



PRESS RELEASE – 12 December 2015

New research, ‘A Hornet’s Nest’, questioning charitable spending levels - finds 17 large charities with £50m+ per annum spend on average 43% on charitable activities

292 charities, with combined income of £2.4bn, spent 10% or less on charitable activities

The True and Fair Foundation, started by philanthropist and vocal transparency campaigner, Gina Miller, analysed **5,543 charities with a total combined annual income of £40.7bn**, with the simple aim of discovering how much of their income was spent on the end charitable activities.

The team were staggered to find **292 charities, with a combined income of £2.4bn, spent 10% or less** on their charitable activities; having analysed data from the Charity Commissions’ websites.

They also identified **17 of the UK’s largest charities that on average spent 65p or less of every £ of income** on their charitable activities. Three of the charities, the Lloyd’s Register Foundation, The Racing Foundation and The Motability Tenth Anniversary Trust - **with a combined annual income of £1.2bn spent just £20m between them on charitable activities.**

Charity name	Average Spending On Charitable Activities As % Income Last Three Financial Years	Last Financial Year Income	Last Financial Year Spending On Charitable Activities
Lloyd's Register Foundation	1%	£1,062,537,000	£14,490,000
The Racing Foundation	3%	£50,932,901	£1,146,153
The Motability Tenth Anniversary Trust	8%	£54,376,000	£4,093,000
Consumers' Association	24%	£102,831,000	£22,796,000
Sheffield City Trust	25%	£48,186,000	£17,021,000
The Grace Trust	33%	£91,678,745	£29,874,716
British Heart Foundation	46%	£288,200,000	£113,700,000
Sue Ryder	46%	£95,431,000	£42,585,000
Age UK	48%	£174,575,000	£83,956,000
Oasis Charitable Trust	57%	£271,709,000	£151,935,000
The Royal Horticultural Society	60%	£73,157,000	£47,641,000
Dogs Trust	63%	£84,743,000	£57,185,000
Cancer Research UK	64%	£634,900,000	£422,700,000
The Guide Dogs For The Blind Association	64%	£101,100,000	£56,400,000
Shelter, National Campaign For Homeless People	64%	£69,565,000	£39,541,000
The Royal National Lifeboat Institution	64%	£190,100,000	£122,200,000
Marie Curie	65%	£154,805,000	£105,585,000
	Average 43% *	£3,548,826,646	£1,332,848,869



The research discovered data errors on both the existing and new 'Beta' Charities Commission's websites; even though the new Beta search tool website aims to prominently and simply display income and expenditure. The Regulator's online data is meant to be *'the authoritative source of information on charities in England and Wales'*. Registered charities' details are viewed online over six million times a year, but it now transpires much of this data is either incorrect or out of date; or sometimes both.

The True and Fair Foundation's findings pose serious questions for the charity sector:

1. Should there be an urgent review of the rules that allow organisations to be granted charitable status? Especially as this status tends to result in tax benefits such as reduced business rates, VAT, stamp duty, capital gains, tax on dividends, and being granted gift aid. All of which deplete the public purse.
2. Should there be a periodic three year review of organisations' charitable status?
3. Is it now time for a voluntary or mandatory minimum annual dispersal rate set for charities? It is the view of the True and Fair Foundation that a minimum annual dispersal rate of 65% should be debated.
4. Is there a need for a simpler accounting methodology to enable greater understanding of a charities' finances?
5. Is it time to impose a 'Give & Good label' across the charity sector which would clearly allow donors to see how much of annual income is being spent on the end charitable activities?
6. Does the sector require more financial oversight and accountability?
7. Why are donors - private, corporate and government - not asking more questions about the charitable work being delivered by charities?
8. Should there be limits on senior executive remuneration, including pension provision?

Gina Miller, founder of the True and Fair Foundation said, *'As the State continues to shrink, the charity sector will become even more pivotal to society. But this does not excuse many of the excesses and inefficiencies that appear so prevalent within this sector.'*

'It is an utter disgrace that so much of the money people generously give is going to feed large charity machines, which are often characterised by obscene overheads and salaries, aggressive fundraising, and bloated marketing and publicity departments; resulting in questionable levels of charitable spending.'

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'The other travesty is that the army of extraordinary small and medium size charities who form the backbone of our communities, are being drowned out by some of these extravagant and grossly inefficient big brand charities. It is time a light was shone on the sector so people can see just how their hard earned money is really being spent by all charities.'

'There are too many examples of charities of all sizes failing to remember that they exist for the sake of their beneficiaries, not the staff.'

'In my view the charity sector should be regulated as much as the wider financial sector as it has an estimated income in England and Wales of £64 billion, £13 billion of which comes from government and is therefore public money. All donors, public, corporate and private need to have the information to judge whether their money is being properly spent.'

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* Source: True and Fair Foundation based on data from the Charities Commission and Companies House, as at 23.11.15. Some data has been changed from the original Charities Commission data to reflect the actual numbers revealed in the charity's accounts or where there were more up to date accounts available from Companies House.

Editor's Notes

The True and Fair Foundation, www.trueandfairfoundation.com, formerly known as Miller Philanthropy, was established in 2009 by Gina Miller, an ardent believer in conscious capitalism and philanthropy, as well as a vocal campaigner for transparency, accountability and ethics.

The Foundation utilises the business and investment disciplines, principles, experience and expertise that Gina and her husband, Alan Miller operate in their professional lives, to invest in dynamic, efficient community based organisations making effective interventions with the most vulnerable in society, primarily in the UK.

The True and Fair Foundation also offers donors opportunities to give smarter and is 100% underwritten by the Millers so 100% of all donations reach the causes they support.

The Millers view giving as a social activity, a deployment of human, intellectual, spiritual capital, as well as financial capital that invests in society for future generations, thereby committing a social act of love.