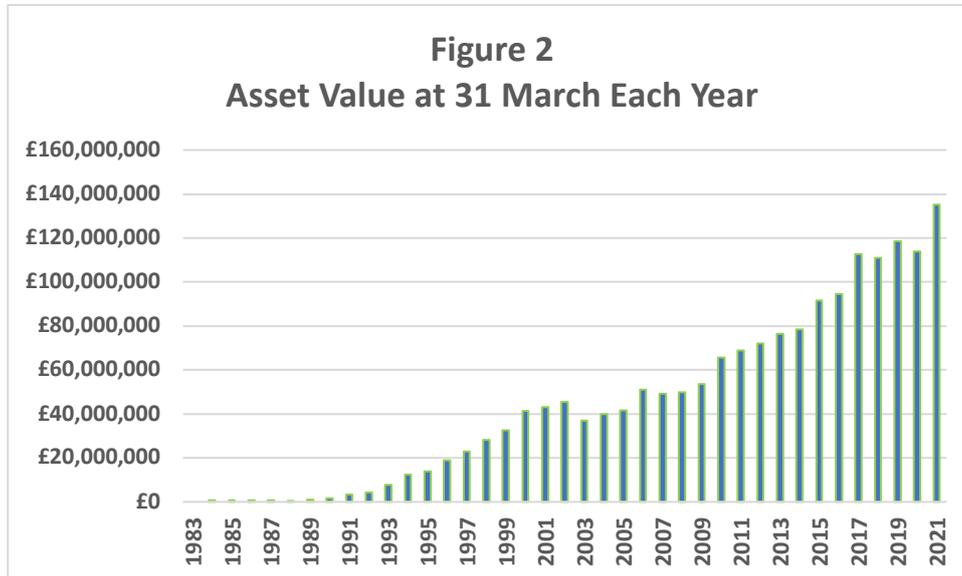


Figure 2: Value of the Trust's assets each year since inception

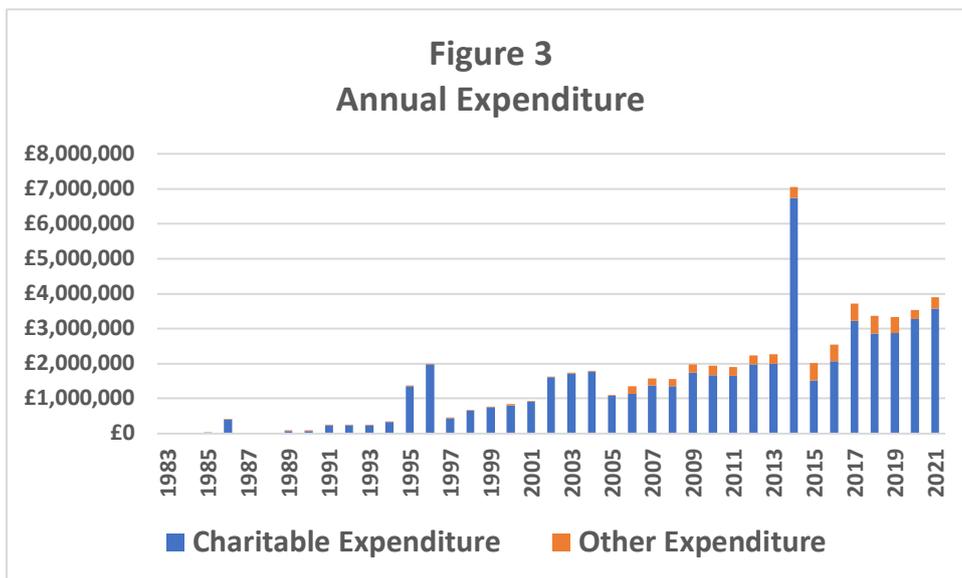


Figure 3: The Trust's charitable expenditure each year is shown in blue while all other expenditure is shown in red. The peak of charitable expenditure in 2014 is due to a donation of £5m to the University of Edinburgh for refurbishment of the Darwin Building.

**TRUSTEES' REPORT**

**For the year ended 31 March 2021**

**Financial Review (continued)**

Until October 2020 the income to cover the Trust's expenditure comprised the annual Biogen Royalty payment and a set amount received each month from the portfolio managed by Morgan Stanley. As the Trust is no longer receiving Biogen Royalties the Finance Committee agreed at its meeting in May 2020 that the Trust should generate income from each of its fund managers by asking them to pay to the Trust each month 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. This scheme was implemented in September 2020. It has worked well and will be reviewed annually.

**EFFECT OF COVID-19**

**Effect on students:** The main effect of the COVID-19 pandemic has been on the students that it funds as they were unable to continue their research as normal because of the lockdown in the UK. In addition, the Trust's biennial PhD Student Symposium that should have been held in 2021 had to be cancelled. Each of the institutions in which Trust funded students are studying have granted an extension to the period of study of students whose progress has been significantly affected, and the Trust has awarded these students a corresponding extension to their stipend. The pandemic has had no effect on number of applications for Trust funded studentships.

**Effect on the Trust's finances:** The Trust does not have to raise new funds and the value of its assets is now 12% greater than at the start of the pandemic.

**Effect on the operation of the Trust:** The Trust has been able to continue to operate effectively during the lockdown largely due to the resourcefulness and determination of its Secretary and Administrator Ms Heather Hall and its established procedures for the award of studentships and for making payments to students and other creditors.

**Plans for the Future**

The Trust's financial position is discussed regularly by the Finance Committee and its long term income and expenditure is reviewed by the Trustees 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's current programme of activities should not be expanded but, from time to time, the Trust will make additional non-recurrent awards to further its aims as its finances permit.

**TRUSTEES' REPORT**

**For the year ended 31 March 2021**

**JOHN TOOZE: AN APPRECIATION**

The Trustees were greatly saddened to learn in May of the death of John Tooze. John was a Trustee from 1991 to 2017 and was a member of the Finance Committee for much of this time before becoming Chairman of the Trust from 2013 to 2017 following the death of the Trust's founder Ken Murray. This was a critical period for the Trust and John selflessly gave his time, experience and wisdom to ensure that Trust continued to operate smoothly and maintain its upward trajectory. He was a distinguished scientist and science administrator who had a profound influence on the development of the Trust as it grew from a relatively modest funder of science with assets of £3.4m awarding two or three studentships a year, to a substantial organisation with assets of £113m awarding over twenty studentships annually. John's experience as Executive Director of EMBO, that funds many international fellowships, was of great benefit in setting up, expanding, and managing the Trust's support programmes. The Trust has lost a great friend and loyal supporter.



**John Tooze  
1938-2021**

## THE DARWIN TRUST OF EDINBURGH

### TRUSTEES' REPORT

For the year ended 31 March 2021

#### 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 were reappointed as the Trust's auditors during the year and have expressed their willingness to continue in that capacity.



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**Iain W Mattaj, PhD, FRS, FMedSci, FRSE**  
Chairman of Trustees

25 September 2021

## 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 2021 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

## **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)**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the charity
- The results of our enquires with management and Trustees about their own identification and assessment of the risks of irregularities
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the charity for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override and inappropriate income recognition.

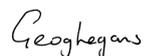
We also obtain an understanding of the legal and regulatory environment in which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the charity's ability to operate. The key laws and regulations we considered in this context included the Statement of Recommended Practice: Accounting for Charities FRS 102 (2019), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

### **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.



### **Geoghegans**

Chartered Accountants and Statutory Auditor  
6 St Colme Street  
Edinburgh  
EH3 6AD

25 September 2021

*Geoghegans 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 2021

	Notes	Unrestricted 2021 £	Unrestricted 2020 £
<b>INCOME</b>			
Investment income	2	<u>2,016,553</u>	<u>2,553,567</u>
<b>Total income</b>		<u>2,016,553</u>	<u>2,553,567</u>
<b>EXPENDITURE</b>			
<b>Raising funds</b> - investment management fees		329,271	265,118
<b>Charitable activities</b>		<u>3,566,040</u>	<u>3,275,069</u>
<b>Total expenditure</b>	3	<u>3,895,311</u>	<u>3,540,187</u>
<b>NET EXPENDITURE BEFORE GAINS AND LOSSES ON INVESTMENTS</b>			
		(1,878,758)	(986,620)
<b>Net gains/(losses) on investment assets</b>	6	<u>23,324,330</u>	<u>(3,930,377)</u>
<b>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS</b>			
		21,445,572	(4,916,997)
Total funds brought forward	10	<u>113,744,900</u>	<u>118,661,897</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	10	<u>135,190,472</u>	<u>113,744,900</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 2021

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Investments	6	<u>133,879,482</u>	<u>112,973,584</u>
<b>CURRENT ASSETS</b>			
Debtors	7	21,484	63,280
Cash at bank and on deposit		<u>2,306,356</u>	<u>1,247,572</u>
<b>TOTAL CURRENT ASSETS</b>		2,327,840	1,310,852
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	8	<u>(1,016,850)</u>	<u>(539,536)</u>
<b>NET CURRENT ASSETS</b>		<u>1,310,990</u>	<u>771,316</u>
<b>NET ASSETS</b>		<u><u>135,190,472</u></u>	<u><u>113,744,900</u></u>
<b>REPRESENTED BY:</b>			
Unrestricted funds			
- General		127,240,472	105,244,900
- Designated		<u>7,950,000</u>	<u>8,500,000</u>
		<u><u>135,190,472</u></u>	<u><u>113,744,900</u></u>

The accounts were approved and authorised for issued by the Trustees on 25 September 2021 and signed on their behalf by:



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**Iain W Mattaj, PhD, FRS, FMedSci, FRSE**  
Chairman of the Trustees



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**Edward J Kirwan\* BA (Hons), FCSI**  
Chairman of the Finance Committee

THE DARWIN TRUST OF EDINBURGH

STATEMENT OF CASHFLOWS

For the year ended 31 March 2021

RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
<b><i>Net income/(expenditure) for the year (as per the SOFA)</i></b>	21,445,572	(4,916,997)
<b>Adjustments for:</b>		
(Gains)/losses on investments	(23,324,330)	3,930,377
Dividends from investments	(1,906,119)	(2,431,856)
Interest from investments	(110,434)	(121,711)
Decrease in debtors	41,796	20,199
Increase in creditors	477,314	230,936
	<u>(3,376,201)</u>	<u>(3,289,052)</u>
<b><i>Net cash (used in) operating activities</i></b>	<u>(3,376,201)</u>	<u>(3,289,052)</u>

STATEMENT OF CASHFLOWS  
For the year ended 31 March 2021

Notes 2021  
£ 2020  
£

<b>Cash flows from operating activities:</b>		
<i>Net cash (used in) operating activities</i>	<u>(3,376,201)</u>	<u>(3,289,052)</u>
<b>Cash flows from investing activities:</b>		
Dividends from investments	1,906,119	2,431,856
Interest from investments	110,434	121,711
Purchase of investments	(25,416,049)	(97,462,595)
Proceeds from sale of investments	27,834,481	91,211,182
	<u>4,434,985</u>	<u>(3,697,846)</u>
<b><i>Net cash provided by/(used in) investing activities</i></b>	<u>4,434,985</u>	<u>(3,697,846)</u>
<b><i>Change in cash and cash equivalents in the year</i></b>	1,058,784	(6,986,898)
Cash and cash equivalents at the beginning of the year	<u>1,247,572</u>	<u>8,234,470</u>
<b>Cash and cash equivalents at the end of the year</b>	14 <u>2,306,356</u>	<u>1,247,572</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

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 have considered the impact of the COVID-19 pandemic on the financial position and future performance of the charity and will continue 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 2021/22, 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.

(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.

**NOTES TO THE ACCOUNTS (Continued)**  
**for the year ended 31 March 2021**

**1 Accounting Policies (continued)**

(e) *Income (continued)*

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.

(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.

## THE DARWIN TRUST OF EDINBURGH

### NOTES TO THE ACCOUNTS (Continued) for the year ended 31 March 2021

#### 1 Accounting Policies (continued)

(h) *Investments (continued)*

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.

2 Investment income	Unrestricted 2021 £	Unrestricted 2020 £
Dividend income	1,895,328	2,404,248
US WHT recoverable (note 12)	10,791	27,608
Short term interest	110,434	121,711
	<u>2,016,553</u>	<u>2,553,567</u>

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

3	<b>Expenditure</b>		<b>Unrestricted 2021 £</b>	<b>Unrestricted 2020 £</b>
		<b>Basis of allocation</b>		
	<b>Raising funds</b>			
	Investment management fees	Direct	329,271	265,118
	<b>Charitable activities</b>			
	Scholarships (note 4)	Direct	3,501,539	3,138,148
	Donations to support scientific activities	Direct	1,210	39,000
	Symposium costs	Direct	-	26,588
	Support costs	Below	63,291	71,333
	Total charitable activities expenditure		3,566,040	3,275,069
	<b>Total expenditure</b>		3,895,311	3,540,187
	<b>Support costs</b>			
	Administration expenses	Usage	37,439	42,065
	Trustee expenses	Direct	-	2,988
	Professional fees	Direct	8,860	9,880
	Governance costs – audit and accountancy	Usage	16,992	16,400
			63,291	71,333
4	<b>Scholarships</b>		<b>Unrestricted 2021 £</b>	<b>Unrestricted 2020 £</b>
	Payments to students for financial assistance		1,901,714	1,705,087
	Payment of fees to Universities		1,599,825	1,433,061
			3,501,539	3,138,148

5 **Trustees' remuneration and expenses**

Trustees are not remunerated for their services. A total of £nil (2020: £2,988) was reimbursed to zero (2020: five) trustees for travel and other expenses directly incurred on behalf of the Trust.

**THE DARWIN TRUST OF EDINBURGH**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2021**

6 Investments	2021 £	2020 £
Opening market value	112,973,584	110,652,548
Additions at cost	25,416,049	97,462,595
Disposal proceeds and net cash movement	<u>(27,834,481)</u>	<u>(91,211,182)</u>
	110,555,152	116,903,961
Net investment gains/(losses) in the year	<u>23,324,330</u>	<u>(3,930,377)</u>
<b>Closing market value</b>	<u><b>133,879,482</b></u>	<u><b>112,973,584</b></u>

	Equities and bonds £	Cash £	2021 £	2020 £
<i>UK Investment Managers</i>				
Aberdeen Standard Capital	17,600,677	1,970,194	19,570,871	16,299,967
Rathbone Investment Mgt	25,657,325	142,433	25,799,758	21,384,460
Ruffer LLP	68,689	4	68,693	76,309
Troy Asset Management Ltd	18,124,907	-	18,124,907	16,857,068
<i>US Investment Managers</i>				
MSSB LLC	24,841,976	1,258,570	26,100,546	23,020,306
CIBC	<u>44,214,707</u>	<u>-</u>	<u>44,214,707</u>	<u>35,335,474</u>
	<u>130,508,281</u>	<u>3,371,201</u>	<u>133,879,482</u>	<u>112,973,584</u>

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

	2021	2020
US Dollar	<u>1.3747</u>	<u>1.2396</u>

The investment objective is to produce the best financial return within an acceptable level of risk to produce a total return of at least inflation (CPI) plus 4% per annum over the long term in whatever country the assets reside.

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.

NOTES TO THE ACCOUNTS

For the year ended 31 March 2021

6 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.

7	<b>Debtors</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Tax recoverable – US WHT (note 12)	21,484	49,892
	Prepayments	-	13,388
		<u>21,484</u>	<u>63,280</u>
8	<b>Creditors</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Accruals	967,850	395,096
	Grant commitments (note 9)	49,000	144,440
		<u>1,016,850</u>	<u>539,536</u>
9	<b>Grant commitments</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	University of Edinburgh – Biological Sciences	10,000	10,000
	Midlothian Science Festival	39,000	39,000
	Edinburgh Development Trust	-	95,440
		<u>49,000</u>	<u>144,440</u>

**THE DARWIN TRUST OF EDINBURGH**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2021**

10 Unrestricted funds	At 1 April 2020 £	Net income/ (expenditure) £	Transfers £	At 31 March 2021 £
<b>2020/21</b>				
General fund	105,244,900	21,445,572	550,000	127,240,472
Fees and scholarship fund	8,500,000	-	(550,000)	7,950,000
	<u>113,744,900</u>	<u>21,445,572</u>	<u>-</u>	<u>135,190,472</u>
<b>20109/20</b>				
General fund	110,461,897	(4,916,997)	(300,000)	105,244,900
Fees and scholarship fund	8,200,000	-	300,000	8,500,000
	<u>113,744,900</u>	<u>(4,916,997)</u>	<u>-</u>	<u>113,744,900</u>

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

**11 Legacy of Professor Sir K Murray**

The charity is the residual beneficiary under the will of the late Professor Sir K Murray. No amounts have been recognised in the current year's accounts. However, as the estate is complex and is still to be finalised, we understand that the Trustees have formed the opinion that while the 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 2021.

**12 US withholding tax**

Following the completion of a review by the Trustees and the Trust's professional advisors it was determined that the Trust qualified as a private foundation under US tax legislation and should thereby only suffer withholding tax on its US portfolios at 4%. Accordingly, the tax status of the Trust in the US was updated and the Trustees are liaising with their appointed tax advisors to confirm the level of recovery of overpaid tax withheld in prior years. Claims for 2012-2019 have been submitted and work is continuing in respect of claim for the 2020 calendar year. The amounts included within debtors at 31 March 2021 amounts recoverable from 2019 plus an estimate of amounts recoverable for 2020.

**13 Contingent liabilities**

There are expected future commitment to students in terms of fees and scholarships. In line with the accounting policy set out at note 1(d), these costs are not recognised until an unencumbered obligation arises and the amounts are paid. A designated fund has been set up (note 10) to cover these potential costs.

**THE DARWIN TRUST OF EDINBURGH**

**NOTES TO THE ACCOUNTS**

**For the year ended 31 March 2021**

14	<b>Analysis of changes in net funds</b>	<b>1 April 2020 £</b>	<b>Cashflows £</b>	<b>31 March 2021 £</b>
	Borrowings	-	-	-
	Cash and cash equivalents	<u>1,247,572</u>	<u>1,058,784</u>	<u>2,306,356</u>
		<u>1,247,572</u>	<u>1,058,784</u>	<u>2,306,356</u>

**15 Related party transactions**

There were no transactions with related parties, except as disclosed in note 5, in either the current or previous years.