

Charity registration number SC015600 (Scotland)



THE CARNEGIE TRUST

FOR THE UNIVERSITIES OF SCOTLAND

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

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THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

CHAIR'S INTRODUCTION

FOR THE YEAR ENDED 30 SEPTEMBER 2024

I have great pleasure in presenting our Trustees Report and accounts for the Carnegie Trust for the Universities of Scotland for the year ended 30th September 2024. If the theme of my report last year was recovery and celebration, then my second full year as Chair of the Carnegie Trust for the Universities of Scotland has been characterised by reflection and readiness.

When I joined as Chair, I was struck by the powerful potential of the Trust to be an independent voice within the higher education sector in Scotland. I feel a strong connection to the spirit in which the Trust was established having seen the transformative effect that enabling access to university and higher education can have on those facing financial and other barriers. I am committed to leading the Trust to realise that potential, to ensure that it remains an impartial, impactful force for good in the higher education landscape in Scotland.

Of course, it doesn't escape attention that that landscape looks very different now to which it did in Andrew Carnegie's day. In 1901, the state provided little in the way of support for higher education and Scotland's four universities were not the world-renowned, powerful institutions that they are today. Whilst in 1901 our contribution equated to around one half of the universities' income, our annual contribution today pales in comparison to the over £1 billion that the Scottish Government distributes each year to Scotland's universities.

Whilst improved and expanded, the higher education sector in Scotland, today, faces significant challenges. With public investment in decline, and demand and expectation increasing, the financial health and sustainability of Scotland's institutions is under threat. People, too, continue to feel the shocks of the pandemic and cost-of-living crisis, with household finances under sustained pressure and deep inequalities that persist. Given the Trust's aim to support both the improvement of the sector, and to aid those facing financial barriers, it is clear that our cause remains as important as ever.

In this context, at our annual strategy discussion at the start of this reporting year the Trustees made two important decisions – the first, that we would need to evolve our approach if we were to continue to maximise the benefits of our investment, and secondly, that we should focus our refreshed direction on improving our impact within the sector in ways that would reconnect us to Carnegie's original values. We have spent this year preparing ourselves for this challenge, while ensuring that the show stays firmly on the road through the continued delivery of our existing grant schemes, particularly those supporting individuals facing financial hardship.

During the year ended 30 September 2024 we said farewell to Interim Chief Executive, Dr Eve Poole, and in August, welcomed Dr. Hannah Garrow, whose job it will be to drive forward the Trust's work under our refreshed approach, repositioning it for today's landscape and delivering a new Strategic Plan for 2026-31. Hannah will be supported by an almost entirely new Executive Team as we bid goodbye last summer to Sarah Huxtable and Dr. Patricia Krus after many dedicated years of service to the Trust. We thank them for their commitment and wish them well in their next endeavours.

After many months of hard work, in April 2024 changes which we proposed to our Royal Charter were approved by His Majesty and the Lords Council. The changes provide a scheme which, while retaining the essential character of the Trust as a permanent endowment trust, allows us to distribute our funding on a "total returns" basis. This will give us more flexibility in how we manage and distribute our finances to respond to our strategy, while pursuing longer-term growth and permanence of our endowment. In May 2024 the Trustees decided to adopt the scheme and although it was initially intended to proceed with it immediately practical considerations, largely associated with the changes in personnel, have prompted its deferment until the start of the next financial year on 1 October 2024. In anticipation of adopting a "total returns" basis we have been able to begin to improve the integrity of our investments by divesting from fossil fuel companies. This was the first step in the development of a responsible investment policy which will further enhance the Economic, Social and Governance (ESG) outcomes of our portfolio aligned to our organisational principles and values.


As ever, I have been ably supported in my role this year by my Board of Trustees. At our AGM in May 2024 we welcomed two new Trustees: Godwin Matembe and Professor Sir Paul Grice, Principal of Queen Margaret University. The Board also approved the nomination of Professor Sir Peter Mathieson, the Principal of the University of Edinburgh who replaced Professor Andrea Nolan, who stepped down in October 2024 ahead of her retirement as Principal of Napier University at the end of the year. Andrea has been a dedicated and active Trustee and her wise counsel and pragmatic contributions will be greatly missed.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

CHAIR'S INTRODUCTION (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Looking ahead, I am excited about what we can achieve over the next period. At the beginning of the reporting year, we engaged Dr Catriona MacDonald from the University of Glasgow to research and write about the Trust's origins and impact. Her work to date has demonstrated that our history is very much entwined with the development and modernisation of the higher education system in Scotland. In 2024/25, we intend to use these insights to stimulate debate and discussion on the sector's future, including key issues like funding and access which remain as critical today as they did in 1901. In doing so, I hope that we can see the Trust recover some of the pioneering spirit and influence under which it operated in its early years.



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Ronnie Bowie

Chair of the Carnegie Trust for the Universities of Scotland

11 March 2025

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Trustees present their report on the individual financial statements of The Carnegie Trust for the Universities of Scotland (the 'Trust' or the 'Charity') for the year ended 30 September 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the provisions of our Royal Charter, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 ('the SORP').

OBJECTIVES AND ACTIVITIES

The objective of the Trust is to secure benefits for Scotland through supporting access to and improvement of the higher education system in Scotland. The Trust's Royal Charter confers wide powers on the Trustees to determine the appropriate use of the Trust's income under this purpose.

About us

The Trust is a charity, registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC015600. The Trust's principal charitable activity is grant-making. Each year we award around £2-3 million in grants to individuals and organisations for activities that deliver on our charitable purposes.

Our history

The Carnegie Trust for the Universities of Scotland was established in 1901, through an initial endowment of \$10 million in stocks, donated by the philanthropist and industrialist Andrew Carnegie. The Trust was founded by a Trust Deed dated 7 June 1901 and incorporated by Royal Charter on 21 August 1902. Under the Trust's Royal Charter, its purpose is the improvement and expansion of the Universities of Scotland and the provision of support for those 'deserving and qualified' students attending these universities for whom the payment of fees might act as a barrier.

By 1910, the Trust covered the costs of tuition fees for around half of the student body of the four Scottish universities. During the first half of the 20th Century, the Trust also funded a broad range of activities in addition to tuition, including the construction of lecture theatres, buildings, university libraries and student residences. Although the availability of public funding for tuition fees and capital development increased in the second half of the century, the Trust has continued to provide grants for tuition fees to those who are ineligible for public support, focusing on those facing financial hardship. It has also continued to support to the advancement of knowledge in universities through research grants and scholarships.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

What we do

Under our Charter, one half of the net income is to be applied to the improvement and expansion of the Universities of Scotland (Clause A) and one half to the payment of fees for qualifying Scottish students in respect of courses leading to a degree at a Scottish University (Clause B). The Trustees have discretion to transfer unexpended surplus income under Clause B, firstly to Clause A objectives, and then to purposes that would further the usefulness of the Universities.

The Trust's main function is grantmaking and it operates a series of grant schemes for individuals in the eligible institutions of higher education in Scotland. In 2023/24 this included:

- **Undergraduate Tuition Fee Grants** fund undergraduates studying for a first degree, or a second degree in limited subject areas.
- **Study Support Grants** are offered to recipients of Undergraduate Tuition Fee Grants to alleviate barriers to learning such as computer or IT equipment, study materials, travel to campus, or childcare costs.
- **Vacation Scholarships** encourage undergraduate students to develop their research skills by undertaking a short research project in the summer vacation, under the supervision of an established academic.
- **Research Incentive Grants** offer awards to Early Career Researchers aiming to develop a new line of research.
- **PhD Scholarships** support a limited number of graduates, with first class Honours degrees, who will pursue three to four years of postgraduate research.

The criteria for the Trust's grant schemes are agreed by the Trustees and are set out in detail on our website. Undergraduate Tuition Fee Grants and Study Support Grants are offered on the basis of financial need while the other schemes are awarded on a competitive basis, following external review by experts in the subject area of the application. All schemes are advertised to potential applicants through the Scottish universities, the Trust's website, and social media channels.

During the reporting year, the Trustees made the decision to set up a new provision for funding of Strategic Projects through which it would commit resources to projects that address key issues facing the sector with a view to using the Trust's resources – financial and non-financial – to support the provision of insights to influence policy and practice. As we refresh our Strategic Plan, we expect this to become a stronger focus of our work as we seek to recover some of the influence, independence and progressive spirit that was a feature of the Trust's work in its early years in pursuit of improved outcomes for the sector.

ACHIEVEMENTS AND PERFORMANCE

During the year ended 30 September 2024, the Trust made over 450 grant awards to individuals across our Research Incentive Grants, Undergraduate Tuition Fee Grants, Study Support Grants and Vacation Scholarship programmes. We also made two awards under our new Strategic Projects function.

Undergraduate Tuition Fee Grants

The Trust distributed £478,615, excluding any cancelled awards, under the Undergraduate Tuition Fee Grant scheme during the Financial Year 23/24. Owing to the timing of our financial year end, this funding contributed to fee awards in both Academic Year 2023/24 (from October 2023 to February 2024) and Academic Year 2024/25 (from June – September 2024).

Around 270 individuals were supported, all of whom showed evidence of financial need and were not eligible for government support. The majority of these individuals have characteristics that are common for those facing barriers to accessing higher education, including first generation students, single parents or single parent upbringings, estranged and/or care experienced students. In this sense, our UGTF scheme continues to support those that the existing system fails. This includes part-time students who do not qualify for government support due to the £25,000 household income threshold and asylum seekers who do not meet the residency requirements for government support until they have achieved refugee status.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Study Support Grants

Study support grants were offered in 2023/24 to recipients of the Undergraduate Tuition Fee Grants whose circumstances pointed to particular financial hardship. The grants were awarded at three points in the year – October, January and May. In total £40,350 was awarded, including a contribution of £13,850 from the restricted donation made by the Nairn Family Trust for living expenses. The increase in applications this year reflects the pressures that students are facing in attending university as a result of the high cost of living.

Vacation Scholarships

The Trust received 185 applications for Vacation Scholarships in 2023/24 and made 76 awards, totaling £301,560, a success rate of 41%. Vacation Scholars undertook their projects between May and August 2024 and submitted reports to the Trust in September setting out their research findings and outcomes. Awards ranged from £2,100 to £5,040.

Research Incentive Grants

Having increased the budget for Research Incentive Grants in 2023/24, the Trust ran a single funding round which closed in December 2023 and offered 81 awards totaling £967,681. Of these, four were subsequently cancelled in-year due to three applicants leaving their current institutions to take up positions with ineligible institutions and the fourth no longer requiring the grant, having accepted alternative funding. The combined value of the cancelled grants is £53,111, reducing the total amount awarded to £914,570. The awards cover the full spectrum of academic disciplines.

PhD Scholarships

As set out previously the Board took the decision in October 2023 to cease funding for Carnegie PhD Scholarships. Our last group of 11 students commenced their doctoral studies in October 2023. In January 2024, the Trust awarded the Robertson Medal, named for Sir Lewis Robertson, an eminent industrialist and administrator, and past Chairman of the Trust, to two of these candidates - Scott Warrander at the University of Glasgow and Beata Ciesluk at the University of West of Scotland - who were considered to be the most outstanding applicants in their cohort. The Robertson Medal was introduced in 2003 to mark his 40 years of service to the Trust. Nine candidates completed their Carnegie PhD Scholarships in 2023/24.

Strategic Projects

A new area of expenditure for the Trust in 2023/24, the Trustees agreed to set budget aside under Clause A for investment in strategic projects and partnerships that could deliver insights into key issues facing the higher education sector in Scotland as a means to improve and expand the system. A suite of potential projects were presented to the Board and discussed by the new Programme and Projects Committee, but only two grants were approved, totaling £80,414.

These were both awarded to the Scottish Artificial Intelligence in Tertiary Education Network (SCAITEN) for research to explore the implications of Generative AI for higher education in Scotland. The funding has supported empirical research with staff and students looking at attitudes to GenAI technologies and the resources and approaches that might be required. The relevant projects are still in delivery and the full impacts will be noted in next year's reporting.

The process and governance for agreeing strategic projects is still being developed, but it is anticipated that in the future this funding will be delivered through projects identified by the Trust's Executive which directly relate to the delivery of goals and outcomes in the Trust's Strategic Plan.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

FINANCIAL REVIEW

Income

Actual total income in the year to end 30 September 2024 was £2.9m, an increase of around £0.3k compared to the previous year.

Income from donations and legacies increased significantly to £675,238 (2023: £21,021) owing largely to a legacy of £544,217 from the late Jemima Stewart in July 2024 and a grant from the Carnegie Corporation of New York (CCNY) of £79,486 to cover the costs of planning for the Trust's anniversary in 2026. As in previous years, small donations and legacies are included as Clause B income, within the General Fund.

In general, the portfolio has benefited from the wider stability in equity markets and the outcome of work by Rathbones, the Trust's investment managers, to reshape it with a greater emphasis on growth, with the overall value growing to £82.5 million, compared to £72.1 million in the preceding year.

Following the approval in April 2024 of changes to the Royal Charter consisting of a scheme for a "total returns" basis, the Trustees resolved in May 2024 to adopt that approach. Although it was then intended that the total returns scheme would be brought into force immediately, practical considerations stemming from significant staff changes resulted in its deferment until the start of the new financial year on 1 October 2024. In anticipation the investment managers were asked to restructure the portfolio. As was expected, this resulted in reduced income from dividends in the last quarter of the financial year. Overall, dividend income is £366,883 lower than in 2022/23. Income from bank interest grew in the year due to a combination of more active cash management, higher interest rates and higher cash holdings during the year.

Expenditure

Total charitable expenditure increased to £2.6 million in 2023/24, compared to £2.4 million the previous year. This included £1.9 million of new grant commitments. Expenditure on Research Incentive Grants increased significantly from the previous year and the Vacation Scholarship scheme was reintroduced. Two grants were made under a new Strategic Projects function totalling £80,414.

Study Support Grants paid under Clause B increased from £18,750 in 2022/23 to £26,500 delivered over three rounds in Autumn, Spring and Summer. In addition, living expenses of £13,850 were funded by the restricted donation from the Nairn Family Trust. The increase in Study Support Grants reflects the pressures students are facing in relation to the maintenance costs of attending university.

The operating result for the unrestricted funds, before gains and losses on investments was a deficit of £175,030 (2023: surplus of £235,069). Restricted funds comprise the Nairn Fund, the depreciation of the Andrew Carnegie House building and the grant funding received from the Carnegie Corporation to support planning for our 125th anniversary.

The net movement in funds for the year, after net investment realised, and unrealised gains and losses of £7.5m (2023: £1.3m) was a surplus of £7.8m (2023: surplus of £1.5m).

Balance sheet

Efforts were made in-year to reduce the Trust's cash holdings in line with a revised cash management approach, with the balance sheet showing cash holding at year-end of £1.8m (2023: £3.6m). Our approach to managing cash reserves remains under review as we develop a clearer idea of the Trust's cashflow and approach to managing capital drawdowns in the context of Total Return.

Funds and Reserves

The total funds at 30th September 2024 were £81.2m, comprising the Endowment Fund of £80.2m, the Nairn Fund of £38.3k, the Property Reserve Fund of £420.9k represented by the share of Andrew Carnegie House, and the General Reserve surplus of £589.3k.

The Reserves policy set by the Trustees is intended to protect the Trust from unexpected fluctuations in future income from the Endowment. The level is set to permit short-term continuity of support to beneficiaries in the event of a significant income fall, plus allowances for additional operational costs and higher beneficiary demand that might arise due to unexpected circumstances.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

The General Fund Reserve is an unrestricted fund, corresponding to the sums accumulated from historical surpluses of income over expenditure, which the Trustees are free to use in accordance with the charitable objects of the Trust. The appropriate level of the reserve is reviewed by the Trustees annually.

Property Reserve Fund is a fund set up to support the investment in Andrew Carnegie House which is jointly owned and occupied with the other UK-based Carnegie Trusts.

The Endowment Fund is the original endowment, together with surpluses and deficits to date, and larger unrestricted legacies received.

Investment policy and performance

The Trustees' investment powers are governed by the Royal Charter, which permits them to invest in a broad range of investments issued by any government or municipal or public authority authorised to borrow money or any company with limited liability, and to invest in property in Scotland, England, Wales, and Northern Ireland.

The objective agreed with the Trust's investment managers is to achieve real growth in both income and capital, within the investment guidelines in respect of type of investment and asset allocation contained within the discretionary management agreement with the investment managers. The current risk guidelines agreed are that there will be a minimum of 50 holdings, none of which may represent more than 10% of the net asset value of the fund; that the ten largest holdings of the fund will represent no more than 60% of the net asset value of the fund; and that no single stock should account for more than 4% of the forecast income for the fund. The asset allocation guidelines set by the investment committee in October 2021 removed any limit on the allocation to overseas equities and are as follows:

	Permitted Range
UK Equities	0-100%
Overseas equities	0-100%
Bonds/ Cash	0-25%

Within these restrictions, the asset allocations depend on the Investment Managers' requirement to maintain or grow the income in real terms. The types of investment permitted include UK equities, convertibles, preference shares, UK and European fixed interest securities, unit trusts and investment trusts. Underwriting or sub-underwriting of issues or offers for sale of securities is permitted but the funds may not, without permission of the Trust, include securities where an issue or offer for sale was underwritten, managed or arranged within the previous twelve months by the investment managers. The Investment Managers may not invest the Fund directly in securities issued by tobacco companies and, as at 30 June 2024, in line with the decision of the Investment Committee, the Trust has divested in all fossil fuel companies.

The Investment Committee meets three times annually with the investment managers to review reports on performance and to monitor the strategy for investments in respect of business and portfolio risk. As part of this, the investment managers report on their internal compliance and risk management procedures.

Going concern

The Trustees have considered the Trust's reserves and cash position and the expected income over the next 12 months and consider that it is appropriate to prepare the financial statements on a going concern basis.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Risk Management

The Trustees regularly consider the major strategic, business and operational risks which the Trust faces. The Audit and Risk Committee, reporting to the Board, oversees formal risk assessment and risk management. The staff team manages the risk register which has continued to be reviewed in 2024 to ensure that it remains effective tool in identifying and mitigating live risks.

The Audit and Risk Committee review the risk register at their meetings, reporting at each Board Meeting. Trustees assess the actions necessary to mitigate risks which are built into operating plans for the following year. The remit of the Audit and Risk Committee also includes keeping under review the effectiveness of internal control and risk management systems of the Trust, and the statement of delegations to staff which has just been reviewed. The Trustees believe that the existing systems and the structure of decision taking and reporting through senior staff continue to provide assurance that risks are assessed and carefully managed.

The risk register includes a heat map to prioritise key risks and the mitigations that are in place to manage them. As at 30 September 2024, the Trust's red and amber risks were:

1.	Failure to maintain/grow the real value of the endowment
2.	Insufficient income to cover existing financial commitments and deliver the Trust's strategic priorities
3.	Loss or absence of key staff adversely impacting delivery and compliance of Trust operations
4.	IT systems failure resulting in interrupted operation or loss of data
5.	Data breaches resulting in GDPR fines
6.	Health & Safety failure resulting in a significant liability

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Trust was founded by Andrew Carnegie through a Trust Deed dated 7 June 1901 and incorporated by Royal Charter on 21 August 1902. The Charter was replaced in 1978 and updated in 2015. A further update was completed on 3 April 2019 with the sealing of a Supplementary Royal Charter, which governs the operations of the Trust from that date. In May 2024, the Charter was amended once again, to include a new annex relating to the adoption of a total return policy for managing the Trust's investments.

Governance – Trustee Board

The Trust has fourteen Trustees, of whom five are appointed from the Principals of the Scottish universities who are all eligible ex officio for appointment as a Trustee. The remaining nine nominated Trustees are appointed by the existing Trustees following an open advertisement. They are selected by the Trustees on the advice of the Nominations Committee, which works to ensure an appropriate range of experience in the Trust. Trustee induction takes place through provision of relevant background information and early involvement as a participant or observer in the committees of the Trust.

The Royal Charter requires that all Trustees, whether appointed as the Principal of one of the Scottish universities or holding office in a personal capacity, shall retire from office as Trustee after a term of three years but be eligible for re-appointment at the Annual General Meeting at which the term of office expires, subject to a maximum term of nine years. The Board meets three times a year.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Governance - Committees

The Trust's charter requires that it operates three committees – an Investment Committee, Audit and Risk Committee and Nominations Committee. Trustees also have power to constitute committees out of their own number with such functions, powers and responsibilities as the Trustees may think fit. This year a new Programmes and Projects Committee was established by the Trustees to oversee the delivery of the Trust's programmes and activities. This had its inaugural meeting in April 2024.

Terms of Reference for all Trust Committees are reviewed regularly and updated to confirm remit, membership, quorum and voting. A committee may co-opt other persons, who are not Trustees, as members of the committee; but no-one who is an employee of the Trust may be co-opted as a member of a committee. A co-opted member of a committee may not act as the Chair of the committee. A committee may, with the approval of the Trustees, obtain professional advice, should the committee consider that appropriate or necessary for the performance of its functions.

Statement of the Trustees' Responsibilities

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

The Royal Charter, dated 3 April 2019, together with the law applicable to charities in Scotland require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee induction in the past has involved the provision of key governance documents and Board minutes, and an induction visit with staff at Andrew Carnegie House. We routinely include Trustees in training opportunities that are offered to us by approved third parties. We are currently reviewing our Trustee Skills Matrix and our induction process so that we can identify and remedy any additional training or development needs that we identify through this process.

Management

The day-to-day management of the Trust is delegated to the staff team under the current Statement of Delegated Authority, most recently approved by the Board on 4 October 2024. Policies are in place to govern the activities of the Trust, and these are currently under comprehensive review by the Committees to ensure that they remain up to date and fit for purpose. The Nominations Committee has the brief for HR policies, while policies on IT, finance and risk are distributed between the Audit and Risk Committee and the Investment Committee as appropriate.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Pay policy

The Trustees and the Trust Secretary are the key management personnel. No Trustees receive remuneration; details of the reimbursement of Trustees expenses are in Note 13a to the financial statements.

Staff terms and conditions of employment are approved by the Nomination and Remuneration Committee and set out in relevant policies which are reviewed from time to time. The pay of all staff is reviewed annually in line with the Staff Pay Policy. In 2024, the Trustees agreed to move away from the practice of tying staff salaries to the University of Edinburgh pay scale, with changes implemented in November 2024.

Related parties

Material transactions with related parties are disclosed in Note 13b to the financial statements. The Trust's policy is for Trustees, executives and advisers to declare their interest and exempt themselves from all relevant discussions and decisions which may involve a transaction with a related party or in which they may have a conflict of interest.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

TRUSTEES AND COMMITTEES

Members of the Board

Ronnie Bowie - Chair since May 2022.
Professor George Boyne - Trustee since August 2018.
Dr Mary Duffy - Trustee since November 2021.
The Rt Hon Lord Eassie (Ronald D Mackay) - Trustee since May 2016.
Professor Sir Paul Grice - Trustee since May 2024.
Graeme Johnston - Trustee since February 2023.
Godwin Matembe - Trustee since May 2024.
Dr Bridget McConnell CBE - Trustee since May 2020.
Professor James A Miller - Trustee since May 2023.
Professor Andrea Nolan OBE - Trustee since July 2013. Vice-chair since May 2023.
Ray Perman - Trustee since February 2019.
Dr Claire Swan - Trustee since May 2023.
Dr Alexandra Walker - Trustee since May 2023.
Professor Richard A. Williams CBE - Trustee since February 2023.
Professor Sir Peter Mathieson - Trustee since October 2024.

Investment Committee

Graeme Johnson, Chair
Ronnie Bowie
Ray Perman
Sarah Whitley co-opted
Robert Waugh co-opted

Audit and Risk Committee

Lord Eassie, Chair
Prof James Miller
Dr Alexandra Walker
Godwin Matembe (from May 2024)
Graeme Cullen, co-opted
Dr Bridget McConnell

Nominations Committee

Ronnie Bowie
Dr Mary Duffy
Professor Andrea Nolan
Mr Ray Perman

Programme and Projects Committee (since April 2024)

Prof James Miller
Dr Alexandra Walker
Dr Claire Swan

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

Members of Staff

Chief Executive

Canon Dr Eve Poole OBE BA MBA FRSA (Interim until February 2024)

Dr Hannah Garrow (since August 2024)

Director of Programmes

Dr Patricia Krus MA (until August 2024)

Bursar

Elizabeth Eckles MA (Oxon) MSc ACA (until December 2023)

Grants Manager

Dr John Thompson

Business Manager

Joyce Archibald (since July 2024)

Administrator

Sarah Huxtable (until June 2024)

Auditors

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

Bankers

Lloyds Banking Group plc, Henry Duncan House, 120 George Street, Edinburgh EH2 4TS

Investment Managers

Rathbone Investment Management Ltd, 10 George St, Edinburgh EH2 2PF

Copies of the Royal Charter and of its By laws may be obtained from the Secretary of the Trust on payment of a reasonable charge. The charity registration number of the Trust is SC015600.

The Trustees' report was approved by the Trustees on 28 February 2025 and then subsequently signed on behalf of the Board on 11 March 2025.



Ronnie Bowie (Chair)

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

Opinion

We have audited the financial statements of The Carnegie Trust for the Universities of Scotland (the 'charity') for the year ended 30 September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2024 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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 financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

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 financial statements; or
- proper accounting records have not been kept; or
- the financial statements 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 14, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 financial statements

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 relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Irregularities, including fraud, are instances of noncompliance 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

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 Scottish charity legislation,
- 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 CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

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

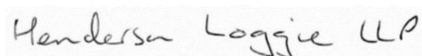
- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of board meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to PhD support provisions; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Owing to the inherent limitations of an audit, there is 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 for the audit of the financial statements is located on the Financial Reporting Council's website at [https://www.frc.org.uk/ auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities) . This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Henderson Loggie LLP
Chartered Accountants & Statutory Auditor

Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Level 5, The Stamp Office, 10-14 Waterloo Place, Edinburgh, EH1 3EG.

12 March 2025

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £	Total 2023 £
Income from:						
Donations and legacies	2	51,535	79,486	544,217	675,238	21,021
Investments	3	2,273,803	-	-	2,273,803	2,574,467
Total income and endowments		<u>2,325,338</u>	<u>79,486</u>	<u>544,217</u>	<u>2,949,041</u>	<u>2,595,488</u>
Expenditure on:						
Raising funds		235,771	-	-	235,771	220,983
Charitable activities	4	2,264,597	139,706	-	2,404,303	2,148,336
Total expenditure		<u>2,500,368</u>	<u>139,706</u>	<u>-</u>	<u>2,640,074</u>	<u>2,369,319</u>
Net gains on investments		<u>-</u>	<u>-</u>	<u>7,522,873</u>	<u>7,522,873</u>	<u>1,319,837</u>
Net income/(expenditure)		(175,030)	(60,220)	8,067,090	7,831,840	1,546,006
Transfers between funds		<u>(46,370)</u>	<u>46,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		(221,400)	(13,850)	8,067,090	7,831,840	1,546,006
Reconciliation of funds:						
Fund balances at 1 October 2023		<u>1,231,653</u>	<u>52,100</u>	<u>72,111,830</u>	<u>73,395,583</u>	<u>71,849,577</u>
Fund balances at 30 September 2024		<u>1,010,253</u>	<u>38,250</u>	<u>80,178,920</u>	<u>81,227,423</u>	<u>73,395,583</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

BALANCE SHEET

AS AT 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Fixed assets					
Tangible assets	8	431,569		447,143	
Investments	9	82,497,820		72,111,830	
		82,929,389		72,558,973	
Current assets					
Debtors	10	184,475		400,166	
Cash at bank and in hand		1,789,105		3,597,364	
		1,973,580		3,997,530	
Creditors: amounts falling due within one year	11	(2,059,639)		(645,471)	
Net current (liabilities)/assets			(86,059)		3,352,059
Total assets less current liabilities		82,843,330		75,911,032	
Creditors: amounts falling due after more than one year			(193,359)		(484,824)
Provision for other liabilities	12	(1,422,548)		(2,030,625)	
Net assets		81,227,423		73,395,583	
The funds of the Trust					
Endowment funds	13	80,178,920		72,111,830	
Restricted income funds	14	38,250		52,100	
Unrestricted funds	15	1,010,253		1,231,653	
		81,227,423		73,395,583	

The financial statements were approved by the Trustees on 28 February 2025 and then subsequently signed on behalf of the Board on 11 March 2025



Ronnie Bowie (Chair)

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		1,029,014		(294,957)
Investing activities					
Purchase of tangible fixed assets		(1,930)		(4,192)	
Purchase of investments		(32,541,462)		(9,610,079)	
Proceeds from disposal of investments		30,031,839		7,847,107	
(Increase)/decrease in cash in investment portfolio		(325,720)		1,762,972	
Net cash used in investing activities			(2,837,273)		(4,192)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(1,808,259)		(299,149)
Cash and cash equivalents at beginning of year			3,597,364		3,896,513
Cash and cash equivalents at end of year			1,789,105		3,597,364

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

Charity information

The Carnegie Trust for the Universities of Scotland is a charity registered in Scotland. The principal address is Andrew Carnegie House, Pittencrieff Street, Dunfermline, Fife, KY12 8AW. The principal accounting policies adopted, judgements and key sources of estimated uncertainty in the preparation of the financial statements of the Trust are set out below.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: 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)". The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements comprise three primary financial statements: the statement of financial activities, the balance sheet and the statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified by the revaluation of UK listed investments.

In preparing the financial statements, the Trustees are required to make judgements, estimates and assumptions, which may affect reported income, expenses, assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors considered relevant. Actual results may differ from such estimates. Judgements made in preparing these financial statements comprise:

- The applicability of the estimated useful lives of fixed assets used to calculate the period over which depreciation is applied.
- The review of fixed assets for impairment or obsolescence.
- The calculation of the provision for scholarship costs based on the estimated total cost of the scholarship at the time of award, which will include estimation of future fee and stipend levels.
- The assessment of leases to determine whether the risks and rewards of ownership remain with the lessor or are transferred to the Trust.

1.2 Going concern

The Trustees have reviewed the Trust's long-term forecast, current cash position and the expected income for the twelve months following approval of the financial statements, and have identified no material uncertainty. The Trustees consider that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Tangible fixed assets

Expenditure on heritable property and on contents is recorded as capital expenditure.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values, with the exception of land which is not depreciated, over their useful lives on the following bases:

Andrew Carnegie House (25% share)	2 - 10% straight line
Contents	10 - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.4 Fixed asset investments

Investments comprising listed investments are stated at fair value and measured as market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.5 Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1.6 Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar.

1.7 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

1.8 Income

Income is recognised when the Trust has entitlement to the funds, it is probable that the income will be received, and the amount can be measured reliably.

Investment income - Investment income is accounted for in the year in which the Trust is entitled to receipt.

Legacies and donations - Larger legacies of a non-recurring nature are normally credited to the Endowment fund in the year. Other legacies and donations, on a scale commensurate with students' fees advanced in earlier years, are included in Clause B income. Where legacies and donations are received for a specific purpose with an instruction or permission to expend the capital, these are taken to restricted funds.

1.9 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Trust to the expenditure. Expenditure is accounted for on an accruals basis.

- **Raising Funds** – Costs comprise fees paid to investment managers and are charged against income of the general fund
- **Charitable activities** - Costs of charitable activities include grants made and overhead and support costs as shown in Note 5. Grants payable are charged when approved by the Trustees except where approval is subject to subsequent fulfilment of conditions. By the Royal Charter, one half of the net income is to be applied to the improvement and expansion of the Universities of Scotland (Clause A) and one half to the payment of fees for qualifying Scottish students in respect of courses leading to a degree at a Scottish University (Clause B). The Trustees have discretion to transfer unexpended surplus income under Clause B, firstly to Clause A objectives, and then to purposes that would further the usefulness of the Universities.
- **Provision for scholarship costs** – Postgraduate scholarships are awarded for a duration of 36 or 42 months subject to satisfactory progress being made. Provision is made for the outstanding future costs estimated to be payable for all scholars in post and awarded during the financial year. The Trust also administers the appointments of one or two scholars per annum as an agent for the RSE Scotland Foundation (CRF fund) and the Royal Society of Edinburgh (Dryerre Fund) and the income and expenditure for these appointments is not included in the Statement of Financial Activities. The provision is discounted to reflect cost of living increases.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

1 Accounting policies

(Continued)

1.10 Employee benefits

Since 1 August 2015 eligible employees have been auto-enrolled in a workplace pension scheme. Currently, Smart Pension is the auto-enrolment scheme.

1.11 Fund Accounting

The General Reserve:

Is an unrestricted fund which the Trustees are free to use in accordance with the charitable objects of the Trust.

Designated Funds:

Property Reserve fund - a fund set up to support the investment in Andrew Carnegie House which is jointly owned and occupied with the other UK based Carnegie Trusts.

Restricted Funds:

Nairn Fund – a donation received to be expended on meeting living costs for students receiving Undergraduate Tuition Fee Grants.

CCYN Fund - a donation received to be expended on research into the impact of the Trust on Scottish society, with an aim to provide insights into the direction and priorities of the Trust over time and its place in Scottish society generally.

Endowment Fund:

The original endowment of the Trust as augmented by net surpluses, together with the larger legacies received. The income from the fund, less costs of management, is treated as unrestricted income in line with the terms of the Royal Charter. Transfers to and from General Reserve are made each year to bring the Endowment Fund into balance with the value of its net assets.

1.12 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at their transaction value and subsequently measured at their settlement value.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

2 Income from donations and legacies

	General	Restricted	Endowment	Total
Year ended 30 September 2024	£	£	£	£
Donations	7,317	-	-	7,317
Legacies	44,218	-	544,217	588,435
Grants	-	79,486	-	79,486
	<u>51,535</u>	<u>79,486</u>	<u>544,217</u>	<u>675,238</u>
Year ended 30 September 2023	£	£	£	£
Donations	10,558	-	-	10,558
Legacies	10,463	-	-	10,463
Grants	-	-	-	-
	<u>21,021</u>	<u>-</u>	<u>-</u>	<u>21,021</u>

3 Income from charitable activities

	General Fund	Restricted Fund	Endowment Fund	Total
Year ended 30 September 2024	£	£	£	£
Investments				
Dividends and interest on investments	2,138,895	-	-	2,138,895
Bank deposit interest	134,908	-	-	134,908
	<u>2,273,803</u>	<u>-</u>	<u>-</u>	<u>2,273,803</u>
Year ended 30 September 2023	£	£	£	£
Investments				
Dividends and interest on investments	2,505,778	-	-	2,505,778
Bank deposit interest	68,689	-	-	68,689
	<u>2,574,467</u>	<u>-</u>	<u>-</u>	<u>2,574,467</u>

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

4 Expenditure

	General Fund	Property Reserve Fund	Restricted Fund	Endowment Fund	Total
Year ended 30 September 2024					
	£	£	£	£	£
Raising funds					
Investment management	235,771	-	-	-	235,771
Charitable activities					
Clause A grants (see note 5)	1,337,892	-	-	-	1,337,892
Clause B grants (see note 5)	483,468	-	-	-	483,468
Nairn Fund	-	-	13,850	-	13,850
Legal and professional fees	-	-	125,856	-	125,856
Wider Carnegie activities	80,414	-	-	-	80,414
Support costs (see note 6)	350,636	12,187	-	-	362,823
Total charitable expenditure	2,252,410	12,187	139,706	-	2,404,303
Total expenditure 2024	2,488,181	12,187	139,706	-	2,640,074
Year ended 30 September 2023					
	£	£	£	£	£
Raising funds					
Investment management	220,983	-	-	-	220,983
Charitable activities					
Clause A grants (see note 5)	1,224,099	-	-	-	1,224,099
Clause B grants (see note 5)	482,327	-	-	-	482,327
Nairn Fund	-	-	8,900	-	8,900
Wider Carnegie activities	6,657	-	-	-	6,657
Support costs (see note 6)	413,159	13,194	-	-	426,353
Total charitable expenditure	2,126,242	13,194	8,900	-	2,148,336
Total expenditure 2023	2,347,225	13,194	8,900	-	2,369,319

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

5 Clause A and Clause B Analysis

		Clause A 2024 £	Clause B 2024 £	Clause A 2023 £	Clause B 2023 £
Income					
Unrestricted income	2,273,803				
Investment management costs	(235,771)				
Net annual income	2,038,032	1,019,016	1,019,016	1,176,742	1,176,742
Legacies etc		-	51,535		21,021
Net income available for grant making		1,019,016	1,070,551	1,176,742	1,197,763
Expenditure					
Grants awarded:					
Research Incentive Grants awarded		917,607	-	422,092	-
PhD Scholarships		112,602	-	826,697	-
Research workshops		-	-	(27,462)	-
Vacation Scholarship grants		301,560	-	(4,849)	-
Scholar day costs		6,123	-	7,621	-
Undergraduate Tuition Fee Grants		-	456,968	-	463,577
Study Support Grants		-	26,500	-	18,750
		1,337,892	483,468	1,224,099	482,327
Support costs of grant making		175,318	175,318	206,580	206,579
		1,513,210	658,786	1,430,679	688,906
Clause A and Clause B surplus income/(expenditure)		(494,194)	411,765	(253,937)	508,857
Transferred to/from Clause B		494,194	(494,194)	253,937	(253,937)
Wider Carnegie Activities			(80,414)		(6,657)
Net incoming resources - general fund		-	(162,843)	-	248,263

In terms of Clause A of the Royal Charter, one half of the net annual income shall be applied towards the improvement and expansion of the Universities of Scotland; under Clause B the other half of the income, or such part thereof as in each year may be found requisite, shall be devoted to assistance with fees eligible by the Universities. Any surplus income which may remain after satisfying the requirements under Clause A and B shall be at the disposal of the Trustees.

All grants are awarded to individuals, but mainly paid to their institutions.

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

6 Support costs allocated to activities

	2024 £	2023 £
Staff costs	193,606	264,756
Depreciation	17,504	18,654
Staff training, temporary staff and other costs	16,082	10,676
Scheme evaluation	-	49,080
Rates and insurance	5,196	5,402
Upkeep of premises and equipment and power	11,485	14,218
Computer maintenance, support and development	45,840	28,304
PR, promotion, postage and telephone	2,456	7,283
Travel and meeting costs	5,996	3,729
Miscellaneous	2,702	4,339
Finance support	30,312	-
Legal, professional and accountancy costs	31,644	19,912
	<u>362,823</u>	<u>426,353</u>
Analysed between:		
General Fund	350,636	413,159
Property Reserve Fund	12,187	13,194
	<u>362,823</u>	<u>426,353</u>
	2024 £	2023 £
Governance costs comprise:		
Audit fees	10,264	10,312
Accountancy	2,880	6,300
Legal and professional	18,500	3,300
Scheme evaluation	-	49,080
Meeting costs etc	4,043	3,622
	<u>35,687</u>	<u>72,614</u>

Support costs are the central costs incurred directly in support of expenditure on the objects of the Trust. Governance costs comprise all costs involving the public accountability of the Trust and its compliance with regulation and good practice. These costs include statutory audit and legal fees together with costs of meetings of the Trustees and committees. Fees paid to the auditor in respect of audit services totalled £10,264 (2023 - £10,312) and in respect of accounts preparation £nil (2023 - £6,300).

7 Employees

The average monthly number of employees during the year was:

2024 Number	2023 Number
<u>4</u>	<u>5</u>

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

7 Employees (Continued)

Salaries and pension	2024 £	2023 £
Wages and salaries	173,971	242,152
Social security costs	14,121	21,317
Pension costs	16,336	17,380
	<u>204,428</u>	<u>280,849</u>
Less reimbursed by co-owners of building	10,822	16,093
	<u>193,606</u>	<u>264,756</u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£70,000 - £80,000	<u>1</u>	<u>1</u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

Key management remuneration in the year totalled £109,526 (including pension contributions) (2023 - £103,153).

As at 30 September 2024 there were outstanding pension costs of £1,647 (2023 - £3,246).

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

8 Tangible fixed assets

	Andrew Carnegie House (25% share)	Contents	Total
	£	£	£
Cost			
At 1 October 2023	652,400	106,398	758,798
Additions	1,680	250	1,930
Disposals	(800)	-	(800)
At 30 September 2024	653,280	106,648	759,928
Depreciation and impairment			
At 1 October 2023	219,307	92,348	311,655
Depreciation charged in the year	12,187	5,317	17,504
Eliminated in respect of disposals	(800)	-	(800)
At 30 September 2024	230,694	97,665	328,359
Carrying amount			
At 30 September 2024	422,586	8,983	431,569
At 30 September 2023	433,093	14,050	447,143

Andrew Carnegie House assets include £62,500 of land that is not depreciated.

9 Fixed asset investments

	UK Investments	Overseas Investments	Cash Deposits	Total
	£	£	£	£
Cost or valuation				
At 1 October 2023	34,987,711	37,057,631	66,488	72,111,830
Additions	12,826,844	19,714,618	(29,678,346)	2,863,116
Valuation changes	-	-	(27,774)	(27,774)
Realised gain/(loss) on sale	(609,027)	(163,109)	-	(772,136)
Unrealised gain/(loss)	2,895,849	5,426,935	-	8,322,784
Disposals	(21,300,948)	(8,730,893)	30,031,841	-
At 30 September 2024	28,800,429	53,305,182	392,209	82,497,820
Carrying amount				
At 30 September 2024	28,800,429	53,305,182	392,209	82,497,820
At 30 September 2023	34,987,711	37,057,631	66,488	72,111,830

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

9 Fixed asset investments (Continued)

	2024 £	2023 £
Listed investments carrying amount	82,497,820	72,111,830

Fixed asset investments revalued

The historical cost of UK Listed investments was £22,692,727 (2023 - £35,856,755) and Overseas investments was £47,781,986 (2023 - £29,536,645).

10 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	6,516	-
Other debtors	95,449	183,470
Accrued income from investments	82,510	216,696
	184,475	400,166

11 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	3,338	-
Other creditors	1,892,561	496,852
Accruals and deferred income	163,740	148,619
	2,059,639	645,471

12 Provisions for scholarship costs

	Payable within 1 year £	Payable 2 - 5 years £	Total £
Scholars appointed 2019	20,616	5,084	25,700
Scholars appointed 2020	47,172	12,616	59,788
Scholars appointed 2021	172,581	10,163	182,744
Scholars appointed 2022	430,425	109,686	540,111
Scholars appointed 2023	308,217	305,988	614,205
	979,011	443,537	1,422,548

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

						(Continued)
12	Provisions for scholarship costs			Payable within 1 year	Payable 2 - 5 years	Total
Movements on provisions:						
	Scholars appointed 2019	Scholars appointed 2020	Scholars appointed 2021	Scholars appointed 2022	Scholars appointed 2023	Total
	£	£	£	£	£	£
At 1 October 2023	35,883	132,744	341,332	736,349	784,317	2,030,625
Provisions made for awards in the year	948	25,177	31,535	28,675	40,877	127,212
Payments in year	(10,928)	(97,628)	(189,716)	(219,811)	(197,073)	(715,156)
Discount	(203)	(505)	(407)	(5,102)	(13,916)	(20,133)
At 30 September 2024	25,700	59,788	182,744	540,111	614,205	1,422,548

13 Endowment funds

Endowment funds represent assets which must be held permanently by the Trust. Income arising on the endowment funds can be used in accordance with the objects of the Trust and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	At 1 October 2023	Incoming resources	Gains and losses	At 30 September 2024
	£	£	£	£
Permanent endowments	72,111,830	544,217	7,522,873	80,178,920
Previous year:	At 1 October 2022	Incoming resources	Gains and losses	At 30 September 2023
	£	£	£	£
Permanent endowments	70,791,993	-	1,319,837	72,111,830

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

14 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	At 30 September 2024
	£	£	£	£	£
	52,100	79,486	(139,706)	46,370	38,250
	<u>52,100</u>	<u>79,486</u>	<u>(139,706)</u>	<u>46,370</u>	<u>38,250</u>
Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
	61,000	-	(8,900)	-	52,100
	<u>61,000</u>	<u>-</u>	<u>(8,900)</u>	<u>-</u>	<u>52,100</u>

15 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 October 2023	Incoming resources	Resources expended	Transfers	At 30 September 2024
	£	£	£	£	£
General Fund	798,560	2,325,338	(2,488,181)	(46,370)	589,347
Property Reserve Fund	433,093	-	(12,187)	-	420,906
	<u>1,231,653</u>	<u>2,325,338</u>	<u>(2,500,368)</u>	<u>(46,370)</u>	<u>1,010,253</u>
Previous year:	At 1 October 2022	Incoming resources	Resources expended	Transfers	At 30 September 2023
	£	£	£	£	£
General Fund	550,297	2,595,488	(2,347,225)	-	798,560
Property Reserve Fund	446,287	-	(13,194)	-	433,093
	<u>996,584</u>	<u>2,595,488</u>	<u>(2,360,419)</u>	<u>-</u>	<u>1,231,653</u>

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

16 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total 2024 £
At 30 September 2024:				
Tangible assets	431,569	-	-	431,569
Investments	2,863,117	-	79,634,703	82,497,820
Current assets/(liabilities)	(668,526)	38,250	544,217	(86,059)
Long term liabilities	(193,359)	-	-	(193,359)
Provisions	(1,422,548)	-	-	(1,422,548)
	<u>1,010,253</u>	<u>38,250</u>	<u>80,178,920</u>	<u>81,227,423</u>
	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £
At 30 September 2023:				
Tangible assets	447,143	-	-	447,143
Investments	-	-	72,111,830	72,111,830
Current assets/(liabilities)	3,299,959	52,100	-	3,352,059
Long term liabilities	(484,824)	-	-	(484,824)
Provisions	(2,030,625)	-	-	(2,030,625)
	<u>1,231,653</u>	<u>52,100</u>	<u>72,111,830</u>	<u>73,395,583</u>

17 Financial instruments

The carrying values of financial instruments as defined by the accounting standards are as follows:

	2024 £	2023 £
Instruments measured at fair value through profit or loss	<u>82,497,820</u>	<u>72,111,830</u>

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

17 Financial instruments

(Continued)

FRS 102 requires the disclosure of information in relation to investment risks, which is set out below:

Credit risk: this is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Market risk: this comprises currency risk, interest rate risk and other price risk.

- **Currency risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in foreign exchange rates.
- **Interest rate risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market interest rates.
- **Other price risk:** this is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes.
- In market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Trust has exposure to these risks because of the investments it makes to implement its investment strategy.

The Trustees manage investment risks, including credit risk and market risk, within agreed risk limits which are set taking into account the Trust's strategic investment objectives. These investment objectives and risk limits are implemented through the investment management agreements in place with the Trust's investment managers and monitored by the Investment Committee by regular reviews of the investment portfolios.

Credit risk: the Trust is directly exposed to credit risk in relation to the fixed interest investments and cash deposits held. Direct credit risk is mitigated by policy restrictions on the grade of investment held.

Currency risk: the Trust is subject to currency risk because some of the Trust's investments are held in overseas markets.

Interest rate risk: the Trust is subject to interest rate risk through investments in bonds.

Other price risk: other price risk arises principally in relation to direct equity holdings. The Trust manages this exposure to other price risk by constructing a diverse portfolio of investments across various markets.

18 Financial commitments - operating lease commitments

The financial commitment at the year end in respect of operating leases for printing and copying equipment was £1,096 (2023 - £1,723).

19 Related party transactions

Trustees:

No trustee received any payments other than reimbursements of expenditure on travel and subsistence costs actually and necessarily incurred in carrying out their duties. The aggregate of such reimbursements, including payments on behalf of trustees, was £482 (2023 - £nil).

THE CARNEGIE TRUST FOR THE UNIVERSITIES OF SCOTLAND

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

20	Cash generated from operations	2024 £	2023 £
	Surplus for the year	7,831,840	1,546,006
	Adjustments for:		
	Foreign exchange differences on investments	(27,774)	-
	Gain on disposal of investments	(7,522,873)	(1,319,837)
	Depreciation and impairment of tangible fixed assets	17,504	18,654
	Movements in working capital:		
	Decrease/(increase) in debtors	215,691	(98,093)
	Increase/(decrease) in creditors	1,122,703	(137,571)
	Increase in provisions	(608,077)	(304,116)
	Cash generated from/(absorbed by) operations	1,029,014	(294,957)

21 Analysis of changes in net funds

The Trust had no material debt during the year.