

## **Statement from the Garfield Weston Foundation following the publication of a Regulatory Case Report on the charity by the Charity Commission:**

**31 March, 2010**

The Garfield Weston Foundation (GWF) has never made any political donations. The Charity is independent from party politics and does not give support to any political party.

GWF has been in existence for 52 years and has given over half a billion pounds to charitable causes across the UK in that time. It now makes charitable donations of around £38 million annually and is committed to supporting good causes throughout the UK.

GWF owns the majority of shares in Wittington Investments Ltd (WIL), a non charitable commercial entity that manages investments in a number of companies and funds. WIL is not wholly owned by GWF; it is purely an investment held by the Charity and it manages its business in the same way as any other commercial entity. WIL made a number of donations to think tanks and political parties totalling around £1.3 million between 1993 and 2007. It has made no donations to a political party since 2005 and, in addition, WIL has informed GWF that there is no current intention on the part of its board to seek shareholder approval for further political donations.

The amount of the donations to political parties and think tanks over the fifteen years in which they were made was small in the context of WIL's consolidated net profits (£384 million in 2008).

Four of the trustees of GWF are board directors of WIL and some are directors of its subsidiaries. Acting as directors of WIL and its subsidiaries they, and their co-directors who are not trustees of GWF, determined that the making of donations to think tanks and political parties was in the best interest of WIL and its shareholders.

Trustees of any charity have a duty to maximise the returns on its investments so that these returns can be used for charitable purposes. To the extent that political donations commercially benefited the business of WIL and its subsidiaries, they indirectly benefited GWF in terms of protecting the value of its investment and enhancing its income return. For this reason the trustees of GWF felt it appropriate to give their approval, as shareholders in WIL, to a general (but limited) authority for WIL to make such donations when required. At no point did the trustees consider these as effectively donations by the Charity itself.

The Charity Commission acknowledges that the trustees acted in good faith in respect of the donations made by WIL.

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