



CHANGING MINDS • CHANGING LIVES

Annual Report and Accounts

FOR THE YEAR ENDED 31 DECEMBER 2019

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The Carnegie United Kingdom Trust
Incorporated by Royal Charter 1917
Registered Charity No: SC 012799 operating in the UK
Registered Charity No: 20142957 operating in Ireland



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Trustees, Staff and Advisers

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Trustees

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Ian Wilson* (*Convenor of Audit and Risk Committee*)

**Audit and Risk Committee Members*

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Martyn Evans (*until April 2019*)

Sarah Davidson CB (*from August 2019*)

Staff

Georgina Bowyer - Policy and Development Officer

Pippa Coutts - Policy and Development Manager

Anna Grant - Senior Policy and Development Officer

Rachel Heydecker - Policy and Development Officer

Gail Irvine - Senior Policy and Development Officer

Alison Manson - Corporate Services Officer (*until March 2019*), Senior Corporate Services Officer (*from March 2019*)

Rebecca Munro - Corporate Services Officer (*until March 2019*), Senior Corporate Services Officer (*from March 2019*) (*Maternity Leave from May 2019*)

Genna Nelson - Corporate Services Officer

Hannah Ormston – Policy and Development Officer (*from May 2019*)

Jenny Peachey - Senior Policy and Development Officer

Lauren Pennycook - Senior Policy and Development Officer

Issy Petrie - Policy and Development Officer

Liz Pullar - Finance Assistant

Lucy Smith - Senior Corporate Services Officer

Lauren Speed - Events and Communications Officer

Steven Thompson - Finance & Corporate Services Manager

Ben Thurman - Policy and Development Officer

Jennifer Wallace - Head of Policy (*Joint Interim Chief Executive from April to August 2019*)

Douglas White - Head of Advocacy (*Joint Interim Chief Executive from April to August 2019*)

Trustees, Staff and Advisers (cont)

Carnegie Fellows

Angus Hogg MBE – International Fellow
Julia Unwin CBE

Carnegie Associates

Niall Alexander
Phillip Edwards
Zoe Ferguson
Tom Forrest
Dr Deborah Harrison
Dr Elizabeth Kelly
Cliff Manning
Katie Pekacar
Caroline Slocock
Maeve Walsh
Andy Wright
Steve Wyler

Advisers

External Auditor

Chiene + Tait LLP

Investment Managers

Cazenove Capital Management Ltd

Legal/Professional Advisers

Lindsays LLP
Anderson Strathern LLP
Mason, Hayes and Curran

Pension Advisers

LEBC Group

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 2019

The Trustees present their report with the accounts of the Trust for the year ended 31 December 2019. The accounts have been prepared in accordance with the accounting policies set out on pages 27 to 29 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) (Second Edition – October 2019).

Introduction

The Carnegie United Kingdom Trust was set-up as an independent not-for-profit foundation in 1913, through an initial endowment of \$10m, donated by the philanthropist Andrew Carnegie, who was born in Dunfermline. The Trust was incorporated by Royal Charter in 1917 and is a registered Charity; No: SC 012799 operating in the UK and No: 20142957 operating in Ireland.

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 2016-2020 continues our work as an operating Trust that makes effective and active decisions about our work plans. The Trusts Strategic Objectives for 2016-2020 are to:

- Be a recognised leader in wellbeing and its links to public policy
- Be a champion for sharing learning between all jurisdictions of the UK and Ireland
- Make working across the public, private and voluntary sector more normal and valued.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2019

The Aims of the Trust (Continued)

We aim to achieve our Strategic Objectives through managing the following priorities:

- Exploring innovative ways of advocating policy and practice learning
- Introducing competency based pay progression
- Being a recognised leader in measuring impact
- Implementing a total return policy
- Approving a 5 year fixed budget
- Attracting external funding to enhance our income

Achievements and Performance 2019

The Trust's 2016-2020 Strategic Plan aims to improve wellbeing of people across the UK and Ireland, with particular regard to people who are disadvantaged. The work in this Strategic Plan is divided across our strategic category of 'Enabling Wellbeing' and our thematic priorities, of Digital Futures; Flourishing Towns; and Fulfilling Work.

This was the fourth year of our 2016-2020 strategic plan, running policy and practice projects across our four thematic areas. As a modern operating trust, we aim to both influence ideas and policy; and be active in testing and delivering real-life solutions.

The Trust continues to deploy a range of ways of working to deliver its charitable projects, including research, advocacy, events, networks, partnerships, practical interventions and engagement with Carnegie Fellows and Carnegie Associates.

Our progress in 2019 is set out below, under our four thematic areas.

Enabling Wellbeing

In 2019 our Enabling Wellbeing projects continued to focus on the following key areas of activity:

- Supporting governments at all levels to develop and use wellbeing frameworks understand and improve societal wellbeing.
- Promoting the power of kindness to transform communities and services to improve wellbeing.
- Supporting public service reform by encouraging the shift towards an enabling state.
- Promoting evidence exchange across the UK jurisdictions and understanding co-produced evidence.

Wellbeing frameworks

Building on over 8 years of work, 2019 saw a step change in the level of our involvement in discussions on wellbeing frameworks in Scotland, England and internationally. The advocacy developments from 2018 brought our work to a wider audience, in 2019 we built on this by clarifying our key policy recommendations and began to see these being implemented.

The Trust has a strategic objective for CUKT to be recognised as an expert organisation in wellbeing and public policy. We have made strong progress on this with the OECD, Scottish Government and What Works Wellbeing all citing the importance of our work. Invitations to speak at local, devolved and UK level have been forthcoming.

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Achievements and Performance 2019 (Continued)

Our most significant financial commitment in this thematic area continues to be our programme on Embedding Wellbeing in Northern Ireland. This project works with three local authorities in Northern Ireland to support the development of Community Planning to pursue wellbeing outcomes. The three local authorities are: Armagh City, Banbridge and Craigavon Borough Council; Derry City and Strabane District Council; and Lisburn and Castlereagh City Council. While the 2018 activity focused on selecting the participants and exposing them to the best international practice on wellbeing, in 2019 we focused on linking them to best practice in Wales and settling on the key project deliverables for direct support.

After a year of reflecting on their experiences to date, the remaining challenges, and learning from their counterparts in other jurisdictions of the UK and beyond, the project participants are receiving support from the Trust on facilitating co-production and shared leadership within and outwith their formal Partnership structures in delivering their Community Plans.

The Trust has built into the project a peer-to-peer support model in which the project participants come together formally at least once a year during the project's three-year duration to discuss common challenges, and commit to reporting out to their counterparts in other Community Planning Partnerships across Northern Ireland. In 2019, they met to discuss their experiences of producing the first Statement of Progress on community planning.

The Trust has also developed an Embedding Wellbeing support network to harness the enthusiasm and expertise of stakeholders who are supportive of the project, for project participants and the wider Community Planning Partnerships across Northern Ireland to utilise throughout the duration of the programme.

At UK level, our Wellbeing and Devolution event in the House of Commons was well received and contributed to references on the Reasons to be Cheerful podcast and the Guardian reporting that the Labour Party may consider a wellbeing law. We produced an infographic on what should be in a wellbeing law to support these developments.

In Scotland, we have worked through the Children's Sector Strategy and Policy Forum to explore the potential of moving towards wellbeing budgeting by life stage. We continued to meet the National Performance Framework (NPF) team within Scottish Government regularly to share intelligence and advocate our recommendations on the next steps for the NPF.

Our Gross Domestic Wellbeing (GDWe) work was delayed due to difficulties involved in accessing the multiple databases required for the analysis, and complexity in the analysis that emerged during the process. We expect to publish in mid-2020.

Kindness

2019 marked the third year of our programme on kindness. Our goals for 2019 were to shift from understanding what is required to promote community kindness, to understanding better the policy and practice levers for promoting radical kindness in public services. As Julia Unwin's fellowship report was published at the tail-end of 2018, a significant resource was required to meet the advocacy demands which increasingly were handled by the staff team.

During 2018 we coordinated a Kindness Innovation Network and worked in partnership with North Ayrshire Council to develop and test ideas to embed kindness in communities, organisations and services.

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Achievements and Performance 2019 (Continued)

Our report, *The Practice of Kindness*, and accompanying short film brought together learning on the practical implementation of kindness, and also highlight challenges relating to our attitudes towards risk, professionalism and performance management. Throughout the rest of 2019 we continued our partnership with North Ayrshire Council to further explore the challenges and complexities of kindness as an organisational value. The Council's focus on kindness is about recognising that relationships between people in communities and between citizens and service providers are just as important as transactions. At the end of 2019, North Ayrshire Council formally adopted the Kindness Promise, a pact between the council, its partners and the community.

We have built and maintained strong stakeholder relationships with organisations including Scottish Government, North Ayrshire Council, NHS stakeholder in Scotland, Audit Scotland, Kind Cardiff, Kinder Leeds, National Lottery Community Fund (Scotland and UK), Rand Foundation and London Funders group.

We continued to engage with Scottish Government on making the connection between the value of kindness in the National Performance Framework and other areas of policy development. Kindness (and our work specifically) was mentioned in the Sturrock Report on Bullying and Harassment in NHS Highland. The report blends the rational and relational lexicons from *The Power of Kindness* and we became involved in policy development on the response to the Sturrock Report through our new Associate Dr Elizabeth Kelly.

2019 saw us engaging more proactively at UK level (for example with Compassion in Politics and through the Better Way Network) and in Wales, where our connection with Jack Sargeant AM led to a debate in the Welsh Assembly, conversations with senior civil servants and a high-level roundtable chaired by the Deputy Minister in early 2020).

Enabling State

We continued our partnership with the Better Way Network, a network of social activists, from the voluntary sector and beyond that shares ideas, knowledge and inspiration about how to improve services and build stronger communities. The network is hosted by Civil Exchange and also supported by the Esmée Fairbairn Foundation, who recently re-committed funding, alongside CUKT.

In November 2019 the Network published their Call to Action, the result of three years of discussion within the network. It sets out steps that can be taken in four areas - sharing power, changing practices, changing organisations and collaborative leadership - and gives examples from across the network of how to do so. By the end of 2019, the Network had more than 500 members across 14 'cells' in England, grouped by geography and theme.

Also, in November 2019 we published *Participating People: Enabling Active Citizenship in Twenty-first Century Ireland*. This is the final report of the multi-year programme with The Wheel on active citizenship in Ireland. It presents a blueprint of actions to support a more inclusive Ireland with a vision to create a more Enabling State. The report was well received by the sector at a launch event in Dublin.

Our final core output during this strategic plan on the Enabling State was the publication of a suite of report cards for the UK. The report cards assess progress since our initial review in 2013. These publications receive good downloads and provide useful advocacy resources to support other conversations around wellbeing and public sector reform.

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Achievements and Performance 2019 (Continued)

Interaction

Following the successful relaunch of our Interaction work in 2019 we have solidified our role in this growing sector. We published *The many shades of co-produced evidence* which sets out our thinking on involving different sectors in the co-production of knowledge between researchers and citizens. We partnered with Newcastle University to develop understanding and support for co-creation of knowledge between sectors – the third sector, private sector, universities and statutory sector. To encourage this to happen we produced a range of materials including two videos on co-production using stakeholders to explain (from various perspectives) the importance of being involved in the process of developing evidence for policy and practice.

We formalised our relationship with the Civic Universities Network by joining the Civic Universities Commission Working Group and committing funding to the establishment of a network hub. We were also invited to join the University of Newcastle International Advisory Board for the Institutes of Social Science and Humanities, the SCDC advisory group for Knowledge is Power programme, the National STEM Forum and invited to the high-level research Unit for Research Utilisation (St Andrews University) roundtable on Co-production of Evidence.

Digital Futures

Our Digital Futures projects in 2019 focused on four specific areas of activity:

- Increasing opportunities for disadvantaged or excluded groups to benefit from digital technology
- Tackling potentially problematic issues where digital can have a negative impact on wellbeing
- Supporting the development of good digital public services which can deliver the desired outcomes
- Supporting the strategic development of public libraries across UK and Ireland, recognising the significant contribution libraries can make to this agenda and building on the Trust's unique and historic library legacy

Increasing opportunities for disadvantaged or excluded groups to benefit from digital technology

In 2019 we continued our focus, through our #Notwithoutme project, on supporting disadvantaged young people in the UK to become more digitally included and to have greater opportunity to engage digitally in a safe and effective way.

We published the final report from the research study we supported with Glasgow City Council on Digital Resilience, Inclusion & Wellbeing For Looked After Children & Young People. This has generated interest from a range of local authorities and youth organisations, including the Principal Children and Families Social Work (PCFSW) Digital Professionalism & Online Safeguarding Group who have asked us to join their research group as a programme partner.

Building on the work in Glasgow, we launched our #NotWithoutMe Labs programme in 2019 to explore the intersections between safeguarding, kindness and digital. This programme, involving a series of workshops in London, Glasgow and Cardiff brought together representatives from organisations across the UK working with children and young people to examine the effectiveness of organisational policies on how digital technology should be used to support young people. The final report from this work will be published in early 2020.

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Achievements and Performance 2019 (Continued)

In early 2019 we announced Your Own Place, a Norfolk-based social enterprise working with young people at risk of homelessness, as the successful organisation from our #NotWithoutMe Accelerator programme. We worked with Your Own Place throughout 2019 as they implemented their Accelerator project, embedding digital components to all 24 of their Tenancy and Independent Living Skills modules. We also worked with the Your Own Place team to share their development process throughout the year, through a series of blogs. An external evaluation of the Accelerator process has also been undertaken during 2019 with the Accelerator participants and the previously pilot funded #NotWithoutMe projects. This will be published in early 2020.

We added a further dimension to our work on improving digital access for disadvantaged young people in the UK in 2019 by accepting an invitation to join the Digital Access for All partnership. The partnership is led by the Learning Foundation, with other members including BT, Microsoft Argos, Nominet, Intel, Lloyds and Good Things Foundation, and aims to make digital technology available at home to all school-age children in the UK. We wrote and published the 'Switched On' report highlighting the scale of the challenge to be overcome; and established and led the Data sub-group of the partnership throughout 2019.

We began work in 2019 to examine the digital inclusion needs of people in the UK who have little to no English language or literacy, another group often experiencing particular disadvantages, yet not often included in policy responses. We have built a new partnership with Good Things Foundation, the largest digital skills charity in the UK, to examine this issue through a research study and a series of workshops in England, Scotland and Wales. The final reports will be published in early 2020.

Tackling potentially problematic issues where digital can have a negative impact on wellbeing

The harmful impact that digital technology can have on wellbeing continued to become more widely recognised in 2019. We continued our work throughout the year, working with Professor Lorna Woods at the University of Essex and Carnegie Associate Maeve Walsh, to advocate for a new regulatory system to tackle online harm, underpinned by the concept of a 'duty of care' backed by an independent regulator.

Our outputs and activities included:

- publication of a full report, setting out all aspects of the duty of care model;
- multiple responses to government consultations;
- a short animation film;
- a paper on duty of care and fundamental freedoms;
- our own draft online harm reduction bill;
- the development of a stakeholder network of influential and interested parties;
- a range of parliamentary engagement activities, including giving evidence to Committees, providing briefings and meeting with parliamentarians;
- close engagement the civil service team leading the UK Government's legislative work in this area;
- liaison with the media, in particular the Daily Telegraph and their duty of care campaign; and
- a number of engagements with relevant international networks, including oral evidence to the International Grand Committee on Disinformation and Fake News.

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Achievements and Performance 2019 (Continued)

A key activity which began in December 2019 was our work with Lord McNally on a Private Member's Bill, which is a short paving Bill [Online Harms Reduction Regulator (Report) Bill], to require Ofcom to prepare for the introduction of an Online Harms Reduction Regulator.

The project has secured significant traction during the year. Most significantly the UK Government published its White Paper on reducing online harms, proposing a statutory duty of care, enforced by a regulator, drawing heavily upon the model proposed by the Trust.

In addition to our work on regulation to tackle online harm, we have continued our work in 2019 on how individuals can protect their privacy online. Our 'Leading the Way' Guide was highlighted as a good practice resource by a number of organisations, including the Department for Culture Media and Sport and the London School of Economics; while Libraries Northern Ireland has implemented a number of significant changes in 2019 based on this work. We continued to seek partnerships with library leadership institutions to further embed this work across the library sector. This engagement experienced some delays in 2019 due to constraints of external partners but we are in discussion with CILIP about the potential to launch a 'Privacy Aware' campaign for libraries in 2020.

Supporting the development of good digital public services which can deliver the desired outcomes

We have been working with the British Library, in partnership with Arts Council England, on a major exploratory project for a single digital platform for public libraries. We published the project's first phase report in 2019, which was positively received. Arts Council England have now committed significant additional funding to extend and enhance for the project's second phase, which will complete in early 2020, including detailed technical, governance and financial models.

We published a follow up report to our 2018 work on data sharing in 2019, entitled 'Involving the Public and Robust Data Sharing', setting out the rationale and potential process for how citizens might be engaged in designing data sharing initiatives, to build public trust, resilience and confidence. We have been able to use the insights from this project to develop a new partnership with the Data Justice Lab in 2020.

During 2019 we have taken part in a series of workshops led by the Scottish Government on the actions that Scotland should take to deliver on the Programme for Government commitment for Scotland to become an 'ethical digital nation'. We will continue our engagement in this area in 2020.

Supporting the strategic development of public libraries across UK and Ireland

In 2019 we continued our work to support the strategic development of public libraries, to help them maximise their contribution to improving wellbeing.

The aim of this phase is to support libraries to deliver a public engagement activities that connect citizens with research in the themes of health, society and culture. We designed and launched the programme this year and received more than 100 applications to take part, comprising half of all UK public library services, with more than £2.5 million of funding sought. Following a rigorous selection process, 14 projects were awarded funding, representing libraries in all four UK jurisdictions. We have put in place a number of resources to support project delivery, including a 6-part development programme to work with the participating libraries on key issues such as strategy, marketing, evaluation, partnership working and applying for funding.

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Achievements and Performance 2019 (Continued)

During 2019 we published, in partnership with CILIP and Libraries Connected, a new report setting out 'a blueprint for public library development and sustainability in England'. This strategic document sets out how the different institutions working on public libraries in England should work together to achieve a set of shared aims.

Our third and final cohort of Carnegie Library Lab participants completed their projects in late 2019, with these projects having engaged 1,300 people and supported 40 library staff to undertake training and develop new skills. An evaluation of the impact of the full Library Lab programme will be published in 2020, when we will also implement a number of legacy initiatives, including embedding a revamped version of the Library Lab online learning programme within CILIP's resources.

Flourishing Towns

In 2019 our work to advance our theme of Flourishing Towns has focused on:

- Advocating for towns as a distinct geography for public policy
- Developing the use of data around towns
- Exploring the concept of storytelling for towns

Turnaround Towns

We began the year by publishing our short paper on Opportunities for Towns, which received positive feedback from MPs and other stakeholders. The publication led to positive engagement with the UK Ministry of Housing, Communities & Local Government on the Towns Fund. During the year we have made and cemented important relationships with Towns and Country Planning Association, Local Trust, Industrial Communities Alliance, Coalfields Regeneration, Locality, Business in the Community, Joseph Rowntree Foundation, and the New Economic Foundation.

In 2019 we produced Turnaround Towns UK, which brings together nine stories of towns throughout the UK who are working to bring about transformational change in their places. The towns featured are West Kilbride and Dumfries in Scotland; Portrush in Northern Ireland; Cardigan in Wales; and Morecambe, Todmorden, Grimsby, Wigan and Totnes in England. Their innovative approaches include hosting festivals; restoring castles as tourist attractions; commissioning films; reclaiming a high street; embracing industrial change; and even 'guerrilla gardening'.

We were invited to join a number of stakeholder groups in 2019, indicating the importance of our evidence base and perspective to stakeholders.

Understanding Welsh Places

Understanding Welsh Places is a website that produces statistical information about towns and communities in Wales. During 2019 we worked with representatives from the public, private and third sectors and have consulted with people from across Wales to on the content and design of the website. The project is match funded by the Welsh Government and managed for us by the Institute for Welsh Affairs.

The website has been built by a team led by staff from the Wales Institute of Social and Economic Research, Data and Methods (WISERD) at Cardiff University, with additional data processing and analysis provided by the Centre for Local Economic Strategies.

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Achievements and Performance 2019 (Continued)

We launched Understanding Welsh Places at the National Assembly for Wales' Pierhead Building in Cardiff Bay on 8th October. The event was sponsored by Dai Lloyd AM (Plaid Cymru), Member for South Wales West and the delegates also heard from Hannah Blythyn AM (Labour), Deputy Minister for Housing and Local Government, Welsh Government.

Talk of the Town

Talk of the Town draws on our international case study research of towns which have turned around their fortunes, and found that a clear narrative was an important part of their success.

Exploring how the concept of storytelling can support the development of towns across England and Wales, the Trust opened an application process for towns to receive support to plan, develop and present the story of their town. The story would then be presented at an event attended by local decision-makers and a discussion facilitated on how it can be used to inform the towns' future development.

The call for applications was launched on 2nd September 2019, and we received 29 applications from towns in England and Wales. An internal panel scored the applications and Scarborough and Treorchy were chosen to receive the expert storytelling support, as towns that could provide valuable learning to wider coastal and Welsh Valley towns. Both towns brought members of the community, public, private and voluntary sectors together to receive their storytelling support, and began planning their public events.

Fulfilling Work

In 2019 our projects within our Fulfilling Work theme continued to focus on three areas of activity:

- Improving the financial position of workers
- Supporting place-based interventions to improve work
- Supporting strategic interventions to make 'better quality' work available to more people

Improving the financial position of workers

We continued our work in 2019 to widen access to more affordable credit for those on low incomes, excluded from mainstream financial services.

We built a very positive working relationship with Fair 4 All Finance, the new body set up by the UK Government to administer £55 million of dormant bank account monies allocated to improving access to affordable credit.

We have worked closely with the Fair 4 All Finance team as they have established themselves during 2019.

We supported Fair 4 All Finance to develop the theory of change they have put in place to guide their work. We helped them to design their Expression of Interest process to invite applications from affordable credit providers to be part of a pilot due diligence process for substantial investment, ensuring that the scheme criteria aligned with the ethos for our own Affordable Credit Loan Fund.

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Achievements and Performance 2019 (Continued)

We input into the review process for selecting organisations to participate in the pilot scheme; and we dedicated a significant portion of time from our Carnegie Associate Niall Alexander to work as an embedded part of the three-person team established by Fair 4 All Finance to carry out comprehensive due diligence work with the five organisations participating in the pilot.

Within our affordable credit programme this year we secured the participation of seven local authorities in Scotland to participate in a new research study examining the supply and demand of credit in their areas. The study will conclude in early 2020. We continued to undertake a wide-ranging programme of stakeholder engagement and advocacy activities, including meetings with government ministers; multiple conference and event presentations; and consultation responses.

Alongside our affordable credit activity we have continued to support our Credit Union Payroll project in 2019, extending access to savings and affordable loans to workers. Five credit unions across Scotland are participating in the consortium that we have convened to deliver the initiative and the number of employers now signed up to work with these credit unions is double the pre-project baseline.

Supporting place-based interventions to improve work

We were very pleased to work with the Living Wage Foundation and Poverty Alliance in 2019 to launch the Living Wage Places scheme across the UK. The scheme enables cities, towns, 'zones' and buildings to become accredited Living Wage Places, led by a local action group representing employers from different sectors and with ambitious targets for increasing the number of accredited Living Wage employers in the area. The Trust previously supported a feasibility study to scope the potential and parameters of the initiative and we supported its launch this year.

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Dundee was announced as the UK's first Living Wage city in 2019, Glenrothes was announced as the UK's first Living Wage town; and International House in Brixton as the first Living Wage Building. The Living Wage Places scheme was the focus of Living Wage Week in November 2019 and a number of other areas have since become accredited, including Bristol, Cardiff and Salford.

We published a toolkit in 2019 to support places on their journey to Living Wage accreditation.

Our 2018 Making Procurement Work for All report examined the barriers and opportunities for using public sector procurement to improve the quality of jobs in the UK by rewarding companies able to demonstrate that they met certain 'good work' criteria. We continued to advance this agenda in 2019, working with our partners at Durham University, securing positive developments at both national and local level. We published UK and North East-specific 'Guides to Good Work Procurement' in 2019.

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Achievements and Performance 2019 (Continued)

Finally in this area, we published a report on international learning on the delivery of 'Citizens Basic Income' schemes in 2019, as part of work that four Scottish local authorities undertook to help inform the development of their own CBI pilot project.

Supporting strategic interventions to make 'better quality' work available to more people
A significant part of our work this year has been to increase the prominence of 'good work' within other relevant and important policy agendas.

A major project that we have delivered in this regard in 2019 has been our good work and productivity project, which has sought to explore how improving the quality of work available to employees can improve business productivity while also delivering significant wellbeing gains for workers. We have built an expert working group to support us in this project, including senior representatives from the CBI, TUC, McKinsey, Be the Business, Resolution Foundation, ACAS, Joseph Rowntree Foundation, the RSA, Kings College London and University of Oxford. The outputs from the project were delayed slightly due to the December General Election but will be published in early 2020. These will include new research studies by the RSA and Warwick University Institute for Employment Research; plus essays from all expert group members and other contributors.

We have also undertaken work this year to connect good work and mental health, with a particular focus on ethnic minority groups in precarious employment. A new research study on this issue, which we have undertaken jointly with UCL and Operation Black Vote, will be launched in the House of Lords in early 2020, having also been delayed by the General Election.

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In Ireland, we published an essay collection 'Ensuring Good Future Jobs' in 2019, in partnership with TASC. The collection was a response to the Irish Government's Future Jobs strategy, launched in 2019, which has a welcome focus on future employment trends but is more limited in its proposals about improving the quality of jobs across all sectors of the economy. Contributors to the collection included the Irish Congress of Trade Unions, Business in the Community in Ireland, National Youth Council of Ireland and the National Women's Council of Ireland. The report was launched at a successful event in Dublin, featuring a speech from Senator Alice Mary Higgins.

Finally, we continued work throughout 2019 to follow up on our 2018 report on measuring job quality in the UK. We are pleased that the ONS has tested a number of new metrics for measuring job quality, as recommended in our report. We have pressed BEIS during the year to fund and implement these new measures as quickly as possible.

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Aims and Objectives for 2020

2020 marks the final year of the Trust's current Strategic Plan. The objectives for the year therefore encompass two principal tasks: concluding and maximising the impact of existing work streams, and conducting a strategic review to inform the next Plan. Work will continue across the Trust's portfolio of activity, with a view to concluding a number of multi-year commitments and undertaking a limited number of new projects, which have been selected to build on and enhance the impact of previous years' investments. At this stage in a Strategic Planning cycle, there is a significant emphasis on advocacy and on ensuring that learning from past projects is fully extracted and shared. We will also aim to ensure that the process of exiting from any current areas of work at the end of the 2016-20 Plan is well-managed, minimising any negative impact on our partners. As part of our Strategic Review, we are seeking comprehensive feedback from our partners and other stakeholders through an independently conducted survey. We are also exploring and honing new ways of understanding and presenting data about the impact of the activities we have undertaken during the past 5 years, and will use the insights gained from this to inform decisions about our future ways of working and areas of focus. We are also investing in our governance in the course of 2020, implementing a new Trustee induction process and refreshing our approach to capturing and developing Trustee's skills.

The impact of COVID-19 on current and future activities

It is still early in the crisis to be definitive about the impact of the coronavirus pandemic on the Trust's activities. An initial assessment of the Trust's 2020 project portfolio suggests that several months of extreme social distancing will have a negative impact on about one third of planned activity. We are in the process of exploring which elements of work can be done in different ways from those originally envisaged, what can be deferred until later in 2020 or beyond, and what can no longer proceed. At the same time, we are working closely with our partners and others in our networks to discern what new activities the crisis asks of us, and where we can support others who are responding to a variety of immediate and longer term needs. Our work on kindness; the enabling state; affordable credit; innovation in the library sector; community capacity and local infrastructure in towns; the quality of work; civic universities, and digital inclusion all speak to the challenges of the current moment and we are exploring how to lend our network and expertise to wider efforts at this time. Over time, as we come to understand better the longer term impact of current events on community and society wellbeing, we will be able to judge how this should be reflected in our next strategy. We are also conscious of the impact of the economic crisis on the Trust's forecast income for 2020 and on our investment portfolio. The situation remains highly volatile, and all revised forecasts need to be treated as provisional for now. However, as of early April, the Trust's Portfolio Manager has suggested that we model a reduction of between 13% and 20% into our 2020 income stream received from investments. This has to be set against a reduction in planned activities as set out above, and reduced staff costs due to cancelled travel plans. Nonetheless, further modelling will be required to inform revisions to the detailed budget for 2020. Trustees have already significantly de-risked their Investment Portfolio Unapplied Fund to support the 2021-2025 Strategic Plan and will now be carrying out further five year financial modelling and stress testing ahead of the approval of the 2021-2025 Strategic Plan.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2019

Financial Review

Income

Total income for 2019 was £2.19 million (£1.65 million - 2018). Unrestricted fund income totalled £1.56 million (£1.53 million – 2018). Restricted fund grant income was received from the Wellcome Trust £225k (£13k – 2018) and the Wolfson Foundation £250k (£nil – 2018) for the Engaging Libraries project. Further Restricted fund grant income was received from the Welsh Government of £40k for the Understanding Welsh Places project. Restricted fund partnership funding of £88k was received from Luminare for work on the Trust's Social Harm Reduction project and donation income of £24k (£31k – 2018) was received from F.Perrin also for work on the Trust's Social Harm Reduction project.

Expenditure

Expenditure for 2019 was £2.50 million (£2.48 million – 2018).

The Trust expended £2.16 million from unrestricted funds (£2.20 million – 2018) with £2.12 million (£2.16 million – 2018) expended directly on its Charitable Activities, with the main area of expenditure being Policy and Development activities £1.93 million (£1.99m – 2018). Further unrestricted grant payments of £39k (£152k - 2018) were made.

The Trust expended £296k (£241k – 2018) from Restricted Funds with £250k (£104k – 2018) expended on specific Policy and Development projects and further restricted grant payments of £46k (£137k – 2018) being made.

Net expenditure before Gains/(Losses) on Investments for the year was £312k (£825k – 2018). This was a planned deficit funded from a transfer approved by Trustees, from the unapplied fund element of the Trust's endowment fund, a fund set up in November 2014 to support the Trust's strategic plan 2016 - 2020 and its total return approach to investments.

Investment Policy and Performance

The Trust's Discretionary Fund Manager, Cazenove Capital Management Ltd have a remit of growing both Capital and Income from the Trust's Investment Portfolio.

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. Overall Trustees are content with the performance of its Investment Portfolio in 2019 as measured against its benchmarks.

The Trust adopts a total return approach to investments. 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 by investing in low risk UK Gilts and Multi-Asset funds.

The Trust's investment portfolio currently retains 45 % of its value in M&G Charifund Units, a UK equity based fund, and 55 % 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 Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2019

Financial Review (Continued)

The value of the Trust's investments at 31 December 2019 were £41.97 million (£37.62 million – 2018). Income distributions relating to the Trust's investments in the year were £1.49 million (£1.51 million – 2018). The Trust continues to monitor the stock market and its impact on the endowment and its related income stream.

In 2020, financial markets have been turbulent and the value of the Trust's investments at 30 April were £36.52 million.

Since the year end the Trust has faced a new challenge relating to COVID19. The Trustees are reviewing all aspects of the ongoing needs of the Trust. Whilst there are short term implications to reduction in investment income and the value of investments the Trust is well placed to support all activities due to the ongoing positive cash flow and reserves and as a consequence continues to be a going concern.

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.

Reserves Policy

The Reserves policy set by Trustees is intended to retain sufficient operational expenditure in relation to its business continuity and contingency planning whilst also protecting the Trust from unexpected fluctuations in income from its investment portfolio over its five year strategic plan.

The Other Charitable Fund Reserve is an unrestricted fund, corresponding to sums accumulated from historical surpluses of income over expenditure which Trustees are free to use in accordance with the charitable objects of the Trust.

The appropriateness, purpose and level of reserves is reviewed by Trustees annually reflecting on expenditure decisions made, future workplans, partnership working and future income and capital growth forecasts.

In addition to the Other Charitable Fund Reserve held at 31 December 2019 of £2.02 million (£1.71 million – 2018), the Trust also held Restricted Funds of £447k (£116k - 2018) and Designated Funds of £1.53 million (£1.87 million – 2018).

The Trust also holds an Endowment Fund which was originally gifted by Andrew Carnegie in 1913. The Value of this fund at 31 December 2019 was £41.56million (37.20 million – 2018). The income from this fund is treated as unrestricted.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2019

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.

Fourteen 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.

Every five years the Trustees formally approve a Strategic Plan. Trustees meet formally on a quarterly basis 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 her Management team. Trustees formally approved the Trust's Strategic Plan for 2016 -2020 in November 2015.

The 2021 to 2025 Strategic Plan is currently in the planning phase of development and will be reviewed at the appropriate junctures prior to final approval by Trustees at their November 2020 Board Meeting.

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 where necessary 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 to oversee specific work relating to the Trust's Charitable Objectives.

The Trust considers its key management personnel to be the Trustees and the Senior Management Team, which comprises the Chief Executive, the Head of Advocacy, the Head of Policy and the Finance and Corporate Services Manager. Trustees do not receive remuneration for their services, The Trust's Senior Management Team are subject to an annual performance appraisal and remuneration is approved at Board level.

In the first quarter of 2019, the Trust began a recruitment process for a new CEO following the resignation of Martyn Evans who took up a new position as Executive Chair with the Alex Ferry Foundation. In April 2019 period Jennifer Wallace and Douglas White were appointed on a temporary basis as Joint Interim CEO's returning to their roles in August as Head of Policy and

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2019

Structure, Governance and Management (Continued)

Development and Head of Advocacy following the appointment of the Trust's new CEO Sarah Davidson.

The Wellbeing and Towns team and the Digital and Work team, supported by Finance and Corporate Services, deliver the work of the Trust in accordance with its Strategic Plan, across all thematic 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 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 across UK and Ireland resulting in reputational damage
- 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 Trust recognises the importance of the new General Data Protection Regulation (GDPR) that replaced the Data Protection Act on 25 May 2018. In September 2017 the Trust set up a GDPR Implementation Working Group with a remit to ensure that the Trust would be fully compliant with the new legislation when introduced. This Working Group successfully completed their implementation plan in May 2018 introducing new Trust GDPR policies and procedures. Updates on GDPR compliance are provided as required to Trustees at their Audit and Risk Committee and Board meetings.

The Carnegie United Kingdom Trust

Report of the Trustees for the year ended 31 December 2019

Statement of Trustees' Responsibilities

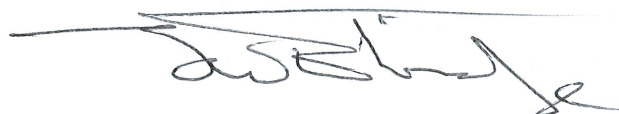
The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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
Sir John Elvidge, Chair
Carnegie United Kingdom Trust

20 May 2020

Registered Charity Numbers:
Operating in UK SC 012799
Operating in Ireland 20142957
Incorporated by Royal Charter 1917



Opinion

We have audited the accounts of The Carnegie United Kingdom Trust (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE CARNEGIE UNITED KINGDOM TRUST (Continued)



Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report of the trustees, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees are responsible for the preparation of accounts which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE CARNEGIE UNITED KINGDOM TRUST (Continued)



Auditor's responsibilities for the audit of the accounts

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 objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Chiene + Tait LLP

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

20 May 2020

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 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2019 Total £	2018 Total £
Income and Endowments from:						
Investments	2	1,486,755	-	-	1,486,755	1,512,138
Donations and Legacies	3	-	23,750	-	23,750	31,250
Charitable activities	4	-	603,000	-	603,000	85,500
Other Trading Activities	5	74,944	-	-	74,944	21,415
Total		1,561,699	626,750	-	2,188,449	1,650,303
Expenditure on:						
Raising funds	6	41,189	-	41,189	82,378	72,597
Charitable activities:	7					
Policy and Development		1,934,089	295,911	-	2,230,000	2,232,343
Charitable Initiatives		56,773	-	-	56,773	37,687
Other Charitable Activities		130,860	-	-	130,860	132,652
Total		2,162,911	295,911	41,189	2,500,011	2,475,279
Net (Expenditure)/Income before Gains/(Losses) on Investments		(601,212)	330,839	(41,189)	(311,562)	(824,976)
Gains/(Losses) on Investments						
Realised		-	-	389,164	389,164	(148,946)
Unrealised	14	-	-	4,593,725	4,593,725	(3,653,366)
Net Income/(Expenditure)		(601,212)	330,839	4,941,700	4,671,327	(4,627,288)
Transfer to unrestricted funds	18,20	578,431	-	(578,431)	-	-
Net Movement in Funds		(22,781)	330,839	4,363,269	4,671,327	(4,627,288)
Reconciliation of Funds:						
Total funds brought forward		3,579,328	115,673	37,196,092	40,891,093	45,518,381
Total funds carried forward		3,556,547	446,512	41,559,361	45,562,420	40,891,093

All activities relate to continuing activities.

The notes on pages 26 to 50 form part of these accounts

The Carnegie United Kingdom Trust

Balance Sheet

AS AT 31 DECEMBER 2019

	Note	£	2019 £	£	2018 £
Fixed assets:					
Tangible assets	13		871,730		910,725
Investments	14		41,974,375		37,619,464
Social Investments	15		1,006,466		1,001,772
Total fixed assets			<u>43,852,571</u>		<u>39,531,961</u>
Current assets:					
Debtors	16	104,254		220,336	
Investments	23	789,941		1,070,348	
Cash at bank and in hand	23	1,191,943		289,030	
Total current assets		<u>2,086,138</u>		<u>1,579,714</u>	
Liabilities:					
Creditors: amounts falling due within one year	17	(376,289)		(220,582)	
Net current assets			<u>1,709,849</u>		<u>1,359,132</u>
Total net assets			<u>45,562,420</u>		<u>40,891,093</u>
The funds of the charity:					
Endowment funds	18		41,559,361		37,196,092
Restricted income funds	19		446,512		115,673
Unrestricted funds:	20				
Designated funds			1,531,884		1,870,134
Other charitable funds			2,024,663		1,709,194
Total charity funds	21		<u>45,562,420</u>		<u>40,891,093</u>

Approved by the Trustees on 20 May 2020 and signed on their behalf by:

SIR JOHN ELVIDGE

Chair of Trustees



IAN WILSON

Convener of Audit and Risk Committee



The notes on pages 26 to 50 form part of these accounts

The Carnegie United Kingdom Trust

Statement of Cash Flows

YEAR TO 31 DECEMBER 2019

	Note	2019	2018
		£	£
Net cash (outflow) from operating activities:	22	2,711	(1,145,477)
Cash flows from investing activities:			
Social Investments		(4,694)	(1,772)
Sale of Investments		4,397,735	5,333,920
Purchase of Investments		(3,722,793)	(5,168,737)
Movements in Investment Portfolio Cash		(46,964)	538,348
Sale of Fixed Assets		1,967	207
Payments to acquire fixed assets		(5,456)	(1,732)
Net cash provided by investing activities		619,795	700,234
Change in Cash and cash equivalents in the year	23	622,506	(445,243)
Cash and cash equivalents brought forward	23	1,359,378	1,804,621
Cash and cash equivalents carried forward	23	1,981,884	1,359,378

The notes on pages 26 to 50 form part of these accounts

The Carnegie United Kingdom Trust

Notes to the Accounts

YEAR TO 31 DECEMBER 2019

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 Trust is also registered as a Charity in Ireland (No 20142957). The accounts are prepared 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) (Second Edition -October 2019).

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) Land and Buildings

Land and buildings 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.

Land and Buildings are originally stated at cost and subsequently at amortised cost. Depreciation is charged on the buildings element of 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 over £1,000 33.33% straight line, (previously 25%)

(e) Listed Investments

In compliance with the SORP, listed 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.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

(f) Social investments

The Trust has set aside funds of £1m as its Affordable Credit Loan Fund. The Fund will lend to affordable credit intermediaries through the agency of Social Investment Scotland who have been appointed as the Fund's Manager for this purpose. The Fund and the loans made from the Fund are programme related investments as defined by the SORP, being in furtherance of the charitable objectives of the Trust. The loans made to affordable credit intermediaries will be Concessionary Loans, again as defined by the SORP, being made at below market rates and on terms designed to advance the Trust's charitable purposes.

Interest earned on these concessionary loans and management fees arising will be recognised as income and expenditure respectively in accordance with the normal revenue and expenditure recognition policies. The carrying value of the Fund will be initially £1m being the cash set aside for the Fund and subsequently at the amount of cash held within the Fund together with the sum of loans advanced adjusted to reflect loan repayments, net income which has accrued and any impairment resulting from defaulting on either capital repayments or interest payments by borrowers.

(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) Current Asset Investments

These are accounted for on the amortised cost basis and are made up of cash deposits with a maturity of less than one year.

(i) 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.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

(j) 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.

(k) 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

including 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.

- Cost of Raising Funds – comprises of investment management fees incurred in the management of the Trust's investment portfolio, the source of its annual income. The Trust allocates these fees equally between the Endowment Fund and Unrestricted Funds.
- Cost of Charitable Activities - includes costs directly attributable to programmes including grant awards and an allocation of support costs, comprising of staff costs including any redundancy payments, 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.

(l) 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.

(m) 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.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

2. Investment Income (Restricted Income)	2019	2018
	£	£
M&G Charifund Unit trust distributions	951,180	1,021,340
Cazenove Investment portfolio income	509,825	480,246
Interest receivable	25,750	10,551
	<u>1,486,755</u>	<u>1,512,137</u>
3. Donations and Legacies (Restricted Income)	2019	2018
	£	£
Donations	23,750	31,250
Legacies	-	-
	<u>23,750</u>	<u>31,250</u>
4. Income from Charitable Activities (Restricted Income)		
Grants	2019	2018
	£	£
Oak Foundation	-	73,000
Wellcome Trust	225,000	12,500
Welsh Government	40,000	-
Wolfson Foundation	250,000	-
	<u>515,000</u>	<u>85,500</u>
Partnership Funding		
Luminate	88,000	-
	<u>88,000</u>	<u>-</u>
Total Income from Charitable Activities	<u>603,000</u>	<u>85,500</u>

For further information on the above grants, please refer to note 19 on pages 44 to 47.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

5. Other Trading Activities (Unrestricted Income)	2019	2018
	£	£
Google AdWords	74,414	21,385
Publication Sales	17	30
Other Miscellaneous Income	513	-
	<u>74,944</u>	<u>21,415</u>

In October 2016 the Trust registered with Google Not For Profits to use Google AdWords, a service open to all UK Charities, which gives free access to \$10,000 a month (approx. £6,500) in advertising credit on Google AdWords.

The Trust uses Google AdWords to assist in the promotion of their wide-ranging charitable activities and publications through adding key words and phrases to the Google search engine to push the Trust's website higher up the Google search rankings.

The income recognised by the Trust is the sterling equivalent open market value of Google AdWords credits used in the year.

Expenditure relating to Google AdWords has also been recognised at the same sterling equivalent open market value and is included in Note 9 under Management and Administration Costs.

6. Costs of Raising Funds	Unrestricted Funds	Restricted Funds	Endowment Fund	Total
	£	£	£	£
2019				
Investment Management Fees	<u>41,189</u>	<u>-</u>	<u>41,189</u>	<u>82,378</u>
2018				
Investment Management Fees	<u>36,298</u>	<u>-</u>	<u>36,299</u>	<u>72,597</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 2019

7. Charitable Activities	Unrestricted Funds			Restricted Funds			Total 2019	Total 2018
	Direct Costs (note 8) £	Grants (note 10) £	Support Costs (note 9) £	Governance Costs (Note 9) £	Direct Costs (note 8) £	Grants (note 10) £		
Policy and Development Charitable	1,574,717	17,000	289,731	52,641	250,189	45,722	2,230,000	2,232,343
Initiatives Other	24,020	22,000	8,198	2,555	-	-	56,773	37,687
Charitable Activities	33,493	-	81,599	15,768	-	-	130,860	132,652
	1,632,230	39,000	379,528	70,964	250,189	45,722	2,417,633	2,402,682

7. Prior Year Comparison	Unrestricted Funds			Restricted Funds			Sub Total	Total 2018
	Direct Costs (note 8) £	Grants (note 10) £	Support Costs (note 9) £	Governance Costs (Note 9) £	Direct Costs (note 8) £	Grants (note 10) £		
Policy and Development Charitable	1,512,148	139,820	272,895	66,051	104,371	137,058	241,429	2,232,343
Initiatives Other	15,275	12,000	7,207	3,205	-	-	-	37,687
Charitable Activities	39,662	-	73,205	19,785	-	-	-	132,652
	1,567,085	151,820	353,307	89,041	104,371	137,058	241,429	2,402,682

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

8. Direct Costs

	Unrestricted Funds £	Restricted Funds £	Total 2019 £	Total 2018 £
Salaries, Consultancies and Related Costs (note 11)	917,008	93,600	1,010,608	950,320
Staff and Trustee Development Costs	275	-	275	-
Travelling, Subsistence and Meeting/Conference Expenses	99,000	13,781	112,781	174,919
Printing, Stationery and General Expenses	7,525	86	7,611	7,078
Property Rental, Upkeep, Services and Insurance	31,138	-	31,138	28,874
Studies, Seminars, Events and Publications	565,418	140,448	705,866	499,139
Public Relations/Communications	2,070	-	2,070	-
Trustees' and Advisory Committee Travelling, Subsistence and Conference costs	9,604	210	9,814	11,088
Professional Fees	192	2,064	2,256	-
Equipment and Maintenance Contracts	-	-	-	38
	<u>1,632,230</u>	<u>250,189</u>	<u>1,882,419</u>	<u>1,671,456</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)

PRIOR YEAR COMPARISON

8. Direct Costs

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Salaries, Consultancies and Related Costs (note 11)	928,079	22,241	950,320
Staff and Trustee Development Costs	-	-	-
Travelling, Subsistence and Meeting/Conference Expenses	172,869	2,050	174,919
Printing, Stationery and General Expenses	6,928	150	7,078
Property Rental, Upkeep, Services and Insurance	28,874	-	28,874
Studies, Seminars, Events and Publications	419,209	79,930	499,139
Public Relations/Communications	-	-	-
Trustees' and Advisory Committee Travelling, Subsistence and Conference costs	11,088	-	11,088
Professional Fees	-	-	-
Equipment and Maintenance Contracts	38	-	38
	<u>1,567,085</u>	<u>104,371</u>	<u>1,671,456</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 2019

9. Management, Administration - Support/Governance Costs

	Unrestricted Funds		
	Support Costs £	Governance Costs £	Total 2019 £
Salaries and Related Costs (note 11)	76,185	13,444	89,629
Staff and Trustee Development Costs	10,875	1,919	12,794
Studies, Seminars, Events and Publications	459	-	459
Property Rental, Upkeep, Services & Insurance	34,963	-	34,963
Printing, Stationery and General Expenses	41,274	7,284	48,558
Advertising	74,414	-	74,414
Auditors' Remuneration in respect of:			
External Audit Services	-	12,241	12,241
Travelling, Subsistence, and Conf Exps	15,671	2,765	18,436
Trustees' and Advisory Committee Travelling, Subsistence and Conf exps	-	25,666	25,666
Public Relations/Communications	26,664	4,705	31,369
Professional Fees	18,953	2,940	21,893
Equipment and Maintenance Contracts	80,070	-	80,070
	379,528	70,964	450,492
			442,348

No Trustees received any remuneration in 2019. 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 and events, based on expense claims submitted. In 2019, 6 Trustees made claims ranging up to £2,809 (2018: 9 Trustees made claims ranging up to £3,348). The Carnegie Medal Awards take place every two years. In 2019, the Awards Ceremony took place in New York, USA. Trustees who were invited to attend the Awards Ceremony were reimbursed for expense claims in relation to this.

Advertising costs relate to Google AdWords, a service open to all UK Charities, which the Carnegie UK Trust registered with in October 2016. These costs are funded within Note 5 Other Trading Activities.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

PRIOR YEAR COMPARISON

9. Management, Administration - Support/Governance Costs

	Unrestricted Funds		
	Support Costs £	Governance Costs £	Total 2018 £
Salaries and Related Costs (note 11)	76,735	13,542	90,277
Staff and Trustee Development Costs	7,575	1,337	8,912
Studies, Seminars, Events and Publications	5,175	-	5,175
Property Rental, Upkeep, Services & Insurance	50,782	-	50,782
Printing, Stationery and General Expenses	42,056	11,298	53,354
Advertising	21,974	-	21,974
Auditors' Remuneration in respect of:			
External Audit Services	-	11,740	11,740
Travelling, Subsistence, and Conf Exps	38,234	6,747	44,981
Trustees' and Advisory Committee Travelling, Subsistence and Conf expts	-	34,788	34,788
Public Relations/Communications	25,900	4,571	30,471
Professional Fees	14,352	5,018	19,370
Equipment and Maintenance Contracts	70,524	-	70,524
	353,307	89,041	442,348

No Trustees received any remuneration in 2018. 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 and events, based on expense claims submitted. In 2018, 9 Trustees made claims ranging up to £3,348 (2017: 9 Trustees made claims ranging up to £3,624). The Carnegie UK Trust held a Wellbeing in Northern Ireland Event in New York, USA in 2018. Trustees who were invited to attend this event were reimbursed for expense claims in relation to this.

Advertising costs relate to Google AdWords, a service open to all UK Charities, which the Carnegie UK Trust registered with in October 2016. These costs are included in Note 5 Other Trading Activities.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

10. Grant Payments	2019 £	2018 £
Unrestricted Funds:		
Policy and Development	17,000	139,820
Charitable Initiatives	22,000	12,000
	<u>39,000</u>	<u>151,820</u>
Restricted Funds:		
Policy and Development:		
Oak Foundation – Affordable Credit	-	28,904
Wellcome Trust – Engaging Libraries	24,706	108,154
Wolfson Foundation	21,016	-
	<u>45,722</u>	<u>137,058</u>
Total Grants Paid	<u>84,722</u>	<u>288,878</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)	2019 £	2018 £
Wages and Salaries	666,022	601,508
Social Security Costs	65,820	57,884
Other Pension Costs	136,894	150,123
Fellows, Associates, Recruitment and Misc Staff Costs/Insurances	231,501	231,082
	<u>1,100,237</u>	<u>1,040,597</u>
Allocated as follows:		
Costs of Activities in Furtherance of Charitable Activities	1,010,608	950,320
Management & Administration – Support/Governance Costs	89,629	90,277
	<u>1,100,237</u>	<u>1,040,597</u>

The Trust considers its key management personnel to be the Trustees, and the Senior Management Team, which comprises the Chief Executive, the Head of Advocacy, the Head of Policy, and the Finance and Corporate Services Manager.

	2019 £	2018 £
The total employee benefits of key management personnel including employer NIC and pension contributions were	<u>342,923</u>	<u>349,786</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

	2019	2018
The number of employees, whose employee benefits (excluding employers pension contributions) exceeded £60k and fell within the following bands, were:		
£60,000 - £70,000	-	2
£70,000 - £80,000	2	-
£80,000 - £90,000	-	-
£90,000 - £100,000	-	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	1
Following a change in CEO during the year the salary of neither individual exceeded the £60k limit		
The average monthly number of employees during the year was as follows:		
Full Time		
CEO, Corporate Services and Finance	5	5
Policy and Development	8	8
Part Time		
Corporate Services and Finance		
(full time equivalent - 0.41 : 2018 – 0.41)	2	2
Policy and Development		
(full time equivalent – 0.82 : 2018 – 0.78)	4	5
	19	20

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

12. Pension Commitments

Twenty employees are in the Royal London Group Personal Pension Plan (2018 – Nineteen), to which the Trust is contributing. Trust contributions depend on the age of the Plan member and are currently in the range 7% to 13% of salary. The pension charge for the year was £136,894 in respect of the personal pensions plans (2018 - £150,123) of which pension advisory scheme costs were £6,000 (2018 £6,000). Pension contributions outstanding at the year-end were £10,065. (2018 - £nil).

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

13. Tangible Assets

	Land and Buildings (See Note 23) £	Fixtures, Furniture, Fittings & Plant £	Computer Equipment £	Total £
Cost				
At 31 December 2018	1,065,345	284,212	94,076	1,443,633
Additions	-	-	5,456	5,456
Disposals	-	-	(19,945)	(19,945)
At 31 December 2019	1,065,345	284,212	79,587	1,429,144
Accumulated depreciation				
At 31 December 2018	220,793	230,298	81,817	532,908
Charge for year	21,307	9,643	11,534	42,484
Disposals	-	-	(17,978)	(17,978)
At 31 December 2019	242,100	239,941	75,373	557,414
Net Book Value				
At 31 December 2019	823,245	44,271	4,214	871,730
At 31 December 2018	844,552	53,914	12,259	910,725

14. Listed Investments

	2019 £	2018 £
Market value		
At 31 December	37,619,464	42,125,307
Additions	3,722,793	5,168,737
Disposals	(4,008,571)	(5,482,866)
Movements in portfolio cash	46,964	(538,348)
Unrealised gain/(loss) during year	4,593,725	(3,653,366)
At 31 December	41,974,375	37,619,464

	2019 £	2018 £
Cost		
At 31 December	33,728,725	33,597,219

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

14. Listed 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:

	2019 £	2018 £
Within UK	28,655,191	26,415,923
Outwith UK	12,420,623	10,351,944
Cash	898,561	851,597
Total Investments at Market Value	<u>41,974,375</u>	<u>37,619,464</u>

Investments are held as follows:

	2019 £	2018 £
M&G Charifund Income Units	19,031,507	16,319,384
Cazenove Managed Portfolio	18,609,653	16,530,667
Cazenove Unapplied Total Return Portfolio	4,333,215	4,769,413
Total	<u>41,974,375</u>	<u>37,619,464</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 in order to provide future funding, via its unapplied total return portfolio, to achieve certainty, stability and sustainable growth over the period of the current strategic plan 2016 -2020 and the future strategic plan 2021 – 2025.

As part of the Trust's total return approach Trustees made the decision in 2014 to set up an unapplied total return portfolio and transferred £3.26 million into it. In 2017 a further decision was made by Trustees to transfer a further £2 million from the main portfolio to the unapplied total return portfolio. In 2018 a further transfer of £1 million was made from the main portfolio to the unapplied total return portfolio. £578,431 (£634,000 – 2018) was withdrawn from the unapplied total return fund as per the Trusts Financial Plan, to support 2019 expenditure. This portfolio is 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 2019

15. Social Investments	2019 £	2018 £
Funds Placed with Fund Manager at 31 December 2018	1,001,772	1,000,000
Interest Earned	15,321	3,272
Interest Withdrawn	(3,704)	-
Management Fees	(6,923)	(1,500)
Impairment Charges	-	-
At 31 December 2018	<u>1,006,466</u>	<u>1,001,772</u>
Being:		
Cash	756,466	751,772
Loans	250,000	250,000
At 31 December 2018	<u>1,006,466</u>	<u>1,001,772</u>

The Trust has established a programme related investment – its Affordable Credit Loan Fund – as part of its work on the wider issues of affordable credit in the United Kingdom.

In December 2017, the Trust set aside funds of £1m from its Endowment Fund from which to lend to affordable credit intermediaries through the agency of Social Investment Scotland, who have been appointed as the Affordable Credit Loan Fund's Manager for this purpose. At the end of December 2019, Social Investment Scotland had advanced a total £250,000 (2018 - £250,000) from the Affordable Credit Loan Fund as a concessionary loan.

16. Debtors	2019 £	2018 £
Prepayments and Other debtors	29,957	160,371
Accrued income	74,297	59,965
	<u>104,254</u>	<u>220,336</u>
17. Creditors: amounts due within one year	2019 £	2018 £
Accruals	251,396	179,649
Other Creditors	124,893	40,933
	<u>376,289</u>	<u>220,582</u>

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

18. Endowment Fund	At 31 Dec 2018	Expenditure	Realised gains/(losses)	Unrealised gains/(losses)	Transfers	At 31 Dec 2019
	£	£	£	£	£	£
Trust Main Investment Portfolio Fund	31,426,678	(32,482)	335,937	4,496,013	-	36,226,146
Unapplied Total Return Fund	4,769,414	(8,707)	53,227	97,712	(578,431)	4,333,215
Affordable Credit Loan Fund	1,000,000	-	-	-	-	1,000,000
	37,196,092	(41,189)	389,164	4,593,725	(578,431)	41,559,361

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.

In 2017 Trustees approved the setting aside of £1 million as its Affordable Credit Loan Fund. The funds constitute a programme - related social investment and further details are given in note 15.

In 2019 Trustees approved a transfer from the unapplied total return fund element of the endowment fund of £578,431 (2018 - £634,000) to unrestricted funds to be allocated against expenditure in accordance with the Trust's Strategic Plan 2016 - 2020.

The Carnegie United Kingdom Trust Notes to the Accounts (Continued)

PRIOR YEAR COMPARISON

18. Endowment Fund	At 31 Dec 2017 £	Expenditure £	Realised gains/(losses) £	Unrealised gains/(losses) £	Transfers £	At 31 Dec 2018 £
Trust Main Investment Portfolio Fund	36,121,583	(28,053)	(146,008)	(3,520,844)	(1,000,000)	31,426,678
Unapplied Total Return Fund	4,547,120	(8,246)	(2,938)	(132,522)	366,000	4,769,414
Affordable Credit Loan Fund	1,000,000	-	-	-	-	1,000,000
	41,668,703	(36,299)	(148,946)	(3,653,366)	(634,000)	37,196,092

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.

In 2018 the Trustees approved a transfer of £1 million from the main portfolio fund to the unapplied fund which functions to support the current Strategic Plan 2016 – 2020 and the future Strategic Plan 2021 – 2025. Also in 2018 Trustees approved a transfer from the unapplied total return fund element of the endowment fund of £634,000 to unrestricted funds to be allocated against expenditure in accordance with the Trust's Strategic Plan 2016 – 2020.

In 2017 Trustees approved the setting aside of £1 million as its Affordable Credit Loan Fund. The funds constitute a programme - related social investment and further details are given in note 15.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

19. Restricted Funds	Balance at 31 December 2018 £	Income £	Expenditure £	Balance at 31 December 2019 £
Policy and Development				
Engaging Libraries – Wellcome Trust	19,327	225,000	(65,227)	179,100
Engaging Libraries – Wolfson Foundation	-	250,000	(21,016)	228,984
Affordable Credit – Oak Foundation	75,896	-	(72,768)	3,128
Social Harm Reduction – Luminare	-	88,000	(54,550)	33,450
Social Harm Reduction – Donation	20,450	23,750	(42,350)	1,850
UWP – Welsh Government	-	40,000	(40,000)	-
	<u>115,673</u>	<u>626,750</u>	<u>(295,911)</u>	<u>446,512</u>

Engaging Libraries (Wellcome): is a partnership project which has been supported by grants from Wellcome. The final report of the project's first phase, which Wellcome provided funding for, was published in 2019. A second phase of the project was launched during 2019 with new funding from Wellcome, along with funding from Wolfson Trust. The aim of this second phase is to support public libraries to run public engagement activities on research within the themes of health, society and culture. It will help to facilitate partnerships between public libraries and researchers. Fourteen projects from libraries were selected to take part during 2019 and projects will run throughout 2020, supported by a bespoke development programme.

Engaging Libraries (Wolfson Trust): is a partnership project supported by a grant from Wolfson Trust, alongside grants from Wellcome. Wolfson Trust are a new funding partner for the programme's second phase, which began in 2019. The aim of this second phase is to support public libraries to run public engagement activities on research within the themes of health, society and culture. It will help to facilitate partnerships between public libraries and researchers. Fourteen projects from libraries were selected to take part during 2019 and projects will run throughout 2020, supported by a bespoke development programme.

Affordable Credit (Oak Foundation): is a partnership project supported by a grant from the Oak Foundation. The grant has enabled the Trust to undertake a number of research and practice projects from 2017 to 2019, to support our work on affordable credit. The research study on where people who are declined payday loans are now seeking credit was completed and published in 2018; and the training, events and blogs with Responsible Finance on a variety of topics were completed in 2019. The research on scaling up the UK's Community Development Finance Institution (CDFI) sectors; and mapping affordable credit need and demand in local areas was completed in 2019, with the final reports to be published in 2020.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

Social Harm Reduction (Luminate): is a partnership project supported by a grant from Luminate. The aim of the project is to design, iterate and build support for a new system of tackling online harm through regulation, based on a duty of care model. The support from Luminate has enabled the Trust

to engage the expertise of Professor Lorna Woods at the University of Essex and Carnegie Associate Maeve Walsh to deliver a series of activities and outputs to support this work.

Social Harm Reduction (Donation): has contributed to the Trust's project to design, iterate and build support for a new system of tackling online harm through regulation, based on a duty of care model. The donation from Francesca Perrin has contributed to the engagement of Carnegie Associate Maeve Walsh to deliver a series of activities and outputs to support this work.

Understanding Welsh Places is a website that produces statistical information about towns and communities in Wales. The project is match funded by the Welsh Government and managed for us by the Institute for Welsh Affairs. The website has been built by a team led by staff from the Wales Institute of Social and Economic Research, Data and Methods (WISERD) at Cardiff University, with additional data processing and analysis provided by the Centre for Local Economic Strategies. The website has also been shaped by a core cross-sector group of interested people and a sub-group of data experts. We launched Understanding Welsh Places on 8th October 2019.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

PRIOR YEAR COMPARISON

19. Restricted Funds	Balance at 31 December 2017 £	Income £	Expenditure £	Balance at 31 December 2018 £
Policy and Development				
Digital Participation (Phase 1 and 2)	896	-	(896)	-
Kinder Communities	921	-	(921)	-
Scotland Performs Public Participation	1,796	-	(1,796)	-
Engaging Libraries	128,541	12,500	(121,714)	19,327
Affordable Credit – Oak Foundation	76,800	73,000	(73,904)	75,896
Affordable Credit – Scottish Government	15,000	-	(15,000)	-
CleverCogs Scotland	16,398	-	(16,398)	-
Social Harm Reduction	-	31,250	(10,800)	20,450
	<u>240,352</u>	<u>116,750</u>	<u>(241,429)</u>	<u>115,673</u>

Digital Participation (Phase 1 and 2) was a partnership project funded from grants received from the Scottish Government. In 2016 we published new research which looked in detail at the closely intertwined relationship between digital exclusion and other forms of social exclusion. We also embarked on an in-depth evaluation of a major digital investment being delivered by a social housing provider to assess the impact that the new technology has on quality of life for tenants and their families. The work on this project supported by this grant was completed in 2017.

Clevercogs is a partnership project funded from a grant received from the Scottish Government. The grant was to extend the indepth evaluation of a major digital investment being delivered by a social housing provider, described above under the Digital Participation project supported by the Scottish Government through the grant awarded to us in 2016. The Clevercogs grant extended the time period for the evaluation to enable additional data to be captured. The project was completed and the final report published in 2018.

Kinder Communities is a partnership project funded from grants received from the Joseph Rowntree Foundation. This project is led by our Carnegie Associate Zoë Ferguson and was launched in 2016 and engages directly with seven local projects across Scotland who want to inject kindness back into their work and communities. This phase of the project is now completed.

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 was completed in 2018.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2018

Engaging Libraries is a partnership project funded from a grant received from the Wellcome Trust. In 2016 the Trust began work on developing a new project, to support public libraries in the UK to run

public engagement activities on a range of health and wellbeing issues. The programme, which opened for applications in spring 2017, provided successful applicants with funding support, mentoring and learning opportunities. This project was completed in 2018 and the Trust will publish a final report in 2019.

Affordable Credit (Oak Foundation) is a partnership project funded by a grant from the Oak Foundation. The grant is to enable the Trust to undertake a number of research and practice projects from 2017 to 2019, to augment our work on affordable credit. The projects will look at a variety of supply and demand issues in relation to the provision of and need for more affordable credit in the UK. The research study on where people who are declined payday loans are now seeking credit was completed and published in 2018. The study on scaling up the UK's Community Development Finance Institution (CDFI); research mapping affordable credit need and demand in local areas; and training events and blogs with Responsible Finance on governance, marketing and credit scoring for affordable credit providers will be completed in 2019 .

Affordable Credit (Scottish Government) is a partnership project funded by a grant from the Scottish Government. The grant is to enable the Trust to undertake three separate research projects to augment our work on affordable credit. All three research projects were completed and published in 2018.

Social Harm Reduction is a project supported by a grant from Fran Perrin, to advance the development and advocacy of a model for reducing the harm experienced by social media. The project is being supported by activity from our Carnegie Associate Maeve Walsh and will complete in 2019.

The Carnegie United Kingdom Trust
Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

20. Unrestricted Funds	Balance at 31 December 2018	Incoming Resources	Expenditure	Transfer (to)/from Designated Funds	Transfer (to)/from Endowment Funds	Balance at 31 December 2019
	£	£	£	£	£	£
Designated Funds – Policy and Development Charitable Initiatives	896,134	-	(1,933,848)	1,597,598	-	559,884
General Reserve	24,000	-	(56,934)	54,934	-	22,000
	950,000	-	-	-	-	950,000
	1,870,134	-	(1,990,782)	1,652,532	-	1,531,884
Other Charitable Funds	1,709,194	1,561,699	(172,129)	(1,652,532)	578,431	2,024,663
	3,579,328	1,561,699	(2,162,911)	-	578,431	3,556,547

Policy and Development, 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.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

PRIOR YEAR COMPARISON

20. Unrestricted Funds	Balance at 31 December 2017	Incoming Resources	Expenditure	Transfer (to)/from Designated Funds	Transfer (to)/from Endowment Funds	Balance at 31 December 2018
	£	£	£	£	£	£
Designated Funds –						
Policy and Development	1,235,042	-	(1,990,914)	1,652,006	-	896,134
Charitable Initiatives	36,000	-	(37,687)	25,687	-	24,000
General Reserve	950,000	-	-	-	-	950,000
	2,221,042	-	(2,028,601)	1,677,693	-	1,870,134
Other Charitable Funds	1,388,284	1,533,553	(168,950)	(1,677,693)	634,000	1,709,193
	3,609,326	1,533,553	(2,197,551)	-	634,000	3,579,328

Policy and Development, 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.

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

21. Analysis of Net Assets between Funds	Tangible Fixed Assets	Investments	Social Investments	Net Current Assets	Total
	£	£	£	£	£
Endowment	871,730	39,687,631	1,000,000	-	41,559,361
Restricted Funds	-	-	-	446,512	446,512
Unrestricted Funds:					
Designated Funds	-	950,000	-	581,884	1,531,884
Other Charitable Funds	-	1,336,744	6,466	681,453	2,024,663
Total Net Assets	871,730	41,974,375	1,006,466	1,709,849	45,562,420

PRIOR YEAR COMPARISON

21. Analysis of Net Assets between Funds	Tangible Fixed Assets	Investments	Social Investments	Net Current Assets	Total
	£	£	£	£	£
Endowment	910,725	35,285,367	1,000,000	-	37,196,092
Restricted Funds	-	-	-	115,673	115,673
Unrestricted Funds:					
Designated Funds	-	950,000	-	920,134	1,870,134
Other Charitable Funds	-	1,384,097	1,772	323,325	1,709,194
Total Net Assets	910,725	37,619,464	1,001,772	1,359,132	40,891,093

22. Reconciliation of Net Movement in Funds to Net Cash (Outflow) from Operating Activities

	2019	2018
	£	£
Net movement in funds for year including investment income	4,671,327	(4,627,289)
Depreciation	42,484	57,589
Loss on Fixed Asset Disposal	-	364
Decrease/(increase) in debtors	116,082	(82,714)
Increase/(decrease) in creditors	155,707	(295,740)
Unrealised (gain)/loss on investments	(4,593,725)	3,653,366
Realised (gain)/loss on investment disposals	(389,164)	148,946
Net cash (outflow) from operating activities	2,711	(1,145,477)

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

The Carnegie United Kingdom Trust

Notes to the Accounts (Continued)

YEAR TO 31 DECEMBER 2019

23. Cash and Cash Equivalents

	At 1 Jan 2019	Cash flows	At 31 Dec 2019
	£	£	£
Short term deposit Investments	1,070,348	(280,407)	789,941
Cash at bank and in hand	289,030	902,913	1,191,943
	<u>1,359,378</u>	<u>622,506</u>	<u>1,981,884</u>

24. 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.

In 2019 the Trust contributed £2,000 to the Carnegie Dunfermline and Hero Fund Trusts to assist with commemorative events to mark the 100th anniversary of Andrew Carnegie's Death.

In 2019 the final instalment payment of £5,000 (2018 - £10,000) was paid to Poverty Alliance for work in relation to the Trust's Living Wage Project. Martyn Evans, Chief Executive of the Carnegie UK Trust until April 2019, son Jack Evans, is the Living Wage Scotland Manager for Poverty Alliance.

In 2019 the Good Things Foundation were awarded a contract for services of £24,000 to carry out an action research project as part of the Trust's #notwithoutme phase 2 work. Our Trustee Will Perrin is also a Trustee of the Good Things Foundation. At 31 December the £14,400 had been invoiced in connection with this contract.

In 2019 the University of Glasgow were paid £2,880 for a Leadership and Engagement for Community Planning Training Course. Our Chair John Elvidge is also a Board Member of Glasgow University.

In 2019 a further Donation was received of £23,750 from Francesca Perrin, who is the wife of Trustee William Perrin. This donation is to be used for the sole purpose of supporting the work carried out on the Trust's Harm Reduction in Social Media Project.

Appendix – Grant Payments

YEAR TO 31 DECEMBER 2019

Unrestricted Grants	£
Charitable Initiatives	
Adam Smith Global Foundation	5,000
CILIP	12,000
Deerpark Press	5,000
Sub Total	<u>22,000</u>
<i>Policy and Development</i>	
Manchester Refugee Support Network	750
Newcastle City Council	6,000
New NHS Alliance	5,000
Norfolk County Council	750
ProMo Cymru	750
Rural Media Charity	3,000
Your Own Place	750
Sub Total	<u>17,000</u>
Total Unrestricted Grants	<u><u>39,000</u></u>
Restricted Grants	£
<i>Policy and Development</i>	
The City of London Barbican and Community Libraries	1,497
Bolton Council	6,500
East Dunbartonshire Leisure and Culture Trust	258
Essex County Council	1,203
Falmouth Town Council	10,306
Fife Cultural Trust	10,710
London Borough of Bexley	1,250
Lancashire County Council	2,000
Leeds City Council	750
Leisure and Culture Dundee	5,250
Norfolk County Council	1,198
Oldham Council	1,515
Somerset Library Service	1,480
Vision Redbridge Culture and Leisure	1,805
Total Restricted Grants	<u><u>45,722</u></u>
Total Grants	<u><u>£84,722</u></u>