



Annual Review 2021

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Introduction

As we all experienced a second year of global pandemic, 2021 was a year in which data and evidence demonstrated that a mission to improve collective wellbeing remains urgent and important. For Carnegie UK, it was a year in which we reaffirmed our commitment to that mission and rededicated ourselves to making a positive impact through our work.

The August publication of our 2021 Strategy, “Learning how to live well together” marked the end of a period of review and reflection on a decade’s worth of work.

That review, alongside an assessment of the prevailing context, led us to conclude that if there was ever a moment for a wellbeing organisation to lean into its mission, then this was surely it. Not only is there a growing and compelling body of research and evidence which demonstrates that improving collective wellbeing is an effective route to a good and sustainable quality of life for all citizens, but the pandemic experience gave greater impetus and urgency to this set of ideas. In November, the implications of climate change were highlighted yet again at COP26, reminding us that as the immediate threat of Covid-19 recedes, even more existential challenges face citizens and governments alike.

By foregrounding our purpose more clearly than we have done in the past, in 2021 we signalled a strategic shift in the way that we think about and carry out our work on wellbeing. We are now taking our model of collective wellbeing as the starting point for everything that we do, and developing the capability to bring our distinctive ‘wellbeing lens’ to any given issue, including using new wellbeing tests which we have developed, building on our experience of wellbeing over many years

We also took the opportunity this past year to update and refresh our visual and verbal identity; to update our model for assessing impact; to define our values, and to deepen our commitment to systematic learning about wellbeing and about change. We recognised the pressing challenges posed to our sector by the environmental crisis and by a historic lack of attention to diversity and inclusion, and have initiated programmes of work to help formulate our response to these. We have benefitted from the input of insightful and supportive advisers and learning partners to each of these developmental projects, and we are grateful to everyone who worked alongside us during our strategy review.





Notwithstanding the significant thought and time given to our strategic development, this Annual Review demonstrates that 2021 was also a year of delivery and impact. We had committed ourselves to a process of thoughtful, managed exit from the work of the previous strategy and are delighted to have concluded such a diverse range of programmes and projects in collaboration with valued partners. We wish them all well for the future and are pleased to have been able to play our part in exploring and advancing our shared interests while forging lasting friendships.

The inherent unpredictability of 2021 continued to test our organisational resilience and agility. We were delighted to be able to meet and collaborate in person once again by the autumn, but remain conscious of the ongoing direct and indirect impacts of the pandemic on individuals and communities across the jurisdictions where we work. We are grateful to all our staff team, Trustees, Associates and partners for their ongoing commitment and hard work during the year. In particular, we valued the high degree of engagement, ambition and creativity that staff and Trustees together brought to the process of strategy development.



Sir John Elvidge



Sarah Davidson

Looking ahead, 2022 will be a year of transition for Carnegie UK, as we explore new programmes of work and fresh routes to influence and impact. We are proud and privileged to have laid down foundations for future direction in 2021 which are designed to sustain the organisation for many years to come.

Sir John Elvidge, Chair of Trustees

Sarah Davidson, CEO



Project work



Carnegie UK's project work in 2021

Our project work in 2021 involved the completion of a number of activities from our previous strategic plan, across the four themes in that strategy: Digital Futures; Enabling Wellbeing; Flourishing Towns; and Fulfilling Work. It also involved the transition of some of these activities to our new strategic context and the initiation of a number of new activities. Our progress during the year is set out below, organised by project.

Affordable Credit

In 2021 we entered the final stages of our long-standing programme to improve the availability of more affordable credit across the UK. Our work in this field this year included:

- Producing a report and recommendations for the Scottish Government on key priorities for the future development of affordable credit in Scotland.
- Supporting Fair4All Finance to deliver a funding scale-up programme to the affordable credit sector.
- Conducting new research on the impact of the COVID-19 pandemic on affordable credit providers.
- Approving the final investments from our Affordable Credit Loan Fund, in Scotcash and Fair For You.
- Concluding our project supporting five credit unions to collaborate on engaging with employers for payroll deductions and savings.
- Continuing to support the operation of our Affordable Credit Action Group.

Better Way

Carnegie UK has supported the Better Way network since 2014, financially and providing a range of support for network management and events management. In 2021, we provided a grant to ensure a positive transition for the network. The transition period will conclude in early 2022.

Building Budgets for Children's Wellbeing

We published the new report 'Being Bold: Building Budgets for Children's Wellbeing' in 2021. The report, jointly commissioned by Carnegie UK, Children in Scotland and Cattanach, sets out ideas for where Scotland can go further in investing in preventative measures through the budget process. The report was presented to the Scottish Government and to the Children's Strategy and Policy Forum who continue to advocate for improvements to the budget making process.

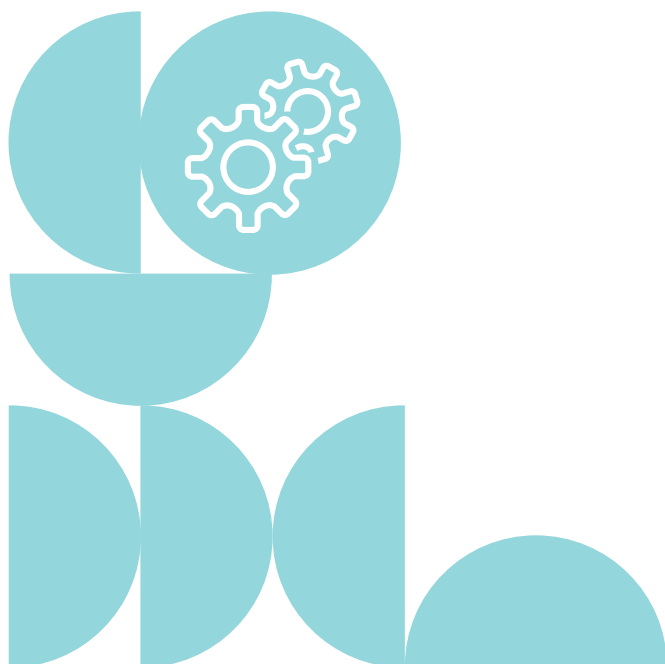


Closing the Digital Divide

We completed our comprehensive programme of activity on digital inclusion in 2021. We produced two key outputs during the course of the year. These were a new report, in partnership with UNICEF UK, setting out how the UK Government Department for Education should continue to improve access to, and effective use of, digital technology for children and young people. We also produced our Digitally Kind report as a new resource for practitioners working with children and young people. The report provides ideas and suggestions for the effective use of digital technology in youth work.

Digital Ethics

With funding from Scottish Government, we worked with Involve to deliver a public participation programme to explore citizens' views on what an ethical digital Scotland would look like. We completed the final public engagement sessions, all of which were held online, in summer 2021. Our final report has been produced and submitted to the Scottish Government.



Embedding Wellbeing in Northern Ireland

The Embedding Wellbeing in Northern Ireland programme ran from 2017 to 2021 and provided financial and in-kind support to three councils to overcome challenges in implementing Community Planning, with learning shared more widely with the sector throughout that period.

The activities we supported included development of the infrastructure for co-production, participatory budgeting and citizen engagement; opportunities for improving shared leadership across public services; and improving use and communication of evidence and data.

In September 2021 we published the final reports of this work including:

- A summary of the key learning with recommendations for the Northern Ireland Executive, their partners and Community Planning more broadly.
- A full report of the programme activity reporting on programmes on shared leadership and co-production.
- A toolkit on co-production produced as part of the project.

We delivered an extensive set of advocacy activities to support the launch of these outputs, including formal letters to Ministers; blogs; stakeholder engagement; a launch event and presentations.

We also held a programme of seven seminars on issues relating to wellbeing in Northern Ireland (mental health, net zero, the economy, early years and childcare, disability inclusion and governance) which have brought international, UK and local speakers together to consider how to improve outcomes. The work has been delivered as a partnership with CO3 and a steering group of NI leaders.

Engaging Libraries

Our Engaging Libraries programme has supported 14 library projects, with support from Wellcome and the Wolfson Foundation, to deliver public engagement activities across a range of topics and themes throughout the UK. Participating projects concluded their activities during 2021. We received further funding support from Wellcome during 2021 to deliver a range of activities to enable a 'good exit' from the programme. This investment is enabling us to deliver:

- A 'public engagement with research toolkit' for libraries, which is being designed as an interactive website and hosted by Libraries Connected, for launch in 2022.
- A series of coaching sessions for project participants to help them consider how to maximise the value of their engagement in the programme.
- The award of microgrants to enable projects to undertake any additional final activities required for a successful conclusion.
- A specific grant to support the next steps in scale up activity from one of the projects supported through the programme.

Fair Work in Scotland

As one of the final outputs from our Fulfilling Work strategic theme in 2021 we published our report 'What next for Fair Work in Scotland?' Published ahead of the 2021 Scottish Parliament elections, the report considers the progress of Scotland's Fair Work agenda to date. It sets out our recommendations about how Fair Work can continue to be advanced in a way that is responsive to the significant challenges presented by the COVID-19 pandemic.

Future of the Minimum Wage

We completed our partnership project with the Learning and Work Institute on the Future of the Minimum Wage in 2021 and published the final report from the initiative. The report assesses the impact of the minimum wage on in-work poverty, and considers how a higher minimum wage might interact with other aspects of job quality, such as progression and terms and conditions of employment. We set out proposals for the future path of the minimum wage, and for how an increased minimum wage can be delivered as part of a wider labour market strategy that promotes good work and tackles in-work poverty.

GDWe

Our Gross Domestic Wellbeing (GDWe)[™] measure offers a holistic alternative to GDP as a measure of social progress. In 2021 we released a short report, with the updated GDWe score for England in 2019/20. The score demonstrates how national wellbeing in England was performing up to March 2020, when the COVID-19 pandemic began. It provides an overview of the key changes since our previous 2020 report, across the 10 Office for National Statistics wellbeing domains and highlights why urgent action is needed to focus decision-making on wellbeing. We also explain how the delay in official wellbeing data has hindered progress. The launch was timed alongside the publication of ONS GDP data, which enabled us to contribute to the debate about why an alternative measure of social progress is required. It secured press coverage across a broad range of titles.

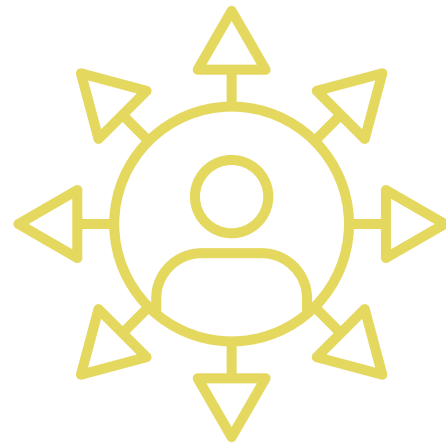
We also began work planning for a 'deep dive' publication on the democracy and wellbeing domain, for release in early 2022.

Harm Regulation and Social Media

We continued our work in 2021 to promote the introduction of a new regulatory system to tackle online harm in the UK based on a 'duty of care' model. Our work has been undertaken in partnership with Professor Lorna Woods at the University of Essex and Carnegie Associate Maeve Walsh.

Our outputs and activities this year included:

- Responding to the publication of the draft Online Safety Bill.
- Extensive engagement with the UK Parliament Joint Scrutiny Committee for the Bill, providing formal written and oral evidence.
- Publication of a detailed set of written amendments to the draft Bill, alongside a fully re-worked Bill product.
- Submission of evidence to related, parallel parliamentary processes including work being undertaken by the DCMS sub-committee and the Petitions Committee.
- Publication of ad hoc advice for the UN Special Rapporteur on tackling online hate speech on social media platforms.
- Publication of a range of blogs covering different aspects of online safety and regulation, including freedom of speech, democracy, disinformation and racism.
- A fortnightly newsletter to over 300 subscribers.
- Hosting a fortnightly stakeholder network meeting.



Kindness

We completed the two main projects that formed our kindness programme in 2021:

- The Kindness Leadership Network, which was designed to support leaders to embed kindness into organisational culture and practice, concluded in September 2021, with the publication of 'Leading with kindness' and a guide to support organisations to measure kindness.
- Our work on kindness in healthcare in Scotland, working with Carnegie Associate Dr Elizabeth Kelly, entered into an advocacy phase, working with stakeholders in Scottish Government and local health boards to increase support for a leadership approach underpinned by kindness and wellbeing. This concluded in early 2022.

We also published our Creating Space for Kindness report, which highlights the learning from a series of 'kindness initiatives' that we supported 10 public libraries across Scotland to deliver.

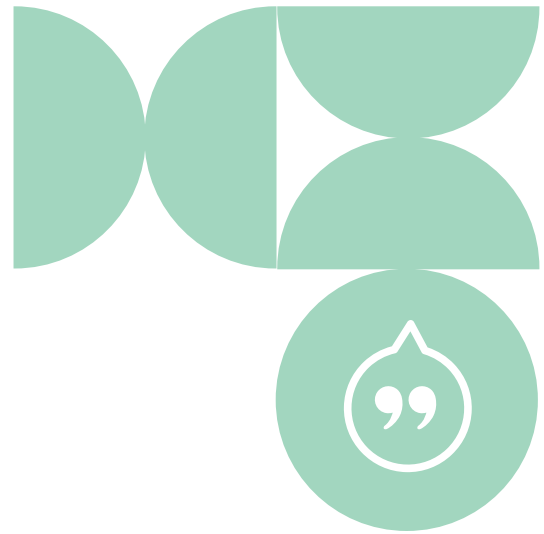
We are embedding our learning on kindness into the way that we work, most notably as one of our organisational values.

Living Wage Places

We worked in partnership with the Living Wage Foundation to deliver a series of 'living wage places' events in 2021. These events were designed to provide an advocacy route for some of our final activity on our 2020 'Good Work in the COVID economy report'; and connect this research with peer learning and networking opportunities for the growing number of 'living wage places' across the UK. In previous years, Carnegie UK helped Living Wage Foundation and Living Wage Scotland to establish the Living Wage Places scheme, which has led to Dundee, Cardiff, Salford, Bristol, Edinburgh and Birmingham all now becoming accredited Living Wage Cities.

Measuring Wellbeing in North of Tyne

We worked in partnership with the North of Tyne Combined Authority in 2021 to explore how a place-based wellbeing framework could support the region to recover from COVID-19. The project deployed the successful Carnegie Roundtable model from Scotland and Northern Ireland. Using this model, we brought together a group of specialists with local connections and expertise in wellbeing to gather and consider a wide range of evidence on wellbeing priorities. This included written submissions, community engagement and public polling, engaging with over 2,000 local people. Drawing on this evidence the roundtable, supported by Carnegie UK, developed a framework that incorporates 10 wellbeing outcomes that will guide decision making, and 52 indicators that will track progress. The roundtable then submitted its report to the North of Tyne Cabinet, which formally adopted it January 2022. We worked in partnership during the project with a number of local organisations to engage with communities that are often left out of decision making; and with the Centre for Thriving Places to support the development of the indicator set and outcome dashboard.



Rethinking Scotland

Carnegie UK ran a series of online conversations about Rethinking Scotland during the winter of 2020/21. We published our final report from the work in 2021. Over 60 people took part in the conversations and we asked for their views on what needs to happen and who needs to act to put some of Scotland's big ideas into practice. The key action identified to shift from rhetoric to reality was to open up policy making to more diverse voices, and to move from consulting to sharing power with citizens and communities.

Technology and Good Work

This project with CIPD and Institute for Future of Work was commissioned as one of the final outputs from our Fulfilling Work programme. The aim is to provide a guide for businesses about how they should consider fulfilling work principles when investing and implementing new technologies. Activity took place throughout 2021 to research and produce the key outputs from the project – a policy report and a guide for businesses, which will be distributed through CIPD's substantial network of HR professionals. These outputs will be published in 2022.

Understanding Welsh Places (UWP)

We continued our support for Understanding Welsh Places, a website that presents data about more than 300 towns and communities in Wales, during 2021. Our activity this year involved:

- The completion of our task and finish group on the December 2020 update to UWP, managed for us by the Institute of Welsh Affairs.
- Audience building for UWP through advocacy activities managed by the Institute of Welsh Affairs.

In October we launched the research report *Understanding Welsh Places: Resilience of Welsh Places* with an online event. A technical update to the UWP website was carried out in December 2021.

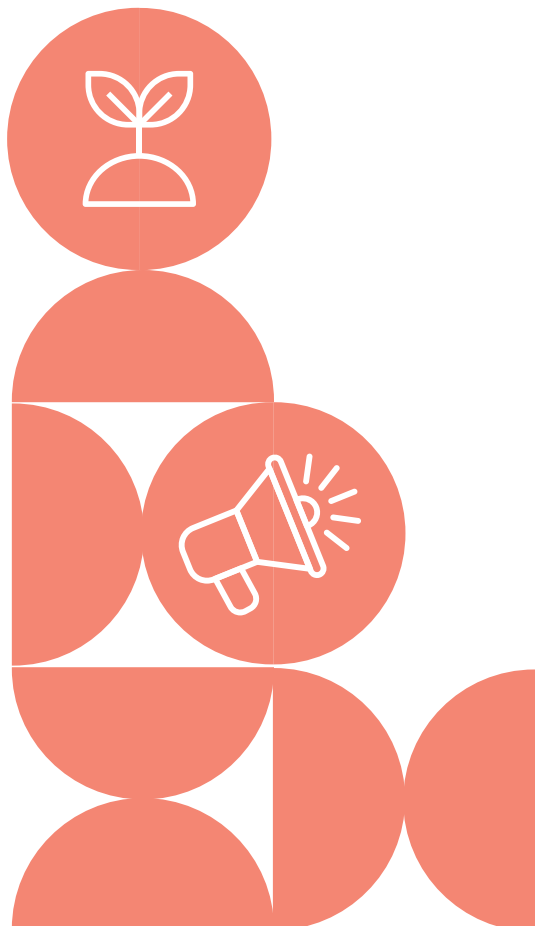


Wellbeing Economy and Towns

As part of the final outputs in our Flourishing Towns programme, we published *Building a Wellbeing Economy for Towns* and the companion *Wellbeing Economy Data Guide for Towns in 2021*. The reports were produced by the Centre for Thriving Places, supported by both Carnegie UK and Power to Change. The report provides an overview of the relevance of wellbeing economy thinking to towns, outlines the key ingredients for a successful Wellbeing Economy approach, discusses the barriers to progress and ways to overcome them, and identifies key next steps required to provide the support and tools for widespread adoption.

Exploratory Programmes

We began internal scoping work in 2021 across three new 'exploratory programmes' of Wellbeing Place, Flexible Work and Participatory Democracy. This included reviewing in our programme teams Carnegie UK's previous work in these areas to share our knowledge and learning; and deepening our understanding of the key ideas, concepts, and issues relevant to collective wellbeing that warrant further exploration. We expect to commission a number of studies or exploratory activities across each of these programmes in 2022.





Strategic Development Activity



Strategic Development Activity

To support Carnegie UK to develop, launch and implement our new strategy in 2021 we made a number of investments in strategic activities during the course of the year. This included:

- a new programme of work to change our systems and practices to help tackle the climate emergency.
- activity to build our work on diversity, equity and inclusion.
- a review of our approach to impact and learning.
- a brand review and revamp.

Some details of these activities are set out below:

Climate programme

In recent years, our staff and trustees have taken time to consider the connections between the climate emergency and our wellbeing mission. Over the last 12 months, we have taken significant steps as an organisation to respond to the climate and nature crises. In February 2021, Carnegie UK became a signatory of the Funder Commitment on Climate Change, which committed us to work towards five clear goals (educate and learn, commit resources, integrate, steward our investments for a post-carbon future, decarbonise our operations) and to report publicly on our progress on an annual basis.

Since then, we have created a programme team, which provides dedicated staff time and resource to deliver on our climate commitments. We have undertaken a comprehensive eco-audit; and we have begun implementing a range of recommendations to improve efficiency and reduce the environmental impact of our building and our operations. In our new strategy, we positioned 'environmental wellbeing', where we all live within the planet's natural resources, as a key part of our wellbeing mission; and we have begun to create opportunities to learn more about environmental wellbeing and to integrate this learning into existing wellbeing programmes. Finally, we have made significant changes to our investments, with a new asset manager and a new investments strategy that better reflects our climate commitments.

Despite the progress we have made, there is much more that we want to do. At the end of 2021, we put in place a plan for the year ahead, to continue developing our environmental practice and sharing this learning with others.



Diversity, Equity and Inclusion programme

As we developed our new strategy in 2021, we reflected on Carnegie UK's role in advancing diversity, equity and inclusion (DEI). We recognised that we must be more rigorous in how we consider DEI as we pursue our wellbeing mission (including through our 'wellbeing tests'); and that we must reflect deeply upon, and change, our own organisation and how we work.

We may advocate for wellbeing for all, but we have not always focussed our work programmes on levelling the playing field, which can mean treating people differently to achieve equity. We realised that we have not routinely collected data on diversity and inclusion. We can do more to ensure everyone working with us, in whatever capacity, feels they belong, and have a voice.

In 2021 we embarked on a new organisational development plan, with a key theme of promoting diversity, equity and inclusion. This means making changes across all of the organisation's different roles. That includes our mission to improve wellbeing, our status as an independent endowed foundation and as an employer. The way in which Carnegie UK acts, has impact and holds power in relation to diversity, equity and inclusion differs across these roles. We have developed vision statements to drive our work in relation to each of these:

- We will deliver our work on the understanding that equity and inclusion are essential to achieving wellbeing outcomes.
- We will listen to others, be accountable and use our position and our voice to advocate for and advance, diversity, equity and inclusion.
- We will create and sustain an environment and culture that enables people of all backgrounds to fully participate and to fulfil their potential.



In 2021 we began a diversity, equity and inclusion programme which sets out the actions we need to take to begin to achieve these goals. The programme includes:

- Working with our Learning Partner, Rivers Coaching to increase our knowledge and to start to act on our intentions to become more diverse and to include diverse individuals in internal, and wider policy, decision-making.
- Gathering appropriate data and evidence to allow us to track progress on inclusive practice and inform our learning.
- Working with stakeholders and developing new partnerships and connections as part of our learning, strengthening our capacity and capability to be advocates for equity in policy-making and in communities.

This is a challenging and exciting programme of work that affects all aspects of our organisation and how we operate. We want to continue to study, learn and act and we look forward to working with others as we do so in 2022.

Impact and learning

As part of the implementation of our strategy we dedicated significant time in 2021 to considering new approaches to understand our impact, working with Lucent to help support us in this work. We also undertook a programme of work with IVAR, designed to help our Trustees explore their governance role in learning about wellbeing and about how change happens.

As a result of this work we put in place a new Board Learning Statement. This sets out our approach to learning at a governance level. It identifies what we mean by learning; the purpose of learning; the learning culture that we are seeking to build; our understanding of strategic learning; a set of learning questions; and guidelines for implementation.

Alongside this, we have adopted a new Impact Learning Framework, which sets out how we will gather and share learning about how change happens as a result of the work we do. The Framework has three components:

- Principles: proportionate, flexible, aligned, open and evidence-based.
- Approach: how we will put these principles into action through our Programmes, discussions with Board members, Board reports and the Annual Review.
- Tools: an indication of the tools required to implement the Framework.

We began the implementation of these new approaches in 2021 and look forward to deepening our application of these during 2022.

Brand review

To coincide with the launch of our new strategy in August 2021, we were delighted to launch our new brand identity. We were supported in this work by Red Pencil, who helped us to develop a new verbal and visual brand based around a number of key principles:

- Putting our mission of wellbeing at the heart of the brand.
- Incorporating our SEED model, encompassing social, economic, environmental and democratic wellbeing, in the brand.
- Basing the brand around our new organisational values of motivated by change, challenging, collaborative and kind.
- Developing a fresh, modern look and feel for the organisation.
- Giving us a platform for a more consistent visual and verbal identity, while also allowing some flexibility for different programmes of activity.

We have been delighted with the feedback we have received on the new brand and we look forward to continuing to develop and apply our new identity during 2022.



Trustees, Staff and Advisers

Honorary President

William Thomson CBE

Trustees

Sir John Elvidge KCB (Chair)

Willie Campbell

Dr Colin Firth

Jane Livingstone (until March 2022)

Megan Mathias MBE

George Murray

Janet McCauslin MBE

Aideen McGinley* OBE (Vice Chair)

(Convener of the Audit and Risk Committee)

Christine McLaughlin* (Convener of the Finance and Corporate Services Committee)

William Perrin* OBE

Mike Reid*

Fiona Robertson*

Professor Mark Shucksmith OBE

Albert Tucker

**Audit and Risk Committee Members*

Chief Executive

Sarah Davidson CB

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 (Temporary Senior Policy and Development Officer from August 2021)

Gail Irvine – Senior Policy and Development Officer (until October 2021)

Alison Manson – Senior Corporate Services Officer

Oliver Meades – Digital Storyteller (April 2021 to September 2021)

Rebecca Munro – Senior Corporate Services Officer

Genna Nelson – Corporate Services Officer (until August 2021)

Hannah Ormston – Policy and Development Officer

Jenny Peachey – Senior Policy and Development Officer (Maternity Leave September 2021)

Lauren Pennycook – Senior Policy and Development Officer (until January 2021)

Liz Pullar – Finance Officer

Lucy Smith – Senior Corporate Services Officer (until September 2021), Head of Corporate Services (from September 2021)

Lauren Speed – Events and Communications Officer (Maternity Leave May 2020 until May 2021)

Barbora Staňková – Policy and Development Officer (Temporary contract November 2021)

Steven Thompson – Finance & Corporate Services Manager (until September 2021), Head of Governance, Finance and Risk (from September 2021)

Ben Thurman – Policy and Development Officer (Temporary Senior Policy and Development Officer from April 2020 until August 2021, permanent from August 2021)

Jennifer Wallace – Director

Douglas White – Director

Carnegie Associates

Niall Alexander (*until July 2021*)

Dr Elizabeth Kelly

Katie Pekacar

Caroline Slocock

Maeve Walsh

Andy Wright

Steve Wyler

Advisers

External Auditor

Chiene + Tait LLP

Investment Managers

Cazenove Investment Managers (*until June 2021*)

Sarasin & Partners LLP (*from July 2021*)

Legal/Professional Advisers

Lindsays LLP

Anderson Strathern LLP

Mason, Hayes and Curran

Pension Advisers

LEBC Group

Public Affairs/Relations

Grayling (UK) Scotland

HR Advisers

Magenta HR



Financial Review



Financial Review

Overview

In early 2021 Carnegie UK commissioned an Investment Management Review and competitive tender process with professional advice and support provided by Chiene + Tait Financial Planning Ltd. The outcome of this review was the appointment of new Investment Managers Sarasin and Partners LLP, in the summer of 2021. Following this appointment our Investment Portfolio asset allocation was restructured as a global total return approach to investment was adopted. At the end of the year the market value of the Investment Portfolio was £43.8m (£39.4m – 2020).

In 2021 overall income was £1.51m (£1.64m – 2020) and overall expenditure was £2.13m (£2.37m – 2020). The resultant deficit of £623k was budgeted for and funded under Carnegie UK's Total Return Policy, through an approved transfer from the Unapplied Fund, which sits within the Investment Portfolio.

Income

Total income for 2021 was £1.51 million (£1.64 million – 2020). Unrestricted fund income totalled £1.11 million (£1.31 million – 2020). Restricted fund grant income was received from the Minderoo Foundation of £123k (£nil – 2020) for the Social Harm Reduction programme, Scottish Government of £90k (£78k – 2020) for the National Digital Ethics Citizen Group programme and the Wellcome Trust of £50k (£nil – 2020) for the Engaging Libraries programme. Restricted fund partnership funding of £123k (£176k 2020) was received from Luminate for the Social Harm Reduction programme and £20k (£nil – 2020) was received from North of Tyne Combined Authority for the Measuring Wellbeing in North of Tyne programme.

Expenditure

Expenditure for 2021 was £2.13 million (£2.37 million – 2020). Carnegie UK expended £1.62 million from unrestricted funds (£1.92 million – 2020) with £1.58 million (£1.88 million – 2020) expended directly on its Charitable Activities, with the main area of expenditure being Policy and Development activities £1.32 million (£1.60m – 2020). Further unrestricted grant payments of £90k (£129k – 2020) were made.

Carnegie UK expended £469k (£414k – 2020) from Restricted Funds with £296k (£277k – 2020) expended on specific Policy and Development projects and further restricted grant payments of £173k (£136k – 2020) being made.

Net expenditure before Gains/(Losses) on Investments for the year was £623k (£737k – 2020). This was a planned deficit funded from a transfer approved by Trustees, from the unapplied fund element of the endowment fund, a fund set up in November 2014 to support the strategic planning process and its total return approach to investments.

Investment Policy and Performance

As a result of the Investment Management Review carried out in 2021 the Trust has now moved from a UK total return approach to investments to a global total return approach to investments.

Carnegie UK's new Discretionary Fund Manager, Sarasin and Partners LLP have a remit of growing both Capital and Income from the Investment Portfolio. The main risk to the level of income received and the market value of Carnegie UK's Investments is the volatility of financial markets. Carnegie UK mitigates investment risk through its Statement of Investment Policy and delegates

investment decisions to their Discretionary Fund Managers, Sarasin and Partners LLP, within agreed investment objectives, asset allocations and performance benchmarks, set by the Carnegie UK.

The Finance and Corporate Services Committee reviews investment performance against an agreed set of performance benchmarks on a quarterly basis and reports directly back to the Board of Trustees at their quarterly meetings and overall Trustees are content with the performance of the Investment Portfolio in 2021 as measured against its benchmarks.

Carnegie UK's Investments are governed by its Statement of Investment Policy which will be revised in 2022 to align with a new ESG Policy and a global total return approach now being taken to investments.

The value of the Carnegie UK's investments on 31 December 2021 were £43.80 million (£39.37 million – 2020). Income distributions relating to the Trust's investments in the year were £1.03 million (£1.22 million – 2020).

Carnegie UK continued to monitor the performance of its Investments and 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.

In the first quarter of 2022 global financial markets have been volatile and the value of the Trust's investments on 31 March were £42.2 million.

Grant Making Policy

Carnegie UK'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 Carnegie UK to further its strategic work. The organisation 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 Carnegie UK 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 Carnegie UK.

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 2021 of £2.73 million (£2.61 million – 2020), Carnegie UK also held Restricted Funds of £297k (£360k – 2020) and Designated Funds of £1.01 million (£1.05 million – 2020).

Carnegie UK also holds an Endowment Fund which was originally gifted by Andrew Carnegie in 1913. The Value of this fund at 31 December 2021 was £43.16 million (£38.99 million – 2020). The income from this fund is treated as unrestricted.

Trustees' Statement on Summary Accounts

The summary of accounts have been extracted from the full financial statements of Carnegie UK which were approved on 1 June 2022 and do not constitute Carnegie UK's statutory full financial statements. The full financial statements have been audited and the auditor's opinion was unqualified.

These Summary accounts may not contain sufficient information to allow for a full understanding of the financial affairs of Carnegie UK. For further information, the full financial statements, the auditor's report on these statements and the report of the Trustees should be consulted. Copies of the full financial statements can be obtained from Carnegie UK's office.



Summary Accounts



Summary Accounts

Statement of Financial Activities
Year ended 31 December 2021

	Unrestricted Funds £	Restricted Funds £	Endowment Fund £	2021 Total £	2020 Total £
Income and Endowments from:					
Investments	1,028,724	-	-	1,028,724	1,224,502
Donations and Legacies	-	-	-	-	45,000
Charitable activities	-	405,830	-	405,830	282,726
Other Trading Activities	77,097	-	-	77,097	84,813
TOTAL	1,105,821	405,830	-	1,511,651	1,637,041
Expenditure on:					
Raising funds	43,997	-	43,997	87,994	82,465
Charitable activities:					
Policy and Development	1,394,582	468,788	-	1,863,370	2,125,431
Charitable Initiatives	28,005	-	-	28,005	28,299
Other Charitable Activities	155,161	-	-	155,161	137,382
TOTAL	1,621,745	468,788	43,997	2,134,530	2,373,577
Net (Expenditure) before Gains/(Losses) on Investments	(515,924)	(62,958)	(43,997)	(622,879)	(736,536)
Gains/(Losses) on Investments					
Realised	-	-	3,160,925	3,160,925	(326,091)
Unrealised	-	-	1,641,617	1,641,617	(1,487,120)
Net (Expenditure)/Income	(515,924)	(62,958)	4,758,545	4,179,663	(2,549,747)
Transfer to unrestricted funds	326,673	-	(326,673)	-	-
Net Movement in Funds	(189,251)	(62,958)	4,431,872	4,179,663	(2,549,747)
Reconciliation of Funds:					
Total funds brought forward	3,659,240	360,393	38,993,040	43,012,673	45,562,420
Total funds carried forward	3,469,989	297,435	43,424,912	47,192,336	43,012,673

Summary Accounts

Balance Sheet
As of 31 December 2021

	2021		2020	
	£	£	£	£
Fixed assets:				
Tangible assets		833,987		871,857
Investments		43,803,409		39,373,516
Social Investments		1,008,570		1,006,377
Total fixed assets		<u>45,645,966</u>		<u>41,251,750</u>
Current assets:				
Debtors	103,725		64,488	
Investments	794,915		793,861	
Cash at bank and in hand	918,309		1,288,186	
Total current assets	<u>1,816,949</u>		<u>2,146,535</u>	
Liabilities:				
Creditors: amounts falling due within one year		<u>(270,579)</u>		<u>(385,612)</u>
Net current assets		<u>1,546,370</u>		<u>1,760,923</u>
Total net assets		<u>47,192,336</u>		<u>43,012,673</u>
The funds of the charity:				
Endowment funds		43,424,912		38,993,040
Restricted income funds		297,435		360,393
Unrestricted funds:				
Designated funds		1,007,110		1,050,614
Other charitable funds		2,462,879		2,608,626
Total charity funds		<u>47,192,336</u>		<u>43,012,673</u>

Approved by the Trustees on 1 June 2022 and signed on their behalf by:

SIR JOHN ELVIDGE
Chair of Trustees

AIDEEN MCGINLEY
Convener of Audit and Risk Committee

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

