

# Annual Review 2009



  
**CarnegieUK**  
TRUST

CHANGING MINDS • CHANGING LIVES





CHANGING MINDS • CHANGING LIVES

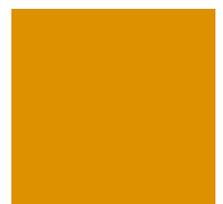
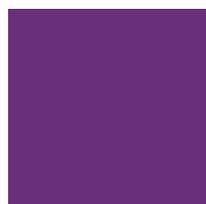
## About us

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 wellbeing of rural communities. The Trust continues to support approaches to effective philanthropy in the UK and Ireland.

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# Introduction

The year 2009 was a year of challenges for the Trust in a number of areas not least of which was finance. The financial turbulence of the markets meant that budgets for the year were under pressure and prudence in spending was even more of a priority than ever.

Although financial markets remained volatile throughout 2009 a slow recovery was evident and the Trust's investment portfolio increased to £28.6 million a rise of 9%. The decrease in income distributions of 23% had a significant impact on Trust programmes.

The main priority during the year was the recruitment of our new Chief Executive. In the summer of 2009 Martyn

Evans, who was previously Director of Consumer Focus Scotland, was appointed. Martyn joined the Trust in November and we look forward to working together in the years to come.

In July Melanie Leech was appointed Chair of the Trust for a period of three years. Melanie has been a Trustee since 2005 and previously chaired the Rural Sub-Committee. We also saw

the departure of Bhupendra Mistry who had served the Trust for a period of five years.

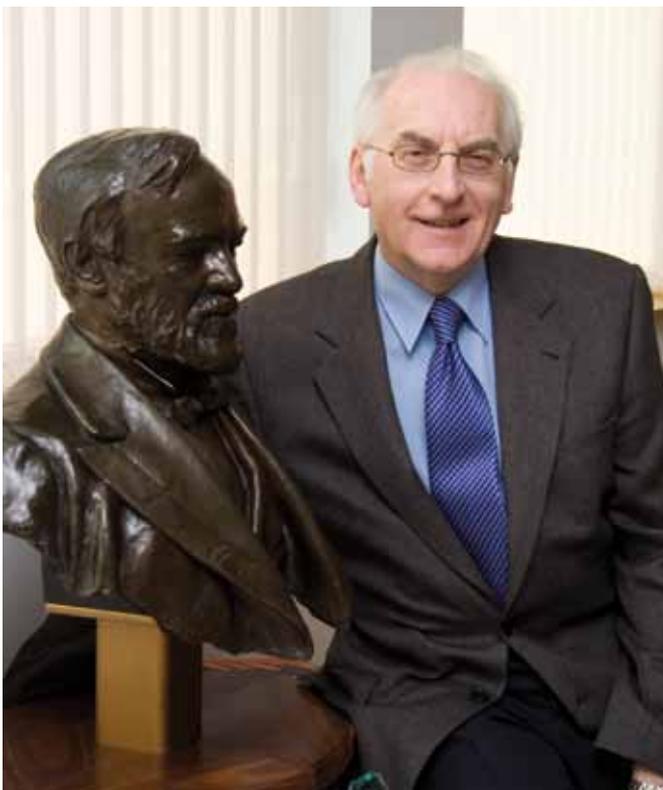
At our AGM, Dame Diana Brittan, who previously chaired The Carnegie Commission for Rural Community Development, was appointed to the Board of Trustees and now chairs the Rural Sub-Committee. Ian Wilson, a Carnegie Dunfermline Trustee, joined the Board at the same time and completes the complement of eight Trustees from that sister Trust. Ian has an extensive business background as well as an expertise in community involvement.

The Trust successfully recruited two new Trustees whose appointment will be confirmed in June 2010. Richard Davies previously worked in various UK Central Government Departments and overseas, and was lately a Management Board Director at the Welsh Assembly Government. He also currently holds various non executive, lay and advisory appointments throughout the UK.

Lynne Lamont is an investment manager and Head of Charities for

Scotland and Northern Ireland with Brewin Dolphin, investment managers. She has close involvement with many charities and is experienced in dealing with financial, investment and regulatory issues.

In October we published 'A Manifesto for Rural Communities - Inspiring Community Innovation'. This publication draws upon a rich source of evidence from real places during the past four years. This unique collaboration between the Carnegie UK Trust and Big Lottery Fund worked with over 40 progressive organisations and communities to explore some of the most pressing challenges facing rural communities. The issues addressed were: rural communities taking a lead in securing essential services; rural communities planning their futures; the special characteristics of communities in very remote areas – as culturally rich areas and hotbeds of invention; what must be done to manage community assets in a sustainable way; how newcomers to rural areas can be included in community life; and the essential skills needed to build excellent rural communities.



Angus Hogg

Over the next three years we will be working with Community Finance Solutions at the University of Salford and other partners to progress support for Community Land Trusts in England. Funding of £500,000 for this project has come from the Department for Communities and Local Government.

The Commission of Inquiry into the Future of Civil Society continued to pursue its exploration of the existing and possible future roles of civil society associations – growing a more civil economy; enabling a rapid and just transition to a low-carbon economy; democratising media ownership and content; and growing participatory and representative democracy.

The Commission has been working towards publication of its report in early 2010 which will bring to a conclusion this extensive investigation carried out over the last three years and this will no doubt present challenges to us all.

The Trust continued to work with the Joseph Rowntree Foundation to explore ways in which different understandings of power



*Martyn Evans is welcomed as the Trust's new Chief Executive by Melanie Leech, Chair*

can be applied to enable civil society organisations to achieve social change.

In August 2009 we continued to build on our relationship with the Festival of Politics, hosting debates at the Scottish Parliament on "Growing a Civil Economy" and examining Scotland's first National Parks. We were pleased to be involved in this Festival which featured events to mark both the Year of Homecoming and the 10th Anniversary of the Scottish Parliament.

As Vice Chair and Acting CEO I attended the Carnegie Medal of Philanthropy 2009 ceremonies in New York during October, along with our Honorary President,

Chair and Chief Executive designate. There were many opportunities throughout our time there to meet with our fellow Trustees from the other 22 Institutions and discuss the varying work of our individual trusts and, indeed, philanthropy world-wide. In addition, we met representatives from the many organisations that work with Carnegie world-wide.

The Carnegie Corporation of New York are to be congratulated on the programme of seminars and visits arranged over the two day period.

2009 has been an unusual year in that we have had two Chairs, an Acting Chief Executive and a full-time Chief Executive.

I congratulate the staff for coping well with all the various changes during the year. My thanks are expressed to all my fellow Trustees, staff and Commissioners for all their assistance during the year.

**Angus Hogg**  
Chair (until 15 July 2009),  
Vice Chair (from 15 July 2009),  
Acting Chief Executive (until 16 November 2009)

# Events and Awards

The Trust is involved in many national and international events.

## CILIP Carnegie Medal Children's Book Awards

The 2009 CILIP Carnegie Medal was posthumously awarded to Siobhan Dowd. The Medal is the UK's most respected award for children's writing. It is awarded annually by CILIP: the Chartered Institute of Library and Information Professionals. The judging panel of children's librarians recognises world class writers and has frequently spotted fresh talent ahead of the market.

Two years after her death from breast cancer at the age of 47, Siobhan Dowd's fourth and final novel, 'Bog Child', won the 2009 award. Set in Northern Ireland at the height of the Troubles in 1981, close to the North-South border,

as teenager Fergus McGann makes an illicit raid to the South to gather peat only to discover a child's body buried in the bogs, perfectly preserved for 2,000 years.

"The reader is drawn totally into Fergus's world," comments Chair of the Judges, Joy Court. "The turbulence of adolescence is vividly portrayed and equally vividly evoked is the political conflict of the time. A truly outstanding novel of great humanity."

Support from the Carnegie UK Trust has enabled CILIP to develop an accompanying shadowing scheme. Each year over 3,800 reading groups in schools and public libraries shadow the awards process, involving nearly 90,000 children and young people.

## The Carnegie Medal of Philanthropy

The Carnegie Medal of Philanthropy is presented every two years in recognition of exceptional and sustained records of philanthropic giving, on behalf of the more than 20 Carnegie organisations around the world. The Carnegie UK Trust is one of those organisations.

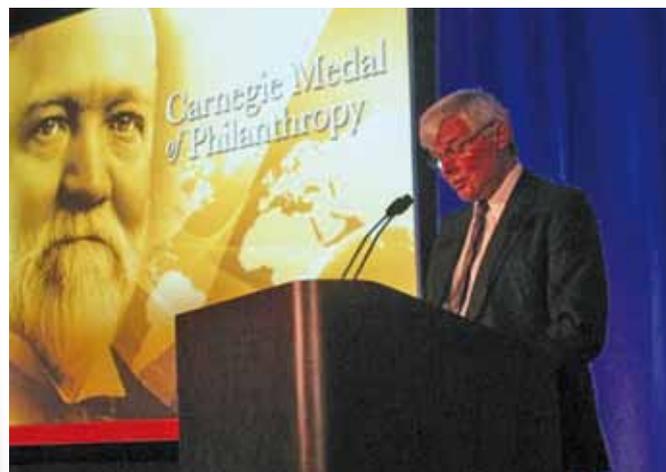
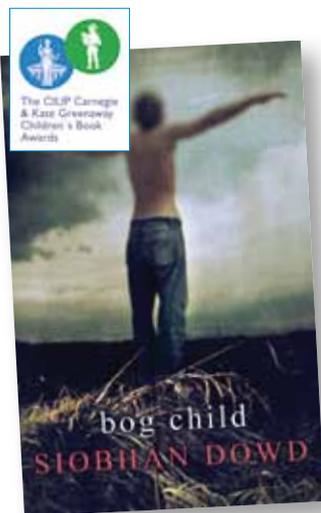
The Chair, senior Trustees and the incoming Chief Executive attended the ceremony. This year's presentation ceremony took place on 15 October at the New York Public Library, with noted author and journalist Bill Moyers serving as Master of Ceremonies.

The 2009 medallists were recognised for establishing and supporting charitable foundations and trusts that span the fields of medicine, education, culture, and science. The medallists were Michael R Bloomberg, Mayor of New York City, the Koç family of Turkey, Gordon and Betty Moore of California, and Sanford and Joan Weill of New York.

"By celebrating the philanthropic work of these individuals and families, we, the members of the Carnegie family of institutions, seek to highlight the importance of philanthropy in our modern societies" said Vartan Gregorian, President of the Carnegie Corporation of New York and Chair of the Medal Selection Committee.



Siobhan Dowd



William Thomson at the Carnegie Medal of Philanthropy 2009

# Rural Programme

## Getting by with a little help from our friends...

With a staff team of four people working across the whole of the rural UK and Ireland, we face a challenge in having an impact upon the issues that our communities face.

One of the ways we try to maximise the effect of our Rural Programme is to work in partnership with other people. For instance, over the past four years we have been fortunate to work with Big Lottery on the Rural Action Research Programme. The evidence from over forty partner organisations has been now gathered and their findings reveal practical solutions to such issues as integrating transport, broadband connections, delivering better care services and managing water catchments. We considered that it was important for as many rural people as possible to be inspired by these pioneers, so in November 2009, we published 'A Manifesto for Rural Communities

– inspiring Community Innovation'. We hope that it will be as widely read as our previous publication – the 'Charter for Rural Communities.'

Another important partnership was entered into in 2009 with the Department for Communities and Local Government through their Empowerment Fund. Over the previous two years, Carnegie UK Trust has worked with Community Finance Solutions on a Community Land Trust National Demonstration Project. We recognised that in many rural areas there is a desperate shortage of affordable housing for rent or purchase. Community Land Trusts are just one solution – one that seems to have caught the imagination

of many rural communities. A Community Land Trust (CLT) is a not for profit organisation which can be an industrial and provident society, a company limited by guarantee or any other incorporated body whose governing instrument allows the organisation to provide and manage affordable housing or other facilities for the benefit of the community. The additional resources from central government that were awarded to Carnegie UK Trust in 2009, will allow our collaboration with Community Finance Solutions to continue to support the fledgling Community Land Trust movement with open access to technically competent information and advice.

2009 saw the first full year of operation for our rural Community of Practice – a mechanism that Carnegie UK Trust put in place to enable pioneering rural communities, and the professionals and policymakers who support them, to share ideas and experiences online on [www.fieryspirits.com](http://www.fieryspirits.com) and through a programme of events – large and small – at venues across the UK and Ireland. We were helped in this endeavour by four partner organisations: Eden Trust, the Centre for Alternative Technology, Falkland Centre for Stewardship and Tipperary Institute. Highlights include the 'Sense of Place' conference at the Eden Project in September (with input from distinguished



Visit to Woodland Valley Farm, Cornwall



Visual minutes at Eden's Sense of Place Conference

# Rural Programme

Continued.

international guests), seminars to test ideas on such topics as land management, renewable energy and transport for the forthcoming Zero Carbon Britain 2030 publication; the One Planet Food initiative and the Ceiliuradh celebration in Tipperary. In what was one of the wettest weeks in living memory in November, Carnegie UK Trust also welcomed 100 participants to our Annual Rural Convention, 'Local Action for Rural Development' in Kendal, Cumbria. We are not sure what our international guests from India and Africa thought of the deluge but we found that we shared similar concerns about the impact of climate change and resource depletion. We also welcomed many members of Local Action

Groups from across the UK and Ireland to the Convention in recognition of the importance of EU Rural Development Programmes in supporting innovation.

Innovation is an important theme running through the Rural Programme at Carnegie. In 2009 we sought out 'Rural Sparks' – special people and organisations who really make a difference within their communities and we were bowled-over with the response. It was a great privilege to meet the Rural Sparks who were judged by the panel (including TV personality Jimmy Doherty, Rachel's Organic founder, Rachel Rowlands and the Eden Project founder, Tim Smit) as having ideas that were especially transferable to other places. The projects recognised were: TR14ers

dance group in Cornwall, the Community Food Co-operative Project in Wales, Callan Renewable Energy Supply Company in Ireland, The Rural Key Music Project in Northern Ireland and Lochgoilhead Fiddle Workshop in Scotland. The successful projects were recognised at a special awards ceremony hosted at the Eden Project in April.

It is evident from the Rural Sparks that enterprise is flourishing in many rural communities and that people are looking around at the positive attributes of their area as a basis of economic and social development. Most importantly there are the skills and energy of people, along with culture, landscape, farms, community buildings,

river catchments and the potential for renewable energy production. With the help of partners from the International Association for Community Development we are building our understanding of what we call asset-based approaches to regenerating areas – building on the things you've got! In November we launched a big inquiry into this way of approaching the development of rural areas, drawing upon experiences from UK, Ireland and internationally. We will complete this work in July 2010.

**Rural Programme  
Co-optees:  
Margaret Clark  
Melanie Reid**



Tipperary Institute – Freetrade Thurles



'Rural Sparks' awardee – Lochgoilhead Fiddle Workshop

## What our supporters think

‘Through my work on Farming Heroes I’ve encountered many people who have transformed their communities by daring to think they can make a difference. Rural Sparks is a chance to recognise their ingenuity, and I’m excited about being a part of it.’ **Jimmy Doherty**

‘It’s great to meet up with old and new colleagues and get restored and inspired again. I came away from the conference feeling more positive about the future.’

**Rural Convention delegate**

‘Carnegie’s Manifesto for Rural Communities examines some of the most pressing challenges facing rural communities. The findings provide a rich source of inspiration and action for policy makers and funders.’

**Gerard Oppenheim, Director of Policy and Partnerships at Big Lottery Fund**

‘The partnership with Carnegie has been really beneficial to us. It brings us together with other like-minded first movers and forward thinkers to create a community of practice that can begin to imagine the world as we have never seen it before.’ **Paul Allen, Centre for Alternative Technology**

‘The value of the Rural Action Research Programme- it is like throwing a small stone in a big pond, it has a ripple effect.’ **Tony Kendle, Eden Project**

‘The great thing about working with Carnegie has been the willingness to innovate around how we deliver services in rural areas. Where a lot of local authorities and public sector funders are quite risk-averse, Carnegie were prepared to put their money where their mouth was and work with us to start to deliver world-class services to parts of Cumbria that had no chance of getting services normally through the public sector.’

**Daniel Heery, Cybermoor Ltd, RARP partner**

‘You just have to listen today to the great ideas that are coming forward, the whole buzz in the room as people are talking about new things, learning about new ways

of operating. It is just fantastic- this is the key way that we are going to re-engineer how we deliver rural services in the future and how other communities can learn from the success stories we have heard over the last few days.’ **Rural Convention delegate**

‘Coming here and meeting like-minded people working in so many disparate fields, in the theatre, science based activities, in other sorts of arts and in rural development work. To have all these people together is like coming home – it’s wonderful.’ **Shan Ashton, Bangor University, Sense of Place conference**

‘We are facing the biggest sociological and ecological challenges that our species could ever imagine and we need learning and education that somehow begins to address these enormous challenges. It’s my belief that these solutions will not come from government but will come from real people in communities, grassroots, sorting out stuff for themselves. For me it is about the learning of the next generation of young people and empowering them to take collective responsibility for their patch.’ **Will Coleman, organiser, Sense of Place conference**



# Democracy and Civil Society Programme

## Democracy Initiative

In 2009, through the Democracy Initiative, the Trust focused on developing a practical approach to understanding power and how it relates to participation and social change.

Our main activity was a project designed to help organisations to engage with the issue of power through a process called power analysis. Power analysis can help organisations to understand how social issues are shaped and how change could be achieved to improve the lives of the communities they are working with.

We worked with five London-based organisations to develop a version of power analysis that would help organisations in the UK to review their existing policies and practices, analyse the external environment in which they were working,

The five organisations that we worked with are:  
Eaves Housing  
Migrant and Refugee Communities Forum  
Naz Project London  
Shpresa  
Spare Tyre

and consider new strategies for achieving change. As the basis for analysing power we used pre-existing frameworks and tools, which were designed by other organisations and thinkers (we are grateful to the Institute of Development Studies, Just Associates and Oxfam for providing us with relevant tools and frameworks), to deepen an organisation's understanding of a social

problem and explore ways to address social issues. We introduced the organisations to these frameworks and tools through workshops and mentoring.

The five organisations that we worked with were addressing a range of different social issues – domestic violence within a specific migrant community, greater policy awareness

concerning women that had survived trafficking, more funding for the social care needs of black and minority ethnic men and women living with HIV, broader awareness of the challenges concerning the lives of refugee and migrant communities, and greater understanding of how the Arts can be used to inform policy.

By using tools and frameworks for power analysis, the organisations were able to analyse and reflect on various factors including:

- The power within the organisation and how this power is used;



*Spare Tyre is a community arts company, working with older people and people from the learning disability community. It used power analysis to review its strategy and the relationship between politics, advocacy and the arts*



*The Migrant and Refugee Communities Forum used power analysis to unlock the power of its members and service users and be better placed to inform public policy*

## What our supporters think

'Beforehand I used to think we were powerless, nobody wanted to listen to us.... now we have this analysis for understanding power'

'Working with Carnegie on the issue of power has helped us to think more strategically about how we influence change'

- The external structures and institutions which play a key role in shaping issues and problems (eg our political system);
- How the different groups and individuals influence policy and practice outcomes;
- The impact of social issues on different groups in society;
- The long-term strategies that could be adopted in the interest of social justice.

This project was supported by an Advisory Group, chaired by Alex O'Neil from the Joseph Rowntree Foundation. Members of the Advisory Group were Mark Parker, Jethro Pettit, Marilyn Taylor, Mandy Wilson, Barry Knight, Nathalie McDermott and Rachel Purtell.

A report documenting the findings of this project and a series of case studies captured on DVD, will be published in 2010.

We are grateful to the Joseph Rowntree Foundation, for co-funding this work.



## Committees

### Democracy and Civil Society Co-optees:

**Tom Burke**  
**Fran Bennett**  
**Vera Dakova**

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

#### Chair

**Geoff Mulgan** Director, Young Foundation

#### Vice Chair

**The Rt Hon George Reid** Privy Councillor and a former MP, Member of the Council of Europe, MSP and Presiding Officer of the Scottish Parliament

#### Members

**The Ven Richard Atkinson OBE**  
Archdeacon of Leicester

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

**Rajeeb Dey FRSA** Founder and CEO of Enternships.com and English Secondary Students' Association

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

**Philomena de Lima FRSA** Director of the Centre for Remote and Rural Studies, University of Highlands and Islands  
**Seamus McAleavey** Chief Executive, Northern Ireland Council for Voluntary Action

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

**Anna Nicholl** Special Adviser, Welsh Assembly Government

**Maeve Sherlock** PhD student, Durham University

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

**Jane Steele** Trustee, Carnegie UK Trust

### International Advisory Group

**Halima Begum**

**Thomas Carothers**

**Michael Edwards**

**John Gaventa**

**Shannon Lawder**

**Kumi Naidoo**

**Gerry Salole**

# Democracy and Civil Society Programme

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

A year of drawing together the strands in preparation for the publication of the Commission's far-reaching report.

In 2009, the *Commission of Inquiry into the Future of Civil Society in the UK and Ireland* continued to examine the importance of civil society at a time of multiple crises: the financial crisis and its economic effects, which has sharply reduced the status and confidence of market liberalism; the ecological crisis which has moved centre stage as never before in the wake of the Copenhagen Summit; and a crisis of political confidence. The Commission believes it is impossible to imagine plausible answers to these challenges without a widened role for civil society associations, including voluntary and community organisations, faith-based

organisations, trade unions, co-operatives, mutuals, philanthropic organisations, social movements and informal citizen groups.

Drawing on the findings of the Commission's futures work documented in the reports 'The shape of civil society to come' and 'Scenarios for civil society', in 2009 the Commission focused on exploring the current possible and future roles of civil society in relation to:

- Growing a more civil economy;
- Enabling a rapid and just transition to a low carbon economy;

- Democratising media ownership and content;
- Growing participatory and deliberative democracy.

To inform this work, new research was undertaken and commissioned, interviews were conducted, and events were hosted across the UK and Ireland that gathered the insights of hundreds of people.

### Growing a more civil economy

The full meaning of the recent financial and economic crisis will not be clear for many years, but what is evident is that it has prompted a widespread desire for change. The Commission's work therefore focused on exploring the current and possible future roles of civil society associations in three key areas:

- Enhancing the transparency and accountability of financial institutions;
- Strengthening pluralism in the financial sector;
- Growing the power and voice of civil society groups and of citizen investors in relation to the financial industry.

To inform the Commission's thinking, new research was undertaken and events were hosted to gather people's insights into what civil society could do. For example, the Open University was commissioned to research the past, current and possible future roles of civil society associations in the economy, from the impact of Friendly Societies and trade unions, to the growth of the Fairtrade movement. A number of deliberative events were also convened in London and Dublin, involving representatives of organisations such as Consumer Focus, the Church of England's Ethical Investment Advisory Group, WWF, Trinity College Dublin, Fair Pensions, Foundation for the Economics of Sustainability (FEASTA), Irish League of Credit Unions, Irish Catholic Bishop's Conference and the National Economic and Social Forum (Ireland), while George Reid, Commission Vice-Chair, hosted an event 'Tomorrow's Civil Economy' at the Festival of Politics in Edinburgh.

### Enabling a rapid and just transition to a low-carbon economy

The world is facing challenges from climate change to resource scarcity that threaten to transform

### The goals of the Commission of Inquiry into the Future of Civil Society in the UK and Ireland 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 better prepare for or shape the future.

The Commission's working definition of civil society includes three inter-related dimensions: civil society is a goal to aim for (a good society); a means to achieve it (associational life – including voluntary and community organisations, trade unions, faith-based organisations, co-operatives and the mutuals); and a framework for deliberating the nature of a good society and how it might be achieved (the public sphere).

### What is a civil economy?

A thriving civil economy mirrors a thriving democracy. Constitutional and accountable political institutions supported by political parties, an independent judiciary, a free press, impartial law, civic bodies and an involved citizenry sustain democracy in a civil society. The parallel institutions of a civil economy can be understood to be accountable and transparent corporations supported by engaged shareowners and their accountable representatives, independent monitors, credible standards, and vigilant and active civil society associations participating in the market place.

There are a number of characteristics of a civil economy:

- It is open and pluralist, welcoming entrepreneurship and innovation, whether financial or social, through traditional company or other structures, including mutuals and social enterprise.
- Economic actors are clear about their responsibilities and accountable to their owners, but have due regard for other stakeholders, including communities and workers, and for the environment.
- Institutional owners, such as pension funds, are accountable to their savers and push corporations towards sustainable prosperity through responsible management. Information standards and flows allow for independent scrutiny on the part of individuals, civil society and the media.
- The success of the economy is not just measured in terms of short-term economic growth or financial gains, but in terms of the sustainable well-being of current and future generations.

society at every level. While the environmental movement has brought concerns about climate change and resource

scarcity to the fore, the challenges remain regarding how socially-orientated civil society associations can be mobilised to engage in the

‘...we have so little time to act...we need to mobilise civil society to clamour for more government action and institutional change. How? We must stop talking about climate change as strictly an environmental problem’ **Inquiry informant**

debate and in the creation of related solutions and regarding how concerns of social justice can be addressed.

To respond to these challenges, two key pieces of work were undertaken to inform the Commission’s thinking. The first was conducted with the new economics foundation (nef), to explore how the challenges of social justice, climate change and resource scarcity can be bridged by civil society associations.

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

### Democratising media ownership and content

A thriving civil society and democracy has always been dependent on free, strong and democratic news media. Yet traditional media business models are in serious decline. To explore how civil society

can become more influential as both owners of news media and creators of content in the interest of strengthening democracy and public participation, the Commission explored the current and possible future roles of civil society associations in democratising media and in applying social media.

Working with the Goldsmiths Leverhulme Media Research Centre, the Commission hosted events in Wales and in Scotland to gather people’s insights into the rapidly changing media landscape and how civil society can play a more active role in ensuring that the new media landscape upholds concerns for freedom, pluralism and integrity. Representatives from organisations including the BBC, Ofcom, Institute of Welsh Affairs, National Assembly for Wales, National Union of Journalists and a variety of academics from a number of academic faculties contributed to these events.

Meanwhile, Suw Charman-Anderson was commissioned to help the Commission explore how civil society associations can be more ahead of the curve in their practical application of social media.

# Democracy and Civil Society Programme

Continued.

## Growing participatory and deliberative democracy

The Commission believes that there is an urgent need to strengthen democracy and that civil society activity is critical to complementing, challenging and enriching representative democracy. The Commission's work therefore has been focused on exploring how civil society activity can grow participatory and deliberative democracy.

A key theme that emerged from the Inquiry's futures work was people's concerns about the diminishing arenas for public deliberation. With the support of the University of Bradford, the Commission explored the roles of civil society associations in enabling meaningful dialogue and deliberation.

Another related theme that emerged from the Inquiry's futures work was concerns about the marginalization of dissent. In 2009, the Commission therefore hosted a series of events that explored the role of civil society in enabling dissent and the factors that inhibited dissent. Events were held in London, Glasgow and in Dublin (in partnership with the Atlantic Philanthropies). Speakers included Oonagh McArdle, Community Workers Co-operative, Simon Woolley, Operation Black Vote, Adnan Siddiqui, Cage Prisoners, Jack O'Connor, General President, SIPTU, Sr. Stanislaus Kennedy, Religious Sisters of Charity, Malcolm Carroll, Campaigner and Baptist Minister, Fran Bennett, Department of Social Policy and Social Work, University of Oxford and Kumi Naidoo, Honorary President

of Civicus, Co-Chair of the Global Call to Action Against Poverty and member of the Commission's International Advisory Group also spoke at all these events, highlighting the importance of developed democracies upholding civil liberties and freedoms of association and assembly. Kumi spent a number of months located in the Trust's London office as a Visiting Fellow, during which he wrote a thought provoking article on the roles of UK civil society associations in strengthening global civil society, which is available on the Inquiry's website.

2009 also saw the completion of a series of seminars co-hosted with the National Council for Voluntary Organisations that explored the dynamics of bridging social capital in a number of different contexts. Themes

included diversity and social cohesion, intergenerational connections and dimensions of equality. Speakers at the events included: Duncan Morrow (Community Relations Council, Northern Ireland) and Simon Keyes (St Ethelburga's Centre for Reconciliation and Peace), Nick Johnson (Institute of Community Cohesion), Catherine Howarth (London Citizens), Nick Acheson (University of Ulster), Zohra Moosa (Fawcett Society) and Sughra Ahmed (Islamic Foundation). The findings of these events are written up in the report 'Altogether now?' The role and limits of civil society associations in connecting a diverse society.

The Commission's final report, *Making Good Society*, is being launched in early 2010. To find out more go to [www.futuresforcivilsociety.org](http://www.futuresforcivilsociety.org)



Festival of Politics 2009



Speakers at the 'Civil Society: Enabling Dissent' event held at Dublin Castle during May © Gary O' Neill Photography

# Finance and Organisation Report

## Accounts Format

Full Financial Statements for 2009 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 on pages 15 and 16.

## Investment Policy and Performance

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 has outperformed the FTSE All-Share Index, it did not achieve this in 2009 underperforming the FTSE All-Share Index by 14%. High-yielding funds, such as Charifund, tend to underperform against the FTSE All Share Index when there is an expectation of below-trend economic growth in the UK. This is due to greater exposure to UK companies and less exposure to FTSE 100 companies with international operations, combined with

fewer takeover opportunities during an economic downturn. Charifund fared better against the more comparable measure of the FTSE 350 Higher Yield Index with a 3% underperformance.

Although financial markets remained volatile throughout 2009 a slow recovery was evident and the Trust's investment value increased by 9% to £28.6 million (£26.2 million – 2008). However income distributions were down 23% on 2008 distributions. Trustees continue to monitor the instability of the stock market and its impact on the endowment with its related income stream.

Following the year-end the Trust has established an investment working group which is responsible for the Trust's investment policy. This group will consider ethical, socially responsible and mission/programme-related investment issues.

## Income

2009 was always going to be a challenging year for the Trust, with income reducing overall by 30%, as the economic downturn impacted severely on the Trusts Endowment. However, prior to the beginning of the

year, Trustees had predicted this potential trend and had set a budget of £1.6m.

Over the course of the year income distributions were higher than expected and total income for 2009 was £1.94 million (£2.76 million - 2008). Unrestricted fund income totalled £1.54 million compared to £2.11 million the previous year. In addition, there was restricted income of £398k partnership funding, of which £298k was received from the Big Lottery Fund and £100k received from the Department for Communities and Local Government. During the year the Trust also received a legacy from Dr Robert Pringle's estate of £5k.

## Expenditure

A rigorous budgeting process was adopted prior to the outset of 2009 and expenditure was closely monitored throughout the year to ensure that necessary savings were achieved, whilst ensuring the continuation and progress of the Trust's charitable activities.

2009 saw a reduction in research grant activity. From unrestricted funds, grant payments were £20k (£60k - 2008). From restricted

funds grant payments were £658k (£839k – 2008). In addition to these grant payments, the Trust expended £956k directly on its main programmes (£885k – 2008). The Trust's income and expenditure related to grant-giving and programme initiatives 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.

The contractual obligations relating to the £2.2 million Big Lottery Funding Agreement, awarded in 2005 over five years, for the Rural Action Research Programme have now been delivered.

## Reserves Policy

£693k (£566k - 2008) of funds have been allocated to grants and funding for programmes which remain unpaid at the year-end. The General Reserve was reviewed in 2009 and it was agreed to increase it from £600k to £650k. This is subject to further future reviews taking into account the continued development of the Trust's policy of partnerships to support its strategic work as outlined in the five-year plan.

## Staff

In November 2009 Martyn Evans became the Trust's new Chief Executive and during this month we also said farewell to Morag Pavich, Head of Communications, who left to further her studies in the USA. Anna Ashton joined the London-based

Democracy and Civil Society Team in September as Publications and Events Co-ordinator. Angela Manson, Office Administrator in Dunfermline, retired after eight years with the Trust.

On returning from maternity leave during the Spring, Janine Linning took on a

new role as the Trust's Head of Administration with Steven Thompson continuing as Head of Finance.

## Grant Making Policy

The Trust's charitable activities now focus on proactive 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 grant applications.

## Trustees, Staff and Interns

### Honorary President

**William Thomson CBE**

### Trustees

**Melanie Leech** (Chair appointed 15 July 2009)

**Angus Hogg\*** (Chair resigned 15 July 2009; Vice-Chair appointed 15 July 2009; Convener of Finance and Organisation Sub-Committee)

**Dame Diana Brittan** (appointed 15 July 2009; Convener of Rural Sub-Committee)

**James Doorley**

**Dr David M Fraser**

**Jeremy Holmes**

**Bill Livingstone\*** (Convener of Communications Sub-Group)

**Carol Madison Graham**

**Bhupendra Mistry\*** (resigned 15 July 2009)

**Douglas Scott**

**Dr David B B Smith OBE\*** (Convener of Audit and Risk Sub-Committee)

**Jane Steele** (Convener of Democracy and Civil Society Sub-Committee)

**David Walker\***

**Robin W Watson**

**Ian Wilson** (appointed 15 July 2009)

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

### Staff

**Martyn Evans** Chief Executive (appointed 16 November 2009)

**Angus Hogg** Acting Chief Executive (Interim Arrangement August 2008 - 16 November 2009)

**Anna Ashton** Publications & Events Co-ordinator (from 14 September 2009)

**Dr Kate Braithwaite MBE** Director, Rural Programme

**Geoff Brown** Manager, Rural Programme

**Raji Hunjan** Director, Democracy and Civil Society Programme (Democracy)

**Carol Kane** Cleaner

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

**Janine Linning** Head of Administration

**Helen Malcolm** Finance Assistant

**Angela Manson** Office Administrator (retired 31 March 2009)

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

**Catherine Moloney** Office Co-ordinator

**Morag Pavich** Head of Communications (resigned 30 November 2009)

**Liz Pullar** Finance Assistant

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

**Lucy Smith** PA to Chief Executive/ Office Administrator

**Marion Spacey** Cleaner

**Donna Sullivan** Office Administrator

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

**Steven Thompson** Head of Finance

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

**Nick Wilding** Community of Practice Facilitator, Rural Programme

### Interns

**Kora Andrieu** Democracy and Civil Society Programme

**Amy Ferguson** Communications

**Jesh Glinert** Democracy and Civil Society Programme

**Stephanie Godbold** Democracy and Civil Society Programme

**Victoria Thorpe** Democracy and Civil Society Programme

**Thomas James Ward** Democracy and Civil Society Programme

# Summary Accounts

## Statement of Financial Activities

YEAR TO 31 DECEMBER 2009	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2009 Total £	2008 Total £
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Investment income and interest	1,532,702	395	-	1,533,097	2,042,323
Rental and other income	3,137	-	-	3,137	8,371
Incoming resources from charitable activities:	5,000	397,515	-	402,515	713,156
<b>Total Incoming Resources</b>	<b>1,540,839</b>	<b>397,910</b>	<b>-</b>	<b>1,938,749</b>	<b>2,763,850</b>
<b>Resources Expended</b>					
Costs of generating funds	5,946	3,561	-	9,507	10,916
Charitable activities:					
Rural	-	1,054,542	-	1,054,542	1,300,949
Democracy and Civil Society	548,093	13,508	-	561,601	453,793
Charitable Initiatives	86,342	-	-	86,342	54,446
Other Charitable Activities	281,648	-	-	281,648	455,108
Governance costs	112,775	-	-	112,775	176,717
<b>Total Resources Expended</b>	<b>1,034,804</b>	<b>1,071,611</b>	<b>-</b>	<b>2,106,415</b>	<b>2,451,929</b>
<b>Net (Outgoing)/Incoming Resources before Transfers</b>					
	506,035	(673,701)	-	(167,666)	311,921
Transfers between funds	(719,762)	719,762	-	-	-
	(213,727)	46,061	-	(167,666)	311,921
<b>Gains/(Losses) on Investments</b>					
Realised	878	-	-	878	(1,141)
Unrealised	9,068	-	2,332,769	2,341,837	(12,449,274)
<b>Net Movement in Funds</b>					
	(203,781)	46,061	2,332,769	2,175,049	(12,138,494)
Fund balances at 31.12.08	3,425,307	128,789	25,268,080	28,822,176	40,960,670
Fund balances at 31.12.09	3,221,526	174,850	27,600,849	30,997,225	28,822,176

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 15 and 16 have been extracted from the full financial statements of the Trust which were approved on 15 June 2010 and do not constitute the Trust's statutory full financial statements. The full financial statements have been audited and the auditor's 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 auditor's 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:

Melanie Leech  
Chair of Trustees  
15 June 2010

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

# Summary Accounts

## Balance Sheet

AS AT 31 DECEMBER 2009	2009		2008	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible fixed assets		1,237,421		1,299,121
Investments at market value		<u>28,597,487</u>		<u>26,204,744</u>
		29,834,908		27,503,865
<b>CURRENT ASSETS</b>				
Other debtors and prepayments	36,602		50,289	
Short term deposits	1,290,960		1,481,083	
Cash at bank and in hand	<u>54,898</u>		<u>27,517</u>	
	1,382,460		1,558,889	
<b>CREDITORS: AMOUNTS DUE WITHIN ONE YEAR</b>	<u>(220,143)</u>		<u>(240,578)</u>	
<b>NET CURRENT ASSETS</b>		<u>1,162,317</u>		<u>1,318,311</u>
<b>NET ASSETS</b>		<u>30,997,225</u>		<u>28,822,176</u>
<b>FUNDS</b>				
Endowment fund		27,600,849		25,268,080
Restricted funds		174,850		128,789
Unrestricted funds:				
Designated funds		517,723		437,425
Other charitable funds		<u>2,703,803</u>		<u>2,987,882</u>
		<u>30,997,225</u>		<u>28,822,176</u>

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

We have examined the summarised accounts for the year ended 31 December 2009 set out on pages 15 and 16.

This statement is made solely to the Trust's Trustees as a body in accordance with the terms of our engagement letter dated 26 February 2007. Our work has been undertaken so we might state to the Trustees those matters we are required to state in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees for our work, for this statement, or for the opinions we have formed.

### Respective responsibilities of Trustees and auditor

The Trustees are responsible for preparing the summarised accounts in accordance with the recommendations of the charities Statement of Recommended Practice.

Our responsibility is to report to you our opinion on the consistency of the summarised accounts with the full annual accounts. We also read the other information contained in the summarised annual report 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 2008/3 "The auditor's statement on the summary financial statement" issued by the Auditing Practices Board for use in the United Kingdom.

### Opinion

In our opinion the summarised accounts are consistent with the full accounts of the Carnegie United Kingdom Trust for the year ended 31 December 2009.

### Chiene + Tait

Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh EH3 6NL

15 June 2010



# Annual Review 2009

The Carnegie UK Trust is one of over 20 foundations worldwide set up by Scots-American philanthropist Andrew Carnegie working to support a more just, democratic, peaceful and sustainable world.

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Carnegie UK Trust  
Scottish charity SC 012799 operating in the UK and Ireland  
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