Annual Report and Accounts

FOR THE YEAR ENDED 31 DECEMBER 2025

ANDREW CARNEGIE HOUSE
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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

Trustees, Staff and Advisers

Trustees

Key management personnel

Sarah Davidson CB – Chief Executive
Adam Lang – Director of Policy, Insight and Advocacy
Gillian Donald – Head of Finance, Governance and Risk
Lucy Smith - Head of Corporate Services
Stuart Mackinnon – Head of Communications and Advocacy
Susan Pinkney – Head of Research and Insight

Advisers

External auditor Henderson Loggie LLP, The Stamp Office, Level 5, 10-14 Waterloo Place, Edinburgh, EH1 3EG

Investment managers Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU

Bankers Royal Bank of Scotland, 50-54 East Port, Dunfermline KY12 7HB

Legal/professional advisers Lindsays LLP, Caledonian Exchange, 19A Canning Street, Edinburgh, EH3 8HE

Pension advisers Titan Wealth Planning Limited, 3 Temple Quay, Temple Back East, Bristol, BS1 6DZ

HR advisers EVH Limited, 137 Sauchiehall Street, Glasgow, G2 3EW

The Carnegie United Kingdom Trust
Report of the Trustees for the year ended 31 December 2025

The Trustees present their report with the accounts of the Trust for the year ended 31 December 2025. The accounts have been prepared in accordance with the accounting policies set out on pages 19 to 22 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).

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 (Carnegie UK) has been the same since it was endowed in 1913, although the approach has changed over time in line with our founder's encouragement to update our methods to meet the needs of the day. We are now an operating foundation, using our resources to fund policy and advocacy work, and partnering from time to time with other organisations who share our goals.

Trustees are committed to a regular review of the impact of the organisation's activities in pursuit of its strategic goals. There is a five-year strategic cycle, underpinned by ongoing reviews of the programme portfolio. One of the strengths of Carnegie UK is its commitment to a thoughtful and proportionate planning process, while retaining the flexibility to respond to urgent issues which may arise.

2026 marks five years since the publication of our current strategy. During 2025, Carnegie UK staff and trustees undertook a review of learning and progress to date to inform our approach going forward. This was informed by a substantial survey of organisational stakeholders, as well as desk-based analysis of our operating environment, identifying future challenges and opportunities. At the start of 2026, the Trust intends to review its policy and research programme for the coming period, in line with our ambitions for this next phase of strategic impact.

The Carnegie United Kingdom Trust
Report of the Trustees for the year ended 31 December 2025

Carnegie UK's work in 2025
During 2025, Carnegie UK undertook a wide range of activities in support of our strategic objectives:

Life in the UK Index

In October 2025, Carnegie UK published the latest findings from the Life in the UK Index, continuing our work to measure the collective wellbeing of people across the UK. Now in its third year, the Index is starting to build a longer-term picture of what life is like for people living in the UK. While there are some signs of progress, the 2025 results show that life in the UK continues to be marked by persistent inequalities and stagnating wellbeing.

Alongside the UK-wide findings, Carnegie UK produced jurisdictional reports for England, Scotland, Wales and Northern Ireland. Working with partners, we hosted an online event to share the results and engage stakeholders in discussions about wellbeing policy.

To support greater accessibility and engagement with the data, Carnegie UK developed a new Data Dashboard in 2025. This interactive online tool enables users to explore wellbeing trends across jurisdictions and demographic groups. It provides a clear, visual way to understand wellbeing outcomes across the social, economic, environmental and democratic dimensions of life, offering a valuable resource for policymakers, researchers and practitioners.

The Life in the UK research continues to be referenced by government and elected representatives. In 2025, we delivered substantial government outreach associated with this programme, leading to new relationships with teams in multiple government departments across the UK

Communications and Advocacy

In 2025, Carnegie UK delivered a broad range of communications and advocacy activity to further our strategic objective of putting wellbeing at the heart of decision making.

In 2025 we benchmarked awareness of and regard for Carnegie UK's work with key stakeholders by engaging social research agency The Lines Between. This work has been used to inform the future direction of our communications and advocacy programme as well as informing the trust's overall broad goals for the coming years. We have also added to our capacity on communications and public affairs to help us deliver more external-facing activities.

During the year, we submitted evidence to Senedd, Scottish Parliament and Westminster committees on issues of relevance to our work. In addition, we supported three external policy events: the CLES conference in Manchester, the IPPR Scotland 10-year anniversary event in Edinburgh, and the Re:State conference in Liverpool – all of which allowed us to reach new audiences and build useful relationships. We delivered a wide range of media relations work including opinion pieces placed in publications such as The Times, The Yorkshire Post and Civil Service News.

This programme also supported new activity with the Institute of Welsh Affairs to investigate the impact of the Well-being of Future Generations Act 2015.

Carnegie UK's work in 2025 (continued)

Engaging Democracy

Phase two of the Engaging Democracy programme was a major focus of our work in 2025. Carnegie UK aims to bring a distinctive perspective to this field, assessing impact through improved decision-making, stronger policy development and a deeper exercise of voice and choice by people across the UK.

This phase of the programme focuses on exposing elected representatives - primarily Parliamentarians - to deliberative processes. The aim is to demonstrate the quality of public debate possible within these forums, the insights that deliberation can contribute to policy development, and the positive impact that participation can have on individuals. By engaging elected officials directly in these processes and supporting their adoption within parliamentary settings, we believe that it is possible to strengthen overall democratic wellbeing.

To inform this work, our policy team is collaborating with academic partners at the Universities of Edinburgh and Newcastle to produce an advocacy paper which explores different approaches to deliberative democracy in more detail. A programme of roundtables, events and webinars is planned for early 2026.

In 2025 we also partnered with Demos to support their collaborative democracy network.

Financing the Future

In 2025, Carnegie UK hosted four roundtable discussions in Glasgow, Cardiff, Newcastle and Belfast. These convened experts from academia, business, economics, government, public policy and the third sector to explore some of the most significant fiscal policy challenges facing the UK.

Ahead of these discussions, we published a paper with Carnegie UK Associate Eleanor Ryan summarising tax and spend trends and projections across the UK's nations and highlighting key wellbeing-related issues identified through our annual *Life in the UK* index. The paper also explored the idea of a renewed social contract between citizens and the state as a foundation for raising and spending public money more effectively.

The roundtables examined shared policy themes and identified successful approaches from across the UK. Key insights were synthesised in a report published in September 2025.

We also partnered with The Social Agency to explore public understanding and perceptions of taxation across the UK. This research shows that dominant perceptions of tax and spend – that it is not fair, not delivering, and not something the public can change – are negative and entrenched.

We identified the need for practical and actionable guidance to support governments seeking to better embed wellbeing approaches in spending and finance. Dr Cressida Gaukroger produced a paper for Carnegie UK which examines global examples, innovative tools, and emerging practices that have the potential to transform public spending.

Carnegie UK's work in 2025 (continued)

Poverty Truth Network programme

In 2025, our partnership with the Poverty Truth Network focused on integrating learning into other Carnegie UK programmes and further developing practice in using a spectrum of evidence to engage decision makers.

This collaboration has reinforced the importance of lived experience in shaping policy, particularly the power of storytelling and personal testimony alongside statistical evidence to bring issues to life and strengthen the case for change.

Wellbeing Frameworks programme

In 2025, we established a Community of Practice for officials across the UK working on wellbeing frameworks and similar initiatives. Members come from the Scottish Government, Welsh Government, Northern Ireland Executive, the Office for National Statistics (ONS), Camden Council, and the North East Combined Authority. A wellbeing framework is a tool that helps governments, organisations, or communities make better decisions by focusing on what people need to live well, now and in the future.

Under the auspices of this programme, we have also engaged with proposed wellbeing legislation in Scotland and contributed to a review of the Scottish Government's National Performance Framework.

Carnegies' 2025 gathering

In May 2025, Carnegie UK played a key role in delivering a series of events in Edinburgh and Dunfermline which brought together Carnegie institutions from across the UK, Europe and the USA. This was an opportunity to reflect on Andrew Carnegie's enduring legacy and the continued relevance of his values in addressing today's challenges.

Highlights included a keynote address by former Prime Minister Gordon Brown and an awards ceremony hosted jointly by the UK-based Carnegie institutions to honour outstanding global philanthropists with the Carnegie Medal of Philanthropy. The 2025 medallists included Carol Colburn Grigor CBE; Barbara and Amos Hostetter; and Joe Neubauer and Jeanette Lerman-Neubauer, each recognised for their significant contributions to the arts, education, climate action and community wellbeing. A special Carnegie Catalyst Award was also presented to Comic Relief, celebrating its remarkable impact in mobilising public generosity and raising more than £1.6 billion to tackle poverty and injustice.

The 2025 gathering strengthened collaboration across the international Carnegie family and provided valuable space to share learning, recognise collective achievements and reaffirm a shared commitment to improving wellbeing.

Learning about change

Evidence of impact:

At Carnegie UK, we accept that systemic public policy change requires long-term commitment and working in partnership with a range of organisations and individuals. We will rarely be able to evidence policy change within a single financial year. However, evidence of our ongoing impact as an organisation includes:

- Widespread multi-jurisdictional interest in our Life in the UK Index, with engagement with officials and elected members in UK, devolved, regional and local government. In addition, we saw substantial media interest in our work in England, Scotland, Wales, Northern Ireland and UK-wide.

- Evidence that convening activity delivered as part of our Financing the Future programme led to new policy relationships and opportunities for innovation.

- Our 2023 cost of living research was referenced at Prime Minister's Questions and our Life in the UK Index at First Minister's Questions in Scotland.

In addition, our stakeholder survey re-affirmed the value of our organisational independence, political neutrality and ongoing reputation for rigorous and high-quality research and network building. We believe we have a growing list of credible and influential partner organisations across the UK and Ireland that value our work and engagement (including Demos, Re:State, CLES, New Local, IWA, Pivotal). We are increasingly well positioned and recognised by our peers as part of the policy eco-system focussed on government process, practice and system change.

Organisational development

We continue to commit resources to modernisation, learning and continuous improvement within Carnegie UK. This included:

Risk management

We continued to deepen our practice in the identification and management of risk. In the course of 2025, we assessed our emerging risks in relation to the various aspects of our strategy and operations and have now embedded this within our existing risk management framework which is set out in more detail in the financial section of this report.

Modernising our governance

In 2025, we sought specialist legal advice in relation to our 1917 Royal Charter, the key reference document in relation to the governance of Carnegie UK. This process identified that the Charter could and should be modernised to reflect current good practice in matters of trust governance and charity law which have evolved in several respects since the last revision twenty years ago. The Board of trustees approved the proposed changes which have now been presented to the Privy Council for consideration early in 2026.

The trustee body

In 2025, two trustees retired from the Board of Carnegie UK; Mike Reid and Megan Mathias stepped down after nine and seven years of service respectively.

In their stead, we welcomed Trewin Restorick and Andrea Westall to the Board of trustees.

Financial review

Reserves policy

Capital reserves

Carnegie UK was set up with a permanent endowment, originally gifted by Andrew Carnegie in 1913. The capital value of this endowment is maintained at a level which provides sufficient funds to meet our long term strategic goals. Income and gains in excess of those required to preserve this level of capital can be drawn down and are unrestricted.

The value of our permanent endowment fund at 31 December 2025 was £45,340k (2024: £44,626k). £43,880k of the permanent endowment is invested in global stock markets by a professional investment manager, with a mandate to obtain best total returns, within our ethical policy, with a view to our drawing down excess returns each year based on the 7-year rolling average. This policy was implemented in 2022 and in order to transition smoothly to a lower annual drawdown, we set fixed annual operating budgets which used historical accumulated surpluses, thereby giving certainty to our managers on a growth mandate until 2026.

Revenue reserves

At 31 December 2025 we held revenue reserves of £2,748k (2024: £3,266k) in the form of unrestricted funds which are available for application to any of our activities in furtherance of our charitable purposes. Of this, £1,042k has been allocated to future programme activity: £542k (2024: £777k) for specific future programmes ongoing during the year; the full balance of £259k of 2024 revenue underspend to improved dissemination over the coming 5 years; and £45k (2024: 23k) as a capital fund to reflect the net book value of fixed assets which were funded from unrestricted funds.

Revenue reserves (continued)

Free reserves are those which are both unrestricted and can be easily converted to cash if required, therefore they exclude fixed assets. Andrew Carnegie House is included in our endowment portfolio so is excluded from this calculation. The net book value of the other fixed assets at 31 December 2025 was £45k (2024: £23k), giving us free reserves at 31 December 2025 of £1,707k (2024: £3,243k). The reduction reflects our move in 2026 to implementation of the 7-year rolling average value, for which we drew down sufficient funds into a short-term reserve to fund the period through to 2026.

It is necessary to hold a level of cash and short term investment in a buffer fund which will enable our managers to make the best investment decisions. We aim to hold 9 to 12 months' expenditure in easily accessible assets. This equates to a range of around £1.2m to £1.6m on current activity and is in line with our year end position.

Resources arising during the year and how they were applied

Aligned with this long term reserves policy, our resources budget for the year was £1,600k (2024: £1,650k) drawing on cash previously drawn down from the endowment fund for the period from 2021 -2025.

Programme activity

As an operating foundation, retaining skilled and experienced policy staff is crucial to enable us to deliver our programme activity as described in more detail above. Accordingly, our programme staff expenditure comprises the main component of our cost base at £732k (2024: £685k).

Investment policy

The endowment is invested to produce the best financial return that is within an acceptable level of risk and within the boundaries of Carnegie UK's ESG policy.

Carnegie UK has implemented a total return approach to its investments, generating the investment return from income and capital gains and losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, the real value of the endowment will still be maintained in the long-term using a sustainable distribution policy.

The investment objective is to achieve long term capital and income growth ahead of inflation. The assets are managed to minimise capital erosion while generating sufficient income and growth to support the activities. The distribution policy for implementation from 2026 envisages a budget based on the average value of the investments over 7 years.

Financial review (continued)

Risk management

The Board accepts that if Carnegie UK 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 high standards.

The Audit and Risk Committee, reporting to the Board, oversees risk assessment and management. The main tool used by the Committee to manage risk effectively is the risk management framework which includes a risk appetite for each of our key risk categories, and acceptable risk parameters for managers. During 2025, in conjunction with the strategy refresh, we assessed our emerging risks in relation to the various aspects of our strategy and operations and have now embedded this within the risk management framework. In addition, the Committee continues to conduct a “deep dive” into a risk category each meeting and to report to the Board each December on their annual assessment. Trustees, in consultation with the Chief Executive, will assess the actions necessary to manage risks and these form part of the strategic and operational plans for the following year.

Day to day risk management is delegated by Trustees to the Chief Executive who in turn allocates ownership of each risk on the risk register to one of the Senior Management Team. The risk register is kept under review throughout the year in harmony with the Audit and Risk Committee timetable.

The highest net strategic risks after mitigations currently facing Carnegie UK concern our programme delivery and our people and we continue to manage these risks carefully in accordance with our risk appetite.

Structure, governance and management

Board

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

Trustees serve for a maximum of 9 years. 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.

Trustees meet formally on a quarterly basis where they agree and oversee the broad strategy and areas of activity for Carnegie UK, within the context of the agreed Strategic Plan. The Board of Trustees agree annual budgets in line with work plans, which are then delegated to the Chief Executive and her management team. Every five years the Trustees formally approve a Strategic Plan; the Carnegie UK Strategic Plan for 2026 -2030 was approved at the September 2025 Board.

Structure, governance and management (continued)

Standing committees

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 (Executive) Committee** – members support the Board in their responsibilities regarding Carnegie UK financial, investment, staff and property matters.
- **Audit and Risk Committee** – members independently review systems of internal control, oversee external audit procedures, monitor risk and compliance and report to the Board.
- **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 Carnegie UK. The Committee also assists with governance issues.

The terms of reference of each Committee are included in the Trust's Standing Orders. Carnegie UK also uses additional working groups where required to oversee specific work relating to its charitable objectives.

Key management personnel

Carnegie UK considers its key management personnel to be the Trustees and senior management team as set out on page 1. Trustees do not receive remuneration for their services. Members of the senior management team are each subject to regular performance and professional development appraisal and remuneration is approved at Board level.

Structure, Governance and Management (continued)

Statement of Trustees' Responsibilities

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

The law applicable to charities in Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these accounts, 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) 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed; 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 on 10 June 2026 by

David Emerson, Chair
Carnegie United Kingdom Trust

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

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

Opinion

We have audited the accounts of The Carnegie United Kingdom Trust (the 'charity') for the year ended 31 December 2025 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 2025, and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

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 course of 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 this gives rise to a material misstatement in the accounts themselves. 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 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the accounts; or
- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; 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 11, 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.

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 the Act and any relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

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

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: employment law (including the Working Time Directive); and compliance with charity law and accounting framework;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes for discussions of irregularities including fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of listed and social investments;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Testing key revenue lines, in particular cut-off, for evidence of management bias; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities is available on the FRC's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.

Henderson Loggie LLP
Chartered Accountants and Statutory Auditor
The Stamp Office Level 5, 10-14 Waterloo Place Edinburgh EH1 3EG

Henderson Loggie 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 ended 31 December 2025

	Note	Unrestricted Funds £	Endowment Fund £	2025 Total £	2024 Total £
Income and endowments from:					
Investments		823,712	20,000	843,712	844,735
Other income		-	-	-	4,187
Total		823,712	20,000	843,712	848,922
Expenditure on:					
Raising funds		87,307	150,787	238,094	238,102
Charitable activities:	4	1,551,600	(88,248)	1,463,352	1,357,013
Total		1,638,907	62,539	1,701,446	1,595,115
Net gains/(losses) on investments		-	1,054,569	1,054,569	5,317,750
Net income/(expenditure)		(815,195)	1,012,030	196,835	4,571,557
Transfers between funds		297,397	(297,397)	-	-
Net movement in funds		(517,798)	714,633	196,835	4,571,557
Reconciliation of Funds:					
Total funds brought forward		3,266,176	44,626,312	47,892,488	43,320,931
Total funds carried forward		2,748,378	45,340,945	48,089,323	47,892,488

All results relate to continuing activities.

The notes on pages 19 to 29 form part of these accounts

The Carnegie United Kingdom Trust
Balance Sheet

As at 31 December 2025

	Note	2025 £	2025 £	2024 £	2024 £
Fixed assets:					
Tangible assets	9		741,415		740,074
Investments	10		45,856,625		45,725,116
Social Investments	11		659,605		549,879
Total fixed assets			47,257,645		47,015,069
Current assets:					
Debtors	12	46,773		*102,000*	
Cash investments	18	524,517		*507,424*	
Cash at bank and in hand	18	416,509		*642,257*	
Total current assets		987,799		*1,251,681*	
Liabilities:					
Creditors: amounts falling due within one year	13	(156,123)		*(374,262)*	
Net current assets			831,676		877,419
Total net assets			48,089,321		47,892,488
The funds of the charity:					
Endowment funds	14		45,340,943		44,626,312
Unrestricted funds:	15		2,748,378		3,266,176
Total charity funds			48,089,321		47,892,488

Approved by the Trustees on 10 June 2026 and signed on their behalf by:

DAVID EMERSON, Chair of Trustees

MARK SHUCKSMITH, Convener of Audit and Risk Committee

The notes on pages 19 to 29 form part of these accounts

The Carnegie United Kingdom Trust
Statement of Cash Flows

Year to 31 December 2025

	Note		2025		2024
		£	£	£	£
Net cash (outflow) from operating activities:	17		(1,094,628)		*(516,415)*
Cash flows from investing activities:					
Redemption of social investment		-		*247,320*	
Proceeds on disposal of investments		17,739,956		*19,242,433*	
Payments to acquire investments		(17,456,894)		*(19,049,461)*	
Movement in investment portfolio cash		639,997		*(232,230)*	
Payments to acquire fixed assets		(37,087)		*(3,024)*	
Net cash provided by investing activities			885,973		*205,038*
Change in Cash and cash equivalents in the year	18		(208,655)		*(311,377)*
Cash and cash equivalents brought forward			1,149,681		*1,461,058*
Cash and cash equivalents carried forward			941,026		*1,149,681*

The notes on pages 19 to 29 form part of these accounts

The Carnegie United Kingdom Trust
Notes to the Accounts

Year to 31 December 2025

1. General information

Carnegie UK's charitable purpose is to improve the wellbeing of the people of the UK and the Republic of Ireland. It is recognised as a charity in Scotland (No SC 012799) and in Ireland (No 20142957) and meets the definition of a public benefit entity for the purposes of reporting under the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The accounts are prepared in accordance with FRS 102 and with the Statement of Recommended Practice (SORP) and are presented in pounds sterling (GBP) as the currency in which the Trust's transactions are denominated.

2. Principal accounting policies

The principal accounting policies, judgements and estimates applied in the preparation of these financial statements are summarised below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements.

(a) **Basis of preparation including critical judgements and estimates**
The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are included at market value at the balance sheet date. Assets and liabilities are initially recognised at historical cost.

Preparation of financial statements requires the use of certain critical accounting estimates and assumptions which affect reported results and financial position and require Trustees to exercise judgement in the process of selecting and applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

There are no estimates or assumptions with a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements comprise:

- Depreciation rate applied to Andrew Carnegie House, and
- Recoverability of loans within the Trust's social investment portfolio.

Year to 31 December 2025

2. Principal accounting policies (continued)

(b) **Going concern**
The trustees have assessed the Trust's long term sustainability in the context of its endowment fund, which is fundamental to its ability to continue as a going concern and have a reasonable expectation that the Trust has adequate resources to continue in operational existence for at least the next twelve months. Thus, they continue to adopt the going concern basis of accounting in preparing the accounts.

(c) **Incoming resources**
All incoming resources are 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. Dividends from listed investments are recognised on the ex-dividend date.

(d) **Recognition and allocation of resources expended**
A liability is recognised when the Trust has entered into a legal or constructive obligation. The Trust is not registered for Value Added Tax (VAT) so expenditure is recorded gross of VAT.

Costs are allocated to the relevant cost category in the Statement of Financial Activities as follows:
- Raising funds – investment management fees. These are allocated 60% to endowment and 40% to unrestricted funds;
- Directly charitable activities – costs directly attributable to wellbeing programmes
- Support costs – indirect costs which enable the directly charitable activity. These include governance costs, which are costs of meeting the constitutional and statutory requirements, including audit fees and an allocation of indirect support costs

(e) **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.

2. Principal accounting policies (continued)

(f) **Fixed assets**
Expenditure of over £1,000 is capitalised if the Trust expects to gain economic benefit for more than one year.

Land and buildings comprise 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 reviewed for impairment annually.

Depreciation is charged on fixed assets as follows:

Property	2% straight line
Fixtures, furniture, fittings & plant	2% - 25% straight line
Computer equipment over £1,000	33.33% straight line

(g) **Listed investments**
Listed investments are included initially at cost and subsequently at fair value, being mid-market price at the balance sheet date. Gains and losses arising are recognised in the Statement of Financial Activities in the period in which they arise.

(h) **Social investments**
The Trust has an Affordable Credit Loan Fund which comprises programme related investments, in the form of concessionary loans made at below market rates and on terms designed to advance the Trust's charitable purposes.

The carrying value of the Fund represents the initial loan amounts advanced, net of repayments and any impairment.

(i) **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.

(j) **Current asset investments**
These comprise notice deposits with maturity of more than 3 months and less than one year. They are accounted for at cost.

(k) **Cash and cash equivalents**
Cash at bank comprises balances held with banks and investment managers, with a maturity of less than one year.

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

Year to 31 December 2025

2. Principal accounting policies (continued)

(l) **Funds**

Funds held by the Trust are:

- endowment fund – originally gifted from Andrew Carnegie in 1913. The capital value should be preserved and the income arising is unrestricted; and
- unrestricted funds, which can be used in accordance with the charitable objects at the discretion of the Trustees.

3. Comparative statement of financial activities 2024

	Unrestricted Funds £	***Restricted Funds £***	***Endowment Fund £***	***2024 Total £***
Incoming resources arising from:				
Investments	*820,425*	*-*	*24,310*	*844,735*
Other income	*4,187*	*-*	*-*	*4,187*
Total	*824,612*	*-*	*24,310*	*848,922*
Resources expended on:				
Raising funds	*86,991*	*-*	*151,111*	*238,102*
Charitable activities:	*1,331,069*	*5,000*	*20,944*	*1,357,013*
Total	*1,418,060*	*5,000*	*172,055*	*1,595,115*
Net resources expended before gains/(losses) on investments	*(593,448)*	*(5,000)*	*(147,745)*	*(746,193)*
Net gains/(losses) on investments	-	-	*5,317,750*	
Net (resources expended)/incoming resources	*(593,448)*	*(5,000)*	*5,170,005*	*4,571,557*
Transfers	*88,061*	*(555)*	*(87,506)*	*-*
Net movement in funds 2024	*(505,387)*	*(5,555)*	*5,082,499*	*4,571,557*

Year to 31 December 2025

4. Resources expended on charitable activities

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2025 £
Directly charitable activity:				
Staff costs	732,964	-	-	732,964
Programme grants	21,980	-	-	21,980
Other programme costs	381,070	-	(109,554)	271,516
Other direct costs	137,885	-	16,353	154,238
Support costs (note 5)	277,700	-	4,953	282,653
Total 2025	1,551,600	-	(88,248)	1,463,352

Prior year

Directly charitable activity:				
Staff costs	*685,727*		-	*685,727*
Programme grants	*21,980*	*5,000*	-	*26,980*
Other programme costs	*211,883*	-	-	*211,883*
Other direct costs	*119,893*	-	*16,075*	*135,968*
Support costs (note 5)	*291,586*	-	*4,869*	*296,455*
Total 2024	*1,331,069*	*5,000*	*20,944*	*1,357,013*

5. Support costs

	Total 2025 £	*Total 2024 £*
Staff costs	201,582	*207,693*
Property	12,159	*13,990*
IT and related costs	19,740	*17,036*
Office and administration	10,976	*10,157*
Governance (see note 6)	38,197	*47,579*
	282,653	*296,455*

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

Year to 31 December 2025

6. Governance costs

	Total 2025 £	*Total 2024 £*
External audit fee	15,360	*17,061*
Trustee expenses	22,837	*30,518*
	38,197	*47,579*

7. Analysis of staff costs

	2025 £	*2024 £*
Salaries	666,962	*645,810*
Social Security costs	77,191	*66,253*
Pension costs	155,099	*136,334*
	899,252	*848,397*

The Trust considers its key management personnel to be Trustees, and the Senior Management Team, comprising the chief executive, directors and heads of services,

The total employee benefits of key management personnel including employer NIC and pension contributions were:	£510,545	*£488,906*

Included in the staff costs above is a termination payment of £nil (2024:£17,322) to one member of staff. The amount was fully paid by the year end.

The number of employees, whose employee benefits (excluding employer's pension contributions) exceeded £60k and fell within the following bands, were:	2025	*2024*
£60,000 - £70,000	1	*1*
£70,000 - £80,000	1	*1*
£80,000 - £90,000	-	-
£90,000 - £100,000	-	-
£100,000 - £110,000	1`	*1*

The average monthly number of employees during the year was as follows:		
Policy development	10	*10*
Support staff	3	*3*
	13	*13*

No Trustees received any remuneration in 2025 or 2024. Trustees are reimbursed for expenses incurred whilst carrying out their duties as trustees. All trustee reimbursements (2024: all) were in furtherance of the charitable objectives. The total incurred was £22,836 (2024: £30,518) and these comprised mainly travel, accommodation and catering expenses for attendance at Board meetings, plus venue hire for the Board meeting held off-site annually.

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

Year to 31 December 2025

8. Pension Commitments

As at 31 December, all 16 employees were in the Royal London Group Personal Pension Plan (2024: all), to which the Trust contributes. Trust contributions range from 6% to 13% of salary. The pension charge for the year was £155,099 in respect of the personal pension plans (2024: £136,334). The pension contributions outstanding at the year-end were £nil (2024: £11,604).

9. Tangible Assets

	Land and Buildings £	Fittings & Plant £	Computer Equipment £	Total £
Cost				
At 1 January 2025	1,065,345	286,147	57,198	1,408,690
Additions	-	-	37,087	37,087
Disposals	-	-	(51,516)	(51,516)
At 31 December 2025	1,065,345	286,147	42,769	1,394,261
Accumulated depreciation				
At 1 January 2025	347,908	264,366	56,342	668,616
Charge for year	21,306	4,678	9,762	35,746
Disposals	-	-	(51,516)	(51,516)
At 31 December 2025	369,214	269,044	14,588	652,846
Net book value				
At 31 December 2025	696,131	17,103	28,181	741,415
At 31 December 2024	*717,437*	*21,781*	*856*	*740,074*

10. Listed Investments

	2025 £	*2024 £*
Market value		
At 1 January	45,725,116	*40,368,108*
Additions at cost	17,456,894	*19,049,461*
Disposals at opening market value	(18,365,840)	*(18,327,952)*
Unrealised gain during year	1,680,452	*4,347,742*
Change in cash	(639,997)	*287,757*
At 31 December	45,856,625	*45,725,116*
Cost		
At 31 December	39,463,539	*39,407,961*

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

Year to 31 December 2025

11. Social Investments

	2025	*2024*
	£	*£*
Balance at 1 January	549,879	*793,515*
Interest receivable	20,000	*24,310*
Management fees payable	(19,828)	*(20,626)*
Loan repayment	-	*(247,320)*
Reversal of impairment	109,554	*-*
At 31 December	659,605	*549,879*

12. Debtors

	2025	*2024*
	£	*£*
Debtors and prepayments	26,474	*73,846*
Accrued income	20,299	*28,154*
Total	46,773	*102,000*

13.Creditors: amounts due within one year

	2025	*2024*
	£	*£*
Accruals	122,754	*260,433*
Other creditors	33,369	*113,829*
Total	156,123	*374,262*

14.Endowment fund

	2025	*2024*
	£	*£*
Opening balance at 1 January	44,626,312	*39,543,813*
Net resources expended	(42,539)	*(147,745)*
Net gains/(losses) recognised in year	1,054,569	*5,317,750*
Transfers	(297,397)	*(87,506)*
Total	45,340,943	*44,626,312*

The net transfer of £297,397 *(2024: £87,506)* is the drawdown to fund programme activity in line with the Trust's total return investment policy.

Year to 31 December 2025

15. Unrestricted Funds	Balance at 1 Jan 2025 £	Net resources expended £	Transfers £	Balance at 31 Dec 2025 £
Designated funds:				
Programme development	776,791	(234,653)	-	542,138
Unspent revenue	258,649	-	195,746	454,395
Designated capital	22,637	-	22,647	45,284
Total designated	1,058,077	(234,653)	218,393	1,041,817
Free reserves	2,208,099	(580,542)	79,004	1,706,561
Total	3,266,176	(815,195)	297,397	2,748,378

Programme development funds represent the balance of funds committed in prior years for programmes which will complete in subsequent years. The main component of this is a further five year commitment to our flagship Life in the UK index.

The **capital** fund reflects the net book value of assets funded from unrestricted funds. These exclude the Trust's share of Andrew Carnegie House, which is held in the endowment fund.

The **unspent revenue** fund represents the underspend from 2024 and 2025, based on a sustainable total return investment policy. The opening balance of £259k has been committed to future dissemination activity. Plans are ongoing to utilise the 2025 underspend for future charitable activity.

As explained in the investment policy, we have a long term average drawdown of a sustainable total return. Accordingly our **free reserves** comprise the cash flow reserve against stock market downturns as explained in the reserves policy section of the trustees annual report.

Prior year comparison

	Balance at 1 Jan 2024	***Net resources expended £***	***Transfers £***	***Balance at 31 Dec 2024 £***
Designated funds:				
Programme development	*13,500*	*(122,709)*	*886,000*	*776,791*
Capital	*25,648*	*-*	*(3,011)*	*22,637*
Unspent revenue	*-*		*258,649*	*258,649*
	39,148	*(122,709)*	*1,141,638*	*1,058,077*
Free reserves	*3,732,415*	*(470,739)*	*(1,053,577)*	*2,208,099*
Total	*3,771,563*	*(593,448)*	*88,061*	*3,266,176*

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

Year to 31 December 2025

16. Analysis of net assets among funds

	Tangible fixed assets	Investments	Social investments	Net current assets	Total
	£	£	£	£	£
Endowment	696,131	43,879,903	659,605	105,304	45,340,943
Unrestricted Funds	45,284	1,976,722	-	726,372	2,748,378
Total 2025	741,415	45,856,625	659,605	831,676	48,089,321

Prior year comparison

	Tangible fixed assets	*Investments*	*Social investments*	*Net current assets*	*Total 2024*
	£	*£*	*£*	*£*	*£*
Endowment	*717,437*	*43,270,464*	*549,879*	*88,532*	*44,626,312*
Unrestricted funds	*22,637*	*2,454,652*	*-*	*788,887*	*3,266,176*
Total 2024	740,074	45,725,116	549,879	877,419	47,892,488

17. Reconciliation of net movement in funds to net cash (outflow) from operating activities

	2025	*2024*
	£	*£*
Net movement in funds for year including investment income	196,835	4,571,557
Depreciation	35,746	26,979
(Increase)/decrease in debtors	55,227	17,184
(Decrease)/increase in creditors	(218,141)	189,299
Net change in social investment	(109,726)	(3,684)
Unrealised (gain) on investments	(1,680,452)	(4,347,742)
Realised loss/(gain) on investment disposals	625,883	(970,008)
Net cash (outflow) from operating activities	(1,094,628)	(516,415)

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

Year to 31 December 2025

18. Cash and Cash equivalents

	At 1 Jan 2025 £	Cash flows £	At 31 Dec 2025 £
Short term deposit	507,424	17,093	524,517
Cast at bank and in hand	642,257	(225,748)	416,509
	1,149,681	(208,655)	941,026

19. Related parties

Four trustees of the Carnegie UK 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.

20. Operating lease commitments

Carnegie UK Trust has one operating lease. The charge for the year was £6,586 (2024: £6,197).

The total future minimum commitment at 31 December 2025 was £2,413 (2024: £8,193), all of which is payable within one year (2024: £6,197 due within one year and the balance of £1,997 within two years).