

GARFIELD WESTON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2004

LEGAL AND ADMINISTRATIVE INFORMATION

The Garfield Weston Foundation is a general grant-giving charity endowed by the late W Garfield Weston and members of his family, which is registered with the Central Register of Charities, registration number 230260. The operation of the Foundation is governed by a Trust Deed dated 10 October 1958. The Foundation is recognised by the Inland Revenue as an approved charity for tax purposes, the reference number being X96978.

The trustees of the Foundation are:

Guy H Weston, Chairman
R Nancy Baron
Miriam L Burnett
Camilla H W Dalglish
Catrina A Hobhouse
Jana R Khayat
Sophia M Mason
Eliza L Mitchell
Galen W G Weston
George G Weston

Secretary to the Trustees: Janette Cattell

Administrator: Fiona M Hare

Principal Office: Weston Centre
Bowater House
68 Knightsbridge
London SW1X 7LQ

Bankers: Bank of Scotland

Solicitors: Slaughter and May

Auditors: UHY Hacker Young, Chartered Accountants

Fund Managers: Carr Sheppards Crosthwaite Limited
Chiswell Associates Limited
Gartmore Investment Management Limited (until Sept 2003)

The Trust Deed contains broad charitable objects which allow the trustees, in their discretion, to pay or apply the income and, subject to the restrictions set out below, the capital of the Trust Fund to or for the benefit of any charitable bodies, trusts, associations, institutions or organisations.

At 5 April 2004, the Foundation owned 79.2 per cent of Wittington Investments Limited, a company registered in England. Wittington Investments is the ultimate holding company of Associated British Foods plc, which is listed on the International Stock Exchange, and Fortnum and Mason plc and Heal's plc. Under the terms of the Trust Deed, the investment in the Wittington Investments Limited group of companies forms the permanent capital endowment of the Foundation and the trustees may not dispose of those investments except by a unanimous vote of all the trustees.

In accordance with the Trust Deed, after the death of Mr W Garfield Weston and his wife, their descendants became trustees. The number of trustees is limited to ten but must be at least five. If the number of trustees drops below five, new trustees fall to be appointed from amongst the lineal descendants of W Garfield Weston.

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OVERVIEW

As the Chairman of the Foundation, I have pleasure in introducing the Annual Report of the Trustees for the year to 5 April 2004.

Income and grant-making aims and objectives

The trustees have this year noticed a marked increase, not only in the total number of grant applications (3,300 compared to 2,576 in 2003) but also in the value of the grants requested, particularly for some of the more significant capital projects. The trustees are therefore pleased to have achieved their aim of maintaining annual income levels and, despite the reduction in the transitional tax relief for charities with dividend income down to 4 per cent, the income derived from our underlying investments has remained at almost exactly the same level as in 2003. This is again due to the buoyant performance of the companies within the Wittington Group which has enabled Wittington to increase its levels of dividend.

Altogether, the trustees have supported nearly 55 per cent of the total applications by number (52.44 per cent in 2003) and have increased their overall grant expenditure by nearly £3.3 million as compared with 2003. The total distributions of nearly £39.75 million exceed the annual income by around £10 million and the shortfall has been funded from the balance of the £35 million of special dividend and associated tax credits which is referred to in the Annual Report for the year ended 5 April 2002. In addition, mindful of the balance of this special dividend fund and of their prudent levels of ordinary income reserves, the trustees have made nearly £9.8 million of forward commitments either by way of conditional grants or grants which are to be phased over a period of years.

Once again, the largest value in terms of grants has been provided in the fields of Health and Education but with an emphasis on providing health care, educational and other support for children and young people. I am delighted to be able to record the special donation of £5 million to Great Ormond Street Hospital in recognition of my late father's close connection with the Hospital and the support which he gave it during his lifetime. The emphasis on children's health continues with a £1 million grant to the Children's Treatment and Research Clinic at the Centre for Diabetes Research at Cambridge University. In the field of Education, the trustees have once again supported the Specialist Schools Trust with a grant of £1 million, to which they have added grants of £500,000 to the new City Academy in Liverpool and £400,000 to the Archbishop's Council for developing Church Schools. This year has also seen marked increases in the value of grants given in the welfare and community categories, again with an emphasis on children and youth. I refer in particular to the £250,000 grant to the National Playing Fields Association and the allocation of £1 million to the NSPCC to assist in funding its work with young abusers. More detail of these and the other major projects supported by the trustees during the year is contained in the 'Grant Activity' section of this Report.

The trustees' policy of maintaining broad guidelines in relation to their grant-giving activity has enabled them to provide urgent support to charitable organisations which would otherwise be in difficulties owing to the Diana Princess of Wales Memorial Fund being unable to honour their forward commitments. It remains to be seen whether the Memorial Fund will be in a position to honour these commitments itself next year.

Grant making policy

The Foundation continues to accept only appeals from UK registered charities. No applications from individuals are considered. The Trustees meet on a regular basis to review and approve grant applications and aim to deal with each application within four months of its being received. All applications are considered on an individual basis and, whenever it is considered necessary or desirable, visits are made by trustees and/or the Foundation's administrator in order to gain a better understanding of applicants' requirements. Regular contact is maintained with recipients of grants for monitoring purposes. A copy of the grant-making guidelines, which includes the criteria which are taken into consideration when assessing applications, is available from the Administrator on request.

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Investment policy, powers and performance

The Trustees' portfolio of non Wittington Group investments has continued to be managed on a roughly 50:50 basis by Carr Sheppards Crosthwaite and Chiswell Associates Limited. The trustees' relatively conservative investment objectives remain the same as those which were reported in last year's Annual Report and the trustees have once again (based on total return basis), over the year, withdrawn (and distributed as income during the year) a sum equivalent to 4 per cent of the total starting capital in each portfolio representing income and capital growth.

The overall performance of each managed fund for the year to 5 April 2004 compared favourably with the agreed benchmark of RPI plus 3 per cent, producing total returns of +18.0 per cent and +21.7 per cent respectively, although the WM Index for Charities Constrained by Income which the trustees also consult for comparative purposes showed a total return of +22.4 per cent for the year to 31 March 2004. The Carr Sheppard/Savills' Charities Property Fund investment produced an overall return of 11.9 per cent for the year.

There has been an increase in the overall value of the Foundation's principal investment in the Wittington Group and further details of the performance of those underlying assets can be found in Note 6 to the Financial Statements. A copy of Wittington Investments Limited's accounts for the year to 13 September 2003 can be obtained from the Foundation's principal office.

During the course of the year, the trustees decided to withdraw their cash reserves from Gartmore Investment Management, mainly owing to changes in Gartmore's custody arrangements, and these funds have instead been placed with Bank of Scotland on the basis that, net of expenses, the overall returns are broadly equivalent to those obtained from Gartmore.

Reserves policy

As mentioned above, the trustees continue to maintain ordinary income reserves of around one year's income with the balance of the special dividend being now reduced to £13.77 million. The trustees envisage distributing this balance during the next one to two years.

Risk management

The trustees continue to be satisfied that appropriate protection and systems have been put in place in order to mitigate exposure to major risks and were particularly mindful of these issues when installing a new computer system for grant activity management during the course of the year. The trustees continue to keep under review the levels of risk in their investment management and regularly review the performance of the underlying assets in the Wittington Investments Limited Group. As part of their risk management activities, the trustees are also actively considering with their professional advisors the possible implications for the Foundation of the Charities Bill and the recommended changes to annual reporting and accounting practice.

Trustees' responsibilities for the financial statements

Charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's incoming resources and application of resources during the year and of its state of affairs 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;
 - 1 make judgements and estimates that are reasonable and prudent;
 - 1 state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
 - 1 prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.
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The trustees are responsible for keeping proper records which disclose with reasonable accuracy the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the charity's assets and hence taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

GRANT ACTIVITY

Diana Princess of Wales Memorial Fund

In addition to its normal grant activity, the Foundation has this year distributed a total of £522,406 to beneficiaries of the Diana Princess of Wales Memorial Fund. The trustees agreed to help organisations whose activities fall within their normal funding patterns by replacing forward commitments which the Diana Princess of Wales Memorial Fund is currently unable to honour as a result of a pending law suit. They were concerned that otherwise these charities, through no fault of their own, would be seriously disadvantaged and even at risk if funding which they had been promised and on which they were dependent failed to materialise.

There was a total of 29 grants to 15 organisations and these grants are included in the full list at the end of this report. They are not individually identified, but to summarise, the largest single grant was for £47,000 to **Groundwork** in Northern Ireland, the only one to fall into the Environment category. Nine of the remaining organisations fall into Welfare, three Education and two Youth.

Art – £4,132,200 distributed in 108 grants

The trustees have, as in the past, supported a number of capital appeals in different parts of the UK and have also supported many arts organisations with revenue funding.

A grant of £500,000 has helped **Wigmore Hall** to secure its future as a presenter of the highest quality chamber music through the purchase of its lease. Additional funding was also being sought to improve the facilities and upgrade the technology. This will enable them to continue to provide a platform for established and renowned artists and for new young talent and to reach wide audiences through live attendances, radio, TV and internet broadcasts.

Kelvingrove, opened 1901, has become in the last hundred years a vital part of Glasgow's cultural heritage, offering free access to a significant collection of paintings, artefacts and sculptures. It is the most visited museum outside London, with numbers exceeding one million per annum. A £27.5 million modernisation programme is underway. In order to cater for the large numbers, a more effective circulation route is being created and the collection is being redisplayed into themed galleries. Up-to-date lighting, sound, multi-media and interactive materials are being introduced and a whole new additional area is being dug out in the lower ground floor, increasing display space by 35 per cent and objects on display by 50 per cent. The trustees are delighted to help close the final gap on this appeal with a grant of £500,000.

The splendid **St George's Hall** in Liverpool, widely regarded as a major work of European architecture and one of the finest neo-classical buildings in the world, has been under-utilised in recent years following the relocation of the City's Law Courts. The 1,000 seat hall contains a world famous Willis organ and Minton tiled floor, there is an additional 550 seat concert hall and smaller function rooms. £250,000 has been donated towards the £20 million appeal to restore the building, including making it watertight and weatherproof and providing better access via two new street level entrances. This will enable separate parts of the building to be used for different purposes and will open up the concert hall and ancillary areas for theatrical productions, recitals, presentations and community events.

The Foundation is a key supporter of the **Unicorn Theatre** for Children, which aims to create a new purpose-built theatre and cultural centre for children on the South Bank in Southwark. The Unicorn has historically staged a mix of classics, new writing and literary adaptations to 50,000 children per annum. It also runs a full programme of drama workshops in schools and the community and involves children in all aspects of theatre skills through

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regular workshops. To date it has had no base of its own but has operated out of shared premises off Leicester Square. £250,000 is provided towards the total capital costs of £11 million.

£250,000 is also donated to the **Young Vic Theatre Company**, towards rebuilding its premises. These were built as a temporary structure 33 years ago and are falling apart. The renovation will include improving technical facilities in the main auditorium, increasing the seating, adding a new studio theatre for experimental work, teaching and rehearsals, providing new public spaces and enhanced backstage facilities and installing full disabled access and facilities.

Donations of £50,000 or above are provided to twelve regional arts organisations for capital improvements. These include **Northern Stage** for the refurbishment of **Newcastle Playhouse**, the **Pallant House Gallery** in Chichester for building an extension, the **Belgrade Theatre** in **Coventry** for upgrading and extending its facilities, the **Theatre Royal** in **Bury St Edmunds** for refurbishing its grade I listed Georgian theatre, **Sheffield Galleries and Museums** for redeveloping its **Weston Park Museum**, **Kent Music School** for continuing the conversion of its premises, the **Georgian Theatre Royal** in **Richmond, Yorkshire**, for an authentic restoration of the grade I listed theatre and the replacement of a 1960's annexe, and **Salisbury Arts Centre** for improving and extending its premises.

The trustees were particularly impressed by the approach from **DanceEast** for an ambitious plan to relocate to Ipswich's regenerating waterfront area. DanceEast was the only rural dance organisation to gain national dance status when nine national agencies were created in 1991 and until now it has been the only one without a building. It provides dance education in schools and the community. It supports artists, develops audiences, sources touring companies and venues and aims to raise the status of dance at all levels. To date they have been operating on a split site, with the use of a local high school's facilities which cannot be used out of school hours and shared use of the Wolsey Theatre. Due to the restricted space and access they are unable to run summer schools or holiday courses. They have embarked on a £5.9 million scheme to convert the Cranfield Mills site into the home of dance in East Anglia, providing the only facility of its kind in the region. This is part of the waterfront regeneration, with shops, cinema, restaurants, apartments, offices, health club and a hotel all being developed. Thanks to contributions from the area developer, the local authority, the local development agency and the Arts Council this target is within reach and the trustees are giving £100,000 towards the shortfall.

Under revenue funding a final grant of £100,000 is provided to the **National Youth Orchestra of Great Britain**. This is the sixth grant of £50,000 or more provided in the last seven years and demonstrates the trustees' commitment to ensuring appropriate opportunities for young talent are on offer. The National Youth Orchestra is one of the world's finest youth orchestras which draws together each year over 150 talented musicians, aged between 13 and 19 years, from all over the UK. The orchestra meets during the school holidays for intensive two week periods of coaching and rehearsals with leading professional musicians and teachers and some of the world's finest conductors and soloists. Each course culminates in concerts in prestigious concert halls such as the Barbican Hall, London, the Symphony Hall, Birmingham, the Bridgewater Hall, Manchester, St David's Hall, Cardiff and Glasgow Royal Concert Hall. One of the highlights is the annual visit to the Henry Wood Proms at the Royal Albert Hall.

Other beneficiaries of revenue funding include **Scottish Opera** (£100,000), the **London Philharmonic Orchestra** (£80,000), the **Soho Theatre Company** (£50,000), **Sunderland Symphony Orchestra** (£50,000), the **National Youth Theatre of Great Britain** (£50,000) and the **National Art Collections Fund** (£50,000).

Community – £1,830,350 distributed in 242 grants

The largest grant in this category, £250,500 to the **National Playing Fields Association**, is to help local communities to fight for their open spaces and to contribute towards the charity's campaigning costs. The NPFA is the UK's only national organisation which has specific responsibility for acquiring, protecting and improving playing fields and playgrounds and the trustees wish to help the organisation to build upon the strong programmes it has delivered over the last decade in particular.

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Most of the many grants allocated in this category are for small amounts but there are five projects which each receive £50,000. The **Jubilee Waterside Centre** in Kings Cross undertakes youth work in a former Victorian pumping station right on the canal near Kings Cross Station, serving local estates. It organises physical activities including abseiling, canoeing on the canal and mock rock climbing. It works with schools and the youth justice system to deliver the Duke of Edinburgh award scheme and skills training programmes. Due to increasing demand it embarked on expanding both its facilities and services. These were fully funded until a well was found in the basement which had to be drained and unforeseen problems emerged linking the original building to the new extension. The contract had to be extended by a total of 26 weeks and the Foundation contributed towards the resulting overspend.

The **Harmood Community Centre** in north London also serves a large housing estate, offering after school clubs, projects for the under fives and lone parents, youth work and community activities. Due to poor conditions and inadequate space a new facility is being created, which will provide a multi-purpose hall, community room and social area, project spaces and specialist studio theatre with circus, abseiling and trampoline rigs. The trustees are happy to support what should be an excellent resource in a densely populated area.

The **Number One Community Trust** aims to build on the existing facilities being offered in a highly concentrated social housing area in Tunbridge Wells, with higher than average levels of deprivation. By refurbishing and extending the buildings they will be able to provide facilities for youth groups, the elderly, single parents, parents and toddlers. They will also expand the social welfare delivery, the education and training programmes and leisure activities. The Foundation's £50,000 grant completed the £420,000 funding required for phase one.

The trustees are helping **St Paul's Centre** in Worthing to realise their vision of turning a decommissioned, grade II* listed church into a resource for residents and visitors alike to obtain information, advice, skills training, friendship and support. Their grant is being allocated to phase two, a new building on the adjacent site which will provide single occupancy flats for people with moderate learning difficulties.

The **Salvation Army** benefits from the remaining £50,000 grant. This is being divided between the creation of a new worship and community centre in Minster on the Isle of Thanet and the redevelopment of the Stockport Citadel Centre. In both cases the facilities will enable the Salvation Army to have the flexibility to deliver a diverse community programme to meet local needs.

Education – £10,147,427 distributed in 165 grants

Education receives the largest proportion of funding this year, with Health following closely behind. The Foundation is receiving an increasing number of large bids in both these categories and they account for most of the major grants.

There are three grants for £1 million in Education. The **Specialist Schools Trust** again receives a grant of £1 million towards helping schools in disadvantaged areas to gain specialist status. This is the eleventh consecutive year in which this scheme has been supported by the trustees and the Foundation's commitment to this programme is described in previous annual reports.

Reference to previous annual reports will also explain the activities of the Centre for Novel Agricultural Products at **York University**. This is an internationally recognised inter-disciplinary Research Centre focusing on strategic research in which crop plants are used to manufacture novel products. This interesting work has been supported by the trustees in four of the last five years and further £1 million is provided this year.

The **Imperial War Museum** is acquiring from the Treasury an additional 10,000 square feet adjacent to the existing Cabinet War Rooms in which the first ever Churchill Museum is being created. This will be a permanent collection illustrating the whole of Churchill's life, both private and public, and will include documents, photographs and artefacts from collections in the Imperial War Museum and the Churchill Archives Centre at Churchill College, Cambridge. Much of the material has never been displayed before. The Museum is being supported by Chartwell, English Heritage, Blenheim Palace and the Churchill family, and the Foundation is providing a donation of £1 million.

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Hertfordshire University is a big university in a small community and as part of its role to serve the wider community it has built on its brand new campus in Hatfield huge sports facilities which are used 50/50 by students and by outsiders. It hosts International Badminton and provides training facilities for the England rugby team and other professional sporting bodies. To augment this relationship with the wider public the University approached the Foundation for help to complete a new arts and cultural performance space on the same site, also to be accessible to local people (it is the only theatre of its size and quality in Hertfordshire). It will also provide meeting and conference space for local businesses which will be income generating. The £3 million building has already been completed and the trustees have donated £500,000 towards the £1 million required for fitting out this important new resource.

Northern Ireland benefits from a £500,000 grant to **Queen's University** towards its new Library. This is driven by the need to provide 2,000 new reader places for the growing student population, access to 1.5 million volumes and facilities for research and study. The new Library will be on main University campus, within an urban conservation area, and replaces the existing 1960's tower block which has been proved to be inadequate and unsafe, built at a time when the student population was less than half the current numbers.

The Government's City Academy initiative is endorsed by the trustees with a £500,000 grant to Liverpool's **Kensington Academy**. Academies are all ability schools being established by sponsors from business, faith or voluntary groups working in partnership with central Government and local education partners. They are either replacing one or more existing underachieving schools or are filling a need for additional school places in areas of disadvantage. The Department for Education and Skills is providing the major portion of the capital costs for the Academy, together with future running costs, with sponsors contributing to the capital costs and helping to ensure the school buildings are properly designed and equipped for education in the 21st century. The lead sponsors are also involved in the structures for governing and managing the new school. In Liverpool's case the sponsors are the Anglican Diocese of Liverpool and the Roman Catholic Archdiocese of Liverpool, with the Foundation contributing financial backing.

£400,000 is donated to the **Archbishops' Council**, for developing church schools. These have consistently delivered high quality education within a Christian ethos since the 19th century. They are popular with church-going families, people of other faiths and people of no faith but at the secondary level only 40 per cent of those wishing to attend are able to be accommodated. Currently there are 775,000 children in Church primary schools but only 150,000 in Church secondary schools. There are some areas of England with no Church secondary schools at all. The intention is to create 100 new Church of England Secondary Schools in England over the next ten years, to address the under-provision of places. Many will be in the most deprived areas. This will be achieved by either taking over struggling schools or establishing new ones. A new build would cost up to £20 million, of which 90 per cent would normally be funded by the Department for Education and Skills, with the remaining 10 per cent being raised by Governors. Due to the value the Government places on Church schools they have agreed to provide 98 per cent with only 2 per cent having to be found from other sources.

Ten grants of £250,000 have been awarded. These contribute to a variety of charitable organisations, including museums, libraries, higher and secondary education. The trustees are particularly pleased to support **St Elizabeth's Centre** in Much Hadham. This is a specialist centre offering care, support and education to 104 adult residents and 80 children aged 9-19 with epilepsy and associated disabilities. The adults live in a village of bungalows and the children board in dormitories in the main building. They benefit from an extensive system of medical and therapeutic support services. The Foundation's grant is being allocated to the creation of a new build to provide living/learning units for 16-19 year olds. It will contain en-suite single bed study rooms clustered around shared kitchen and communal areas and will provide these older pupils with greater privacy and independence.

Environment – £2,371,174 distributed in 34 grants

The second phase of the Darwin Centre at the **Natural History Museum** receives the largest grant in this category. The trustees provided an initial grant of £1 million in 2000 and this has now been followed up with a second grant

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for the same amount. The Darwin Centre is a major capital development for the Museum. Phase 1, funded from the Museum's own resources, houses the zoology curators and researchers, together with 22 million zoology specimens. Visitors can now see into the storerooms, view specimens, watch video clips of scientists at work, access information via touch screens and participate in behind the scenes guided tours.

Phase 2 will house the Museum's entomology and botany collections. The existing 1940's entomology building will be demolished to make way for a new, contemporary structure providing optimum storage conditions for specimens, ideal working spaces for scientists/curators and new public spaces, completing the original west wing envisaged in the initial 1868 scheme. A centre "cocoon" will house the collections and a translucent outer structure will contain circulation and viewing areas. Like Phase 1, the public will be able to interact with the scientists, access self-guided tours, view interpretative exhibits and enjoy other visitor experiences. With the completion of the Darwin Centre access to the Museum's collections will increase from 1 per cent to 75 per cent. The total cost of Phase 2 is £65 million. This is an ambitious target but this exciting project will transform the Museum, the educational reach and the visitor experience.

The trustees are providing £250,000 to the **Wildlife Trust for Bedfordshire, Cambridgeshire, Northamptonshire and Peterborough** towards its Great Fen Project. There is an opportunity to purchase over a period of time several existing farmland plots which will eventually link two internationally important nature reserves and create 3,000 hectares of fenland between Peterborough and Huntingdon. Over the last few centuries 99.9 per cent of the Cambridgeshire fenland has been lost and there is a danger of the remainder drying out. The project will restore this land to valuable wetland habitat. It will combine nature conservation, water management, biodiversity education and tourism. The value of the land for agriculture is diminishing as peat is lost and this provides a unique acquisition opportunity. Joining the two existing reserves will remove the barrier that arable land presents to less mobile insects and plants and the enlarged site will provide more space for habitats and species to develop. These sites already support a number of rare or threatened species. Ultimately it is planned that visitor centres, boat mooring and cycle paths will be created.

Alnwick Garden also receives £250,000. This is the brainchild of, and has been endowed by, the Percy family who funded most of phase 1 at a total cost of £9.3 million. It is intended as a catalyst for the growth and regeneration of the entire region, will offer a resource for study, learning and exploration and aims to become one of the UK's top visitor attractions. It is already widely used by the local community and tourists alike and is expected on completion to get 400,000 visitors per year and to create almost 500 jobs directly and indirectly.

Early encouragement is provided to the **Royal Horticultural Society** with a donation of £250,000 towards its £7 million appeal for a new glasshouse at Wisley. Erected in 1969, the existing glasshouse has reached the end of its lifespan and needs replacing. This is a central focus for visitors, housing 4,500 tender ornamental plants and used for propagating 110,000 plants from trees to alpine. They are using the opportunity of having to replace it to provide much needed space for the educational programme and to display the collections in a more accessible and dramatic way. Inside there will be three main planting zones representing Desert, Tropical and Subtropical climates. A lake will be created to ensure the adoption of responsible water management practice.

The trustees are supporting the **Wildscreen Trust's** ARKive project. Films, photographs and associated recordings of endangered species are being amassed and preserved digitally in a web-based collection being made accessible to everyone via the Internet. It will be an educational and research resource where people can learn about the importance of biodiversity and the urgent need to conserve it. Saving the images will help to raise awareness and provide an understanding of the reasons for endangerment and loss. Future generations will be able to see, hear and learn about species which do become extinct. The long term target is to cover 11,000 species which are currently considered to be threatened with extinction, with an immediate aim of adding between 300 and 500 species per annum. The total costs over the next five years are anticipated to be £2.5 million and the trustees are contributing £175,000 this year.

The **Waterways Trust** in Scotland's restoration of the Forth and Clyde Canal and the Union Canal receives £100,000 towards its final reconnection project at Port Dundas. The 69 mile water route between the North Sea

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and the Atlantic has now reopened and the restored canals and towpaths are acting as a catalyst for new community developments and leisure projects across Scotland. Port Dundas had become severed from the Glasgow branch and its restoration will aid the environmental regeneration of what had become a very run down area close to the city centre.

Health – £9,885,400 distributed in 124 grants

A special donation of £5 million has been given to **Great Ormond Street Hospital**. The Foundation's late chairman, Garry Weston, was a key early supporter of the Wishing Well appeal in the mid-1980s and the Hospital remained close to his heart. The family has decided to make a major grant towards the creation of patient and family accommodation in recognition of his close connection with the Hospital. The Hospital cares for 90,000 patients per year, some suffering from the rarest and most complex medical conditions referred from around the world. Together with the Institute of Child Health it represents the largest concentration of people dedicated to the advancement of child health outside the US, carrying out research with direct and immediate practical application. The newly named Weston House will provide overnight accommodation for patients and families before or after treatment or during a series of daycare appointments. In addition, it will house eight transitional care flats for longer stays, a halfway house between the Hospital's inpatient wards and home. The trustees are delighted to be associated with this project in such a significant way.

Cancer Research UK is supported with a donation of £1 million, responding to the appeal for help in building one of the world's leading cancer research centres. This is a partnership with Addenbrooke's Hospital and the University in Cambridge. The major focus will be translational research, converting findings in the laboratories into treatments that save lives.

Cambridge University also benefits with a £1 million donation towards its Children's Treatments and Research Clinic in its new Centre for Diabetes Research. This is another new build at Addenbrooke's Hospital, dedicated to medical genetics with clinical and laboratory accommodation. Diabetes is the leading cause of premature death in developed and developing countries and the most common cause of blindness and non-traumatic amputations amongst adults. By 2010 it is estimated there will be over 250 million people affected worldwide. Leading scientists, clinicians and epidemiologists will undertake research into the root causes of the juvenile and adult forms of diabetes in children and work to produce more successful preventative measures and effective treatments.

Action Research again features in the list of grants, receiving £250,000 to be split between three research projects: firstly, gut failure in children at the Molecular Medicine Unit and Department of Gastroenterology at the Institute of Child Health; secondly, dietary iron absorption at the Gastrointestinal Laboratory and Department of Ophthalmology at St Thomas' Hospital and the Departments of Molecular Medicine and Nutrition at King's College London; and finally a three year training fellowship to study the mechanical and morphological properties of human tendon in rheumatoid arthritis at the Bioengineering Unit at the University of Strathclyde.

Student numbers at **St George's Hospital** have doubled since the relocation to the Tooting site and an appeal has been launched to extend and refurbish the overstretched student facilities. The outcome will be a meeting place for academic and administrative staff, medical students and hospital staff and will incorporate refreshments areas, meeting rooms, activities space and offices. The trustees are contributing £250,000.

Religion – £2,997,900 distributed in 597 grants

Almost a third of all the grants made fall into this category. As in previous years they are generally small grants to help churches with fabric repairs, reordering and improving access and facilities. The trustees expect local communities to have raised some of the funding themselves but are sympathetic to the challenges small congregations face in maintaining their buildings and in providing adequate facilities for maximising their use.

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Three projects received grants of £100,000. The Foundation responded to an approach from the **World Monuments Fund** in Britain for help with the final part of the £6.75 million restoration of St George's Church in Bloomsbury, a neglected Hawksmoor church which had fallen into a serious state of disrepair. In addition to restoring the church and opening up the Undercroft, the plan is to increase the services delivered from this fine building and to establish an education programme in association with the London Borough of Camden.

£1 million is needed to maintain the fabric of **St Bride's**, the grade I listed, late 17th century Wren church in Fleet Street. An additional £300,000 is sought to install side-stalls which will double the capacity to 400. They are also seeking £2.2 million to create an endowment for maintaining the choir and supporting the liturgy and ministry of the church – the choir is one of the best in the City and St Bride's is renowned for its music. The church hosts more, and larger, memorial services, carol services and concerts than ever before and seating is now inadequate. In order to help them meet this challenge the trustees are providing £100,000.

The third £100,000 grant goes to the **College of Preachers**, which provides in service training courses for preachers, both lay and ordained. The content maintains a strong theological element while also concentrating on effective presentation skills. The Foundation has supported its work on a regular basis over the last ten years and has agreed this one final grant with the request that the College seeks alternative sources of funding in the future.

Selby Abbey has enormous problems with conserving its fabric. Founded in 1069 by William the Conqueror, this is one of the few great monastic churches to have survived the Dissolution of the Monasteries. Following a full architectural survey after damage to the central tower by storms, it was found that further extensive conservation work is needed. £2.5 million has been raised in the recent past but a further £1.5 million is still needed. The priority is £588,000 for restoring the Abbey's east end, including the famous 14th century Jesse Window. Having already provided £250,000 over the last five years the trustees have agreed a further £50,000 towards the preservation of this important heritage building.

Welfare – £5,644,266 distributed in 284 grants

The trustees are committed to supporting people who are vulnerable or in need. A review of the list of grants in this category reveals that 67 were of £20,000 or more and these cover a wide range of charitable activity.

Their concern for the welfare of the very young and the very old is illustrated by the two largest grants in this category. The £1 million grant to the **NSPCC** is being allocated to the Society's work with young abusers. At the time of their approach to the Foundation they had established seventeen Young Abuser Projects, which had helped 1,355 children and young people in the previous year. They need significant funding to secure and expand this scheme over the next three years. The trustees are aware that this is a very vital and difficult area of work and their grant will help to ensure it can continue.

ExtraCare Charitable Trust has an ambitious plan to expand its Village Life schemes for elderly people over the next ten years. Their first retirement village, in Stoke on Trent, opened in the mid 1990s with a mix of self-contained residential flats, shops, bars, restaurants, health centre and leisure activities for 170 residents and a further 150 people from local community. The model proved very successful, enabling older people to achieve and create a more independent and fulfilling life and providing varying levels of support depending on need. Residents are encouraged to participate in new skills training, activities, in running village life and integrating with the local community. Villages have since been developed in Warrington and St Helens and a further village in Northampton is due to open in 2005. Local authorities and housing associations typically provide around 90 per cent of the funding, with the remainder being raised from charitable sources. A further £500,000 is being added by the trustees to the £1 million already provided in recent years to help roll out this capital programme.

The Passage provides temporary and permanent accommodation in hostel and self-contained flats for the homeless, advice and assistance to those at risk of homelessness, resettlement, day centre facilities, medical advice and treatment, education, training and practical assistance in gaining employment in a busy area near Victoria Station in London. It is the largest day centre in the country, with an average of 250 users each day. To date they have had rent free use of the basement at St Vincent's Centre, owned by the Sisters of Charity of St

GARFIELD WESTON FOUNDATION

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Vincent de Paul, but due to financial constraints the Sisters have to sell the property. The Passage has the opportunity to buy the whole building for £5 million. This would give them additional space and secure their own future, while still being able to lease part of the premises back to the Sisters. Ultimately the Passage will take over more of the building and be able to develop its work further. This appeal is supported with a grant of £250,000.

£100,000 is provided to **Mencap** towards its campaigning work and for developing its services to young people with a learning disability. Mencap runs a range of projects to protect service users from discrimination, bullying, abuse and lack of opportunity. A major cause for concern is people with learning disabilities who are currently living with elderly parents and a campaign has been launched to involve Housing Departments in Local Authorities across the country in making appropriate care plans for the time when this parental support can no longer continue.

The **Grange Centre** in Bookham also receives £100,000 towards its capital redevelopment. Originally the School of Stitchery and Lace for disabled women it now provides residential care, sheltered accommodation and workshop training in both handicrafts and horticulture to men and women with learning and/or physical disabilities. The pre-war premises are gradually being upgraded to provide more appropriate facilities for the 21st century, including residential bungalows for the most dependent and supported flats for the more able. This is a long term, phased campaign and this is the Foundation's second grant towards this work.

Following their earlier lead grant of £250,000 for creating a new Human Rights Centre in London, the trustees are providing a further £100,000 to **Amnesty International** towards the final phase of its capital appeal. Having acquired a five floor building in Shoreditch Amnesty now needs £3 million for redevelopment and refurbishment. This will enable the organisation to deliver its education work, to mobilise its campaign work and to expand its activities.

Valuable work being carried out by **School-Home Support Services** in London's East End is recognised with a grant of £100,000. This organisation provides support workers in primary and secondary schools who work closely with pupils and their families to overcome difficulties such as material poverty, child protection, domestic violence, poor parenting, low self-esteem etc. It has been established that often children who struggle at school have problems at home. In the previous academic year, 120 trained workers worked in 106 schools, reaching over 12,350 families and making 124,278 interventions and 3,366 home visits. In addition, 15 centre staff provide management, training and administrative backup. The work has now expanded throughout London and the intention is to start rolling the programme out nationally. This will involve the recruitment of more staff and taking on extra space, with a new training room. This is a crucial stage of its development and the trustees will be following its progress with great interest.

Youth – £2,191,224 in 228 grants

The trustees' support of **Fairbridge**, which has had regular substantial funding over a number of years, continues with a grant of £250,000. They are impressed by the programmes being delivered to address the problems of long term unemployment, crime, drugs, abuse and antisocial behaviour in young people. They approve in particular the long term support which follows a youngster's participation in the life and work skills training, which continues for as long as the young person feels in need of it. They are encouraged by the outcomes and by the positive attitudes of the young people they have met. They hope Fairbridge will be able to reach even more disadvantaged youngsters in the future.

A similar grant is provided to the **Salmon Youth Centre** in Bermondsey. This works with 250 to 300 young people per week, offering ten different clubs (sporting, social, training), adventure weekends and holiday camps. Volunteer youth workers live on the upper floor and help in the youth clubs. The local estates surrounding the project are being redeveloped with EU regeneration money and as part of the whole scheme the existing very shabby premises are being demolished and a new centre is being created on the same site. This will include eight studio flats, ten bedsits, a full size multi-use hall, performance space, craft room, catering and social areas, communal business start-up facilities, an IT suite, seminar room, library, music studio, sanctuary and counselling

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room. Thanks to substantial funding from Sport England and Southwark Council they have almost reached their ambitious target of £5 million and the trustees are delighted to help them bring this resource to fruition.

Girlguiding Scotland receives a grant of £100,000 towards replacing its 1950's national training centre. This residential centre is used throughout the year by groups from all over Scotland for life and skills training. The new modernised facilities will accommodate sixty people at any one time and will be available for use by other youth organisations and schools when not required by the movement. This continues support which has been provided by the Foundation to uniformed youth groups since its inception in 1958.

This category particularly reflects the Foundation's policy of considering even the smallest appeal, with 26 grants being made of £500 or below. The two smallest, each of £100, were for equipment and materials for playgroups, the **Rainbow Under 5s Playgroup** in Axminster and the **Dungiven Community Playgroup** in County Derry. A total of twenty-three playgroups and playschemes, with grants of up to £10,000, feature in the list, demonstrating the importance that the trustees place on creating adequate provision for even the youngest members of our society.

Other – £544,000 distributed in 25 grants

Guidestar UK, the new charity sector information system supported by both the Charity Commission and the Home Office Active Community Unit, receives a grant of £100,000. This will provide a database with extensive records of all UK charities and will be freely available to anybody who wishes to use it. Core information and financials will be accessed from the Charity Commission and additional information will be generated by charities themselves. A powerful search engine will enable the database to be searched by any combination of subject field, type of work, targeted beneficiaries, charity size, location and key words.

A grant of £50,000 is donated to the **Beacon Fellowship**, which has introduced awards to recognise exceptional acts of philanthropy by individuals, in an effort to promote an improved culture of giving and to raise awareness of charitable activities to a wider public. Last year's pilot, in which 765 nominations were submitted with nominees ranging in age from 11 to 103, exceeded expectations and this grant will help them to roll it out again this year.

The **Runnymede Trust**, the independent think tank on race relations, ethnicity and cultural diversity, benefits with a grant of £25,000. Its aim is to challenge racial discrimination, influence anti-racist legislation and promote a successful multi-ethnic Britain. It helps to build bridges between ethnic communities and policy makers and to forge partnerships. Their projects on education, criminal justice and social exclusion have earned them a reputation for informative and objective advice and they have produced a new handbook for teachers on promoting race equality in schools which they aim to distribute to 25,000 schools. The trustees have agreed to partner Esmee Fairbairn Foundation and Joseph Rowntree Foundation in covering core costs and helping to create a secure and sustainable financial base for developing this work.

An unusual application which appealed to the trustees was submitted by **Friends of Fashion Services**. They provide a comprehensive clothing service to people who, for reasons of shape, size, proportion, mobility difficulties or learning disabilities find it difficult to access appropriate and affordable clothing from retail outlets. Garments are individually designed to alleviate discomfort experienced by people with restricted movement. With an existing customer base of over 450 people and increasing demand, additional funding is required to expand the service. The Foundation's grant of £2,000 is helping them to achieve this.

Guy H Weston
Chairman of the Trustees
9 December 2004

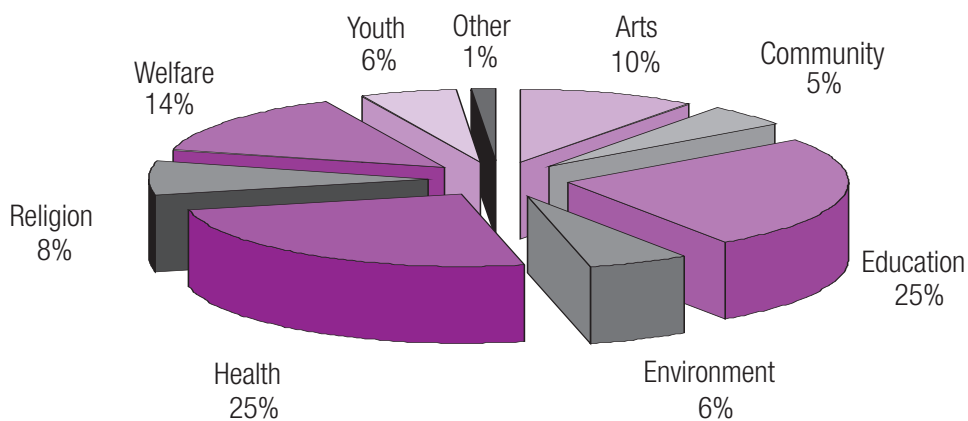
GARFIELD WESTON FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2004

SUMMARY OF GRANTS PAID IN THE YEAR ENDED 5 APRIL 2004

Category	Over £20,000	No of Appeals	£20,000 and under	No of Appeals	Total Amount	Total No. of Appeals
Arts	3,775,000	43	357,200	65	4,132,200	108
Community	905,500	23	924,850	219	1,830,350	242
Education	9,682,766	63	464,661	102	10,147,427	165
Environment	2,241,174	10	130,000	24	2,371,174	34
Health	9,431,850	38	453,550	86	9,885,400	124
Religion	875,000	23	2,122,900	574	2,997,900	597
Welfare	4,492,622	68	1,151,644	216	5,644,266	284
Youth	1,474,024	25	717,200	203	2,191,224	228
Other	440,000	9	104,000	16	544,000	25
TOTALS	£33,317,936	302	£6,426,005	1,505	£39,743,941	1,807

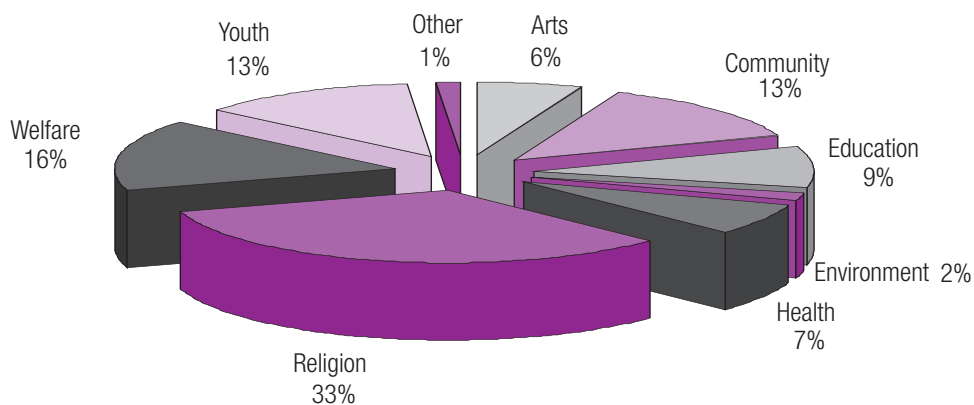
Total Amount by Category



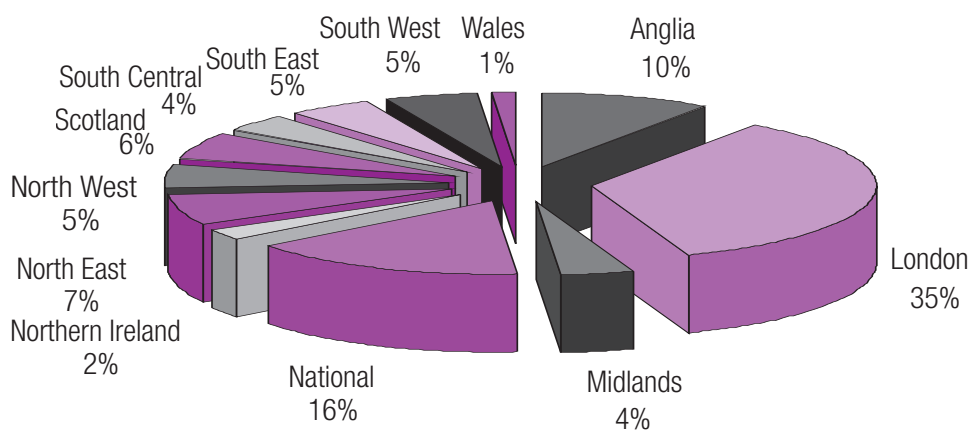
GARFIELD WESTON FOUNDATION

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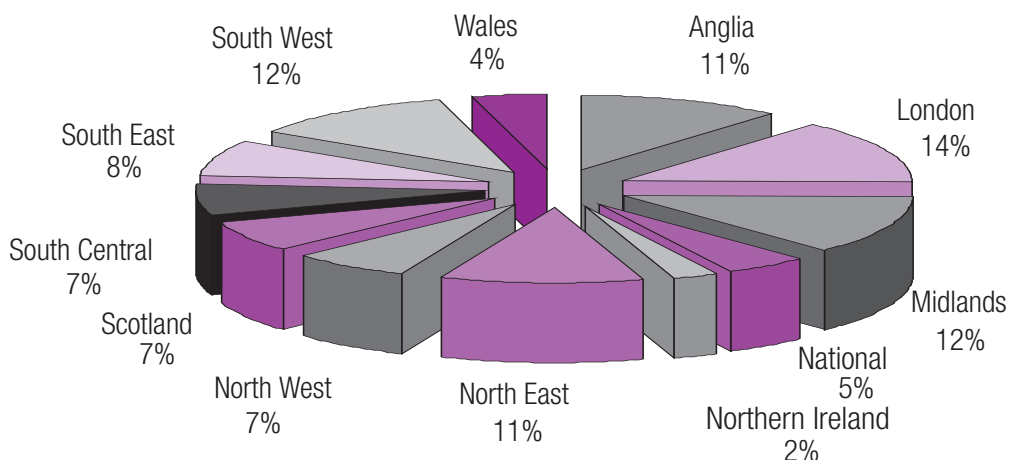
Number of Appeals by Category



Total Amount by Region



Number of Appeals by Region



GARFIELD WESTON FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF GARFIELD WESTON FOUNDATION

We have audited the financial statements of Garfield Weston Foundation on pages 16 to 47 for the year ended 5 April 2004 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investment 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 44 of the Charities Act 1993. 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'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 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.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under Section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Charities Act 1993. We also report to you if, in our opinion, the Trustees' Annual 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 the other information contained in the Report and Accounts of the Trustees 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 other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 5 April 2004 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charity's Act 1993.

St Alphage House
2 Fore Street
London EC2Y 5DH

9 December 2004

UHY Hacker Young
Chartered Accountants
Registered Auditor

GARFIELD WESTON FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2004

		Unrestricted Funds			Total	Total
		Income	Expendable	Endowment	Funds	Funds
		Funds	Capital	Funds	2004	2003
	Notes	£'000	£'000	£'000	£'000	£'000
Incoming resources						
Investment income	2	26,414	2,429	–	28,843	28,854
Resources expended						
Costs of generating funds	3	36	258	–	294	270
Charitable expenditure						
Donations	13	39,731	–	–	39,731	36,435
Management and administration	4	250	–	–	250	250
Total resources expended		40,017	258	–	40,275	36,955
Net (resources expended)/incoming resources before transfers						
		(13,603)	2,171	–	(11,432)	(8,101)
Transfers between funds	10	2,732	(2,732)	–	–	–
Net resources expended for the year		(10,871)	(561)	–	(11,432)	(8,101)
Other recognised gains and losses						
Gains/(losses) on revaluation and disposal of investments	6 & 8	16	9,037	383,784	392,837	(2,772)
Net movement in funds						
		(10,855)	8,476	383,784	381,405	(10,873)
Fund balances brought forward at 6 April 2003		53,953	62,141	2,159,877	2,275,971	2,286,844
Fund balances carried forward at 5 April 2004						
		43,098	70,617	2,543,661	2,657,376	2,275,971

All recognised gains and losses have been included in the Statement of Financial Activities and the amounts included are derived entirely from the continuing activities of the Foundation.

GARFIELD WESTON FOUNDATION

BALANCE SHEET AS AT 5 APRIL 2004

		2004		2003	
	Notes	£'000	£'000	£'000	£'000
Fixed Assets					
Investments	6		2,612,954		2,221,102
Current Assets					
Debtors	7	1,559		2,477	
Investments	8	–		38,623	
Cash at bank		42,918		14,196	
		<u>44,477</u>		<u>55,296</u>	
Creditors: amounts falling due within one year	9	<u>(55)</u>		<u>(427)</u>	
Net Current Assets			<u>44,422</u>		<u>54,869</u>
Net Assets			<u>2,657,376</u>		<u>2,275,971</u>
Restricted Funds					
Permanent endowment funds	11		2,543,661		2,159,877
Unrestricted Funds					
Expendable capital fund	11		70,617		62,141
Income funds	11 & 12		<u>43,098</u>		<u>53,953</u>
			<u>2,657,376</u>		<u>2,275,971</u>

The financial statements on pages 16 to 47 were approved by the trustees on 9 December 2004 and were signed on their behalf by:

Guy H Weston

George G Weston

Trustees

GARFIELD WESTON FOUNDATION

CASH FLOW STATEMENT FOR THE YEAR ENDED 5 APRIL 2004

	Notes	2004 £'000	2003 £'000
Operating Activities			
Receipts of interest and dividends		29,405	30,384
Payments of expenses		(560)	(257)
Payments of charitable grants		(39,731)	(36,435)
Net cash outflow from operating activities	(a)	(10,886)	(6,308)
Investing activities			
Proceeds from disposal of investments		66,771	104,881
Purchase of investments		(27,163)	(135,736)
Net cash inflow/(outflow) from investing activities		39,608	(30,855)
Increase/(decrease) in cash	(b)	28,722	(37,163)
a) Reconciliation of changes in resources to net cash outflow from operating activities			
Net outgoing		(11,432)	(8,101)
Decrease in debtors		918	1,530
(Decrease)/increase in creditors		(372)	263
Net cash outflow from operating activities		(10,886)	(6,308)
b) Analysis of changes in cash during the year			
	6 April 2003 £'000	Cash flows £'000	5 April 2004 £'000
Cash at bank	14,196	28,722	42,918