

# Annual Review 2008







# CarnegieUK

TRUST

CHANGING MINDS • CHANGING LIVES

## About us

Scots-American philanthropist Andrew Carnegie established the Carnegie UK Trust in 1913 to address the changing needs of the people in the UK and Ireland, especially those who had less power in society.

Our 21st century role focuses on strengthening democracy and civil society, as well as enhancing the well-being of rural communities. The Trust continues to support approaches to effective philanthropy in the UK and Ireland.

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# Introduction from the Chairman

It has been a challenging but, in many respects, an epoch-making year for the Carnegie UK Trust, as we moved to our new eco-friendly headquarters at a time of testing financial turbulence.

The dawn of 2008 saw the transfer of staff from Comely Park House to our bespoke new offices at Andrew Carnegie House. I am sure the first flush of enthusiasm on entering the new building in January would have been somewhat diluted by the mundane realities of unpacking, setting up, and getting down to day-to-day business.

However, this first year of operation within our new office environment has proved to be a great success; it has demonstrated beyond doubt that the concept of co-location with our sister

British-based Trusts was the right decision. The vision of those Trustees responsible for this initiative can never be measured in real terms, but there is no doubt its emphatic vindication lays a firm foundation for joint working in future years.

In February, HRH the Princess Royal officially opened the building in her own inimitable style and the visit, with its relaxed informality, evoked great excitement among Trustees, staff, and those connected with the Trust who had the opportunity to chat with her. In particular, the Princess Royal exhibited great

interest in the work of the Rural Programme and was already very knowledgeable about some of its detail.

It rapidly became a challenging year for the Trust. As the consequences of the economic turmoil began to unfold, the effect of the massive reduction in portfolio value, combined with the consequent projected reductions in income for the year and the next few years ahead, focused Trustees' minds on the need for financial prudence and planning.

In 2008, the total return achieved on our Charifund

Investment Portfolio was minus 27.6%, compared with minus 5.7% in 2007 - clearly highlighting the negative impact that the deepening global recession was having on the profitability of the companies in which Charifund invests. Some further commentary can be found in the Finance and Organisation Report.

In the face of the worsening financial climate, the imaginative and groundbreaking work of the Rural Programme and its team, ably led by Dr Kate Braithwaite, has continued to develop in a



HRH the Princess Royal and CUKT Hon President William Thomson



Interior of Andrew Carnegie House

very effective manner. This annual report charts how the programme's influential initiatives and 'ideas for action' are already showing the potential to change the rural landscape.

Chaired by Geoff Mulgan, the wide-ranging inquiry into the future of Civil Society in the UK and Ireland continued to expand its work, presenting ever-changing challenges to the team in London, capably directed by Lenka Setkova. Its progress in identifying the threats and opportunities facing civil society as it looks out to 2025 is set out in the following pages. In parallel, under Raji Hunjan, the Trust's Democracy Initiative continued its exploration of power, with particular focus on the most socially and economically disadvantaged within our society.

We could not complete these programmes without the help of partners, commissioners, advisors, activists, consultants, and consultees. Their respective contributions to the ongoing process is invaluable and we are tremendously appreciative of the advice and help they give us.



*Prof. Bill McIntosh – Principal of Carnegie College, Robert Kagan, Charlie Whelan, David Smith – CUKT Trustee, Lesley Riddoch and Rt Hon George Reid at the 2008 Festival of Politics*

We were proud to participate in a unique collaboration with the Festival of Politics to reach beyond its traditional base at Holyrood. As well as events at the Scottish Parliament, we held a number of sessions in Dunfermline – the former capital of Scotland and the birthplace of Andrew Carnegie. Highlights included a lively 'Question Time' debate with the Rt. Hon. George Reid, broadcaster Lesley Riddoch, former spin-doctor Charlie Whelan, and Robert Kagan, senior associate at the Carnegie Endowment for International Peace, plus an entertaining interview with BBC's Evan Davies and firebrand MP George Galloway.

During 2008, there were several significant changes in the Trustee and staff team. In July 2008, Tony Pender, CBE, resigned as Chair, after having served as a Trustee, Vice-Chair, and Chair. His contribution to the Trust over that time was very significant indeed and his broad vision, aligned to the day-to-day practicalities of running an operating trust, was invaluable.

The Chief Executive, Charlie McConnell, left in August 2008, to pursue his career in other areas. During his five years with the organisation, he oversaw its conversion from a reactive grant-giving trust to a proactive operating foundation. Elizabeth East retired from her position of Director of Corporate Services after

23 years' service. The year also saw the return of Raji Hunjan from maternity leave, and the departure of Janine Linning on maternity leave. Challenging times indeed for those left behind, but Trustees and staff alike were delighted to hear of the additions to the families.

I thank my fellow Trustees and all the staff for their professionalism, dedication, and hard work. The late senator, Robert F Kennedy, once posed the question, "If not us, who?" Well, the answer is, "It's us." We are up for the challenge - and we will deliver.

**Angus Hogg  
June 2009**

# Rural Programme

For the past four years, the Carnegie UK Trust (CUKT) has supported a Rural Action Research Programme in partnership with Big Lottery.

We have explored solutions to some of the most pressing challenges faced by rural areas by working with over 40 partners from around the UK and Ireland who represent the very best in rural development practice.

A programme of policy events to discuss exciting new options for service delivery, for revitalising local democracy and appreciating the myriad of rural assets is in full swing. Detailed resources can be accessed via our website. We hope the small selection highlighted to the right will tempt you to have a closer look.

Two years have passed since the publication of the Charter for Rural Communities by the Carnegie Commission for Rural Community Development and great

**Migrant Stories** was an action research project to demonstrate the use of accessible, creative digital technologies that would foster understanding and strengthen community cohesion and networks. This project has created a picture of a rural county's relationship with its thousands of migrant workers. Russian, Lithuanian, Bulgarian, Polish, Czech, and Ukrainian workers in Herefordshire have recorded their digital stories, alongside the local residents who have befriended them. This is a tremendous resource to use in busting myths and promoting understanding.

The **Hill Farming** Systems project was developed by the Cumbria Fells and Dales LEADER + Programme in response to concerns about the future of hill farming. The project demonstrates the environmental, economic, and social value of hill farming systems in the north of England and includes profiles of 30 hill farms.

The clear focus of the action research in Oban by **Atlantis Leisure** was to investigate sport and leisure provision in rural areas. Now in its 17th year, this extremely successful community enterprise brings obvious health and wellbeing benefits. It is also a major employer and economic asset to the area. This study focuses on critical success factors in the provision and delivery of sustainable facilities and services in rural areas.

progress has been made in implementing the many 'ideas for action'.

Nowhere is this more evident than with **Community Land Trusts**. These aren't just a great idea for solving the shortage of affordable housing but are a growing social movement that enjoys cross-party support. After two years, through the efforts of brave local people who have been battling planning guidelines, banks reluctant to lend and bureaucracies designed to cope with Barratt rather than High Bickington, 169 homes are either built or at the planning stage.

The Charter provides us with the guiding principles for the present and future work of the Rural Programme. It is a strong commitment to asset-based rural development



Hill farming trainees



Migrant stories

## What our supporters think

'Progress on `bridging` local community aspirations and ideas to `top-down` policy and decision-making by local authorities and other agencies appears to be **slow and patchy**. Even where statutory `community planning` is well established on paper its implementation often leans towards the **perfunctory** rather than the genuinely effective'.

'Asset based rural development is an approach that is driven **by the community for the community**. This approach focuses on the **strengths** of a community'.

'No longer invisible and now coming into focus are stories of **daring** and **dangerous** innovations; of mistakes made and difficult lessons learned; of **active** and **mobilised** communities pressing their development forward despite failures and obstructions, and at times, the apathy and ignorance shown by the 'key' support agencies'.

'The innovation and flexibility of Carnegie's Rural Action Research Programme (RARP) funding and the ways in which the funder clearly understands the world of those applying for funds, provides concrete evidence that the RARP approach leads not only to outputs but also longer-term legacies and working relationships, which enhance sustainability of the projects'.

and a vision for the sustainable rural community of the future.

Our mission, now, is to implement and experiment with these ideas in real places. We have initially teamed up with **four great organisations** to help us with this task.

- **Eden Trust** is famous for its biomes, but behind the scenes, the outreach work undertaken in the clay lands of Cornwall is truly inspirational.
- **The Centre for Alternative Technology** in mid Wales is championing low carbon technologies.
- **Falkland Centre for Stewardship** in Fife is pioneering food and farming developments.

- **Tipperary Institute** is specialising in integrated area planning.

Together we have created a lively events programme, from the 'Sense of Place' conference in Cornwall to the series of Zero Carbon Britain seminars held in Wales and to the Big Tent eco-festival in Fife. We want to encourage thousands of others to share our vision and experiences of rural development, involving them in exciting and dynamic projects.

Acknowledging that, within the UK and Ireland, we have much to learn from places that are light years ahead in asset-based development, we have

welcomed **global partners** to our network through the International Association for Community Development. They are working with Carnegie to publish a landmark study of asset-based rural development that captures the learning from UK, Irish, and international case studies.

We have always been convinced of the need to network rural activists, professionals, policy makers, and funders who share our

passion for rural areas. We have responded to the challenge set down by the Commission and created the **fiery spirits** 'Community of Practice', opportunities for people to network, communicate, mentor, and learn from progressive rural communities. These '**fiery spirits**' are supported by a social networking site, [www.FierySpirits.com](http://www.FierySpirits.com), which hosts thematic working groups, blogs, pictures, and video stories.



# Democracy and Civil Society Programme

## Democracy Initiative

In 2006, the Carnegie UK Trust opened the Democracy and Civil Society Programme. The two key elements of the programme are the Democracy Initiative and the Inquiry into the Future of Civil Society. The Trust's Democracy Initiative continues its exploration of power, with particular focus on the most socially and economically disadvantaged in our society.

The work of the Initiative is underpinned by three questions:

- How can power be redistributed and organised in order to strengthen democracy?
- How can the capabilities of civil society associations be enhanced to effectively apply and engage with power?
- To what extent can new spaces be created in order for ordinary citizens to be more

effective in influencing and exercising power on issues that impact on their lives?

The growing mistrust of national governments and our formal political institutions across the UK and Ireland has been well documented. The disconnection between the public and politics continues to become even deeper and the need to look at issues such as participation, voice, and influence with fresh eyes, remains essential.

### Power Moves

In 2008, as part of its exploratory phase, the Democracy Initiative launched *Power Moves*. This was followed by seminars in London and Newcastle to deepen its understanding of how civil society can exert power over public policy. *Power Moves* is a series of cases that uncovers the different strategies and tools used by civil society associations in order to drive through change.

The Democracy Initiative is now focusing its attention

on a practical approach to understanding and scaling up the capabilities of civil society organisations, going beyond the public policy framework, and looking at issues of social concern more broadly.

### Strengthening Voice and Influence

The Democracy Initiative, in conjunction with the Joseph Rowntree Foundation (JRF), is undertaking an action research project to examine if and how an improved understanding of power can enhance people's



English for Speakers of Other Languages case study from *Power Moves* report. © Andrew Edmonton



School Dinners campaign case study from *Power Moves* report. © Peter Dench, Corbis

ability to influence change on issues of social concern. In particular, it is examining ways in which the voices of groups that are least heard in society can be strengthened through the actions of civil society associations. By putting different understandings of power and how it is exercised at the heart of this project, JRF and CUKT aim to explore how citizens can exert influence and power beyond the formal decision-making process.

### Collaboration with the Network of European Foundations

The Trust continued to collaborate with the Network of European Foundations on the Initiative for Learning Democracy in Europe. In 2008, the group produced a new resource for schools – Europe... and me!

## What our supporters think

‘Carnegie UK Trust’s work on developing new approaches to power analysis and putting them in the hands of grassroots groups is an innovative and important step for deepening democratic participation and social change’

**John Gaventa (IDS)**

‘We have found it invaluable to work with a foundation driven by similar ethical concerns to our own and with a practical knowledge of genuine and respectful participation with people who experience exclusion’

**Joseph Rowntree Foundation**

‘It has been extremely valuable to my organisation and to me to have the space and time to be challenged on how we go about influencing change’

**Action Research Participant**



# Democracy and Civil Society Programme

## Carnegie Inquiry into the Future of Civil Society in the UK and Ireland

*The Carnegie Inquiry into the Future of Civil Society in the UK and Ireland*, an independent commission set up to strengthen civil society and chaired by Geoff Mulgan of the Young Foundation, entered its second phase.

The goals of the Inquiry are to:

- Explore the possible threats to and opportunities for civil society, looking out to 2025.
- Identify how policy and practice might be strengthened in order to strengthen civil society.
- Enhance the ability of civil society associations to prepare for or shape the future.

The Inquiry's first goal was achieved through the development and production of the Inquiry's futures reports: *The shape of civil society to come* and *Scenarios for civil society*. The findings of this work were not only designed to inform the strategic planning and thinking of civil society associations, but also to help the Inquiry Commission identify the **'burning issues'** that are critical to the future health of civil society.

In 2008, the Inquiry centred its efforts on identifying how policy and practice could be enhanced, concentrating its energies on the following topics:

### Growing a civil economy

The credit crunch and ongoing recession have seen the predominant economic and business models challenged, especially given their impacts on society. Ways of enabling and managing the economic system have

been a constant source of debate for centuries and periodic crises have often led to reforms.

Today's financial crisis has coincided with concerns about the limits of economics, the growing isolation of the poorest, the challenge of sustainability given climate change, and growing pressure on global resources, as well as waning political engagement. Such concerns were highlighted in the Inquiry's futures work.



Geoff Mulgan, Inquiry Chair



Kumi Naidoo, Inquiry International Advisor

This presents an opportunity for a wholesale rethink of what an economy is for, the values and practices that make it up, and the principles on which it is based. The Inquiry believes there is the need to grow a 'civil economy' in which civil society associations (like voluntary and community organisations, co-operatives, mutuals, trade unions, and faith-based organisations) play a key role. The Inquiry is currently exploring what these roles could be in the future, whether as providers of services, as influencers of policy and practice, or as watchdogs.

### Climate change, resource scarcity, and bridging social justice

Climate change and resource scarcity threaten to transform society at every level. While the environmental movement has brought concerns about these issues to the fore, challenges remain - to get socially orientated civil society associations mobilised to engage in the debate, and to ensure that any solutions take account of concerns about social justice.

The Inquiry commissioned two key pieces of work to respond to these challenges.

## What is civil society?

The Inquiry is using a working definition of civil society that has three inter-related dimensions:

- Civil society as associational life. This includes voluntary and community organisations, trade unions, faith-based organisations, co-operatives, and mutuals.
- Civil society as the 'good' society.
- Civil society as arenas for public deliberation. This acknowledges that not everyone will agree as to what a 'good' society looks like or how to achieve it and, therefore, recognise the importance of deliberation to reconcile differences peacefully.

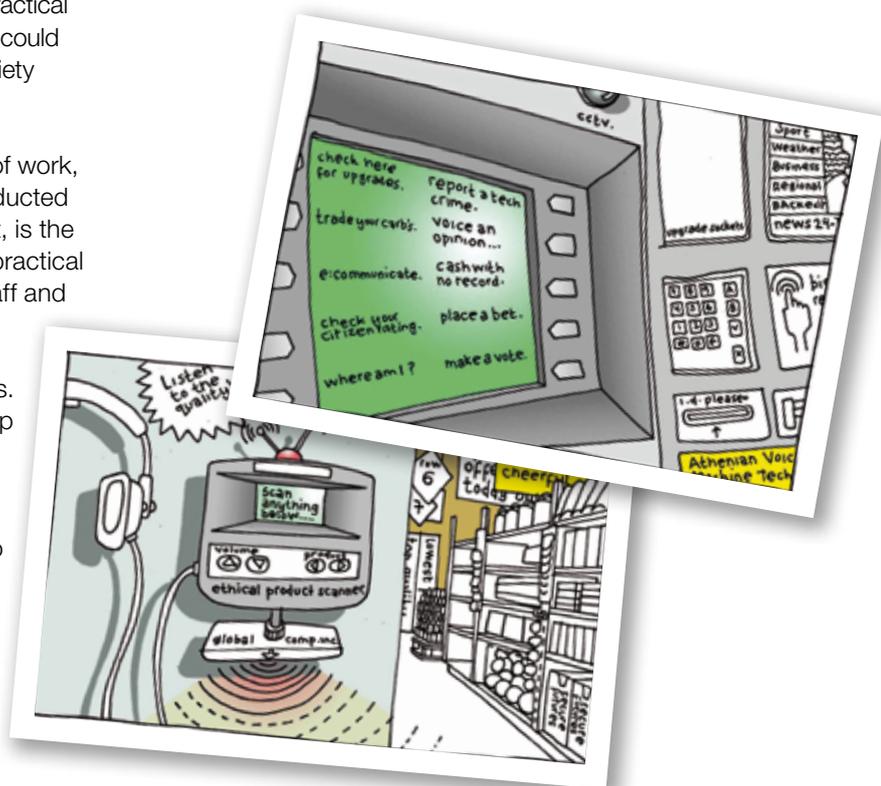
The first, which is being conducted with support from the *new economics foundation (nef)*, is exploring how the challenges of climate change, resource scarcity, and social justice can be bridged and what practical actions are being or could be taken by civil society associations.

The second piece of work, which is being conducted by the Eden Project, is the development of a 'practical guide' for senior staff and trustees of non-environmental civil society associations. It is designed to help articulate how they can engage in and understand the concerns relating to climate change and resource scarcity, without causing mission drift.

### Social media and media ownership

The media is an extremely powerful vehicle through which civil society associations can interact with their constituencies

and convey messages to the wider public. However, private and public media groups are still the most influential institutions that control news and shape public deliberation and the





# Creative Philanthropy

The Carnegie UK Trust's support for the field of creative philanthropy within the UK and Ireland explores the role of philanthropy in contributing more effectively to social change. Our work is focused on three core areas:

## Centre for Charitable Giving and Philanthropy

In 2008, the Centre for Charitable Giving and Philanthropy was launched. The Centre (with a total joint investment of £2.2 million from the Carnegie UK Trust, the Economic and Social Research Council, the Office for the Third Sector, and the Scottish Government), will support high-quality independent research. This is aimed at influencing policy and practice decisions in the UK as well as developing the necessary evidence base, making it easier to understand charitable giving and philanthropy issues. It also aims to help third sector organisations, government and business to understand why and how individuals and businesses can give. This will help to target giving that will support the public good.

The Centre brings together the expertise of the **National Council for**

**Voluntary Organisations** and research teams in five universities: **University of Strathclyde, University of Kent, University of Southampton, Cass**

## Business School and University of Edinburgh.

Together these members of the Centre are dedicated to researching and sharing knowledge on giving and philanthropy, with partners leading on different areas of the programme:

- **Individual and Business Giving** – The work will explore the structures of individual / corporate giving, enhancing the understanding of current challenges to traditional patterns of giving, as well as looking at how social returns on charitable investment are recognised.
- **Charitable Giving and Social Redistribution** – This research will investigate whether charitable activity might mitigate or reinforce social and economic inequalities; the relationships between fundraising and the distribution of resources and the connections between donors and recipients. It will also seek to create greater understanding as to how donors think about which causes they contribute to and why.

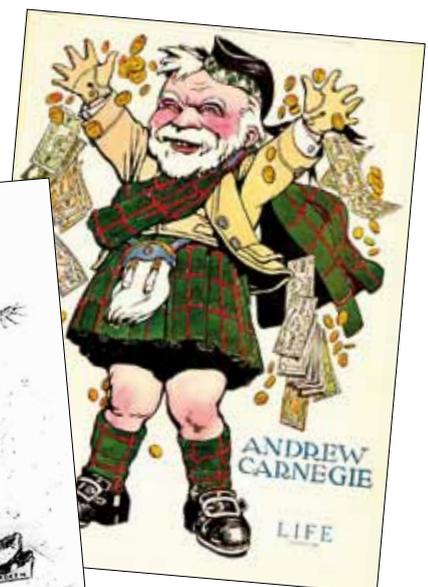
- **Institutionalised Giving Structures** – This work will explore the structures of institutionalised giving including who creates them and what their impact is; exploring how new forms of philanthropy can emerge and how partnerships can be developed between the state and charitable organisations in order to deliver on joint outcomes.

## Philanthropy Ireland

In 2008, the Trust awarded a grant of £50,000 to Philanthropy Ireland, for conducting research in order to strengthen philanthropy in the Republic of Ireland. For further information go to [www.philanthropyireland.ie](http://www.philanthropyireland.ie)

## Woburn Place Collaborative and other associations of funders

The Trust plays an active role in numerous associations of funders, enabling the sharing of ideas and learning between funders, thereby enhancing philanthropy. These include the Woburn Place Collaborative, the Association of Charitable Foundations and the European Foundation Centre.



# Finance and Organisation Report

## Accounts Format

Full Financial Statements for 2008 have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006, and the 2005 Statement of Recommended Practice: Accounting and Reporting by Charities, and are available from the Trust's Head Office. Key extracts – statement of financial activities and the balance sheet are shown at Annex 1.

## Structure, Governance and Management

The Trust has a joint Finance and Organisation Sub-Committee, which reports directly to the full Board. Both have a minimum of three formal meetings each year. The Board agree and oversee the strategy and areas of activity for the Trust. The Audit and Risk Sub-Committee, reporting to the Board, oversee risk assessment and both internal and external audit. Major risks and the systems in place to mitigate those risks are reviewed regularly and an annual schedule of work is agreed with the Internal Auditors to test those systems.

## Investments

Since 2005 the Trust has invested in Charifund, a designated unit trust fund for charities, managed by M&G. Although, historically, and over the longer period, Charifund outperformed the FTSE All-Share Index, it did not achieve this in the last two years. When there is an expectation of below trend economic growth in the UK, high-yielding funds, such as Charifund, tend to underperform the FTSE All Share Index. It has greater exposure to UK companies and less exposure to FTSE 100 companies with international operations, combined with fewer takeover opportunities during an economic downturn.

In 2008 the total return achieved on our Charifund investment portfolio was -27.6% compared to -5.7% in 2007, clearly highlighting the negative impact that the deepening global recession was having on the profitability of the companies in which Charifund invests.

The Trust's investment value decreased significantly in 2008 from £38.5 million to £26.2 million, a decrease of 32%. However, income distribution rates were up over 6% compared to 2007 distributions. Although, following the year-end,

the investment valuation continued to decrease during a period of significant stockmarket volatility, it is hoped that recovery will follow in due course.

Trustees continue to review M & G Charifund's performance whilst monitoring the instability of the stock market and its impact on the endowment and related income stream.

## Income

Total income was £2.76 million (*£2.88 million - 2007*). Unrestricted fund income totalled £2.11 million compared to *£1.92 million* the previous year. In addition, there was restricted income of £656k relating to specific programmes and initiatives. During the year the Trust received a legacy from Dr Harvey's estate, which included an investment portfolio with a value of £60k. The Trustees have decided to make a donation to the Universities Trust of one half of the eventual proceeds of the Dr Harvey Legacy.

## Expenditure

2008 continued to reflect the Trust's adopted strategic approach in its work and

saw a reduction in pro-active action research grant activity. The Trust's overall expenditure in 2008 was similar to the previous year, £2.45 million compared to *£2.57 million*. Unrestricted funds expended totalled £1.14 million and restricted funds totalled £1.31 million.

Grant expenditure decreased to £60k (*£109k - 2007*) from unrestricted funds. Payments from restricted funds were £839k (*£995k - 2007*). In addition to these grant payments, the Trust expended £885k directly on its main programmes (*£1.033m - 2007*). The Trust's grant-giving and programme initiatives income and expenditure are combined in the SORP format. This makes year-to-year comparisons difficult as the expenses of initiatives and their management rise and fall, while core administrative costs are usually relatively constant. Costs for Staff and Trustee Development, IT, Communications and Office Rental, remain centralised in 2008.

## Reserves

Following a review of the General Reserve in 2008 an increase from £550k to £600k was agreed, subject

to further future reviews, taking into account the continued development of the Trust's changing grant-giving ethos from grassroots to increased integral strategic work, as outlined in the five-year plan. On evaluating the requirements for Andrew Carnegie House, it was agreed not to carry forward £50k in 2008 for future property refurbishment and computer upgrading. £566k (£393k - 2007) of funds has been allocated to grants and funding for programmes and is authorised but not paid.

### Staff

The Trust continues its commitment to being a learning organisation and has also been successfully re-accredited with the Investors in People standard in March 2008. In relation to recruitment and staff policies, the Trust operates an equal opportunities policy.

During 2008 Nick Wilding and Geoff Brown joined the Rural Team (doubling its capacity) and Catherine Moloney joined the London Team. A successful staff away day took place in September 2008 following the annual staff survey.

“The happiness of giving is far sweeter than the pleasure direct”

*Andrew Carnegie*

In line with the Trust's enhanced focus upon strategic initiatives and action research, the Trust continues to have a number of contracted consultants.

### Property

The Trust operates from two offices, which are located in Dunfermline and London. In 2008 the Trust received the proceeds for the sale of its former office, Comely Park House, to which the missives were concluded in 2007.

### Grant Making Policy

The Trust's charitable activities now focus on proactive strategic initiatives capable of influencing public policy and social change. Grants are awarded on the basis of competitive selection, where partners are identified to take forward demonstration and/or research commissioned by the Trust to further the work of its strategic programmes. The Trust no longer accepts unsolicited applications.

# Annex 1

## Statement of Financial Activities

YEAR TO 31 DECEMBER 2008	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2008 Total £	2007 Total £
<b>Incoming Resources</b>					
Investment income and interest	2,038,669	3,654	-	2,042,323	1,927,015
Activities in furtherance of the Trust's objects	61,296	651,860	-	713,156	924,376
Activities for generating funds:					
Rental and other income	8,371	-	-	8,371	24,171
<b>Total Incoming Resources</b>	<b>2,108,336</b>	<b>655,514</b>	<b>-</b>	<b>2,763,850</b>	<b>2,875,562</b>
<b>Resources Expended</b>					
Costs of generating funds	5,000	5,916	-	10,916	31,709
Charitable activities:					
Rural	-	1,300,949	-	1,300,949	1,374,260
Creativity	-	-	-	-	5,000
Young People	-	-	-	-	151,215
Democracy and Civil Society	451,879	1,914	-	453,793	500,068
Creative Philanthropy	-	-	-	-	112,866
Charitable Initiatives	54,446	-	-	54,446	39,500
Other Charitable Activities	455,108	-	-	455,108	224,656
Governance costs	175,309	1,408	-	176,717	127,547
<b>Total Resources Expended</b>	<b>1,141,742</b>	<b>1,310,187</b>	<b>-</b>	<b>2,451,929</b>	<b>2,566,821</b>
<b>Net (Outgoing)/Incoming Resources before Transfers</b>					
	966,594	(654,673)	-	311,921	308,741
Transfers between funds	(536,396)	536,396	-	-	-
	430,198	(118,277)	-	311,921	308,741
<b>Realised gains on Disposal of Fixed Assets</b>					
	-	-	-	-	689,178
	430,198	(118,277)	-	311,921	997,919
<b>(Losses)/Gains on Investments</b>					
Realised	(1,141)	-	-	(1,141)	-
Unrealised	(15,031)	-	(12,434,243)	(12,449,274)	(4,185,406)
<b>Net Movement in Funds</b>					
	414,026	(118,277)	(12,434,243)	(12,138,494)	(3,187,487)
Fund balances at 31.12.07	3,011,281	247,066	37,702,323	40,960,670	44,148,157
Fund balances at 31.12.08	3,425,307	128,789	25,268,080	28,822,176	40,960,670

The statement of financial activities (SOFA) includes the Statement of Total Recognised Gains and Losses. All activities relate to continuing activities.

### Trustees' Statement on Summarised Accounts

The summarised accounts set out on pages 14 and 15 have been extracted from the full financial statements of the Trust which were approved on 21 May 2009 and do not constitute the Trust's statutory full financial statements. The full financial statements have been audited and the auditors' opinion was unqualified.

These summarised accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Trust. For further information the full financial statements, the auditors' report on these statements and the report of the Trustees should be consulted. Copies of the full financial statements can be obtained from the Trust Head Office.

### Approved by the Trustees and signed on their behalf by:

Angus M Hogg  
Chair of Trustees  
21 May 2009

Dr David B B Smith OBE  
Convener of Audit and Risk Sub-Committee

## Balance Sheet

AS AT 31 DECEMBER 2008	2008		2007	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets		1,299,121		1,219,521
Investments at market value		26,204,744		38,538,294
		<u>27,503,865</u>		<u>39,757,815</u>
<b>CURRENT ASSETS</b>				
Other debtors and prepayments	50,289		768,472	
Short term deposits	1,481,083		709,283	
Cash at bank and in hand	27,517		31,761	
	<u>1,558,889</u>		<u>1,509,516</u>	
Creditors: amounts due within one year	(240,578)		(306,661)	
Net current assets		<u>1,318,311</u>		<u>1,202,855</u>
Net assets		<u>28,822,176</u>		<u>40,960,670</u>
<b>FUNDS</b>				
Endowment fund		25,268,080		37,702,323
Restricted funds		128,789		247,066
Unrestricted funds:				
Designated funds		437,425		196,300
Other charitable funds		2,987,882		2,814,981
		<u>28,822,176</u>		<u>40,960,670</u>

### Independent Auditors' Statement to the Trustees of the Carnegie United Kingdom Trust

We have examined the summarised accounts of the Carnegie United Kingdom Trust.

#### Respective Responsibilities of Trustees and Auditors

The Trustees are responsible for preparing the summarised accounts in accordance with the recommendations of the charities' SORP.

Our responsibility is to report to you our opinion on the consistency of the summarised accounts with the full financial statements and Report of the Trustees. We also read the other information contained in the summarised Annual Review and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarised accounts.

#### Basis of Opinion

We conducted our work in accordance with Bulletin 1999/6 "The auditors' statements on the summary financial statement" issued by the Auditing Practices Board. Our report on the Trust's full financial statements describes the basis of our audit opinion on those statements.

#### Opinion

In our opinion the summarised accounts are consistent with the full financial statements and the Report of the Trustees of the Carnegie United Kingdom Trust for the year ended 31 December 2008.

#### Chiene + Tait

Chartered Accountants & Registered Auditors

Edinburgh 29 May 2009

# Annex 2

## Trustees, Staff and Advisers

### Honorary President

**William Thomson CBE**

### Trustees

**Tony Pender CBE** (Chair – until 10 July 2008)

**Angus Hogg** (Chair – appointed 10 July 2008, Convenor of Finance and Organisation Sub-Committee)

**James Doorley**

**Dr David M Fraser**

**Jeremy Holmes**

**Melanie Leech**

**Bill Livingstone\***

**Carol Madison Graham**

**Bhupendra Mistry\***

**Douglas Scott**

**Dr David B B Smith OBE\***

**Jane Steele**

**David Walker\*** (from 10 July 2008)

**Robin W Watson**

**C Roy Woodrow\*** (retired 10 July 2008)

*\*Audit and Risk Sub-Committee Members (during year)*

### Committees

**Co-opted to the Democracy and Civil Society Sub-committee:**

**Tom Burke**

**Fran Bennett**

**Vera Dakova**

**Co-opted to the Democracy and Rural Programme Sub-committee:**

**Diana Brittan**

**Margaret Clark**

**Melanie Reid**

**Democracy and Civil Society Commission**

**Geoff Mulgan** (Chair) Director, Young Foundation

**Rt Hon George Reid** (Vice Chair) former Presiding Officer, Scottish Parliament

**Richard Atkinson OBE** Archdeacon of Leicester

**Kay Carberry** Assistant General Secretary, Trade Union Congress

**Rajeeb Dey** Founder and Chairman, English Secondary Students' Association

**James Doorley** Assistant Director, National Youth Council of Ireland

**Daniel Finkelstein** Comment Editor of The Times

**Philomena de Lima** Development Officer and Researcher, University of Highlands and Islands

**Seamus McAleavey** Chief Executive, NICVA

**Joyce McMillan** Chief Theatre Critic, The Scotsman

**Anna Nicholl** Policy and Campaigns Coordinator, All Wales Refugee Council

**Maeve Sherlock** former Chief Executive, Refugee Council

**Neil Sherlock** Partner, Public and Regulatory Affairs, KPMG

**Jane Steele** Head of Research and Evidence, General Teaching Council for England

**Ed Vaizey MP** Wantage and Didcot

**International Advisory Group Members**

**Halima Begum** Education Adviser, Department for International Development (DFID)

**Thomas Carothers** Vice President for Studies – International Politics and Governance, Carnegie Endowment for International Peace

**Michael Edwards** Director of the Governance and Civil Society Program, Ford Foundation

**John Gaventa** Fellow, The Institute of Development Studies, University of Sussex

**Shannon Lawder** Regional Director of the Civil Society Programme for Central/Eastern Europe and Russia, C.S. Mott Foundation

**Kumi Naidoo** Secretary General and CEO, CIVICUS: World Alliance for Citizen Participation

**Gerry Salole** Chief Executive of the European Foundation Centre (EFC)

### Staff

**Dunfermline Office**

**Charlie McConnell** Chief Executive (until 18 August 2008)

**Angus Hogg** (Interim appointment)

**Kate Braithwaite MBE** Director, Rural Programme

**Geoff Brown** Project Manager (from 1 May 2008)

**Elizabeth East** Corporate Services Director (retired 18 July 2008)

**Carol Kane** Cleaner

**Janine Linning** Chief Finance Officer (on maternity leave from 20 October 2008)

**Helen Malcolm** Finance Assistant (part-time, from 4 November 2008, temporary cover maternity leave)

**Angela Manson** Administrator

**Morag Pavich** Head of Communications

**Liz Pullar** Finance Assistant (part-time, from 11 September 2008, temporary cover maternity leave)

**Lucy Smith** PA to Chief Executive

**Marion Spacey** Cleaner

**Donna Sullivan** Administrator

**Kirsty Tait** Co-ordinator, Rural Programme

**Steven Thompson** Finance Officer (Acting Chief Finance Officer from 20 October 2008)

**Nick Wilding** Community of Practice Facilitator (from 25 March 2008)

**London Office**

**Raji Hunjan** Director, Democracy Initiative & Communications (maternity leave, returned to post 13 October 2008)

**Soumountha Keophilavong** Research Analyst, Democracy & Civil Society Programme

**Morven Masterton** Programme Co-ordinator, Democracy & Civil Society Programme

**Catherine Moloney** Office Co-ordinator (from 11 March 2008)

**Lenka Setkova** Director, Democracy & Civil Society Programme

**Erin Van der Maas** Research Analyst, Democracy & Civil Society Programme

**Interns (to the Democracy and Civil Society programme)**

Mohammed K. Siddiqui

Hala Razian

Jesh Glinert

Kora Andrieu

Kyle Alagood

Stephanie Godbold

Thomas Ward

Victoria Thorpe





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