



CHANGING MINDS • CHANGING LIVES



Annual Report and Accounts

FOR THE YEAR ENDED 31 DECEMBER 2013

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The Carnegie United Kingdom Trust
Incorporated by Royal Charter 1917
Scottish Charity No: SC 012799
Operating in the UK and Ireland



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Trustees, Staff and Advisers

Honorary President

William Thomson CBE

Trustees

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Melanie Leech* (*Convener of Finance and Corporate Services Committee until May 2013 and Vice Chair*)

Dame Diana Brittan

Richard Davies* (*Convener of Finance and Corporate Services Committee from May 2013*)

James Doorley

Dr David M Fraser

Jeremy Holmes

Lynne Lamont*

Bill Livingstone

Jane Livingstone (*from May 2013*)

Carol Madison Graham

Douglas Scott

Dr David B B Smith OBE

Jane Steele

David Walker* (*Convener of Audit and Risk Committee*)

Robin W Watson

Ian Wilson*

**Audit and Risk Committee Members (during year)*

Chief Executive

Martyn Evans

Staff

Jennifer Wallace - Policy Manager

Jim Metcalfe - Practice and Development Manager

Georgina Bowyer - External Events and Communications Officer

Jenny Brotchie - Policy Officer

Janine Linning - Corporate Services Manager (*until 31 October 2013*)

Liz Macdonald - Senior Policy Officer

Genna Nelson - Corporate Services Officer

Lauren Pennycook - Policy Officer

Liz Pullar - Finance Assistant

Lucy Smith - Corporate Services Officer

Kirsty Tait - Project Officer

Steven Thompson - Finance Manager

Douglas White - Senior Policy Officer

Melissa Broadbent - Project Assistant

Trustees, Staff and Advisers (cont)

Interns

Francesca Fauvet – Practice and Development Intern (*from 16 May until 30 June 2013*)

Liz Murphy – Corporate Services Intern (*from 17 June 2013 until 31 July 2013*)

Carnegie Fellows

Sir John Elvidge

Carnegie Associates

Albert Tucker

Christine Rooney-Browne

Dr Peter Doran

John Woods

Advisers

External Auditor

Chiene + Tait

Internal Auditor

Henderson Loggie

Investment Managers

Cazenove Capital Management Ltd

Legal/Professional Advisers

Lindsays LLP

Anderson Strathern LLP

Public Affairs/Relations

Grayling (UK) Scotland

HR Advisers

VerusHR Ltd

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2013

The Trustees present their report with the accounts of the Trust for the year ended 31 December 2013. The accounts have been prepared in accordance with the accounting policies set out on pages 21 to 23 and comply with the Royal Charter 1917, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice: Accounting and Reporting by Charities (2005).

Objectives and Activities

The Carnegie United Kingdom Trust was set-up as an independent not-for-profit foundation in 1913 by the philanthropist Andrew Carnegie, who was born in Dunfermline. The Trust was incorporated by Royal Charter in 1917 and is a registered Scottish Charity, No SC 012799.

The Trust was established by an initial endowment of \$10m by Andrew Carnegie. The work of the Trust is non-partisan and dedicated to improving the wellbeing of the people of the UK and the Republic of Ireland and is one of over twenty Carnegie foundations and institutes worldwide. The Trust has a strong commitment to the exchange of ideas within the jurisdictions of the UK and Republic of Ireland.

The Trust Celebrated its Centenary in 2013 and also hosted the Medals of Philanthropy awards at the Scottish Parliament in Edinburgh.

The Aims of the Trust

The remit of the Trust has been the same since it began in 1913, although the approach has changed over time. In the past, the Trust was involved in supporting communities and voluntary action particularly through funding for libraries, village halls, national parks, youth projects, community development, the arts and the environment. More recently, there was an increasing concern that our model of short-term funding, prevalent across the foundation world, had not been an effective way of addressing changing issues and needs. We no longer take unsolicited grant applications, but seek to build partnerships with other organisations for specific pieces of work.

The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by 'changing minds' through influencing policy and by 'changing lives' through innovative practice and partnership work.

The Trustees are committed to a regular review of the work of the organisation and planning its future work. There is a five year planning cycle. One of the strengths of the Trust is commitment to a thoughtful and proportionate planning process, while retaining the flexibility to respond to particular issues which may arise during the planning period. The Trust's Strategic Plan for 2011-2015 outlines an operating Trust that makes effective and active decisions about its work plans.

The Trust managed a large number of projects in 2013, ranging from small scale projects, such as Delivering the Double Dividend: A New Agenda for Economic Development and A Call for Action to large scale projects such as Test Town and Neighbourhood News.

The Trust continues its work with Carnegie Fellows and Associates and in 2013, we continued our Enabling State project, led by Carnegie Fellow Sir John Elvidge. Outputs from the project this year were a series of roundtable events across the UK and Ireland and three new publications,

The Aims of the Trust (Continued)

each of which described and analysed different aspects of the emerging Enabling State. In June 2014 the Trust will publish Sir John Elvidge's final report with recommendations to policymakers and practitioners.

Working with Fellows has proved to be a successful model, adding to the Trust's convening power and has helped make links with stakeholders outside the third sector.

In addition, the Trust worked with four Carnegie Associates on the following projects during 2013: Albert Tucker (*Global Rulers*); John Woods (*Measuring What Matters*), Dr Peter Doran (*Measuring What Matters*) and Christine Rooney-Browne (*Future of Public Libraries*).

Structure, Governance and Management

The Trustees of the Carnegie UK Trust are responsible for the governance and strategy of the Trust. They are responsible for making sure that the Trust is administered effectively and can account for its activities and outcomes.

Seventeen Trustees currently serve for a maximum of 11 years and one half are appointed by the Carnegie Dunfermline and Hero Fund Trusts. The Board of Trustees keep the skill requirements for the Trustee Body under regular review. Each new Trustee receives an induction meeting with the Trust Chair, Chief Executive and staff.

Every five years the Trustees formally approve a Strategic Plan. Trustees formally meet quarterly where they agree and oversee the broad strategy and areas of activity for the Trust, within the context of the agreed Strategic Plan. The Board of Trustees agree annual workplans and budgets, which are then delegated to the Chief Executive and his Management team.

Seven members form a quorum at each Board meeting. The Board appoints Standing Committees, which also meet regularly linked to the Board cycle:

- **Finance and Corporate Services Committee** – members support the Board in their responsibilities regarding Trust financial, investment, staff and property matters.
- **Audit and Risk Committee** – members independently review systems of internal control and oversee external audit procedures reporting back to the Board. They also monitor risk and compliance.
- **Nominations Committee** – members oversee procedures for the succession planning of new Trustees and Committee composition, and the membership of periodic working groups established by the Trust. The Committee also assists with governance issues.

The terms of reference of each Committee are included in the Trust's Standing Orders.

The Trust also uses additional working groups where required and during 2013 the **Centenary Planning Committee** continued to oversee specific work relating to the Trust's Centenary.

Structure, Governance and Management (Continued)

The work of the Trust is approached by two staff teams, supported by Finance and Corporate Services:

- **The Policy Team** is tasked with monitoring the policy landscape and providing targeted research on agreed topic areas. This research is managed and undertaken through a broader set of tools including in-house and contracted research, stakeholder panels and study visits.
- **The Practice and Development Team** is tasked with taking initiatives generated by policy and research (either the Trust's own research or that developed by others) and developing them into practical pilot projects to be undertaken, where possible, in partnership with other organisations interested in working in the same areas.

Risk Management

Risk assessment is overseen by the Audit and Risk Committee, reporting to the Board. The Board accepts that if the Trust is to achieve its charitable purposes it will have to take risks from time to time particularly in specific policy areas. The Trustees have a duty to ensure that the Trust is financially sound and legislatively compliant and that it operates to a high quality standard.

To manage risk effectively, the Board requires the Chief Executive to review the risks. The risk register is overseen by the Audit and Risk Committee at their meetings, reporting to the Board every August on their annual assessment. Trustees in consultation with the Chief Executive will agree the actions necessary to mitigate those risks and these will form part of the strategic and operational plan for the following year. The Internal Auditors will test and confirm the systems.

The Chief Executive reviews the risk register with the Trust's management team on a quarterly basis as part of the monthly budget and planning meeting cycle. Managers' then discuss with their teams any risks that need consideration/action. Following the Annual Review by the Board in August, there is an all staff meeting to inform and discuss the risk register.

Grant Making Policy

The Trust's charitable activities now focus on proactive initiatives capable of influencing public policy and social change. Any 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 its strategic work. The Trust no longer accepts unsolicited grant applications, with the exception of the *Carnegie Challenge*.

Achievements and Performance 2013

The Trust's work over 2011-2015 is focused on a set of three themes which all have the potential to contribute in a positive way to the wellbeing of people in their communities, in the regions and in the nations of the UK and Ireland. The three themes are:

- Enterprise and Society
- Knowledge and Culture
- People and Place

Enterprise and Society

The Trust's work on Enterprise and Society focuses on the economic experience, understanding and connectedness of citizens in the UK and Ireland. In a global market and in the midst of an international recession, our Enterprise and Society work asks questions like: How can young people be encouraged to flourish in the new economic environment? How important is it that citizens' views are represented in a strengthened system of global regulation of markets? And what is social progress anyway?

Achievements and Performance 2013 (Continued)

Enterprising Minds

Our interest in enterprise education and entrepreneurial learning emerges from a commitment to empowering young people and supporting access to high quality education. Our work on Enterprising Minds involves a UK-wide study into the attitudes of young people to enterprise, education and the world of work in a fast changing economy.

During 2013 we have worked closely with the Welsh Government to understand their approach to youth enterprise and entrepreneurship, as our original research showed that Welsh students have a particularly positive attitude to enterprise. We will be publishing the outcome of these discussions in early 2014.

We continued to work closely with the European Commission on benchmarks for youth enterprise and were pleased that they have agreed to include a 'citizen' measure of enterprise awareness and confidence in their dashboard from 2015 onwards, based on our Enterprising Minds research which placed the views of young people at the centre of entrepreneurship policy.

Global Rules, Local Rulers

The Trust is interested in citizen empowerment and engagement at all levels of public debate, from the local to the international level. Our work on Global Rules, Local Rulers, examines what citizens require in order to understand macroeconomic debates and the workings of the global economy, which has a significant impact on our economic and social wellbeing.

Most citizens have limited knowledge and understanding of how global trade works, and of the inter-governmental organisations that regulate it. They rely on civil society organisations, operating at international level, to ensure that the work carried out by these organisations is in their interests. And they rely on journalists and broadcasters to provide them with information on what is happening to the economy. During 2013 we worked with DEMOS to carry out a feasibility study examining whether there is a need for new training courses on macroeconomics for journalists and third sector organisations.

In 2013 we also worked with University of Warwick to explore further the recommendations in our original Global Rules, Local Rulers discussion paper. The new report was launched at a Global Research Symposium at the University of Warwick in September 2013. To take this a stage further we held a joint seminar with the International Broadcasting Trust, chaired by Michael Crick to explore broadcasters' role in explaining the global economy to citizens.

Measuring what Matters

Through our Measuring What Matters project, the Trust is exploring how the concept of wellbeing can be used to promote social change. Following our successful Scottish Roundtable on *More than GDP* in 2011 and international research *Shifting the Dial* in 2012 we identified that the Scottish Government's National Performance Framework was world-leading. We published a report on *Shifting the Dial in Scotland* exploring how this innovation could be further developed to improve outcomes for the people of Scotland. John Swinney MSP and Cabinet Secretary for Finance, Employment and Sustainable Growth subsequently convened a cross-party and cross-sectoral roundtable to review the system and the Scottish Government is currently consulting on putting the system into law in the forthcoming Community Empowerment Bill.

In September 2013 we held a very successful conference in Northern Ireland on Measuring What Matters. This provided an opportunity for stakeholders to hear from experience in Scotland, the UK and from the Republic of Ireland on measuring wellbeing. The new Minister for

Achievements and Performance 2013 (Continued)

Finance and Personnel, Simon Hamilton MLA spoke at the conference and subsequently committed the Northern Ireland Executive to reviewing how it measures wellbeing.

In October 2013, Oxfam Scotland launched their Humankind Index Policy Assessment Tool, developed with support from CUKT. The online tool encourages stakeholders to consider policy proposals across the wide-range of wellbeing domains. To date, it has been used by 129 stakeholders to audit policy proposals against wellbeing criteria.

Test Town

Test Town, a challenge concept devised and supported by the Carnegie UK Trust, encouraged young entrepreneurs aged 16 to 30 to create innovative new businesses to help bring energy back to flagging town centres. Over 550 young people applied, with eleven teams finally taking part in a weekend-long challenge in Dunfermline, in June 2013.

Test Town's purpose is to inspire an enterprising mind-set in young people, civic and community organisations. Due to the success of this project in 2013, the Trust will be supporting Test Town in 2014, where the project will be rolled out to other parts of the UK.

Knowledge and Culture

Throughout its history the Carnegie UK Trust has had a keen interest in supporting access to knowledge and culture. In the early years, one of the most effective ways to support access to knowledge was through the creation of public libraries. We have continued this work, asking what the future holds for public libraries in the twenty-first century. Building on this strong heritage we have explored contemporary public policy dilemmas such as: what is the role of news media in a healthy democracy? What is the role of digital inclusion in fostering access to knowledge and culture? And are we making the best use of the evidence we have on policy and practice to improve people's lives?

The Future of Public Libraries

In 2013, the Trust took forward its work on public libraries by developing creative partnerships with those who are working to re-imagine the role of public libraries in the future, and to support initiatives or partnerships which aim to contribute to the sustainability of a relevant modern service. Our *Enterprising Libraries* programme supports four projects which are exploring the potential and impact of libraries in promoting economic wellbeing by supporting the creation of enterprise, or by supporting people to improve their prospects of employment through the development of new skills. This work will continue into 2014.

Throughout 2013, we have worked with key stakeholders at national level in Scotland and England to promote national visions and strategies. In Scotland, we have been working with the Scottish Library and Information Council in their development of such a strategic approach at the request of the Scottish Minister for Culture and External Affairs.

In September 2013 we held a successful seminar with Nate Hill of Chattanooga Library, Tennessee on 'Rapid Library Transformation'. This seminar helped to stimulate debate on how the library sector in the UK can develop innovation and leadership.

In November 2013 we held a joint summit with the Chartered Institute of Librarians and Information Professionals on Digital Participation. Around 30 stakeholders explored the issues and a number of practical, follow up steps were developed from the session.

Achievements and Performance 2013 (continued)

Digital Access and Participation

The Trust began working on issues relating to digital infrastructure and participation in 2012, recognising that access to high speed digital technology is fast becoming a necessity in 21st century life.

In February 2013 we published *Going the Last Mile: How to deliver broadband to the final 10%* in partnership with the Community Broadband Network. This report built on our 2012 publication *Rural Broadband: Reframing the Debate* by examining options for how digital services can be provided in the most rural or remote communities. The report was launched in the House of Commons and received cross-party support from MPs.

In April 2013 we published *Across the Divide: Tackling Digital Exclusion in Glasgow* which outlined the results of our ground-breaking study into reasons why some people are unable to access the internet. The report was launched at the Scottish Parliament Digital Participation Cross Party Group and was the subject of a Westminster Hall debate secured by Ann McKeichin MP. The report became our most downloaded publication of 2013 as the findings resonated with the experiences in communities across the UK. We were invited to speak at a large number of conferences and events across the UK and the report was cited extensively in the Ofcom Communications Market Report 2013.

We continue to work closely with UK Government, the Scottish Government, Glasgow City Council and others, to use the findings to develop more effective mechanisms for improving digital participation levels. As a result of our work, we were invited to join the Scottish Ministerial Advisory Group on Digital.

We have produced a further report on case studies of best practice in digital participation which will be available in early 2014.

Better Journalism

Our work on journalism in 2013 focused heavily on alternative models of local news provision. In addition to our Neighbourhood News project (see page 9), we worked in partnership with Cooperatives UK to take the idea of new business models for news media 'on the road', with a series of events around the UK, showcasing alternative approaches. We held 8 events around the UK and Cooperatives UK provided follow-up support to four projects which were interested in pursuing a cooperative model. The report of this work was published in December 2013 and was reported in the Guardian Online. A motion supporting the work was lodged in the Scottish Parliament.

Evidence Exchange

The process of devolving greater powers to Scotland, Wales and Northern Ireland in the last gasp of the twentieth century was seen as a tremendous opportunity to learn from these 'laboratories of democracy'. But fifteen years into devolution there has been strikingly little in the way of thoughtful exchange on social policy and practice between the four countries within the UK. High-quality evidence tends to stay within narrow policy silos and within countries and regions.

Our purpose with the Evidence Exchange project, carried out in partnership with the Joseph Rowntree Foundation, has been to test out whether there is demand for better evidence sharing

Achievements and Performance 2013 (continued)

across the UK and, if there is, to consider how we might best go about responding and stimulating further demand.

In 2013 we carried out a survey of almost 500 policy-makers and practitioners across the UK. The report was launched in December 2013 and found that there is interest in developing mechanisms for greater cross-jurisdictional sharing of evidence. In 2014, the Carnegie UK Trust and Joseph Rowntree Foundation wish to take the next step towards acting upon these findings – not by establishing a new institution, but by working alongside partners with the necessary commitment and know-how to develop greater evidence sharing.

Neighbourhood News

The Trust has a long-standing interest in the relationship between the media, civil society and democracy. Through our recent work on Better Journalism, the Trust has identified the need to explore how to support more accessible, pluralistic and diverse local news for citizens and communities.

As part of this exploration the Carnegie UK Trust launched its Neighbourhood News project in January 2013 and invited applications from local commercial and civil society organisations across the UK and Ireland to become a Carnegie Partner and develop innovative ways of producing local news.

Neighbourhood News was a £50,000 competition developed to improve local news reporting. The competition was open to local commercial media and civil society organisations across the UK and Ireland who could apply to become a ‘Carnegie Partner’ and develop innovative ways of producing local news.

The Trust made £10,000 partnership funding available to five successful applicants, based on the Trust’s primary and balancing selection criteria, to deliver a local news project in a clearly defined geographic area. These partners were Brixton Media Ltd, Cybermoor Ltd, Local News South Wales Ltd, WHALE Arts and YourThurrock.com

People and Place

The Trust has always played a prominent role in helping to build strong communities, and this remains a major element of our work located primarily in our People and Place theme. In this theme we explore questions such as how do we support sustainable rural communities? How can we improve the quality of local environments? What is the role of the state in 21st century society? And how are charities in Scotland preparing for further constitutional change?

Rural development

The Carnegie UK Trust is proud of our long history of supporting rural community development. In 2013 we continued to work with Professor Mark Shucksmith of Newcastle University to disseminate the findings of our 2012 report *Future Directions in Rural Development* which helped to consolidate the Trust’s long history in rural development and highlight the key issues for future work, including a renewed focus on the risks of developing a two-speed rural economy. We also continued to support community ownership of land through the Community Land Scotland Chair’s Fund and in our evidence to the Land Reform Review Group and the Scottish Affairs Committee.

Achievements and Performance 2013 (continued)

In December 2013 we held a joint seminar with the Scottish Rural Agricultural College on *Beyond Boundaries: 'lifeline' Towns and Rural Exclusion*. This seminar linked our interest in rural communities with our developing work on the future of towns. Dame Barbara Kelly provided the welcome to the session and a summary of the key points will be published in early 2014.

Tackling incivilities

We continued to work on issues relating to quality of place in 2013. Our 2012 research (*Pride in Place: Tackling Incivilities*) highlighted the tremendous success that community-led projects have had. We were delighted to work in partnership with the Welsh Council for Voluntary Action to develop their 'Street Ambassadors' programme during 2013. We were also pleased to be able to influence the Welsh Government in their strategy for a 'Fly-tipping Free Wales'.

In November 2013 we facilitated a session on tackling incivilities at the Communicate 2013 conference in Bristol. The session aimed to encourage large environmental organisations to take a greater interest in incivilities. One of the case studies from our original research was also able to attend to tell the audience of their experience of working with communities.

Throughout 2013 we have been working with Groundwork to support a feasibility study on how to tackle incivilities in deprived areas in Scotland. The advisory group for this study includes the Glasgow Centre for Population Health, Scottish Urban Regeneration Forum and Greenspace Scotland. The findings will be launched in early 2014.

Enabling State

Led by Carnegie Fellow Sir John Elvidge, our Enabling State programme asks whether a new relationship between governments and communities, families and individuals is required. It considers how the state can develop an enabling role around building capacity, alongside its role in continuing to provide public services where their effectiveness is clear.

Our discussion paper *The Enabling State* was launched in December 2012 when we held lively and informative roundtables in Cardiff and Belfast. In 2013 we held a further five roundtables in Dunfermline, London (two events), Newcastle and Dublin. Reports on each of these sessions were published as our thinking on the Enabling State developed.

In May 2013 we published our joint report on *Weathering the Storm: a look at small countries in a time of austerity* in collaboration with Wales Public Services 2025. The report was launched at the SOLACE Wales conference. Scotland was one of the case studies in the report and our conclusions on the Scottish model of government were cited in the Scottish Government draft budget.

Over the summer, we issued a call for evidence to gather case studies of an enabling state in practice. We received over 100 suggestions for good practice and investigated 12 of them in-depth. The report *The Enabling State: From Rhetoric to Reality* was published in November 2013.

Our third publication in the series was also published in November 2013. *The Rise of the Enabling State* reviewed almost 200 policy and research papers to uncover the key elements of the trend towards a more enabling state. The report was endorsed by Rolf Alter, OECD and Julia Unwin, Joseph Rowntree Foundation.

Achievements and Performance 2013 (continued)

The final report of our work on the Enabling State will be published in early 2014. We have developed a positive partnership with the Organisation for Economic Co-operation and Development (OECD) and are planning a series of seminars on the Enabling State in 2014.

Scottish charities and the potential for further constitutional change

In December 2012, we published our findings in *A Charitable Concern? How charities in Scotland are preparing for the potential for further constitutional change*. The report explores the current state of awareness, understanding of, and responses to the implications of possible further constitutional change amongst charities in Scotland. It found very low levels of formal preparations within charities, despite a general view that further constitutional change would have direct impacts on their organizations.

As a direct result of our work, the Office of the Scottish Charities Regulator published guidance for charities in Scotland on how to engage with the debate and the implications for their organizations.

In 2013 we worked with the Association of Chief Officers of Scottish Voluntary Organisations to hold a series of 4 events to create a 'safe space' for senior managers in the sector to explore their responses to the debate and implications for their organisations. We published the notes of these meetings and in 2014 are launching a 'ten steps' guide to take this learning to a wider audience.

Events and sponsorship

Global Citizenship Commission

The highlight of our events and sponsorship programme for 2013 was the public event of the Global Citizenship Commission in Edinburgh in October 2013. The Commission includes distinguished leaders who gathered for the first time in Edinburgh to re-examine the 1948 Universal Declaration of Human Rights and discuss the many global developments since its passing over 60 years ago.

Funded by the Carnegie UK Trust, the public event was chaired by Former UK Prime Minister, The Right Honourable Gordon Brown, MP, and included a key note speech from Malala Yousafzai. Ms Yousafzai risked her life to become a global activist for education and women's rights in Swat Valley, Pakistan, and was awarded the Carnegie Centennial Award for Wellbeing at the event.

While the majority of the Commission's activities take place in private session, the Carnegie UK Trust was keen to ensure that the public had an opportunity to participate in the process. The public hearing on 19 October 2013 gave over 1000 members of the public the opportunity to voice their views. As the Right Honourable Gordon Brown MP stated: *"This Commission brings together global leaders in the field of ethics and citizenship, and crucially allows members of the public to join the debate. After all, it is their rights as global citizens that this historic document enshrines."*

A summary of the Edinburgh meetings of the Global Citizenship Commission will be available in early 2014.

Festival of Politics

The Trust continued to support the Scottish Parliament's Festival of Politics 2013. This year's theme was *Scotland's Place in The World* and offered a programme to stimulate discussion about the future of Scotland and the society we wish to live in.

Achievements and Performance 2013 (continued)

The Festival programme included 14 events across 3 days including:

- The Power Of Cultural Diplomacy And The Power Of Small Nations In Overcoming Conflict
- The Future Of Europe And Small Nations
- Independence and Economic Issues
- Culture and Broadcasting
- Public Attitudes to our Constitutional Future
- Identity and Community
- Politics and Art
- Scottish Youth Theatre – Now's The Hour
- World Press Photo Exhibition
- A US Perspective on UK/EU Issues
- What is the Future of Immigration in Scotland?
- Scotland's Defence Capability
- The Spirit of '45 – The Future of the Welfare State in Scotland
- The Power of Social Media

88% of tickets were sold and the Festival was attended by 4,500 people over 3 days which represented a 50% increase in attendance.

Carnegie Medal for Children's Literature

The CILIP Carnegie Medal has been awarded annually, since 1936, to the writer of an outstanding book for children and young people. The winner of this year's Carnegie Medal for Children's Literature was Sally Gardner for *Maggot Moon*. The Trust continued to support the Carnegie Medal for children's literature in 2013, and has a particular interest in developing and extending the reach of the shadowing scheme.

The award, along with the Kate Greenaway award for an outstanding illustrated book for children is administered and judged by the Chartered Institute of Library and Information Professionals (CILIP). Each year CILIP invites children in schools and reading groups to 'shadow' the judging process, reading the short-listed titles, writing online reviews and deciding which books are their favourites. This shadowing scheme was established in 1994.

In 2013, the Trust worked with CILIP and the Open University to publish research which has provided evidence of the underpinning value of the shadowing scheme, the factors which contribute to the success of the scheme and how the scheme can be more widely promoted and used.

The Carnegie Challenge programme

In 2013 we continued our successful Carnegie Challenge programme. The Carnegie Challenge is a fund to enable partners to put on a high calibre debate to raise the profile and impact of a conference or event which they are organising. These debates attract leading public policy thinkers and commentators to debate issues of public concern.

We supported 9 debates in 2013:

1. **Women's Enterprise Scotland** *Are women business owners getting a raw deal? Glasgow 9 May.* The panel debated whether mainstream business support is appropriate for all women, or whether women-only support should be available. The event brought together female business owners, and aspiring entrepreneurs, with a range of organisations and agencies providing support and services.

Achievements and Performance 2013 (continued)

2. **Irish Rural Link Cooperative Society** *Awakening the power of the community, Summerhill Co Meath, 16 May.* This event sought to explore what really is the future for people in rural Ireland. It explored linkages with national and European rural communities and provided a platform for stakeholders to discuss rural community issues and solutions.
3. **Tutu Foundation** *Tackling gang and youth violence, Croydon 7 May.* The panel provided a starting point for participants to contribute their own unique and lived experiences and then these were examined to see what action needs to be taken to ensure that young people, whose lives have been blighted by local gangs, can live in environments which enable them to lead satisfying and fulfilling lives.
4. **UK Cohousing Network** *The Cohousing Challenge: Taking down the backyard fences', London 6 December.* The event brought together community activists and community enterprises interested in developing practical projects to support community interaction, collaboration and co-operation at a street level. The event showcased how the cohousing model offers a complete structure to building healthy sustainable community interaction that is self-managed by residents.
5. **Dare to Dream – Work to Win?** *ACOSVO Annual Conference Glasgow, 31 October.* The event challenged the assumption that we have to rigidly stick to rules, processes and procedures to be efficient, effective organisations. It pondered the importance of thinking big whilst still having impact at local and community level.
6. **Volunteers replacing paid staff: Myth or real threat?** *Volunteer Ireland Dublin, 6 November.* The debate challenged the concern within the community and voluntary sector that employers view volunteers as a potential substitute for paid staff and questioned if employers are actually replacing staff with volunteers or if this is only a perceived threat.
7. **Grwp Llandrillo Mena/North Wales Dragons** *Rhyl, 20 November.* The panel examined whether Wales could potentially develop a new type of social entrepreneur to benefit the growth of the local Welsh economy.
8. **Is reading good for us?** *New Writing North Durham, 13 October.* As part of the Durham Book Festival, this debate explored whether reading is good for us, and if so how? Is it really good for us, and if so why?
9. **Poverty Amongst Plenty?** *Northern Ireland Rural Community Network, Belfast, 13 November.* The panel discussed whether current Multiple Deprivation Measures accurately reflect the extent of rural poverty in Northern Ireland.

The Trust's Centenary and the Carnegie Medal of Philanthropy

As part of the Trust's Centenary year, the Carnegie UK Trust jointly hosted the Carnegie Philanthropic Medals awards at the Scottish Parliament in Edinburgh.

The Carnegie Medal of Philanthropy

The Carnegie Medal of Philanthropy was hosted in Edinburgh in October 2013 to mark the Trust's centenary. The event took place at the Scottish Parliament and was jointly hosted by the UK based Carnegie Trusts.

This award is given every two years to one or more individuals who, like Andrew Carnegie, have dedicated their private wealth to public good, and who have sustained impressive careers as philanthropists. In 2013, the medals ceremony was accompanied by a week of events celebrating the legacy of Andrew Carnegie.

Achievements and Performance 2013 (continued)

Andy Warhol: Pop, Power and Politics

In celebration of the Trust's centenary and the Carnegie Medal of Philanthropy the Trust organised the Andy Warhol Pop, Power and Politics exhibition in Edinburgh in October 2013.

The exhibition featured portraits of figures such as Richard Nixon, Jimmy Carter, Lenin and Her Majesty the Queen and screen prints about the assassination of John F. Kennedy. The works were loaned from the Carnegie Museums of Pittsburgh and this is the first time that many of these works of art had been seen in Scotland.

Pioneering Philanthropy

A book charting 100 years of the Carnegie UK Trust was published in April 2013. This book details a broad range of work which the Trust has been involved in and highlights the Trust's contribution to the physical, social and cultural landscape of the UK and Ireland.

The Phoenix Rising

A CD celebrating the Trust's work on Tudor Church Music was released in 2013 and was listed as Amazon's Classical Album of the Year. This CD was recorded by Stile Antico and the music was drawn from the ten volumes published by the Trust in the 1920's. Stile Antico performed this programme in several concerts across the UK and Ireland.

Building

- Plans to modify the reception area at Andrew Carnegie House were implemented in early 2013, with a digital information screen being installed and the shared area developed, to increase working space for collation and mail distributions.

Staff

- Kirsty Tait, Development Officer on the Practice and Development team, returned from her maternity leave in January 2013.
- Following organisational restructuring of the Practice and Development team, Kirsty Tait's job title was changed to Project Officer.
- Francesca Fauvet joined the Trust as a Practice and Development Intern to assist with the Test Town project for 1½ months beginning in May.
- Liz Murphy returned to the Trust as a Corporate Service Intern for 1½ months beginning in June.
- Janine Linning, Corporate Services Manager, left the Trust after 20 years' service in October 2013.

Financial Review

Income

Total income for 2013 was £1.55 million (*£1.74 million - 2012*). Unrestricted fund investment income totalled £1.42 million (*£1.66 million – 2012*). In addition, an unrestricted grant of £90k was received from the Carnegie Corporation of New York and restricted fund income of £46k (*£80.5k – 2012*) representing partnership funding from Highlands and Islands Enterprise and JP Morgan Chase, to support Policy and Practice and Development work.

Expenditure

Expenditure for 2013 was £1.75 million (*£1.64 million – 2012*). Unrestricted fund grant activity showed a slight increase in the year and grant payments made were £128k (*£121k - 2012*). From restricted funds grant payments decreased in year and were £42k (*£102k – 2012*). In addition to these grant payments, the Trust expended £1.46 million from unrestricted funds directly on its Charitable Activities, with the main areas of expenditure being Policy activities £706k and Practice activities £475k.

Investment Policy and Performance

Since 2005 the Trust has invested in Charifund, a designated Unit Trust Fund for Charities, managed by M&G Investments. In 2010, the Trust established a Working Group on Investment Policy with a remit to draft a Statement of Investment Policy for the Trust having due consideration to ethical, socially responsible and mission/programme related investment issues. This Statement of Investment Policy was subsequently completed and formally adopted by Trustees later in 2010. In 2011, with the Trust's Statement of Investment Policy firmly in place, the Trust agreed to undertake a full Investment Review and in November 2012, the Trust concluded its Investment Review process and, after a competitive procurement process, agreed to appoint Cazenove Capital Management Ltd as their Discretionary Fund Manager.

In January 2013 Cazenove Capital Management Ltd were formally appointed as the Trust's Discretionary Fund Manager with a remit of growing both Capital and Income.

Over the year the Trust's investment portfolio has been restructured in line with its Statement of Investment Policy, retaining 60% of its holding in M&G Charifund Units, a UK equity based fund and investing the remaining 40% in non UK Equity based funds.

The value of the Trust's investments at 31 December 2013 was £36.9 million (*£32.1 million – 2012*). Income distributions relating to the Trust's investments in the year were £1.39 million (*£1.63 million – 2012*). The Trust continues to monitor the stock market and its impact on the endowment and its related income stream.

Reserves Policy

£128k (*£74k - 2012*) of funds has been allocated to grants and funding for projects which remain unpaid at the year-end (the restricted and designated funds).

The General Reserve (designated funds) was reviewed in 2013 and it was agreed to increase it from £800k to £850k. This represents the Trustees' policy of retaining approximately six months of operational expenditure in relation to its business continuity and contingency planning. It 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.

Statement of Trustees' Responsibilities

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

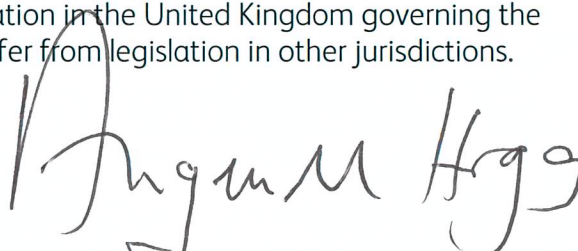
The law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these accounts, the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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- 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 Trust 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 Trust 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 Royal Charter 1917. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Signed on behalf of the Trustees
Angus Hogg, Chair
Carnegie United Kingdom Trust
Scottish Charity No SC 012799
Incorporated by Royal Charter 1917



21 May 2014

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CARNEGIE UNITED KINGDOM TRUST

We have audited the accounts of The Carnegie United Kingdom Trust for the year ended 31 December 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trust's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Trust'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 Trust and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the Trustees are responsible for the preparation of accounts which give a true and fair view.

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 responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Accounts

In our opinion the accounts:

- give a true and fair view of the state of the Trust's affairs as at 31 December 2013, and of its incoming resources and application of resources, for the year then ended; and
- 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 (as amended).

Matters on which we are required to Report by Exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the accounts; or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Chiene + Tait, Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

21 May 2014

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Carnegie United Kingdom Trust

Statement of Financial Activities

YEAR TO 31 DECEMBER 2013

Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2013 Total £	2012 Total £	
Incoming Resources						
Incoming resources from generated funds:						
Investment income and Interest	2	1,416,950	-	-	1,416,950	1,656,375
Legacy income		-	-	-	-	5,000
Other Income		470	-	-	470	-
Incoming resources from charitable activities	3	89,923	46,268	-	136,191	80,540
Total Incoming Resources		1,507,343	46,268	-	1,553,611	1,741,915
Resources Expended						
Cost of Generating Funds	4	16,376	-	16,376	32,752	-
Charitable activities:						
Practice and Development	5	502,797	43,685	-	546,482	458,980
Policy		725,495	-	-	725,495	817,983
Charitable Initiatives		244,460	-	-	244,460	142,684
Other Charitable Activities		110,947	-	-	110,947	132,911
Governance costs:	7	93,713	-	-	93,713	85,676
Total Resources Expended		1,693,788	43,685	16,376	1,753,849	1,638,234
Net Incoming/ (Outgoing) Resources Before Transfers		(186,445)	2,583	(16,376)	(200,238)	103,681
(Losses) on Fixed Assets						
Realised		-	-	-	-	(1,502)
Gains/(Losses) on Investments						
Realised	15	-	-	832,988	832,988	204,346
Unrealised	12	-	-	3,949,684	3,949,684	2,730,160
Net Movement in Funds		(186,445)	2,583	4,766,296	4,582,434	3,036,685
Fund balances at 31.12.12		3,586,702	-	31,009,628	34,596,330	31,559,645
Fund balances at 31.12.13		3,400,257	2,583	35,775,924	39,178,764	34,596,330

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

The notes on pages 21 to 32 form part of these accounts

The Carnegie United Kingdom Trust

Balance Sheet

AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible fixed assets	11		1,091,437		1,123,313
Investments at market value	12		36,903,170		32,133,426
			<u>37,994,607</u>		<u>33,256,739</u>
CURRENT ASSETS					
Other debtors and prepayments	13	51,618		54,623	
Short term deposits		1,138,998		1,424,885	
Cash at bank and in hand		245,588		120,044	
		<u>1,436,204</u>		<u>1,599,552</u>	
Creditors: amounts due within one year	14	(252,047)		(259,961)	
Net current assets			<u>1,184,157</u>		<u>1,339,591</u>
NET ASSETS			<u>39,178,764</u>		<u>34,596,330</u>
FUNDS					
Endowment fund	15		35,775,924		31,009,628
Restricted funds	16		2,583		-
Unrestricted funds:	17				
Designated funds			974,923		873,650
Other charitable funds			2,425,334		2,713,052
	18		<u>39,178,764</u>		<u>34,596,330</u>

Approved by the Trustees on 21 May 2014 and signed on their behalf by:


ANGUS M. HOGG *Chair of Trustees*

DAVID WALKER BA CA FCCA *Convener of Audit and Risk Committee*

Cash Flow Statement

YEAR TO 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
Net cash (outflow)/inflow from operating activities	19		(198,241)		197,266
Capital expenditure and financial investment					
Payments to acquire fixed assets		(14,992)		(13,887)	
Cash Transfer from Investments		52,890		-	
Net cash inflow/(outflow) from capital expenditure and investments			<u>37,898</u>		<u>(13,887)</u>
(Decrease)/Increase in cash in the year	20,21		<u>(160,343)</u>		<u>183,379</u>

The notes on pages 21 to 32 form part of these accounts

The Carnegie United Kingdom Trust

Notes to the Accounts

YEAR TO 31 DECEMBER 2013

1. Accounting Policies

(a) The Trust is recognised as a Scottish Charity (No SC 012799) under the Charities and Trustee Investment (Scotland) Act 2005. The accounts are prepared under the historical cost convention, modified to include the revaluation of investments, on an accruals basis and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005 (SORP 2005).

(b) Going Concern

The accounts have been prepared on a going concern basis. The Trustees have assessed the Trust's ability to continue as a going concern and have reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

(c) Land and Buildings

Land and buildings are stated at cost and represent the Trust's share of Andrew Carnegie House. The Trust is the Co-owner of this building together with the Carnegie Dunfermline and Hero Fund Trusts and the Carnegie Trust for the Universities of Scotland.

Depreciation is charged on the property at 2% straight line method.

(d) Office Fixtures, Furniture, Fittings and Plant, and Computer Equipment

Such expenditure is capitalised as tangible fixed assets and depreciated evenly over estimated useful lives. Depreciation is charged at the following rates:

- | | |
|---|------------------------|
| • fixtures, furniture, fittings & plant | 5% - 25% straight line |
| • computer equipment | 25% straight line |

(e) Investments

In compliance with the SORP, investments are included in the Balance Sheet at market value at the year-end date, the unrealised gain/loss being credited/debited to funds.

(f) Fund Accounting

Funds held by the Trust are:

- endowment fund – originally consisted of Bonds of the United States Steel Corporation with a face value of US \$10m bearing interest at 5% assigned by Mr Carnegie to the Trustees in 1913. The income from the endowment fund is treated as unrestricted income;
- restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes;
- designated funds – these are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects; and

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

(f) Fund Accounting (continued)

- other charitable funds – these are unrestricted general funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.

Further explanation of the nature and purpose of each fund is included in the relevant notes to the accounts.

(g) Incoming Resources

All incoming resources are recognised when the Trust has entitlement to the income, it is certain that the income will be received and the monetary value of the incoming resource can be measured with sufficient reliability. Grants and donations are included in the accounts in the year in which they are receivable, which is when the Trust becomes entitled to the resource.

(h) Resources Expended

Liabilities are recognised as resources expended in the Statement of Financial Activities as soon as there is a legal or constructive obligation committing the Trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category. Certain costs and grants made are capable of being allocated directly to particular categories while other costs, mainly support costs, are attributable to more than one category or charitable activity and such costs are allocated according to estimates of staff time involved in each activity.

- **Costs of Charitable Activities**

Costs of charitable activities includes costs directly attributable to programmes including grant awards and an allocation of support costs comprising staff and overhead costs.

- **Governance Costs**

Governance Costs comprise of all costs involving the Public Accountability of the Charity and its compliance with regulation and good practice. These costs include statutory audit fees, legal fees in connection with constitutional and statutory requirements, expenditure relating to Trustees, other direct costs and an allocation of staff and overhead costs (support costs).

(i) Pension Scheme

The Trust makes contributions to group personal pension plans for employees. The Trust's contributions are charged to the Statement of Financial Activities in the year in which contributions are made.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

(j) Grant Making Policy

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 its strategic work. The Trust no longer accepts unsolicited grant applications, with the exception of the Carnegie Challenge. Grants are recognised as being committed when the offer is communicated to the recipient.

2. Investment Income	2013	2012
	£	£
M&G Unit trust distributions	1,170,922	1,631,872
Cazenove Investment portfolio income	215,329	-
Interest receivable	30,699	24,503
	<u>1,416,950</u>	<u>1,656,375</u>

3. Incoming Resources from Charitable Activities	2013	2012
	£	£
Restricted Grant Income:		
Practice and Development - Grants		
Highlands and Islands Enterprise	42,149	79,850
Restricted Partnership Funding		
JP Morgan Chase	4,119	-
	<u>46,268</u>	<u>79,850</u>
Unrestricted Income		
Carnegie Corporation of New York Grant	89,923	-
Publication Royalties	-	690
Total Income	<u>136,191</u>	<u>80,540</u>

4. Costs of Generating Funds	Unrestricted Funds	Restricted Funds	Endowment Fund	Total 2013	Total 2012
	£	£	£	£	£
Investment Management Fees	<u>16,376</u>	<u>-</u>	<u>16,376</u>	<u>32,752</u>	<u>-</u>

The Trustees have allocated investment management fees equally between the Endowment Fund and Unrestricted Funds.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

5. Charitable Activities	Unrestricted Funds		Restricted Funds		Total 2013 £	Total 2012 £
	Direct Costs (note 6) £	Grants (note 8) £	Support Costs (note 7) £	Direct Costs (note 6) £		
Practice and Development Policy	403,813	28,000	70,984	1,738	41,947	458,980
Charitable Initiatives	615,455	19,150	90,890	-	-	817,983
Other Charitable Activities	137,193	80,524	26,743	-	-	142,684
	46,319	-	64,628	-	-	132,911
	<u>1,202,780</u>	<u>127,674</u>	<u>253,245</u>	<u>1,738</u>	<u>41,947</u>	<u>1,552,558</u>

6. Direct Costs	Unrestricted Funds		Restricted Funds		Total 2013 £	Total 2012 £
	£	£	£	£		
Salaries, Consultancies and Related Costs (note 9)	584,347	-	-	-	584,347	598,809
Travelling, Subsistence and Meeting/Conference Expenses	47,429	1,663	-	-	49,092	50,183
Printing, Stationery and General Expenses	17,324	-	-	-	17,324	16,801
Property Rental, Upkeep, Services and Insurance	28,790	-	-	-	28,790	30,694
Studies, Seminars, Events and Publications	496,044	75	-	-	496,119	341,197
Public Relations/Communications	20,806	-	-	-	20,806	180
Trustees' and Advisory Committee Travelling, Subsistence and Conference costs	6,977	-	-	-	6,977	10,473
Professional Fees	1,000	-	-	-	1,000	14,295
Equipment and Maintenance Contracts	63	-	-	-	63	-
	<u>1,202,780</u>	<u>1,738</u>	<u>1,204,518</u>	<u>1,062,632</u>		

Direct costs have been charged against the Trust's activities to which they relate. Any costs that are not directly attributable have been allocated based upon time spent on the fund activities.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

	Unrestricted Funds		Restricted Funds		Total 2013 £	Total 2012 £
	Support Costs £	Governance Costs £	Support Costs £	Governance Costs £		
7. Management, Administration - Support/Governance Costs						
Salaries and Related Costs (note 9)	51,745	9,131	-	-	60,876	58,853
Staff and Trustee Development Costs	5,859	1,034	-	-	6,893	843
Studies, Seminars, Events and Publications	1,595	-	-	-	1,595	5,468
Property Rental, Upkeep, Services & Insurance	37,599	-	-	-	37,599	37,171
Printing, Stationery and General Expenses	64,013	11,296	-	-	75,309	53,110
Auditors' Remuneration in respect of: External Audit Services	-	10,355	-	-	10,355	10,751
Internal Audit Services	-	5,664	-	-	5,664	6,595
Travelling, Subsistence, and Conf Exps Trustees' and Advisory Committee	19,374	3,419	-	-	22,793	25,272
Travelling, Subsistence and Conf Exps	-	38,084	-	-	38,084	33,547
Public Relations/Communications	37,145	6,555	-	-	43,700	56,019
Professional Fees	3,664	8,175	-	-	11,839	32,678
Equipment and Maintenance Contracts	32,251	-	-	-	32,251	31,922
	<u>253,245</u>	<u>93,713</u>	<u>-</u>	<u>-</u>	<u>346,958</u>	<u>352,229</u>

All travel and accommodation for Trustee Meetings is booked centrally to ensure value for money. Trustees are reimbursed for their incidental expenses of attending Trust meetings, based on expense claims submitted. In 2013, 15 Trustees made claims in total ranging from £0 to £1,032.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

8. Grant Payments	2013 £	2012 £
Unrestricted Funds:		
Practice and Development	28,000	25,000
Policy	19,150	17,450
Charitable Initiatives	80,524	78,500
	<u>127,674</u>	<u>120,950</u>
Restricted Funds:		
Practice and Development:		
Community Land Trusts Empowerment Fund	-	25,000
Community of Practice	41,947	77,423
	<u>41,947</u>	<u>102,423</u>

Details of all external grant payments are included in the Appendix to the Accounts.

9. Staff Costs	2013 £	2012 £
Wages and Salaries	536,863	509,273
Social Security Costs	52,457	51,710
Other Pension Costs	41,237	42,559
Fellows, Associates, Recruitment and Misc Staff Costs/Insurances	14,666	54,120
	<u>645,223</u>	<u>657,662</u>
Allocated as follows:		
Costs of Activities in Furtherance of Charitable Activities	584,347	598,809
Management & Administration – Support/Governance Costs	60,876	58,853
	<u>645,223</u>	<u>657,662</u>

The number of employees, whose emoluments exceeded £60k fell within the following bands, was:

£ 70,000 - £80,000	<u>1</u>	<u>1</u>
--------------------	----------	----------

The average monthly number of employees during the year was as follows:

Full Time	CEO, Corporate Services and Finance	3	3
	Practice and Development	3	4
	Policy	4	4
	Charitable Initiatives	-	1
Part Time	Corporate Services and Finance (full time equivalent – 1.7: 2012 – 1.7)	3	3
	Practice and Development (full time equivalent – 0.8: 2012 – 0)	1	-
	Policy (full time equivalent – 0.6: 2012 – 0.8)	1	1
		<u>15</u>	<u>16</u>

No Trustee received any remuneration during the year (see note7).

The Carnegie United Kingdom Trust

Notes to the Accounts *(continued)*

YEAR TO 31 DECEMBER 2013

10. Pension Commitments

Twelve employees are in a group personal pension plan to which the Trust is contributing. Trust contributions depend on the age of the scheme member and are currently in the range 7% to 13% of salary. The pension charge for the year was £41,237 in respect of the personal pension plans (2012 - £42,559). Pension contributions outstanding at the year end were £4,667.

11. Tangible Fixed Assets

	Land and Buildings £	Fixtures, Furniture, Fittings & Plant £	Computer Equipment £	Total £
Cost				
At 31 December 2012	1,065,345	273,739	48,857	1,387,941
Additions	-	5,508	9,484	14,992
Disposals	-	(8,972)	-	(8,972)
At 31 December 2013	<u>1,065,345</u>	<u>270,275</u>	<u>58,341</u>	<u>1,393,961</u>
Accumulated depreciation				
At 31 December 2012	97,451	135,107	32,070	264,628
Charge for year	19,057	18,520	9,291	46,868
Disposals	-	(8,972)	-	(8,972)
At 31 December 2013	<u>116,508</u>	<u>144,655</u>	<u>41,361</u>	<u>302,524</u>
Net Book Value				
At 31 December 2013	<u>948,837</u>	<u>125,620</u>	<u>16,980</u>	<u>1,091,437</u>
At 31 December 2012	<u>967,894</u>	<u>138,632</u>	<u>16,787</u>	<u>1,123,313</u>

12. Investments

	2013 £	2012 £
Market value		
At 31 December 2012	29,883,426	29,134,558
Additions	13,214,535	64,363
Disposals	(10,721,444)	(2,045,655)
Unrealised gain during year	<u>3,949,684</u>	<u>2,730,160</u>
Total Investment Portfolio at 31 December 2013	36,326,201	29,883,426
Funds awaiting investment	576,969	2,250,000
At 31 December 2013	<u>36,903,170</u>	<u>32,133,426</u>
Cost		
At 31 December 2013	<u>33,617,674</u>	<u>33,169,057</u>

Reconciliation of Movements in Unrealised Gain/(Loss) on Investment Assets

Unrealised (loss) at 31 December 2012	(1,035,631)	(4,043,060)
Realised on disposals in year	371,443	277,269
	<u>(664,188)</u>	<u>(3,765,791)</u>
Net gain arising on Revaluation in year	3,949,684	2,730,160
Unrealised gain/(loss) at 31 December 2013	<u>3,285,496</u>	<u>(1,035,631)</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

12. Investments (continued)

The Trust's investments are managed by Cazenove Capital Management Limited and are held on a recognised stock exchange or are valued by reference to such investments, as follows:

	£
Within UK	29,822,391
Outwith UK	6,503,810
Cash	576,969
Total Investments at Market Value	<u>36,903,170</u>

Investments are held as follows:

	£
M&G Charifund Income Units	22,195,863
M&G Charifund Accumulation Units	975,835
Cazenove Managed Portfolio	13,731,472
	<u>36,903,170</u>

Cazenove funds under management are invested with a number of different fund managers covering different geographic regions and sectors.

13. Other Debtors and Prepayments

	2013	2012
	£	£
Prepayments and Other debtors	33,316	16,480
Accrued income	18,302	38,143
	<u>51,618</u>	<u>54,623</u>

14. Creditors: amounts due within one year

	2013	2012
	£	£
Accruals and other creditors	237,692	259,961
Other taxation and Social Security Costs	14,355	-
	<u>252,047</u>	<u>259,961</u>

15. Endowment Fund

	£
Balance at 31 December 2012	31,009,628
Realised profit on investments	832,988
Unrealised profit on investments	3,949,684
Investment Management Fee	(16,376)
Balance at 31 December 2013	<u>35,775,924</u>

The Endowment Fund originally consisted of Bonds of the United States Steel Corporation with a face value of US \$10m bearing interest at 5% assigned by Mr Carnegie to the Trustees in 1913. Since then the fund has been increased by further legacies together with net gains on realisation of investments, by transfers from reserves and by unrealised gains on investments. The income from the endowment fund is treated as unrestricted income.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

16. Restricted Funds	Balance at 31 December 2012 £	Incoming Resources £	Expenditure £	Balance at 31 December 2013 £
Practice and Development				
Community of Practice	-	42,149	(42,149)	-
Ustart DCU Enterprise Accelerator Programme	-	4,119	(1,536)	2,583
	-	46,268	(43,685)	2,583

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

17. Unrestricted Funds	Balance	Incoming	Realised &	Transfer	Expenditure	Balance
	at 31 December 2012	Resources	Unrealised Loss on Disposal of Fixed Assets/ Investments	(to)/from Designated Funds		at 31 December 2013
	£	£	£	£	£	£
Designated Funds –						
Practice and Development	-	-	-	502,797	(502,797)	-
Policy	33,150	89,923	-	707,345	(725,495)	104,923
Charitable Initiatives	40,500	-	-	223,960	(244,460)	20,000
General Reserve	800,000	-	-	50,000	-	850,000
	873,650	89,923	-	1,484,102	(1,472,752)	974,923
Other Charitable Funds	2,713,052	1,417,420	-	(1,484,102)	(221,036)	2,425,334
	3,586,702	1,507,343	-	(1,693,788)		3,400,257

Policy and Charitable Initiatives – represents the balance of unspent funds at the year-end committed by Trustees.

General Reserve – represents the Trustees' policy of retaining approximately six months of operational expenditure in relation to its business continuity and contingency planning.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

18. Analysis of Net Assets between Funds	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowment	-	36,903,170	(1,127,246)	35,775,924
Restricted Funds	-	-	2,583	2,583
Unrestricted Funds:				
Designated Funds	-	-	974,923	974,923
Other Charitable Funds	1,091,437	-	1,333,897	2,425,334
Total Net Assets	1,091,437	36,903,170	1,184,157	39,178,764

19. Reconciliation of Net Movement in Funds to Net Cash (Outflow)/Inflow from Operating Activities

	2013 £	2012 £
Net movement in funds for year	4,582,434	3,036,685
Depreciation charges	46,868	45,778
Addition to Investments	(39,962)	(64,363)
Increase in debtors	3,005	10,936
(Decrease)/Increase in creditors	(7,914)	101,233
Unrealised (gain) on investments	(3,949,684)	(2,730,160)
Realised (gain) on disposals	(832,988)	(202,843)
Net cash (outflow)/inflow from operating activities	<u>(198,241)</u>	<u>197,266</u>

20. Reconciliation of Net Cash Flow to Movement in Funds

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(160,343)	183,379
Net funds at beginning of the year	<u>1,544,929</u>	<u>1,361,550</u>
Net funds at the end of the year	<u>1,384,586</u>	<u>1,544,929</u>

21. Analysis of Change in Funds

	At 31 Dec 2012 £	Cash flows £	At 31 Dec 2013 £
Short term deposits	1,424,885	(285,887)	1,138,998
At bank and in hand	120,044	125,544	245,588
	<u>1,544,929</u>	<u>(160,343)</u>	<u>1,384,586</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2013

22. Related Parties

One half of the Trustees of the Trust are also Trustees of the Carnegie Dunfermline and Hero Fund Trusts, charities registered in Scotland. During the year the transactions involving these two Trusts related to the running costs of the shared co-located headquarters, Andrew Carnegie House in Dunfermline and also a £25,000 contribution to the Carnegie Medals Legacy Programme.

Appendix – Grant Payments

YEAR TO 31 DECEMBER 2013

	2013 £
Unrestricted Grants	
<i>Charitable Initiatives</i>	
Association of Chief Officers of Scottish Voluntary Organisations	3,000
Black Minority Ethnic Television Charitable Foundation Film and Media	3,000
Chartered Institute of Library and Information Professionals	10,000
Grwp Llandrillo Menai	3,000
Irish Rural Link Co-operative Society	3,000
New Writing North Limited	3,000
New York University	37,500
Rural Community Network	3,000
Tutu Foundation UK	3,000
The Respublica Trust	3,000
UK Cohousing Network	3,000
Volunteer Ireland	3,024
Women's Enterprise Scotland	<u>3,000</u>
	<u>80,524</u>
<i>Policy</i>	
Royal Society of Wildlife Trusts	3,150
Oxfam Scotland	6,000
Community Land Scotland	<u>10,000</u>
	<u>19,150</u>
<i>Practice and Development</i>	
Test Town 2013	28,000
Total Unrestricted Grants	<u>127,674</u>
Restricted Grants	
<i>Practice</i>	
Argyll and Bute Social Enterprise Network (Ltd)	22,194
North Harris Trust	<u>19,753</u>
Total Restricted Grants	<u>41,947</u>