

CARNEGIE DUNFERMLINE TRUST

Report and Financial Statements

Year ended 31st December 2005

Charity No. SCO 15710

CARNEGIE DUNFERMLINE TRUST

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CARNEGIE DUNFERMLINE TRUST

**Carnegie Dunfermline Trust, Abbey Park House, Abbey Park Place, Dunfermline,
KY12 7PB. Tel: 01383 723638**

Legal and administrative information 2005

LIFE TRUSTEES

Dr David M Fraser MB ChB FRCPE
Angus M Hogg MCIPS
George R Atkinson FCCA (retired January 2005)
Mrs Linda P Brown
Andrew Croxford BA CA FCCA (appointed December 2005)
Claire Gemmell
Dr Alexander A H Lawson MD FRCPE
Bill Livingstone
Jane Livingstone
Mrs Fiona Robertson MSc MCSP (appointed April 2005)
J Douglas Scott BA
Dr David B B Smith OBE Dr hc MA LLB
FRSA FInstD NP
Mrs Jessie T R Spittal (retired January 2005)
David J Stobie OBE FRSA
David M Walker BA CA FCCA
Robin Watson RIBA ARIAS
Ian M Wilson BSc
C Roy Woodrow

Trustees appointed by Fife Council

Cllr Andrew Brown JP
Cllr Pat Callaghan
Cllr Gerry McMullan
Cllr James P Simpson MA Hons DIM

Honorary Trustees

Arthur D Robertson DL JP
John A Romanes

Chief Executive

Auditors

Bankers

Investment Advisers/Managers

Legal Advisers/Solicitors

Insurance Advisers

Nora T C Rundell BA MBA MCMi
Chiene & Tait, 61 Dublin Street, Edinburgh, EH3 6NL
Royal Bank of Scotland plc, 52-54 East Port, Dunfermline,
KY12 7HB
Adam & Company Investment Management Ltd, 22 Charlotte
Square, Edinburgh, EH2 4DF
J R Stevenson & Marshall, 41 East Port, Dunfermline,
KY12 7JE
J W Group Insurance & Risk Managers Ltd,
3 East Fergus Place, Kirkcaldy, KY1 1XT

CARNEGIE DUNFERMLINE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2005

The Trustees present their report together with the financial statements of the charity for the year ended 31st December 2005. The financial statements have been prepared in accordance with the accounting policies set out on pages 9 and 10 and comply with the charity's Trust Deed, Royal Charter of Incorporation and applicable law.

Governance, Objectives and Grant Making Policy

The original governing document of the Carnegie Dunfermline Trust is the Trust Deed of 1903 followed by the Royal Charter of Incorporation granted in 1919. During 2005 modernising amendments to the Royal Charter have been drafted and await consideration by the Privy Council.

A founding letter from Andrew Carnegie dated 1903 explains the nature and purpose of the Trust, the objects of which briefly expressed, are to add value to the people of Dunfermline and its' environs.

There are twenty Trustees and those who have served during the year are set out on page 1. Of these, four are appointed by Fife Council and their appointment is reviewed following each local government election. Of the other Trustees, when a vacancy arises nominations are sought through advertising, applications invited and interviews conducted by a committee of serving Trustees. Trustees currently retire on reaching the age of seventy.

Trustees meet bi-monthly when relevant applications and projects are considered. Applications for financial assistance are invited under the collective headings of Community Projects, Arts, Schools, and Sport.

Principal Activities

2005 has seen major activity and joint commitment with our sister trusts in Scotland in the bringing of the international Carnegie Medal of Philanthropy awards and related events to Scotland. A two day programme included a full day of activity in Dunfermline incorporating Pittencrieff Park, the Andrew Carnegie Birthplace Museum and Lauder College. The award ceremony took place on the second day in the Scottish Parliament building in Edinburgh.

In addition to the consideration and awarding of a full programme of grants the year has seen the launch of the new Dunfermline City Trail, and the opening of the upgraded North West entrance to Pittencrieff Park, both partnership projects.

Throughout the year the administration of the Trust and its activities has been complemented by the joint development of the project to build and occupy a new and landmark building to mark the co-location of the Trust with the Carnegie Trust for the Universities of Scotland and the Carnegie United Kingdom Trust, on a site adjacent to Pittencrieff Park. Construction is scheduled for 2006 with occupation in 2007.

CARNEGIE DUNFERMLINE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2005 (cont)

Financial review and investments policy

In 1903, Andrew Carnegie gifted \$2,500,000 to fund the Trust. The capital of this fund now amounts to £9,954,143. This fund generates income which is used to provide financial assistance in accordance with the objects of the charity. Total income generated was £314,746 in the year to fund grants and related costs which totalled £326,843.

There are no restrictions on the charity's power to invest. The investment strategy is set by the Trustees in the light of advice from the Trust's investment advisers.

The investment strategy is subject to regular review and takes account of the recent and likely demand for funds, together with the investment managers' view of market prospects in the medium term. The strategy is set within an overall policy under which the Endowment Fund is invested in stocks and shares, gilts and fixed interest investments, with the objective of maintaining and increasing the capital value of the fund, and producing sufficient income to enable the Trust to fulfil its charitable aims.

The restricted and unrestricted funds within the Trust's portfolio may be invested in any type of investment. Limits are laid down with regard to the amount to be invested in any one investment, and within certain geographical areas.

Reserves Policy

It is the policy of the Charity to maintain unrestricted funds, which are the free reserves of the Charity, at a level which provides sufficient cover for meeting ongoing costs of generating funds and charitable expenditure.

Risk Management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

Trustees' responsibilities in relation to the financial statements

Law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

CARNEGIE DUNFERMLINE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31st DECEMBER 2005 (cont)

The Trustees are responsible for keeping accounting records which 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 Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and Charities Accounts (Scotland) Regulations 1992. 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.

Approved by the trustees and signed on their behalf by:

David M Fraser, Chairman

27th April 2006

CARNEGIE DUNFERMLINE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CARNEGIE DUNFERMLINE TRUST

We have audited the financial statements of the Carnegie Dunfermline Trust for the year ended 31 December 2005 set out on pages 7 to 16. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 7 of the Charities Accounts (Scotland) Regulations 1992. 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 auditors' 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.

Respective responsibilities of trustees and auditors

The trustees' responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and/or the terms of the charity's founding deed. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CARNEGIE DUNFERMLINE TRUST

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE CARNEGIE
DUNFERMLINE TRUST (continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of the Charity's affairs as at 31 December 2005 and of its incoming resources and application of resources including, in its income and expenditure account, the surplus or deficit for the year then ended and have been properly prepared in accordance with the Law reform (Miscellaneous Provisions) (Scotland) Act 1990, the Charities Accounts (Scotland) Regulations 1992 and the terms of the charity's founding deed.

CHIENE & TAIT
Registered Auditors
61 Dublin Street
Edinburgh EH3 6NL

27th April 2006

CARNEGIE DUNFERMLINE TRUST
STATEMENT OF FINANCIAL ACTIVITIES
Incorporating the Income and Expenditure Account
For the year ended 31st December 2005

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Endowment Fund</u>	<u>2005 Total</u>	<u>2004 Total</u>
<u>Incoming Resources</u>					
Investment Income	2	£309,616	£ -	£309,616	£280,540
Rent Received		4,560	-	4,560	29,310
Income from Book Sales		<u>570</u>	<u>-</u>	<u>570</u>	<u>371</u>
Total Incoming Resources		£314,746	£ -	£314,746	£310,221
<u>Resources Expended</u>					
Costs of generating funds	3	32,808	£ -	32,808	33,806
Charitable Expenditure	4	<u>294,035</u>	<u>-</u>	<u>294,035</u>	<u>235,338</u>
Total Resources Expended		£326,843	£ -	£326,843	£269,144
Net (outgoing)/incoming resources		£(12,097)	-	£(12,097)	£41,077
Realised gains on tangible fixed assets		-	15,861	15,861	-
Realised gains on investments		<u>-</u>	<u>22,268</u>	<u>22,268</u>	<u>13,262</u>
(Deficit)/Surplus for year		(12,097)	38,129	26,032	54,339
Unrealised gains on investments		-	1,087,256	1,087,256	483,698
Revaluation of Tangible Assets		<u>-</u>	<u>(24,640)</u>	<u>(24,640)</u>	<u>225,000</u>
Net Movement in funds in the year		£(12,097)	£1,100,745	£1,088,648	£763,037
Fund balances brought forward at 1 st January		<u>867,773</u>	<u>8,853,398</u>	<u>9,721,171</u>	<u>8,958,134</u>
Fund Balances carried forward at 31st December		£855,676	£9,954,143	£10,809,819	£9,721,171

All activities of the Trust relate to continuing operations. The notes on pages 9 to 16 form part of these financial statements.

CARNEGIE DUNFERMLINE TRUST
BALANCE SHEET
As at 31st December 2005

<u>Fixed Assets</u>	<u>Notes</u>	<u>2005</u>	<u>2004</u>
Tangible Fixed Assets	6	£1,050,003	£1,506,673
Investments	7	<u>8,556,220</u>	<u>7,076,663</u>
		9,606,223	<u>8,583,336</u>
 <u>Current Assets</u>			
Concessionary Loans	8	£ 3,000	£5,500
Debtors	9	61,184	25,179
Cash in Hands of Investment Advisers		324,033	681,955
Short Term Deposits		700,807	270,640
Cash at Bank and in Hand		<u>150,037</u>	<u>202,517</u>
		£1,239,061	£1,185,791
 <u>Creditors:</u>			
Amounts Falling			
Due Within One Year	10	<u>35,465</u>	47,956
Net Current Assets		<u>1,203,596</u>	<u>1,137,835</u>
Net Assets		<u>£10,809,819</u>	<u>£9,721,171</u>
 <u>Funds</u>			
Endowment Fund	12	£9,954,143	£8,853,398
Unrestricted Funds	13	<u>855,676</u>	<u>867,773</u>
		<u>£10,809,819</u>	<u>£9,721,171</u>

The accounts were approved by
the Trustees on 27 April 2006

Trustee

..... Trustee

The notes on pages 9 to 16 form part of these financial statements.

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements
For the year ended 31st December 2005

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments at market value, in accordance with applicable Accounting Standards, The Charities Accounts (Scotland) Regulations 1992 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in October 2000. In accordance with the exemption available in Financial Reporting Standard No. 1 the Trust has not prepared a cash flow statement.

(b) Fixed Assets and Depreciation

Administrative property is stated at cost.

Investment properties and works of art are stated at valuation and are revalued on a regular basis.

Other tangible fixed assets are stated at depreciated cost.

No depreciation is charged on the administrative property as the estimated residual value is in excess of cost.

Equipment is depreciated on a straight line basis over 4 to 7 years, being an estimate of its useful life.

Fixed asset investments are included in the Balance Sheet at market value.

(c) Investment Income, Rental and Other Income

Income from investments including the related tax recoverable and income from rental and other income are accounted for in the year in which they are receivable.

Support costs comprise costs for processing grants and applications, including support to actual and potential applicants. Management and administration comprises costs for the running of the charity itself as an organisation

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements - Continued
For the year ended 31st December 2005

1. ACCOUNTING POLICIES (continued)

(d) Resources Expended

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to managing the investment and property portfolios and raising investment and rental income. All of the Investment Manager's fees are charged to the unrestricted fund in accordance with guidance given in the Trust's founding document.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

(e) VAT

The Trust is not registered for VAT and accordingly expenditure includes VAT where appropriate.

(f) Pensions

The Trust operates defined contribution pension schemes for its employees. Contributions payable for the year are charged to the SOFA.

(g) Fund Accounting

Details of the nature and purpose of each fund are set out in notes 12 and 13.

(h) Foreign Currency

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate prevailing at the year end.

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements – Continued
For the year ended 31st December 2005

2. INVESTMENT INCOME

	2005	2004
Quoted Investments:		
Fixed Interest Stocks	£85,780	£74,210
Ordinary Stocks: UK	177,450	173,559
USA	506	327
	<u>£263,736</u>	<u>£248,096</u>
Short Term Deposits	20,303	11,406
Interest on Concessionary Loans	101	82
Bank Interest	6,796	3,241
Interest and Commission from Investment Advisers	<u>18,680</u>	<u>17,715</u>
	<u>£309,616</u>	<u>£280,540</u>

3. COSTS OF GENERATING FUNDS

Investment Management Fees	£30,607	£27,508
Investment Securities Charges	857	1,061
Rented Property Expenses	1,344	3,403
Professional Fees	-	1,834
	<u>£32,808</u>	<u>£33,806</u>

4. CHARITABLE EXPENDITURE

Grants payable	£181,871	£103,110
Support Costs:-		
Salaries and related costs	£57,642	£65,960
Depreciation	575	992
Other	<u>15,128</u>	<u>20,260</u>
	73,345	<u>87,212</u>
Management and administration:-		
Direct costs:-		
Auditor's remuneration	£2,645	£2,502
Professional fees	<u>176</u>	<u>2,232</u>
	<u>2,821</u>	<u>4,734</u>
Indirect costs:-		
Salaries and related costs	£18,755	£21,324
Property upkeep and services	9,227	8,241
General expenses	2,642	4,734
Professional fees	4,512	4,494
Depreciation	<u>862</u>	<u>1,489</u>
	<u>35,998</u>	<u>40,282</u>
	38,819	<u>45,016</u>
	<u>£294,035</u>	<u>£235,338</u>

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements - Continued
For the year ended 31st December 2005

4. CHARITABLE EXPENDITURE (continued)

During the year the following grant payments exceeded 2% of total income:

Dunfermline & West Fife Sports Festival:	£ 9,250
Dunfermline Tennis & Bridge Club:	10,000
Fife Council: Pittencrieff Park:	30,000
Fife Music Institute:	7,500
2 nd Fife Scout Group:	7,000
Medal Awards: Andrew Carnegie Medal of Philanthropy	26,293
Andrew Carnegie Birthplace Memorial:	50,000

5. STAFF NUMBERS AND COSTS

	2005	2004
Wages and Salaries	65,713	74,838
Social Security Costs	5,748	6,777
Pension Costs (note 16)	<u>4,936</u>	<u>5,669</u>
	<u>£76,397</u>	<u>£87,284</u>

The average number of employees shared with Carnegie Hero Fund Trust during the year was:
Office, Administration and Support Staff

6 7

6. TANGIBLE FIXED ASSETS

	Administrative Heritable Property	Investment Heritable Property	Art Collection	Equipment	Total
<u>Cost or Valuation</u>					
At 1st January 2005	£7,500	£892,000	£605,035	£28,031	£1,532,566
Revaluation in Year	-	-	(24,640)	-	(24,640)
Additions	-	17,966	-	1,441	19,407
Disposals	<u>-</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>
At 31 st December 2005	<u>£7,500</u>	<u>£ 459,966</u>	<u>£580,395</u>	<u>£29,472</u>	<u>£1,077,333</u>

Depreciation

At 1st January 2005	£ -	£ -	£ -	£25,893	£25,893
Charge for year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,437</u>	<u>1,437</u>
At 31st December 2005	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£27,330</u>	<u>£27,330</u>

Net Book Value

At 31st December 2005	<u>£7,500</u>	<u>£459,966</u>	<u>£580,395</u>	<u>£2,142</u>	<u>£1,050,003</u>
At 31st December 2004	<u>£7,500</u>	<u>£892,000</u>	<u>£605,035</u>	<u>£2,138</u>	<u>£1,506,673</u>

Cost or valuation at 31st December 2005 is represented by:

At Valuation	£ -	£442,000	£580,395	£ -	£1,022,395
At Cost	<u>7,500</u>	<u>17,966</u>	<u>-</u>	<u>29,472</u>	<u>54,938</u>
	<u>£7,500</u>	<u>£459,966</u>	<u>£580,395</u>	<u>£29,472</u>	<u>£1,077,333</u>

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements - Continued
For the year ended 31st December 2005

6. TANGIBLE FIXED ASSETS (continued)

- a) The administrative property has been included in the Balance Sheet at cost. The administrative property was valued at £412,500 by Hardies Chartered Surveyors as at 31st December 2002.
- b) Investment properties have been included in the Balance Sheet at market value. An open market valuation was carried out by Hardies Chartered Surveyors, Dunfermline as at 31st December 2002. After disposals of £450,000 during the year and additions totalling £17,966, the valuation is reduced to £459,966.
- c) The Trustees have reviewed the status of property valuations and are satisfied that these are reasonable at the date of the accounts.
- d) The Art Collection of the Trust has been included in the Balance Sheet at a valuation of £580,395, made on 31st December 2005 by the Scottish Gallery, Fine Art Dealers, Edinburgh.
- e) There are certain properties in which the Trust has reversionary interests. These interests are unlikely to be realised and are not included in the Balance Sheet.
- f) Musical instruments and equipment which the Trust has lent out and which are unlikely to be returned on a permanent basis are not included in the Balance Sheet.

7. FIXED ASSET INVESTMENTS

	2005	2004
Market Value at 1st January	£7,076,663	£6,789,282
Disposals at opening book value	(417,191)	(2,315,857)
Additions at cost	809,492	2,119,540
Net gains on revaluation in year	<u>1,087,256</u>	<u>483,698</u>
Market value at 31st December	<u>£8,556,220</u>	<u>£7,076,663</u>
Cost at 31st December	<u>£6,397,245</u>	<u>£5,894,896</u>

All investments are listed on a recognised stock exchange or are valued by reference to such investments as follows:-

Within UK	£7,125,476	£6,140,389
Outwith UK	<u>1,430,744</u>	<u>936,274</u>
	<u>£8,556,220</u>	<u>£7,076,663</u>

Investments which comprise more than 5% of the portfolio are as follows:-

Treasury 5% stk 2008	£464,739
First State Investments, Managed Funds – Equity	£528,236

8. CONCESSIONARY LOANS

The concessionary loans to societies and clubs are unsecured and carry interest at lower than commercial rates. The loans are:-

Repayable within one year	£2,500	£4,500
Repayable after one year	<u>500</u>	<u>1,000</u>
	<u>£3,000</u>	<u>£5,500</u>

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements - Continued
For the year ended 31st December 2005

9. DEBTORS	2005	2004
Prepayments	£38,265	£14,197
Income Tax Recoverable	1,836	1,613
Carnegie Hero Fund Trust	864	5,094
Other debtors	20,219	4,275
	<u>£61,184</u>	<u>£25,179</u>

Included in prepayments is the sum of £37,720 (2004 - £8,869) incurred on costs towards the Trust's relocation to new premises in 2007 (see note 17).

10. CREDITORS: Amounts Falling Due Within One Year

	2005	2004
Andrew Carnegie Birthplace Museum	£596	£20,000
Accruals	11,614	10,163
Creditors	<u>23,255</u>	<u>17,793</u>
	<u>£35,465</u>	<u>£47,956</u>

11. ANALYSIS OF NET ASSETS BETWEEN THE FUNDS

	Unrestricted Funds	Endowment Fund	Total
Fund balances at 31st December 2005 are represented by:			
Tangible Fixed Assets	£ -	£1,050,003	£1,050,003
Investments	-	8,556,220	8,556,220
Net Current Assets	<u>855,676</u>	<u>347,920</u>	<u>1,203,596</u>
Total Net Assets	<u>855,676</u>	<u>9,954,143</u>	<u>10,809,819</u>
Unrealised gains included above			
On investment assets	<u>-</u>	<u>2,158,975</u>	<u>2,158,975</u>
Reconciliation of movements in unrealised gains on investment assets			
Unrealised gains at 31st December 2004		£1,181,767	
Deduct in respect of disposals for year		<u>110,048</u>	
		1,071,719	
Net gains arising on revaluations in year		<u>1,087,256</u>	
Unrealised Gains at 31st December 2005		<u>£2,158,975</u>	

CARNEGIE DUNFERMLINE TRUST
Notes to the Financial Statements - Continued
For the year ended 31st December 2005

12. ENDOWMENT FUND

At 1st January 2005	£8,853,398
Net movement in funds for the year	<u>1,100,745</u>
At 31 st December 2005	<u>£9,954,143</u>

The endowment fund is the capital of the charity, and is represented mainly by tangible fixed assets and investments. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the tangible fixed assets and investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against income in accordance with the guidance given in the Trust's founding document.

13. UNRESTRICTED FUNDS

	Revenue	Committed Grants	Total
At 1st January 2005	<u>£823,359</u>	<u>£44,414</u>	<u>£867,773</u>
Incoming resources	314,746	-	314,746
Resources expended	<u>326,843</u>	<u>-</u>	<u>326,843</u>
Deficit for the year	(12,097)	-	(12,097)
Transfers & new designations	<u>(3,116)</u>	<u>3,116</u>	<u>-</u>
At 31 st December 2005	<u>£808,146</u>	<u>£47,530</u>	<u>£855,676</u>

Unrestricted funds comprise those funds which the Trust is free to use in accordance with its charitable objects. Committed grants are those authorised during the year, or in previous years. As these grants are paid, they are released to the revenue reserve. Approved or authorised grants are not necessarily held in committed funds.

14. RELATED PARTY TRANSACTIONS

The Trust shares common Trustees and administration with the Carnegie Hero Fund Trust and the Andrew Carnegie Birthplace Memorial Fund. Grants of £50,000 (2004 £20,000) were made to the Andrew Carnegie Birthplace Memorial Fund during the year.

The Carnegie Dunfermline Trust makes payments and collects sums on behalf of the Carnegie Hero Fund Trust and the Andrew Carnegie Birthplace Memorial Fund therefore there may be at any time a balance outstanding details of which are given at notes 9 and 10.

Four of the Trustees of the Trust are also Directors of The Friends of Pittencrieff Park, a charitable company limited by guarantee. During the year the Trust awarded a start up grant of £5,000 to The Friends.

CARNEGIE DUNFERMLINE TRUST
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For the year ended 31st December 2005

15. TRANSACTIONS WITH TRUSTEES

None of the Trustees or parties connected with them received any remuneration or reimbursement of expenses during the year.

16. PENSION CONTRIBUTIONS

The Trust operates defined contribution pension schemes for its employees. The assets of the schemes are held separately from those of the Trust in independently administered funds. The pension cost charge represents contributions payable by the Trust to the funds and amounted to £4,936 (2004 - £5,669).

17. CAPITAL COMMITMENTS

At 31st December 2005 the following capital commitments had been authorised:

- (i) expenditure totalling £540,000 for co-location and relocation
- (ii) £7,000 towards Dunfermline Southern Gateway at the site of the Andrew Carnegie Birthplace Museum.