



CHANGING MINDS • CHANGING LIVES

Annual Report and Accounts

FOR THE YEAR ENDED 31 DECEMBER 2015

ANDREW CARNEGIE HOUSE
PITTENCRIEFF STREET
DUNFERMLINE
FIFE KY12 8AW
www.carnegieuktrust.org.uk

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*)

Jane Steele* (*Vice Chair and Convener of Finance and Corporate Services Committee*)

Dame Diana Brittan

Richard Davies

James Doorley (*until May 2015*)

Sir John Elvidge

Dr David M Fraser

Lynne Lamont*

Melanie Leech (*until May 2015*)

Jane Livingstone

Janet McCauslin

Aideen McGinley (*from May 2015*)

Carol Madison Graham

Douglas Scott

Albert Tucker (*from May 2015*)

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

Robin W Watson

Ian Wilson*

**Audit and Risk Committee Members*

Chief Executive

Martyn Evans

Staff

Georgina Bowyer – Projects Officer (*Maternity Leave from November 2015*)

Jenny Brotchie - Policy Officer (*Maternity Leave from March 2015*)

Jim Metcalfe – Head of Practice and Development

Tara Murphy – Policy Officer

Genna Nelson - Corporate Services Officer

Jenny Peachey – Policy Officer

Lauren Pennycook - Policy Officer

Liz Pullar - Finance Assistant

Lucy Smith - Corporate Services Officer

Kirsty Tait - Projects Officer (*Returned from Maternity Leave September 2015*)

Steven Thompson – Finance & Corporate Services Manager

Jennifer Wallace – Head of Policy

Douglas White - Head of Advocacy

Gina Wilson – Senior Projects Officer

Trustees, Staff and Advisers (cont)

Interns

Andrew Jones (*from July 2015*)

Carnegie Fellows

Mark Shucksmith

Carnegie Associates

Niall Alexander

Pippa Coutts

Dr Peter Doran

Tom Forrest

Liz Macdonald

Albert Tucker (*until May 2015*)

John Woods

Steve Wyler OBE

Advisers

External Auditor

Chiene + Tait LLP

Internal Auditor

Baker Tilly LLP -Now RSM (*Until December 2015*)

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 2015

The Trustees present their report with the accounts of the Trust for the year ended 31 December 2015. 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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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 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 period of the plan. The Trust's Strategic Plan for 2011-2015 outlines an operating Trust that makes effective and active decisions about its work plans. Trustees formally approved the Trusts Strategic Plan for 2016 to 2020 in November 2015.

The Trust continued to work with Carnegie Fellows and Carnegie Associates in the delivery of its charitable projects in 2015.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015

The Trust's 2011-2015 Strategic Plan aimed to improve wellbeing of people across the UK and Ireland. The work in this Strategic Plan was divided across three themes, as follows:

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

Provided below are details of the key achievements and performance under each of these themes during 2015, the final year of the five-year strategy.

Enterprise and Society

The Trust's work on Enterprise and Society focused 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 asked 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?

Understanding Wellbeing

The Trust is a leading advocate for measuring and understanding wellbeing and for promoting wellbeing frameworks to measure social progress. We continued this vital aspect of our work in 2015. We published the final report of the Carnegie Roundtable on Measuring Wellbeing in Northern Ireland, which set out a draft wellbeing framework for Northern Ireland, along with seven key steps and ten specific recommendations to advance this agenda. We worked closely throughout the year with Ministers, elected representatives, civil servants and civil society organisations to embed a wellbeing approach in key public policy mechanisms in Northern Ireland. This included a major conference in Belfast, Towards a Wellbeing Framework, attended by 150 people, held in June. Our work has been publicly endorsed by Simon Hamilton, MLA, Minister for Health (previously Minister for Finance) and Daithi McKay MLA, Chair of the Finance Committee. In Scotland, we worked closely with the Scottish Government on the development of the Community Empowerment Act, which was passed this year, to embed in legislation requirements for a National Performance Framework to exist; for meaningful public consultation on the Framework to be undertaken; and for Ministers to report on the Framework to the Scottish Parliament.

Affordable Credit

We established the Carnegie Affordable Credit Working Group in 2015 to examine how to improve access to affordable loans for those most in need. The establishment of the Working Group followed the publication of our discussion paper, Meeting the Need for Affordable Credit, which highlighted the rising need for affordable credit, analysed the non-mainstream credit sector and identified possible policy solutions. Jeremy Peat, former Royal Bank of Scotland Chief Economist, and Angus Hogg, Chair of the Carnegie UK Trust chairs the Working Group. It includes over 20 representatives from the public, private and charitable sectors, including Scottish Government, Big Lottery and Virgin Money, and will report in early 2016. The work is supported by the Very Reverend John Chalmers, Principal Clerk to the General Assembly of the Church of Scotland.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015 (Continued)

Enterprising Minds

Our Enterprising Minds project promotes innovative methods of developing enterprise skills amongst young people across the UK. In 2015, we published the Carnegie Position on Enterprise, which calls for a co-ordinated approach to delivering enterprise education and argues for more opportunities to be provided to young people to test out their entrepreneurship skills. Our work was highlighted this year in both the Scottish and Welsh parliaments.

TestTown 2015

Our TestTown initiative is the UK's largest high street business incubator programme. It encourages entrepreneurs to create innovative new businesses and bring energy back to town centres and city districts. TestTown provides participants with bespoke business training, development funding and a low-risk, free trading environment from which to test out a business idea. Through TestTown 2015, we supported ten towns across the UK and Ireland to hold local activities that assisted start-ups in ways that were appropriate and effective for the regeneration of each distinct place. The finalists from each of these 10 events are coming together to compete in the Grand Final, hosted by Glasgow City Council at Glasgow Saltmarket in early 2016.

Fife Enterprise Guarantee

In 2015, we embarked on a new Fife-based project, working with local and national partners in the public and private sectors to explore new innovations for skills and enterprise that might create opportunities for jobs and business creation.

Enterprise All-In

The Welsh approach to enterprise education and entrepreneurial learning represents international best practice in creating the next generation of entrepreneurs. However, in Wales, as across the UK, most of the support available to entrepreneurs is available separately for those at different stages of their entrepreneurial journey. We embarked on our Enterprise All-In project in 2015 to bring entrepreneurs of different ages and stages from across Wales together to encourage peer to peer learning, discuss the support needed to help grow their businesses, and develop networks of informal support. The first Enterprise All-In event took place in Capel Curig in September 2015, and the second event will take place in South West Wales during spring 2016.

Community Shares Scotland

Community shares are an innovative method for voluntary organisations to engage their local communities and raise sustainable finance to provide new and better services. Individuals invest in the organisations through public share issues, which help voluntary groups do things like invest in community wind farms, set up community pubs or shops, or provide services like child or social care. Organisations pay dividends to the shareholders, but with long-term and sustainable financial plans. Carnegie UK formed a strategic partnership with Big Lottery Scotland in 2014 to deliver a three-year accelerator programme for the use of community shares by Scottish communities and organisations and this partnership continued throughout 2015. The service, Community Shares Scotland, is now supporting dozens of groups to issue their own shares, and provides guidance and seedcorn support to ensure share issues are successful and well managed.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015 (Continued)

Fairer Fife Commission

Our Chief Executive Martyn Evans chaired the Fairer Fife Commission in 2015 to understand the nature of poverty in Fife and how it can be tackled. The Commission included representatives from Oxfam, Child Poverty Action Group, NHS Health Scotland, St Andrew's University, One Parent Families Scotland, Glasgow Centre for Population Health, Scottish Health Council, Working Links and Joseph Rowntree Foundation. The final report made 40 recommendations for action and was presented to the Leader of Fife Council David Ross at an event at The Cottage Family Centre in Kirkcaldy in November 2015.

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

Carnegie Library Lab is a three-year programme created by the Trust in 2014 to support innovation and leadership in the public library sector. We continued to deliver the programme throughout 2015, working with public library staff in Dublin, Newcastle, Edinburgh, Kirklees, Ballymena, Swindon and Monmouthshire. Key national library organisations including Chartered Institute of Libraries and Information Professionals, the Society of Chief Librarians, Museums Archives and Libraries Division, Libraries Northern Ireland, Arts Council England, Scottish Library Information Council and the Local Government Management Association in Ireland provide support for and oversight of the programme. Library Lab offers early-to-mid career library professionals funding to help develop and implement innovative projects, online learning to support skills development, mentoring and networking opportunities via online platforms and face-to-face meetings. Participants will be onward champions for libraries, leadership and innovation.

Digital Participation

Despite the transformative impact of technology on society, many people in the UK remain digitally excluded – and those who are excluded digitally are also far more likely to be disadvantaged according to many other social and economic measures. Our Digital Participation continued in 2015 to analyse the reasons why people are excluded from technology and identify what policy makers can do to reduce the barriers to participation. This year we published new research on digital exclusion and how it might be addressed in Dumfries and Kirkcaldy. We also worked closely with the UK Digital Inclusion Research Working Group, led by the Cabinet Office in the UK Government to design, create and publish a new Digital Inclusion Outcomes Framework for the UK to improve how we measure and track progress on supporting digital participation. We are working closely with key partners including the Department for Culture Media and Sport, BT and Citizens Online to create an evaluation toolkit to support the new framework and enable local projects to improve how they measure their digital participation activity.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015 (Continued)

Evidence Exchange

We launched the Evidence Exchange in 2014 in partnership with the Joseph Rowntree Foundation and the Alliance for Useful Evidence to examine how we can better share and use evidence across England, Scotland, Wales and Northern Ireland. We continued to support this initiative throughout 2015, as the project team delivered a range of events across the UK on contemporary public policy issues, hosted webinars and published blogs raising awareness of the benefit of cross-jurisdictional working. The Alliance has become a leading advocate within UK policy circles on the importance of cross-jurisdictional evidence exchange.

InterAction

Our InterAction project is exploring the ways in which academics and the third sector can work together to influence policy and practice. Previously, research carried out by the Trust and the Joseph Rowntree Foundation identified academic research as the most trusted but rarely accessed sources of evidence amongst decision-makers, including those in the third sector.

Carnegie Fellow Professor Mark Shucksmith, of Newcastle University, led this work for us throughout 2015, meeting with key figures from across academia and the third and public sectors to identify good practice, understand the barriers to collaboration and identify how they may be overcome. Our final report from this project will be published in spring 2016.

Future of Libraries

Public libraries are a valued and trusted resource at the heart of communities. They foster learning and social, cultural and economic wellbeing. However, libraries cannot stand still in a changing world and many are exploring different ways of working – re-imagining the range of functions they can fulfil. The Trust continued its work in 2015 to support the future of public libraries. This year, our Chief Executive Martyn Evans chaired the process to develop the first ever National Strategy for Public Libraries in Scotland, which was endorsed by the Scottish Government and COSLA and has already produced new initiatives to boost library membership for children and extend the availability of free library Wi-Fi. We worked closely with the Society of Chief Librarians to support their annual conference and began work on refreshing the evidence base for our library advocacy resource Speaking Volumes. These new evidence databases will be published early in 2016.

Innovations in Nurture Education

We have supported Rowanfield School, a multi-agency referral school in Edinburgh for children with severe and complex needs, to design and build a new kitchen facility to support their innovative nurture group. We have been evaluating the impact of this process throughout 2015 and a report and video on the results will be published in early 2016.

#notwithoutme

Not all young people are 'digital natives'. Online skills are not inherent; learning requires access, experience, autonomy, motivation and support. Those who are vulnerable, particularly those at points of transition (unemployed, homeless, in care, in secure accommodation or seeking asylum) are most at risk of falling outside of the digital mainstream. Young people who lack basic digital skills are prevented from accessing opportunities or entitlements in employment, education, health care, housing, benefits, and cultural and social experiences. We launched our #notwithoutme project in 2015 to seek partner organisations interested in working with us to

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015 (Continued)

develop innovative projects that would test solutions and overcome digital inclusion challenges facing vulnerable young people aged 12-25. Following an open application process, we will begin working with four partners from England, Scotland and Northern Ireland in early 2016.

Neighbourhood News

Good quality local news is vital to our individual and societal wellbeing. Reputable, independent sources of local news are important for democratic engagement in our communities, provide a voice for community campaign, and connect people to the places where they live. However, the traditional model for local news is increasingly under threat. Our Neighbourhood News project seeks to highlight the need for new business models and innovative approaches to delivering high quality local journalism. In 2015, we supported the development of a new directory of hyperlocal websites in the UK and Ireland, were active participants in the BBC Local Journalism Working Group, highlighting the contribution of hyperlocal media to local news, and published Click and Connect, case studies of innovative new approaches being adopted by successful hyperlocal media projects across the UK.

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?

Enabling State

Our Enabling State project is an innovative programme on rethinking the relationship between citizens and the state. This change is characterised by recognition that traditional 'top down' approaches can no longer solve the complex social problems that we face as a society and that the state needs to play a more facilitative role, empowering individuals and communities. In 2015, we ran the Enabling State Challenge to showcase and celebrate examples of good enabling approaches in action. From an open competition attracting more than 100 entries, six winners from across the UK were selected, covering a range of public policy interventions from delivery of care services, to alcohol reduction to asset transfers, to healthy eating. The Challenge culminated in an awards ceremony for the winners in London on Andrew Carnegie's birthday in November. Throughout the year, we also continued our work to promote the findings and messages from our previous work on Call to Action for the Common Good, which is seeking to shape a positive narrative about social change around the UK.

The People's Conversation

We published Citizens Rising, the final report from our People's Conversation project with The Wheel, in October 2015. The People's Conversation project, launched in 2014, was designed to develop a new vision for active citizenship and empowered communities in Ireland by creating safe public spaces for people, from across civil society to come together and have engaging and challenging conversations on what it means to be a citizen in Ireland today. The Citizens Rising report is the result of those conversations and sets out a framework for citizen empowerment based on five challenges for both politicians and citizens to address. The work has been publicly endorsed by the President of Ireland, Michael D. Higgins.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015 (Continued)

Quality of Public Space

We continued our programme of activities highlighting the importance of good quality public space to wellbeing throughout 2015. We worked with Architecture and Design Scotland, NHS Health Scotland and the Scottish Government on the development of the new Place Standard Tool, which allows communities, public service providers and developers to determine the strengths and priorities of a particular place to inform future development. We ran community consultation sessions to ensure that the voices of citizens were properly taken into account in the development of the tool and published case studies of our work.

Carnegie Playing Fields

We continued our Carnegie Playing Fields project in 2015, launching a national campaign in partnership with Fields in Trust to encourage local communities to help us identify their own Carnegie Playing Field. The Trust had given grants in the 1920s and 1930s to help establish 900 new playing fields across the UK but the exact locations of each of these fields were not centrally recorded. Our crowd-sourcing campaign attracted significant media interest and members of the public identified over 100 potential Carnegie playing field sites. A number of these sites have now begun working with Fields in Trust to improve the legal protection of their playing fields and in early 2016, we will be awarding two of these sites Improvement Grants of £5,000 each to improve the facilities at their playing field.

Understanding Scottish Places

Since 2014, Carnegie UK Trust has been leading the Understanding Scottish Places consortium to create a new data platform for towns' practitioners and communities. The work was commissioned by the Scottish Government as part of its Town Centre Action Plan and the first version of USP was launched online in April 2015. The USP data platform enables towns' practitioners to: understand their town within a Scottish typology; understand their town's function, particularly in relation to the interrelationships and flows between towns; and be equipped to explore locally available data to complement the findings displayed on the data platform. The online toolkit provides accessible visual information, which will help practitioners, decision makers and stakeholders work together to understand towns, and plan and evaluate strategies to deliver improvements in what are often challenging times for our towns. The project is a joint venture between Carnegie UK Trust, Centre for Local Economic Strategies, Scotland's Towns Partnership and the University of Stirling.

Growing Livelihoods

We extended our Growing Livelihoods project in 2015, to create, test and promote new opportunities in smaller-scale food growing. Through Growing Livelihoods, we are supporting projects aimed at those new to the sector, young people or those seeking a new direction. The initiative has a particular focus on the use of co-operation and innovation to help create viable livelihoods in this sector. Phase 1 of the project began in September 2014, supporting five projects in the UK and Ireland. With funding from the [Esmée Fairbairn Foundation](#), we launched a second phase in April 2015, allowing us to offer support to a further five projects. Growing Livelihoods is a partnership between the Trust, Plunkett Foundation and the Land Settlement Association Charitable Trust.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Achievements and Performance 2015 (Continued)

Events and sponsorship

We continued our run of varied events and sponsorship programme in 2015.

We were delighted to host two major events at our offices in Dunfermline during the year. In March, in partnership with the John Smith Centre for Public Service, we welcomed former Prime Minister Gordon Brown to Andrew Carnegie House, to lead a seminar on the Future of Public Service, attended by a wide range of senior stakeholders from across the UK. Later in the year in October, we hosted the Moderator of the Church of Scotland in Dunfermline to lead a seminar on Good and Fair Work, which featured contributions from public, private and voluntary sector organisations. The discussions at this seminar played an important role in developing the Fulfilling Work theme in our new Strategic Plan.

In August 2015, the Trust was delighted to bring Harvard Professor Michael J Sandel to Scotland, as part of the Festival of Politics, to address a public audience in the Scottish Parliament chamber on Public Service and the Future of Democracy. The event was attended by 250 people.

Our long-standing support for the Carnegie Medal for Children's literature, which is administered and judged by the Chartered Institute of Library and Information Professionals (CILIP), continued in 2015. This year's winner was Tanya Landman for her book Buffalo Soldier.

We also continued our support for Community Land Scotland (CLS) in 2015, through the CLS Chair's Fund. The work of CLS this year included building international interest in Scotland's land reform movement through the Global Land Reform Conference in Dakar and the International Land Coalition and building more local support through a successful event at the Scottish Parliament. Finally, we completed our support for the evaluation of the Church of Scotland's Chance to Thrive programme. The final evaluation report was produced this year and highlighted the positive impacts and key lessons from the programme.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Financial Review

Income

Total income for 2015 was £1.69 million (*£1.80 million - 2014*). Unrestricted fund investment income totalled £1.53 million (*£1.57 million - 2014*). Restricted fund grant income was received from the Scottish Government of £64.9k (*£130.3k - 2014*), Land Settlement Association Charitable Trust/Esmee Fairbairn Foundation of £43k and the William Grant Foundation of £50k.

Expenditure

Expenditure for 2015 was £1.61 million (*£1.75 million - 2014*). Unrestricted fund grant activity showed a slight decrease in the year and grant payments made were £108k (*£123k - 2014*). From restricted funds, grant payments decreased in year and were £17k (*£28k - 2014*). In addition to these grant payments, the Trust expended £1.42 million (*£1.44 million - 2014*) from unrestricted funds directly on its Charitable Activities, with the main areas of expenditure being Policy activities £880k (*£851k - 2014*) and Practice and Development activities £420k (*£478k - 2014*).

Investment Policy and Performance

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

The main risk to the level of income received and market value of the Trust's Investments is the volatility of financial markets. The Trust mitigates against investment risk through its Statement of Investment Policy and delegates investment decisions to their Discretionary Fund Managers, Cazenove Capital Management Ltd, within agreed investment objectives, asset allocations and performance benchmarks, set by the Trust. The Trust's Board reviews investment performance against an agreed set of performance benchmarks on a quarterly basis, at their Board meetings.

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 2015 was £37.6 million (*£37.6 million - 2014*). Income distributions relating to the Trust's investments in the year were £1.50 million (*£1.55 million - 2014*). The Trust continues to monitor the stock market and its impact on the endowment and its related income stream.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Financial Review (continued)

Reserves Policy

£322k (£179k - 2014) of funds has been allocated to grants and funding for projects, which remain unpaid at the year-end (restricted and designated funds).

The General Reserve (designated funds) increased from £900k to £950k in line with the Trust's 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 future reviews taking into account the continued development of the Trust's policy of partnerships to support its strategic work as outlined in the new five-year strategic plan.

Structure, Governance and Management

Grant Making Policy

The Trust's charitable activities now focus on proactive initiatives capable of influencing public policy and social change. Grants awarded are based on 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.

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 2015, two Trustees of long standing and experience retired from the Board.

Melanie Leech served as a Trustee for 10 years, part of which was as the Chair of Trustees when the Trust was appointing a new Chief Executive, restructuring the organisation and developing a new strategy. Melanie successfully steered the Trust through that transition process.

James Doorley served as a Trustee for 11 Years, helping the Trust to build valuable relationships in Ireland, whilst also bringing an Irish perspective to the Trust activities. James was a very active member of the Carnegie Commission of Inquiry into the Future of Civil Society in the UK and Ireland.

The Trust has been fortunate over its many years to have Trustees of great calibre and James and Melanie 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 meet formally 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. Trustees formally approved the Trust's Strategic Plan for 2016 to 2020 in November 2015.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Structure, Governance and Management (continued)

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 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 Trust's Senior Management Team are subject to an annual performance appraisal and remuneration is approved at Board level.

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

The Audit and Risk Committee, reporting to the Board, oversee risk assessment. 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 Audit and Risk Committee oversee the risk register 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 Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

Structure, Governance and Management (continued)

The key risks incorporated within the Trust's risk register, to which the Trust has a continual review process of their mitigation actions are:

- Board does not have the information to hold the operation of the Trust to account
- Poor compliance with Law and Regulation resulting in Fraud and/or Bribery
- Staff work is not clearly planned
- Inconsistent and inefficient internal staff processes are adopted
- Poor external communications

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.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2015

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).

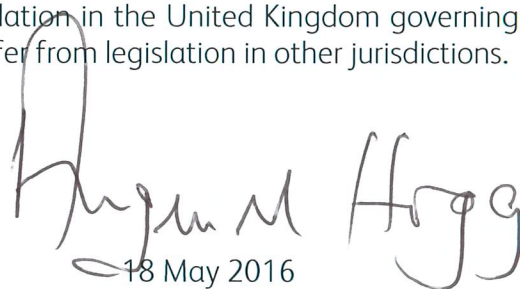
The law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing these accounts, the Trustees are required to:

- 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 Trust 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



18 May 2016

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 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 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 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 15, 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

A description of the scope of an audit of accounts is provided on the website of the Financial Reporting Council at www.frc.org/uk/apb/scope/private.cfm

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 2015, and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THE CARNEGIE UNITED KINGDOM TRUST (Continued)**

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

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

18 May 2016

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 2015

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2015 Total £	Restated 2014 Total £
Income and Endowments from:						
Investments	2	1,526,940	-	-	1,526,940	1,567,382
Donations and Legacies	3	-	-	-	-	22,000
Charitable activities	4	-	157,856	-	157,856	208,807
Other Trading Activities	5	221	-	-	221	618
Total		1,527,161	157,856	-	1,685,017	1,798,807
Expenditure on:						
Raising funds	6	28,077	-	28,078	56,155	49,375
Charitable activities: 7						
Practice and Development		444,917	17,141	-	462,058	589,207
Policy		952,602	6,181	-	958,783	955,330
Charitable Initiatives		37,986	-	-	37,986	67,244
Other Charitable Activities		105,820	-	-	105,820	91,912
Total		1,569,402	23,322	28,078	1,620,802	1,753,068
Net Income/(Expenditure) before (Losses)/Gains on Investments		(42,241)	134,534	(28,078)	64,215	45,739
(Losses)/Gains on Investments						
Realised		-	-	(25,975)	(25,975)	15,265
Unrealised	14	-	-	(25,166)	(25,166)	714,317
Net income and movement in funds		(42,241)	134,534	(79,219)	13,074	775,321
Reconciliation of Funds:						
Total funds brought forward		3,472,375	891	36,480,819	39,954,085	39,178,764
Total funds carried forward		3,430,134	135,425	36,401,600	39,967,159	39,954,085

All activities relate to continuing activities.

The notes on pages 21 to 36 form part of these accounts

The Carnegie United Kingdom Trust Balance Sheet

AS AT 31 DECEMBER 2015

	Note	£	2015 £	£	Restated 2014 £
Fixed assets:					
Tangible assets	13		1,023,213		1,051,539
Investments	14		37,513,402		37,620,073
Total fixed assets			<u>38,536,615</u>		<u>38,671,612</u>
Current assets:					
Debtors	15	161,581		134,063	
Investments	22	1,203,366		935,034	
Cash at bank and in hand	22	302,568		519,366	
Total current assets		<u>1,667,515</u>		<u>1,588,463</u>	
Liabilities:					
Creditors: amounts falling due within one year	16	(236,971)		(305,990)	
Net current assets			<u>1,430,544</u>		<u>1,282,473</u>
Total net assets			<u><u>39,967,159</u></u>		<u><u>39,954,085</u></u>
The funds of the charity:					
Endowment funds	17		36,401,600		36,480,819
Restricted income funds	18		135,425		891
Unrestricted funds:	19				
Designated funds			1,126,290		1,078,040
Other charitable funds			2,303,844		2,394,335
Total charity funds	20		<u><u>39,967,159</u></u>		<u><u>39,954,085</u></u>

Approved by the Trustees on 18 May 2016 and signed on their behalf by:

ANGUS M HOGG


Chair of Trustees

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

The notes on pages 21 to 36 form part of these accounts

The Carnegie United Kingdom Trust

Statement of Cash Flows

YEAR TO 31 DECEMBER 2015

	Note	2015	Restated
		2015	2014
		£	£
Net cash inflow from operating activities:	21	19,749	65,959
Cash flows from investing activities:			
Sale of Investments		2,586,488	1,981,149
Purchase of Investments		(2,070,974)	(2,287,297)
Movements in Investment Portfolio Cash		(459,984)	318,827
Payments to acquire fixed assets		(23,745)	(8,824)
Net cash provided by investing activities		<u>31,785</u>	<u>3,855</u>
Change in Cash and cash equivalents in the year	22	51,534	69,814
Cash and cash equivalents brought forward	22	<u>1,454,400</u>	<u>1,384,586</u>
Cash and cash equivalents carried forward	22	<u>1,505,934</u>	<u>1,454,400</u>

The notes on pages 21 to 36 form part of these accounts

The Carnegie United Kingdom Trust

Notes to the Accounts

YEAR TO 31 DECEMBER 2015

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 applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

The Trust constitutes a public benefit entity as defined by FRS102.

(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) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No financial restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income	£
Net income as previously stated	45,739
Adjustment for gains on investments now treated as a component of net income	<u>729,582</u>
2014 net income as restated	<u>775,321</u>

(d) 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.

(e) 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

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

(f) Investments

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

(g) Basic Financial Instruments

The Trust has only basic financial assets and liabilities comprising investments, debtors, cash at bank and creditors. These assets and liabilities are initially recorded at cost and subsequently at market value in the case of investments and in respect of other assets and liabilities at the amounts expected to be received or paid.

(h) Fund Accounting

Funds held by the Trust are:

- endowment fund – originally gifted from Andrew Carnegie 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
- 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.

(i) Income

All income is recognised when the Trust has entitlement to the income, it is probable that the income will be received and the monetary value of the income 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.

(j) Expenditure

Liabilities are recognised as expenditure 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 and governance 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.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

- Cost of Charitable Activities - includes costs directly attributable to programmes including grant awards and an allocation of support costs, comprising staff and overhead costs and 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.

(k) 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.

(l) Grant Making Policy

Grants are awarded based on 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. Grants are recognised as being committed when the offer is communicated to the recipient.

2. Investment Income (Unrestricted Income)	2015	2014
	£	£
M&G Charifund Unit trust distributions	1,043,638	1,071,477
Cazenove Investment portfolio income	471,449	477,896
Interest receivable	11,853	18,009
	<u>1,526,940</u>	<u>1,567,382</u>
3. Donations and Legacies (Unrestricted Income)	2015	2014
	£	£
Legacies	<u>-</u>	<u>22,000</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

4. Income from Charitable Activities	2015	2014
	£	£
Restricted Income:		
Grants		
Practice and Development		
Land Settlement Association Charitable Trust/Esmee		
Fairbairn Foudation	42,950	-
Scottish Government	-	40,000
William Grant Foundation	50,000	-
Policy		
Scottish Government	64,906	90,350
Partnership Funding		
JP Morgan Chase	-	3,888
	<u>157,856</u>	<u>134,238</u>
Unrestricted Income:		
Grants		
Carnegie Corporation of New York	-	65,569
Partnership Funding		
Scotland Towns Ltd	-	9,000
	<u>-</u>	<u>74,569</u>
Total Income	<u>157,856</u>	<u>208,807</u>
5. Other Trading Activities (Unrestricted Income)	2015	2014
	£	£
Publication Sales and Miscellaneous Income	<u>221</u>	<u>618</u>

6. Costs of Raising Funds

	Unrestricted Funds	Restricted Funds	Endowment Fund	Total
	£	£	£	£
2015				
Investment Management Fees	<u>28,077</u>	<u>-</u>	<u>28,078</u>	<u>56,155</u>
2014				
Investment Management Fees	<u>24,688</u>	<u>-</u>	<u>24,687</u>	<u>49,375</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 2015

7. Charitable Activities	Unrestricted Funds			Restricted Funds			Total 2015 £	Total 2014 £
	Direct Costs (note 8) £	Grants (note 10) £	Support Costs (note 9) £	Governance Costs (Note 9) £	Direct Costs (note 8) £	Grants (note 10) £		
Practice and Development	324,233	25,099	75,074	20,511	-	444,917	17,141	589,207
Policy	713,183	73,000	130,708	35,711	6,181	952,602	6,181	955,330
Charitable Initiatives	7,109	20,000	8,542	2,335	-	37,986	-	67,244
Other Charitable Activities	30,105	-	59,468	16,247	-	105,820	-	91,912
	1,074,630	118,099	273,792	74,804	6,181	1,541,325	17,141	1,703,693
Prior Year Comparison Restated	Unrestricted Funds			Restricted Funds			Restated Total 2014	£
Practice and Development	374,820	65,620	78,375	24,812	17,770	543,627	27,810	589,207
Policy	711,968	13,500	105,965	33,547	90,350	864,980	-	955,330
Charitable Initiatives	8,072	44,000	11,524	3,648	-	67,244	-	67,244
Other Charitable Activities	28,329	-	48,294	15,289	-	91,912	-	91,912
	1,123,189	123,120	244,158	77,296	108,120	1,567,763	27,810	1,703,693

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

8. Direct Costs

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Salaries, Consultancies and Related Costs (note 11)	653,273	-	653,273	678,741
Travelling, Subsistence and Meeting/Conference Expenses	63,793	618	64,411	61,763
Printing, Stationery and General Expenses	7,199	-	7,199	6,313
Property Rental, Upkeep, Services and Insurance	27,011	-	27,011	27,340
Studies, Seminars, Events and Publications	317,393	5,563	322,956	443,660
Public Relations/Communications	-	-	-	744
Trustees' and Advisory Committee Travelling, Subsistence and Conference costs	5,477	-	5,477	1,711
Professional Fees	400	-	400	10,816
Equipment and Maintenance Contracts	84	-	84	221
	<u>1,074,630</u>	<u>6,181</u>	<u>1,080,811</u>	<u>1,231,309</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 2015

9. Management, Administration - Support/Governance Costs	Unrestricted Funds		Restricted Funds		Total 2015 £	Total 2014 £
	Support Costs £	Governance Costs £	Support Costs £	Governance Costs £		
Salaries and Related Costs (note 11)	65,925	11,634	-	-	77,559	69,507
Staff and Trustee Development Costs	5,584	1,189	-	-	6,773	6,139
Studies, Seminars, Events and Publications	1,538	-	-	-	1,538	156
Property Rental, Upkeep, Services & Insurance	46,520	-	-	-	46,520	44,901
Printing, Stationery and General Expenses	38,454	6,786	-	-	45,240	51,518
Auditors' Remuneration in respect of:						
External Audit Services	-	11,726	-	-	11,726	10,488
Internal Audit Services	-	6,066	-	-	6,066	5,832
Travelling, Subsistence, and Conf Exps Trustees' and Advisory Committee	28,154	4,969	-	-	33,123	26,677
Travelling, Subsistence and Conf Exps	-	26,951	-	-	26,951	32,310
Public Relations/Communications	28,013	4,943	-	-	32,956	29,260
Professional Fees	2,450	540	-	-	2,990	6,720
Equipment and Maintenance	57,154	-	-	-	57,154	37,946
Contracts	273,792	74,804	-	-	348,596	321,454

No Trustees received any remuneration in 2015. 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 2015, 8 Trustees made claims ranging up to £2,293 (2014: 14 Trustees made claims ranging up to £1,163)

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

10. Grant Payments	2015 £	2014 £
Unrestricted Funds:		
Practice and Development	25,099	65,620
Policy	73,000	13,500
Charitable Initiatives	20,000	44,000
	<u>118,099</u>	<u>123,120</u>
Restricted Funds:		
Practice and Development:		
Growing Livelihoods	16,250	-
Understanding Scottish Places	891	27,810
	<u>17,141</u>	<u>27,810</u>

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

11. Analysis of Staff Costs (including Consultancies and related costs)	2015 £	2014 £
Wages and Salaries	530,555	528,434
Social Security Costs	55,865	55,163
Other Pension Costs	69,993	65,024
Fellows, Associates, Recruitment and Misc Staff Costs/Insurances	74,419	99,627
	<u>730,832</u>	<u>748,248</u>
Allocated as follows:		
Costs of Activities in Furtherance of Charitable Activities	653,273	678,741
Management & Administration – Support/Governance Costs	77,559	69,507
	<u>730,832</u>	<u>748,248</u>

The Trust considers its key management personnel to be the Trustees, the Chief Executive, the Head of Advocacy, the Head of Practice and Development, the Head of Policy and the Finance and Corporate Services Manager.

	2015 £	2014 £
The total employee benefits were	338,442	313,904

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

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

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

11. Analysis of Staff Costs (including Consultancies and related costs) (continued)	2015	2014
The average monthly number of employees during the year was as follows:		
Full Time		
CEO, Corporate Services and Finance	5	4
Practice and Development	3	4
Policy	5	5
Part Time		
Corporate Services and Finance (full time equivalent – 0.2:2014 – 0.2)	1	1
Practice and Development (full time equivalent – 0.6: 2014 – 0.8)	1	1
Policy (full time equivalent – 0.9: 2014 – 0.9)	1	1
	16	16
	16	16

No trustee received any remuneration during the year (see note 9).

12. Pension Commitments

Fifteen (2014 – 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 £69,993 in respect of the personal pension plans (2014 - £65,024), of which £15,000 related to an ex gratia payment taken as pension contributions and £6,000 related to pension advisory scheme costs. Pension contributions outstanding at the year end were £6,449 (2014 - £6,117).

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

13. Tangible Assets

	Land and Buildings (See Note 23) £	Fixtures, Furniture, Fittings & Plant £	Computer Equipment £	Total £
Cost				
At 31 December 2014	1,065,345	272,910	64,530	1,402,785
Additions	-	8,213	15,532	23,745
Disposals	-	(1,004)	(2,238)	(3,242)
At 31 December 2015	1,065,345	280,119	77,824	1,423,288
Accumulated depreciation				
At 31 December 2014	135,565	163,833	51,848	351,246
Charge for year	21,307	20,321	9,856	51,484
Disposals	-	(703)	(1,952)	(2,655)
At 31 December 2015	156,872	183,451	59,752	400,075
Net Book Value				
At 31 December 2015	908,473	96,668	18,072	1,023,213
At 31 December 2014	929,780	109,077	12,682	1,051,539

14. Investments

	2015 £	2014 £
Market value		
At 31 December 2014	37,620,073	36,903,170
Additions	2,070,974	2,287,297
Disposals	(2,612,463)	(1,965,884)
Movements in portfolio cash	459,984	(318,827)
Unrealised (loss)/gain during year	(25,166)	714,317
At 31 December 2015	37,513,402	37,620,073
Cost		
At 31 December 2015	33,753,078	33,761,177

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:

	2015 £	2014 £
Within UK	28,890,310	27,966,171
Outwith UK	7,904,966	9,395,760
Cash	718,126	258,142
Total Investments at Market Value	37,513,402	37,620,073

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

14. Investments (continued)

Investments are held as follows:

	2015	2014
	£	£
M&G Charifund Income Units	21,687,284	21,752,473
Cazenove Managed Portfolio	12,622,739	12,611,924
Cazenove Unapplied Total Return Portfolio	3,203,379	3,255,676
Total	<u>37,513,402</u>	<u>37,620,073</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. This part of the portfolio is now invested in low risk UK Gilts and Multi Asset funds.

The significance of investments to the ongoing financial sustainability of the Trust is considered in the financial review and investment policy and performance sections of the Report of the Trustees.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

15. Debtors	2015	2014
	£	£
Prepayments and Other debtors	96,513	26,104
Accrued income	65,068	107,959
	<u>161,581</u>	<u>134,063</u>
16. Creditors: amounts due within one year	2015	2014
	£	£
Accruals and other creditors	<u>236,971</u>	<u>305,990</u>
17. Endowment Fund	2015	2014
	£	£
Balance at 31 December 2014	36,480,819	35,775,924
Realised (loss)/gain on investments	(25,975)	15,265
Unrealised (loss)/gain on investments	(25,166)	714,317
Investment Management Fee	(28,078)	(24,687)
Balance at 31 December 2015	<u>36,401,600</u>	<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.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

18. Restricted Funds	Balance at 31 December 2014 £	Incoming Resources £	Expenditure £	Balance at 31 December 2015 £
Practice and Development				
Growing Livelihoods (Phase 2)	-	42,950	(16,250)	26,700
Islands Demonstration Homes (Phase 1)	-	50,000	-	50,000
Understanding Scottish Places	891	-	(891)	-
Policy				
Digital Participation (Phase 1)	-	29,906	(3,000)	26,906
Scotland Performs Public Participation	-	35,000	(3,181)	31,819
	891	157,856	(23,322)	135,425

Growing Livelihoods (Phase 2) is a partnership project funded from a grant received from the Land Settlement Association Charitable Trust. A working partnership has been established between the Trust, the Plunkett Foundation and the Land Settlement Association Charitable Trust/Esmee Fairbairn Foundation to fund a further five projects, which will create, test and promote new opportunities in smaller scale food growing. The duration of these five projects is one year from their commencement date in August 2015.

Islands Demonstration Homes (Phase 1) is a partnership project funded from a grant received from the William Grant Foundation. The aim of this project is to resurrect derelict crofting property and return it to social housing use in the Western Isles incorporating the latest energy efficient technology. This phase of the project is due to be completed at the end of December 2016.

Understanding Scottish Places is a partnership project funded from a £40k grant received from the Scottish Government in 2014, as part of a Town Centre Action Plan to create a new data platform for towns' practitioners and communities.

Digital Participation (Phase 1) is a partnership project funded from grants received from the Scottish Government. This year we published new research on digital exclusion and how it might be addressed in Dumfries and Kirkcaldy. We also worked closely with the UK Digital Inclusion Research Working Group, led by the Cabinet Office in the UK Government to design, create and publish a new Digital Inclusion Outcomes Framework for the UK to improve how we measure and track progress on supporting digital participation. This element of the project is due to be completed at the end of March 2016.

Scotland Performs Public Participation is a partnership project funded from a grant received from the Scottish Government. The aims of this project are: to allow the Scottish Government to take the first steps in developing a broad conversation about national and societal wellbeing; give Scotland Performs credibility and longevity; provide an evidence base to inform a revised Scotland Performs indicator set. This project is due to be completed at the end of December 2016.

All fund balances at the year-end represent future project expenditure committed by Trustees.

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

19. Unrestricted Funds	Balance at 31 December 2014	Incoming Resources	Expenditure	Transfer (to)/from Designated Funds	Balance at 31 December 2015
	£	£	£	£	£
Designated Funds –					
Practice and Development Policy	22,000	-	(444,917)	495,707	72,790
Charitable Initiatives	146,040	-	(952,602)	910,062	103,500
General Reserve	10,000	-	(37,986)	27,986	-
	900,000	-	-	50,000	950,000
	1,078,040	-	(1,435,505)	1,483,755	1,126,290
Other Charitable Funds	2,394,335	1,527,161	(133,897)	(1,483,755)	2,303,844
	3,472,375	1,527,161	(1,569,402)	-	3,430,134

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 to the reserve was made 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 2015

20. Analysis of Net Assets between Funds	Tangible Fixed Assets £	Investments £	Net Current Assets £	Total £
Endowment	1,023,213	35,615,358	(236,971)	36,401,600
Restricted Funds	-	-	135,425	135,425
Unrestricted Funds:				
Designated Funds	-	-	1,126,290	1,126,290
Other Charitable Funds	-	1,898,044	405,800	2,303,844
Total Net Assets	1,023,213	37,513,402	1,430,544	39,967,159

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

	2015 £	2014 £
Net movement in funds for year including investment income	13,074	775,321
Depreciation	51,484	48,722
Loss on Fixed Asset Disposal	587	-
(Increase) in debtors	(27,518)	(82,445)
(Decrease)/Increase in creditors	(69,019)	53,943
Unrealised loss/(gain) on investments	25,166	(714,317)
Realised loss/(gain) on disposals	25,975	(15,265)
Net cash inflow from operating activities	<u>19,749</u>	<u>65,959</u>

No adjustment has been made for Investment Income as it is the Trust's primary source of income and determines expenditure for the year.

22. Cash and Cash Equivalents

	At 31 Dec 2014 £	Cash flows £	At 31 Dec 2015 £
Short term deposit Investments	935,034	268,332	1,203,366
Cash at bank and in hand	519,366	(216,798)	302,568
	<u>1,454,400</u>	<u>51,534</u>	<u>1,505,934</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (continued)

YEAR TO 31 DECEMBER 2015

23. 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.

During the year, the Trust awarded a grant of £10,000 to the Carnegie Dunfermline Trust to assist with the development of the Carnegie Education Module.

Martyn Evans, Chief Executive of the Carnegie UK Trust is also a Board Member of the Peter Gibson Memorial Fund Trust, a grant recipient of £8,000 in 2015, for work on developing a clear and accessible History of the Scottish Consumer Council 1974 to 2012 in furtherance of the Trusts policy work on Knowledge and Culture.

Appendix – Grant Payments

YEAR TO 31 DECEMBER 2015

	2015 £
Unrestricted Grants	
Charitable Initiatives	
Chartered Institute of Library & Information Professionals	10,000
Community Land Scotland	10,000
Sub Total	20,000
Policy	
Carnegie Dunfermline Trust	10,000
Cartrefi Cymru	5,000
Club Soda Ltd	10,000
Community Catalysts CIC	5,000
Durham County Council	5,000
Envision	5,000
Nesta (Alliance for Useful Evidence)	20,000
Peter Gibson Memorial Fund	8,000
South Yorkshire Housing Association	5,000
Sub Total	73,000
Practice and Development	
Birr tidy Town/Birr Community Growery	6,500
Rowanfield School - City of Edinburgh Council	2,500
Katie Bliss	3,250
Farm Start Manchester/The Kindling Trust	3,250
The Severn Project CIC	3,250
Sutton Community Farm	3,250
Rowanfield School – City of Edinburgh Council	3,000
Ekos Ltd	99
Total	25,099
Total Unrestricted Grants	118,099
Restricted Grants	£
Practice	
Beacon Lane Farm Hub	3,250
Cloughmills Community Action Team	3,250
Cultivate (Cwrn Harry)	3,250
Ekos Ltd	891
Falkland Small Growers	3,250
Tamar Grow Local	3,250
Total Restricted Grants	17,141