



CHANGING MINDS • CHANGING LIVES

Annual Report and Accounts

FOR THE YEAR ENDED 31 DECEMBER 2014

ANDREW CARNEGIE HOUSE
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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



[Twitter](#) and [Facebook](#)

Trustees, Staff and Advisers

Honorary President

William Thomson CBE

Trustees

Angus Hogg MBE* (*Chair*)

Melanie Leech* (*Vice Chair until May 2014*)

Jane Steele* (*Vice Chair from May 2014 and Convener of Finance and Corporate Services Committee from November 2014*)

Dame Diana Brittan

Richard Davies* (*Convener of Finance and Corporate Services Committee until November 2014*)

James Doorley

Sir John Elvidge (*from May 2014*)

Dr David M Fraser

Jeremy Holmes (*until May 2014*)

Lynne Lamont*

Bill Livingstone (*until May 2014*)

Jane Livingstone

Janet McCauslin (*from May 2014*)

Carol Madison Graham

Douglas Scott

Dr David B B Smith OBE (*until May 2014*)

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

Georgina Bowyer – Projects Officer

Melissa Broadbent - Project Assistant (*until 28 November 2014*)

Jenny Brotchie - Policy Officer

Liz Macdonald - Senior Policy Officer (*until 30 April 2014*)

Jim Metcalfe – Head of Practice and Development

Tara Murphy – Policy Officer (*from 14 April 2014*)

Genna Nelson - Corporate Services Officer

Jenny Peachey – Policy Officer (*from 14 April 2014*)

Lauren Pennycook - Policy Officer

Liz Pullar - Finance Assistant

Lucy Smith - Corporate Services Officer

Kirsty Tait - Projects Officer (*Maternity Leave from September 2014*)

Steven Thompson – Finance & Corporate Services Manager

Jennifer Wallace – Head of Policy

Douglas White - Senior Policy Officer (*until September 2014*), Head of Advocacy (*from September 2014*)

Gina Wilson – Senior Projects Officer (*from 10 June 2014*)

Trustees, Staff and Advisers (cont)

Interns

Lauren Wilks – Policy Assistant Intern (*12 days during July and August 2014*)

Carnegie Fellows

Sir John Elvidge (*until May 2014*)

Mark Shucksmith (*from November 2014*)

Carnegie Associates

Dr Peter Doran

John Woods

Niall Alexander (*from April 2014*)

Liz Macdonald (*from April 2014*)

Tom Forrest (*from August 2014*)

Pippa Coutts (*from November 2014*)

Steve Wyler OBE (*from December 2014*)

Advisers

External Auditor

Chiene + Tait LLP

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 2014

The Trustees present their report with the accounts of the Trust for the year ended 31 December 2014. The accounts have been prepared in accordance with the accounting policies set out on pages 17 to 18 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.

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 2014, ranging from small scale projects, such as Non Standard Lending and London Water Management, to large scale projects, such as the Enabling State and Test Town.

The Trust continues to work with Carnegie Fellows and Carnegie Associates. In 2014 Carnegie Fellow Sir John Elvidge continued to lead our work on the Enabling State and joined the Trust Board following the completion of his fellowship, in May 2014. During 2014 we worked with the following Carnegie Associates: Niall Alexander (affordable credit); John Woods and Dr Peter Doran (Measuring What Matters); Liz Macdonald (Future of Public Libraries); Tom

The Aims of the Trust (Continued)

Forrest (Carnegie Library Lab); Pippa Coutts (Evidence Exchange); and Steve Wyler (A Call to Action for the Common Good).

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.

Sixteen 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 keeps 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.

At the AGM in May 2014 three Trustees of long standing and experience retired from the board. Jeremy Holmes, Bill Livingstone and David Smith all joined the Trust in 2002. All three were significant to the working life and programmes of the Trust. During their time in office they oversaw many changes in programmes, staff and the financial crisis of 2007/2008. That financial crisis required steady hands "at the tiller" and we will always be grateful to them for their advice, help and support during that time.

The Trust has been fortunate over its many years to have Trustees of great calibre and Jeremy, Bill and David are fine examples of that quality. We wish them well in their retirement from Trust business.

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. The Trust is currently in the process of drafting the Strategic Plan for 2016 to 2020 for the formal approval of Trustees in November 2015.

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 with the assistance of Internal Auditors 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 to oversee specific work relating to the Trust's Charitable Objectives.

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

Structure, Governance and Management (continued)

- **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 its *Carnegie Challenge Programme*, which was successfully completed in 2014.

Achievements and Performance 2014

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 global markets recovering from 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?

Measuring Wellbeing in Northern Ireland

We convened The Carnegie Roundtable on Measuring Wellbeing in Northern Ireland in 2014 to find a new approach for measuring wellbeing going beyond traditional economic measures like Gross Domestic Product. Delivered in partnership by the Trust and Queens University Belfast, the Roundtable has cross-party support, with Simon Hamilton MLA, Minister for Finance and Personnel and Daithi McKay MLA, Chair of the Finance Committee providing a joint foreword for our report, Measuring Wellbeing in Northern Ireland, which set the context for the group's work. The Roundtable was co-chaired by our Chief Executive Martyn Evans and Aideen McGinley, BBC Trustee for Northern Ireland and included senior representatives from across the public, private and voluntary sectors. The work of the group was informed by an open call for evidence, focus groups, stakeholder interviews and a highly successful study visit to Scotland to learn from the wellbeing approach adopted there. The final report of the Roundtable setting out a new agenda for wellbeing in Northern Ireland will be published in early 2015.

TestTown 2014

Our TestTown initiative is a unique programme, providing support for young entrepreneurs to create exciting new businesses while simultaneously bringing energy and innovation to UK town centres and high streets. In 2014, building on the success of TestTown 2013 in Dunfermline, we worked with our partners to take the TestTown concept across the UK. Six local heats were held in Bury St Edmunds, Coleraine, Kirkintilloch, Manchester, Middlesbrough and Rhyl, with each local winner going forward to the Grand Final in Cambridge. More than 70 young entrepreneurs took part in the 2014 programme, across nearly 30 business teams. Between them these teams took £35,000 in profits and 20 businesses have continued trading after TestTown completed.

Community Shares Scotland

Community shares provide a new way for voluntary organisations to engage with their local communities and raise sustainable finance to deliver new and better services. In 2014 we continued our strategic partnership with Big Lottery Scotland to deliver a three-year community shares accelerator programme in Scotland. The programme provides advice and support to help voluntary organisations use community shares. In 2014 an expert consortium comprising Development Trusts Association Scotland, Co-operatives UK and Plunkett Scotland were chosen to deliver the Community Shares Scotland service and the first four projects to receive advanced support and seedcorn funding were selected.

UStart

We continued our work in 2014 with Dublin Central University and the JP Morgan Chase Foundation to deliver UStart, a business start up training programme for undergraduates. The programme – the first of its kind in Ireland – gives students intensive training in the range of skills required to launch their own business after leaving university. We led the programme evaluation and helped our partners to develop and advance the initiative in its second year.

The Welsh Dragon

The changing nature of the UK labour market means that entrepreneurial skills are increasingly important for young people as they move into the world of work. Different parts of the UK have addressed this challenge in different ways, expanding how pupils and students are exposed to enterprise education and experiences. The Youth Entrepreneurship Strategy in Wales is a particularly successful initiative and in 2014 we published a new report The Welsh Dragon: the success of enterprise education in Wales, which showcased the Welsh Government approach through a series of short case studies.

Understanding Wellbeing

We continued our groundbreaking work on the concept of wellbeing and how it can be used to understand and advance social change during 2014. We worked with a range of partners to help build a wellbeing movement in Scotland. This included the Scottish Housing and Wellbeing Commission, the Scottish Commission on Strengthening Local Democracy and the Scottish Universities Insight Institute, who delivered a major wellbeing knowledge exchange programme this year. We have also continued to work closely with the Scottish Government to support the process of embedding a wellbeing measurement framework, Scotland Performs, in legislation through the Community Empowerment Bill.

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?

Carnegie Library Lab

The Trust launched Carnegie Library Lab as a major new initiative in 2014. Our previous research on the future of public libraries had identified the development of innovation and leadership skills as a key challenge for the library sector. Library Lab is our contribution to help meet this challenge. The programme involves funding for innovative library projects, a new online learning programme based on the Bill and Melinda Gates Foundation INELI programme, mentoring, peer learning and evaluation. More than 80 library staff from across the UK and Ireland applied to be part of the first cohort of participants, with seven winners selected from Dublin, Newcastle, Edinburgh, Kirklees, Ballymena, Swindon and Monmouthshire. The programme has support from library organisations across the UK and Ireland and will continue until 2017.

Digital Participation

Access to the internet is an increasingly important social inclusion issue and in 2014 we continued our work to support more people in the UK to benefit from the advantages that digital technology can offer. We published Making Digital Real: Case Studies of How to Help the Final Fifth Get Online, which investigated best practice across the UK in tackling digital exclusion. We worked with the UK Government and the Scottish Government to help inform their new digital inclusion strategies and we began new research to examine the barriers and drivers to digital participation in Dumfries and Kirkcaldy. The results from this study will be published in early 2015.

Neighbourhood News

We launched our Neighbourhood News project in 2013 to help support innovative models of delivering hyperlocal news. During 2014 we worked with our five 'Carnegie Partners' in Brixton, Port Talbot, Harlow, Alston and Wester Hailes as they delivered their local news initiatives, evaluated by our partners Talk About Local. We published two reports Neighbourhood News: The Time is Now and The Future's Bright, the Future's Local, setting out the findings from the programme and providing a series of recommendations for the future development of hyperlocal media in the UK. We will be continuing to advance these ideas throughout 2015.

Rowanfield School Nurture Programme

Rowanfield Special School in Edinburgh is a multi-agency referral school for children with severe and complex needs. It uses small nurture groups and the development of practical team skills as a core part of its model. Preparing and enjoying food together is a key part of this process. To help foster this important work we supported the design and fit of a purpose built kitchen in the school's nurture suite in 2014. The kitchen was opened by Sue Lawrence, Masterchef winner and food writer.

Evidence Exchange

In 2013 research by the Trust identified that policymakers and practitioners across the UK are interested in greater cross-jurisdictional learning to share evidence about what works in public policy. To advance this issue, we launched our new Evidence Exchange project in 2014 in partnership with the Joseph Rowntree Foundation and the Alliance for Useful Evidence. The aim of the project is to examine how we can better share and use evidence across England, Scotland, Wales and Northern Ireland. The project, which will run throughout 2015, is also sharing learning between different policy areas and between different sectors.

The Future of Public Libraries

Our work on the future of public libraries continued in 2014. We published the final results from our pioneering Enterprising Libraries programme, which supported four library projects to explore how they could improve economic wellbeing in their local area. We launched Speaking Volumes, a new tool which demonstrates the contribution that libraries make to social, economic, education and cultural wellbeing. The poster format quickly became popular and this is our most successful publication of 2014. We worked with the Sieghart review on the future of libraries in England and our Chief Executive Martyn Evans was invited to chair a new group responsible for devising a National Library Strategy for Scotland.

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?

Understanding Scottish Places

During 2014 we have been part of an innovative consortium developing a new toolkit to improve understanding of Scottish towns. This new online platform is designed to help those working on town policy and practice to understand their town within a new Scottish typology, understand their town function and interrelationships and benchmark progress. This is a partnership project that was commissioned by the Scottish Government and is being delivered by the Trust alongside Centre for Local Economic Strategies, Scotland's Towns, Stirling University and East Renfrewshire Council. The new toolkit will be launched in 2015 and will provide highly accessible, visual data to help decision makers work together to understand towns and identify the most effective strategies for future improvements.

Enabling State

In 2014 we published A Route Map to an Enabling State, the final report from our major Enabling State project, led by Carnegie Fellow Sir John Elvidge. The report sets out eight steps that are required if an effective Enabling State is to be achieved and has received support from policymakers across the UK. We held a successful seminar with the OECD and the European Foundation Centre on how governments and foundations can work together to achieve social

change. We worked with our partners CSV, Navca, Locality and Civil Exchange to publish the report *A Call to Action for the Common Good*. We will be continuing our work on the Enabling State in 2015, publishing new data and celebrating good practice across the UK.

The People's Conversation

We launched The People's Conversation in 2014, a new project with The Wheel which is aiming to develop a new vision for citizenship in Ireland. As Ireland reflects on 100 years of change, this project is examining the relationships between the state, citizens, families and communities. It is engaging people in conversations on questions such as what it means to be a citizen, what rights and responsibilities this entails, what do people expect of the state and vice-versa and how can citizens and communities play a greater role in shaping their future. This work will continue in 2015.

Growing Livelihoods

We launched our Growing Livelihoods programme in 2014 to create, test and promote new models for small-scale food growing across the UK and Ireland. This is a two-year initiative between the Trust, Plunkett Foundation and the Land Settlement Association Charitable Trust, re-establishing a partnership between the Trust and the Land Settlement Association that began in the 1930s. After an open application process, which received over 40 entries we are working with five projects across the UK and Ireland to bring new ideas to the sector, focusing on the use of co-operation and innovation to create viable sustainable livelihoods.

London Water Management

We have continued our work in 2014 to support the design of a new community-led water management strategy for Herne Hill in south London. Local residents are leading this process, supported by the Trust, Defra and London Wildlife Trust. The aim is to find new solutions across issues such as depaving, flood defence, rain gardens, green roofing, water saving, school education and community awareness and to share learning with communities across the UK.

Finding the Carnegie Playing Fields

In the 1920s and 1930s the Trust and the National Playing Fields Association gave grants of £200,000 to help establish nearly 900 new playing fields across the UK – but the precise locations of each of these fields were not centrally recorded.

In 2014 we worked with Fields in Trust on a pilot project to find out more about the original grant programme, identify 15 Carnegie Playing Fields around London and improve the legal protections associated with these fields. We will be continuing this work in 2015, publishing the report of the pilot project and launching a public campaign to identify Carnegie playing fields throughout the UK.

Carnegie Prize for Design and Wellbeing

The quality of our local environment can have a major impact on our wellbeing. In 2014 we worked in partnership with the Royal Incorporation of Architects in Scotland and the Royal Society of Ulster Architects to deliver the Carnegie Prize for Design and Wellbeing. The Prize recognised five local projects in Scotland and Northern Ireland where local communities had helped to transform their neighbourhood through an innovative and inspirational design project. Our Places that love people report highlighted the findings from the initiative and set out a series of recommendations for policymakers.

Achievements and Performance 2014 (Continued)

Events and sponsorship

In 2013 the Trust supported the public event of the Global Citizenship Commission in Edinburgh. This event, which was attended by more than 1,000 people, was chaired by former UK Prime Minister Gordon Brown and featured a key note speech from education campaigner Malala Yousafzai. In 2014 we were delighted to publish the Summary of the private meeting of the Global Citizenship Commission, which took place in Edinburgh in conjunction with the public meeting.

A major event for the Trust in 2014 was our October seminar 'Devolution: Beyond Tax and Welfare'. This event was held in partnership with the University of Edinburgh and ACOSVO, to help inform charities in Scotland as they considered their submissions to the Smith Commission which was examining the possibilities for further devolution for Scotland. Attended by 60 senior stakeholders, the seminar considered the principles and priorities for the charitable sector in further devolution. A note of the discussion was submitted to the Commission as part of its consultation process.

Our Carnegie Challenge programme continued in 2014 and eight events were supported. Organisations including the Welsh Council for Voluntary Action, Edinburgh International Science Festival, TASC, Society of Chief Librarians, Bevan Foundation, Jubilee Scotland, Children in Scotland and the Association of Town and City Management delivered successful events and debates across a range of wellbeing-related topics.

The Trust continued to support the Carnegie Medal for Children's literature in 2014. The award is administered and judged by the Chartered Institute of Library and Information Professionals (CILIP) and this year's winner was Kevin Brooks for his book 'The Bunker Diary'.

Two other important initiatives continued to receive the Trust's support in 2014. Firstly we continued our long-standing support for the community land ownership movement through the Community Land Scotland Chair's Fund. This resource helped to contribute to new research on the economic benefits delivered by community ownership of land in Scotland to date. Secondly, we maintained our support for the evaluation of the Chance to Thrive programme, being delivered by the Church of Scotland to help communities in eight deprived areas in Scotland take greater control of their physical environment.

Financial Review

Income

Total income for 2014 was £1.80 million (*£1.55 million - 2013*). Unrestricted fund investment income totalled £1.57 million (*£1.42 million - 2013*). In addition, unrestricted grant income of £65.6k was received from the Carnegie Corporation of New York, with Legacy income of £22k and other unrestricted income of £9.6k. Restricted fund grant income was received from the Scottish Government of £130.3k and other restricted income of £3.9k was received from JP Morgan Chase.

Expenditure

Expenditure for 2014 was £1.75 million (*£1.75 million - 2013*). Unrestricted fund grant activity showed a slight decrease in the year and grant payments made were £123k (*£128k - 2013*). From restricted funds, grant payments decreased in year and were £28k (*£42k - 2013*). In addition to these grant payments, the Trust expended £1.37 million (*£1.46 million - 2013*) from unrestricted funds directly on its Charitable Activities, with the main areas of expenditure being Policy activities £818k (*£706k - 2013*) and Practice and Development activities £453k (*£495k - 2013*).

Investment Policy and Performance

After a full investment review and competitive procurement process, Cazenove Capital Management Ltd were formally appointed, in January 2013, as the Trust's Discretionary Fund Manager, with a remit of growing both Capital and Income.

The Trust adopts a total return approach to investments and in order to provide future funding to achieve certainty, stability and sustainable growth over the period of the next strategic plan 2016-2020, Trustees made the decision, at the end of 2014, to de-risk the unapplied total return element of its investment portfolio.

The Trust's investment portfolio currently retains 58 % of its value in M&G Charifund Units, a UK equity based fund, and 42 % in a mixed portfolio of UK and non UK equity funds and bonds. The Trust Investments are governed by its Statement of Investment Policy.

The value of the Trust's investments at 31 December 2014 was £37.6 million (*£36.9 million - 2013*). Income distributions relating to the Trust's investments in the year were £1.55 million (*£1.39 million - 2013*). The Trust continues to monitor the stock market and its impact on the endowment and its related income stream.

Reserves Policy

£179k (*£128k - 2013*) 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 2014 and it was agreed to increase it from £850k to £900k in line with its current five-year strategic plan. This represents the Trustees' policy of retaining sufficient 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 strategic 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).

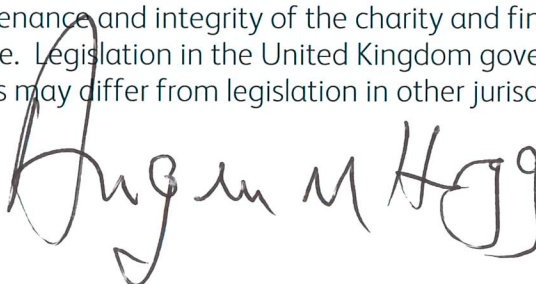
The law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these accounts, the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



20 May 2015

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 2014 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 12, 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

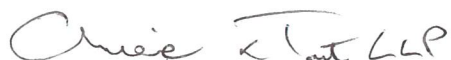
In our opinion the accounts:

- give a true and fair view of the state of the Trust's affairs as at 31 December 2014, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (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 LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

20 May 2015

Chiene + Tait LLP 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 2014

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2014 Total £	2013 Total £
Incoming Resources						
Incoming resources from generated funds:						
Investment income and Interest	2	1,567,382	-	-	1,567,382	1,416,950
Legacy income		22,000	-	-	22,000	-
Incoming resources from charitable activities	3	74,569	134,238	-	208,807	136,191
Other Income		618	-	-	618	470
Total Incoming Resources		1,664,569	134,238	-	1,798,807	1,553,611
Resources Expended						
Cost of Generating Funds	4	24,688	-	24,687	49,375	32,752
Charitable activities:						
Practice and Development	5	518,815	45,580	-	564,395	546,482
Policy		831,433	90,350	-	921,783	725,495
Charitable Initiatives		63,596	-	-	63,596	244,460
Other Charitable Activities		76,623	-	-	76,623	110,947
Governance costs	7	77,296	-	-	77,296	93,713
Total Resources Expended		1,592,451	135,930	24,687	1,753,068	1,753,849
Net Incoming/ (Outgoing) Resources Before Transfers		72,118	(1,692)	(24,687)	45,739	(200,238)
Gains/(Losses) on Investments						
Realised		-	-	15,265	15,265	832,988
Unrealised	12	-	-	714,317	714,317	3,949,684
Net Movement in Funds		72,118	(1,692)	704,895	775,321	4,582,434
Fund balances at 31.12.13		3,400,257	2,583	35,775,924	39,178,764	34,596,330
Fund balances at 31.12.14		3,472,375	891	36,480,819	39,954,085	39,178,764

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 17 to 28 form part of these accounts

The Carnegie United Kingdom Trust

Balance Sheet

AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible fixed assets	11		1,051,539		1,091,437
Investments at market value	12		37,620,073		36,903,170
			<u>38,671,612</u>		<u>37,994,607</u>
CURRENT ASSETS					
Other debtors and prepayments	13	134,063		51,618	
Short term deposits		935,034		1,138,998	
Cash at bank and in hand		519,366		245,588	
		<u>1,588,463</u>		<u>1,436,204</u>	
Creditors: amounts due within one year	14	(305,990)		(252,047)	
Net current assets			1,282,473		1,184,157
NET ASSETS			<u>39,954,085</u>		<u>39,178,764</u>
FUNDS					
Endowment fund	15		36,480,819		35,775,924
Restricted funds	16		891		2,583
Unrestricted funds:	17				
Designated funds			1,078,040		974,923
Other charitable funds			2,394,335		2,425,334
	18		<u>39,954,085</u>		<u>39,178,764</u>

Approved by the Trustees on 20 May 2015 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 2014

	Note	£	2014 £	£	2013 £
Net cash inflow /(outflow) from operating activities	19		78,638		(198,241)
Capital expenditure and financial investment					
Payments to acquire fixed assets		(8,824)		(14,992)	
Cash Transfer from Investments		-		52,890	
Net cash (outflow)/inflow from capital expenditure and investments			<u>(8,824)</u>		<u>37,898</u>
Increase/(Decrease) in cash in the year	20,21		<u>69,814</u>		<u>(160,343)</u>

The notes on pages 17 to 28 form part of these accounts

The Carnegie United Kingdom Trust

Notes to the Accounts

YEAR TO 31 DECEMBER 2014

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 2014

(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.

- Cost 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 - 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.

(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.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

2. Investment Income	2014	2013
	£	£
M&G Charifund Unit trust distributions	1,071,477	1,170,922
Cazenove Investment portfolio income	477,896	215,329
Interest receivable	18,009	30,699
	<u>1,567,382</u>	<u>1,416,950</u>

3. Incoming Resources from Charitable Activities	2014	2013
	£	£
Restricted Income:		
Grants		
Practice and Development		
Highland and Islands Enterprise	-	42,149
Scottish Government	40,000	-
Policy		
Scottish Government	90,350	-
Partnership Funding		
JP Morgan Chase	3,888	4,119
	<u>134,238</u>	<u>46,268</u>
Unrestricted Income:		
Grants		
Carnegie Corporation of New York	65,569	89,923
Partnership Funding		
Scotland Towns Ltd	9,000	-
	<u>74,569</u>	<u>89,923</u>
Total Income	<u>208,807</u>	<u>136,191</u>

4. Costs of Generating Funds

	Unrestricted Funds	Restricted Funds	Endowment Fund	Total 2014	Total 2013
	£	£	£	£	£
Investment Management Fees	<u>24,688</u>	<u>-</u>	<u>24,687</u>	<u>49,375</u>	<u>32,752</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 2014

5. Charitable Activities

	Unrestricted Funds			Restricted Funds			Total	Total
	Direct Costs (note 6)	Grants (note 8)	Support Costs (note 7)	Direct Costs (note 6)	Grants (note 8)	Support Costs (note 7)	2014	2013
	£	£	£	£	£	£	£	£
Practice and Development	374,820	65,620	78,375	17,770	27,810	-	564,395	546,482
Policy	711,968	13,500	105,965	90,350	-	-	921,783	725,495
Charitable Initiatives	8,072	44,000	11,524	-	-	-	63,596	244,460
Other Charitable Activities	28,329	-	48,294	-	-	-	76,623	110,947
	<u>1,123,189</u>	<u>123,120</u>	<u>244,158</u>	<u>108,120</u>	<u>27,810</u>	<u>-</u>	<u>1,626,397</u>	<u>1,627,384</u>

6. Direct Costs

	Unrestricted Funds	Restricted Funds	Total 2014	Total 2013
	£	£	£	£
Salaries, Consultancies and Related Costs (note 9)	665,561	13,180	678,741	584,347
Travelling, Subsistence and Meeting/Conference Expenses	61,737	26	61,763	49,092
Printing, Stationery and General Expenses	6,313	-	6,313	17,324
Property Rental, Upkeep, Services and Insurance	27,340	-	27,340	28,790
Studies, Seminars, Events and Publications	348,746	94,914	443,660	496,119
Public Relations/Communications	744	-	744	20,806
Trustees' and Advisory Committee Travelling, Subsistence and Conference costs	1,711	-	1,711	6,977
Professional Fees	10,816	-	10,816	1,000
Equipment and Maintenance Contracts	221	-	221	63
	<u>1,123,189</u>	<u>108,120</u>	<u>1,231,309</u>	<u>1,204,518</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 2014

7. Management, Administration - Support/Governance Costs	Unrestricted Funds		Restricted Funds		Total	Total
	Support Costs £	Governance Costs £	Support Costs £	Governance Costs £	2014 £	2013 £
Salaries and Related Costs (note 9)	59,081	10,426	-	-	69,507	60,876
Staff and Trustee Development Costs	5,218	921	-	-	6,139	6,893
Studies, Seminars, Events and Publications	156	-	-	-	156	1,595
Property Rental, Upkeep, Services & Insurance	44,901	-	-	-	44,901	37,599
Printing, Stationery and General Expenses	43,790	7,728	-	-	51,518	75,309
Auditors' Remuneration in respect of:						
External Audit Services	-	10,488	-	-	10,488	10,355
Internal Audit Services	-	5,832	-	-	5,832	5,664
Travelling, Subsistence, and Conf Exps	22,675	4,002	-	-	26,677	22,793
Trustees' and Advisory Committee						
Travelling, Subsistence and Conf Exps	-	32,310	-	-	32,310	38,084
Public Relations/Communications	24,871	4,389	-	-	29,260	43,700
Professional Fees	5,520	1,200	-	-	6,720	11,839
Equipment and Maintenance						
Contracts	37,946	-	-	-	37,946	32,251
	<u>244,158</u>	<u>77,296</u>	<u>-</u>	<u>-</u>	<u>321,454</u>	<u>346,958</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 2014, 14 Trustees made claims ranging up to £1,163.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

8. Grant Payments	2014 £	2013 £
Unrestricted Funds:		
Practice and Development	65,620	28,000
Policy	13,500	19,150
Charitable Initiatives	44,000	80,524
	<u>123,120</u>	<u>127,674</u>
Restricted Funds:		
Practice and Development:		
Understanding Scottish Places	27,810	-
Community of Practice	-	41,947
	<u>27,810</u>	<u>41,947</u>

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

9. Staff Costs (including Consultancies and related costs)	2014 £	2013 £
Wages and Salaries	528,434	536,863
Social Security Costs	55,163	52,457
Other Pension Costs	65,024	41,237
Fellows, Associates, Recruitment and Misc Staff Costs/Insurances	99,627	14,666
	<u>748,248</u>	<u>645,223</u>
Allocated as follows:		
Costs of Activities in Furtherance of Charitable Activities	678,741	584,347
Management & Administration – Support/Governance Costs	69,507	60,876
	<u>748,248</u>	<u>645,223</u>

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

£ 70,000 - £80,000	-	1
£80,000 - £90,000	1	-

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

Full Time	CEO, Corporate Services and Finance	4	3
	Practice and Development	4	3
	Policy	5	4
Part Time	Corporate Services and Finance (full time equivalent – 0.2: 2013 – 1.7)	1	3
	Practice and Development (full time equivalent – 0.8: 2013 – 0.8)	1	1
	Policy (full time equivalent – 0.9: 2013 – 0.6)	1	1
		<u>16</u>	<u>15</u>

No Trustee received any remuneration during the year (see note 7).

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

10. Pension Commitments

Fourteen 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 £65,024 in respect of the personal pension plans (2013 - £41,237), of which £14,794 related to 2014 pay awards taken as pension contributions and £4,500 pension advisory scheme costs. Pension contributions outstanding at the year end were £6,117.

11. Tangible Fixed Assets

	Land and Buildings (See Note 22) £	Fixtures, Furniture, Fittings & Plant £	Computer Equipment £	Total £
Cost				
At 31 December 2013	1,065,345	270,275	58,341	1,393,961
Additions	-	2,635	6,189	8,824
At 31 December 2014	1,065,345	272,910	64,530	1,402,785
Accumulated depreciation				
At 31 December 2013	116,508	144,655	41,361	302,524
Charge for year	19,057	19,178	10,487	48,722
At 31 December 2014	135,565	163,833	51,848	351,246
Net Book Value				
At 31 December 2014	<u>929,780</u>	<u>109,077</u>	<u>12,682</u>	<u>1,051,539</u>
At 31 December 2013	<u>948,837</u>	<u>125,620</u>	<u>16,980</u>	<u>1,091,437</u>

12. Investments

	2014 £	2013 £
Market value		
At 31 December 2013	36,326,201	29,883,426
Additions	2,287,297	13,214,535
Disposals	(1,965,884)	(10,721,444)
Unrealised gain during year	714,317	3,949,684
Total Investment Portfolio at 31 December 2014	37,361,931	36,326,201
Funds awaiting investment	258,142	576,969
At 31 December 2014	<u>37,620,073</u>	<u>36,903,170</u>
Cost		
At 31 December 2014	<u>33,761,177</u>	<u>33,617,674</u>

Reconciliation of Movements in

Unrealised Gain/(Loss) on Investment Assets

Unrealised gain/(loss) at 31 December 2013	3,285,496	(1,035,631)
Realised on disposals in year	(140,917)	371,443
	3,144,579	(664,188)
Net gain arising on Revaluation in year	714,317	3,949,684
Unrealised gain at 31 December 2014	<u>3,858,896</u>	<u>3,285,496</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

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:

	2014 £	2013 £
Within UK	27,966,171	29,822,391
Outwith UK	9,395,760	6,503,810
Cash	258,142	576,969
Total Investments at Market Value	<u>37,620,073</u>	<u>36,903,170</u>

Investments are held as follows:

	2014 £	2013 £
M&G Charifund Income Units	21,752,473	22,195,863
M&G Charifund Accumulation Units	-	975,835
Cazenove Managed Portfolio	12,611,924	13,731,472
Cazenove Unapplied Total Return Portfolio	3,255,676	-
Total	<u>37,620,073</u>	<u>36,903,170</u>

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

The Trust adopts a total return approach to investments and in order to provide future funding to achieve certainty, stability and sustainable growth over the period of the next strategic plan 2016-2020, Trustees made the decision, at the end of 2014, to de-risk £3.26 million of the unapplied total return element of its investment portfolio.

13. Other Debtors and Prepayments

	2014 £	2013 £
Prepayments and Other debtors	26,104	33,316
Accrued income	107,959	18,302
	<u>134,063</u>	<u>51,618</u>

14. Creditors: amounts due within one year

	2014 £	2013 £
Accruals and other creditors	305,990	237,692
Other taxation and Social Security Costs	-	14,355
	<u>305,990</u>	<u>252,047</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

15. Endowment Fund

	£
Balance at 31 December 2013	35,775,924
Realised profit on investments	15,265
Unrealised profit on investments	714,317
Investment Management Fee	(24,687)
Balance at 31 December 2014	<u>36,480,819</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.

16. Restricted Funds

	Balance at 31 December 2013 £	Incoming Resources £	Expenditure £	Balance at 31 December 2014 £
Practice and Development				
Ustart DCU Enterprise				-
Accelerator Programme	2,583	3,888	(6,471)	-
Understanding Scottish Places	-	40,000	(39,109)	891
Policy				
Digital Participation	-	90,350	(90,350)	-
	<u>2,583</u>	<u>134,238</u>	<u>(135,930)</u>	<u>891</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

17. Unrestricted Funds	Balance at 31 December 2013	Incoming Resources	Expenditure	Transfer (to)/from Designated Funds	Balance at 31 December 2014
	£	£	£	£	£
Designated Funds –					
Practice and Development	-	9,000	(518,815)	531,815	22,000
Policy	104,923	65,569	(831,433)	806,981	146,040
Charitable Initiatives	20,000	-	(63,596)	53,596	10,000
General Reserve	850,000	-	-	50,000	900,000
	974,923	74,569	(1,413,844)	1,442,392	1,078,040
Other Charitable Funds	2,425,334	1,590,000	(178,607)	(1,442,392)	2,394,335
	3,400,257	1,664,569	(1,592,451)	-	3,472,375

Practice and Development, 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 sufficient operational expenditure in relation to its business continuity and contingency planning. A £50k transfer was approved during 2014 as part of the Trust’s current five year Strategic Plan.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2014

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.

The Trust shares ownership of Andrew Carnegie House with the Carnegie Dunfermline and Hero Fund Trust and the Carnegie Trust for the Universities of Scotland. The Trust is responsible for an agreed proportion of the running costs of the building.

Appendix – Grant Payments

YEAR TO 31 DECEMBER 2014

	2014 £
Unrestricted Grants	
Charitable Initiatives	
<u>Carnegie Challenge</u>	
Edinburgh International Science Festival	3,000
Society of Chief Librarians	3,000
Jubilee Scotland	3,000
Bevan Foundation	3,000
ATCM	3,000
WCVA	3,000
Children in Scotland	3,000
TASC	3,000
Sub Total	24,000
<u>Other</u>	
CILIP/Carnegie Medal Shadowing	10,000
Community Land Scotland	10,000
Sub Total	20,000
Total	44,000
 Policy	
Macara Park	2,500
Auchencairn Initiative	3,500
Ballymena Borough Council	2,500
Belville Community Association	2,500
Sustrans	2,500
Total	13,500
 Practice and Development	
Test Town 2014	28,500
Sutton Community Farm	3,250
Severn Project	3,250
Ferry Farm	3,250
Kindling Trust	3,250
Rowanfield School -City of Edinburgh Council	24,120
Total	65,620
Total Unrestricted Grants	123,120
 Restricted Grants	£
Practice	
Towns Alive	8,910
CLES	11,700
University of Stirling	7,200
Total Restricted Grants	27,810