

Francis Maude: Statement on Party Funding

The Conservative Party today published a financial update and a complete list of its current lenders. The Party has also written to the Electoral Commission offering to open its books to them.

Francis Maude, Party Chairman, said in a statement:

“In December last year, David Cameron asked Andrew Tyrie to draw up proposals to reform party funding. We published these proposals last week. They include a cap on donations, an extension of state funding and a ban on all future loans except from financial institutions on fully commercial terms. This package will form the basis for discussion. We recognise that the current arrangements have to change – and are the only party to have set out clear and positive proposals to reform the current unsatisfactory system.

“That is for the future. But we also want to be transparent about how the Conservative Party is funded today. Like all the main political parties, the Conservative Party has entered into loan arrangements to fund the considerable cost of campaigning. In the run up to and during the last General Election, the Party’s Finance Committee, Board and Party Leader were kept informed of the Party’s financial position. The existence and extent of the loans has always been declared in our annual report and accounts.

“At all times the Party has complied with the Political Parties, Election and Referendums Act (PPERA).

“Before the story of Labour’s secret loans broke, the Party instructed Clifford Chance to conduct a thorough review of our loans and their terms. This was in addition to the annual review by our auditors. Clifford Chance have reassured us that our loan agreements meet the requirements of the PPERA.

“However, we are determined to go further.

“We announced on 17 March that all future loan agreements would be disclosed as if they were donations. We will notify the names of the lenders and the amounts to the Electoral Commission. But this does not address concern over current loans.

“We believe it would have been wrong for us to reveal the identities of lenders without their permission. So we have been contacting lenders to seek their permission for us to make their names public. Today we are publishing a complete list of the individuals and organisations with whom we have loan arrangements, together with the amounts.

“We are also writing to the Electoral Commission to confirm that we will share with them any relevant information or material.

“In the last few weeks a number of lenders have turned their loans

into donations, and their names will appear in the relevant returns to the Electoral Commission. We have also repaid around £5 million to lenders who did not wish their names to be disclosed.

“We have set out the list of our major donors during the first quarter at the end of this statement.

“We have recently borrowed nearly £16 million from a bank in order to purchase the freehold of 32 Smith Square and the adjoining property, which are together worth over £30 million. This loan is secured against the property.

“So far as the remainder of our loans are concerned, £4.7 million is lent by constituency Conservative Associations and the Association of Conservative Clubs. The balance - £16 million - comprises loans from supporters of the Party on commercial terms. We have no overdraft at the bank.”

ENDS

For further information, please contact the press office on 0207 984 8121

Notes to Editors

Financial Review

31st March 2006

- . Property assets increased to well over £30 million
- . Nearly £8 million donations in the last quarter
- . £16 million in loans from individual supporters, £15.65 million bank loan secured on the property, £4.7 million in loans from constituency Conservative Associations and the Association of Conservative Clubs.

Assets

After over a year of negotiations, on 29th March we purchased the freehold of 32 Smith Square and 67 Tufton Street adjoining. In order to do this we have taken out a bank loan of £15.65 million. This purchase gives us greater control over how this property might be used, thereby significantly increasing its value. We believe the value of the two buildings combined would be in excess of £30m.

Donations

Since David Cameron became Leader of the Party, we have seen a large increase in donations and more than 20,000 people have joined the Party. When we report our first quarter's donations to the Electoral Commission by the end of April we shall be reporting a total of nearly £8 million.

These donations include the conversion of a loan of £2 million from IM Group, a company owned by Bob Edmiston. He was nominated for a peerage by the Conservative Party, when Michael Howard was the leader, and his loan notified to the House of Lords Appointments Commission. Mr Edmiston has been a long term supporter of the Party and has given many donations to a wide range of charities and voluntary organisations.

Our return will include cash donations of £50,000 or more as

follows (rounded and as of today):

Donations of £50,000 or more received January to March 2006

Michael Alen-Buckley	50,000
Sir Martyn Arbib	
100,000	
Lady Ashcroft	
50,000	
A N Bickford	50,000
Natalie Chester	50,000
Cringle Corporation Ltd	
270,000	
Mr M S Farmer	
50,000	
Balance from D Cameron Fighting Fund	
75,000	
Stanley Fink	
100,000	
Flowidea Ltd	
50,000	
Roger Gabb	
500,000	
Peter Hall	
100,000	
Harris Ventures	
210,000	
Harris Ventures Ltd	
50,000	
Harris Ventures Ltd	
50,000	
Peter Harrison	
260,000	
A E Howard	
50,000	
IML Ltd	
2,100,000	
David Instance	200,000
IPGL Ltd	50,000

Jacksons Bournemouth Ltd	
50,000	
Mrs Tracy Levett	
50,000	
Lizon Properties	
50,000	
Midlands Industrial Council	
100,000	
Moorlake Properties Ltd	
50,000	
Philip Wilson Grain Ltd	210,000
G Pinto	100,000
R 20 Ltd	55,000
S & V Robertson	50,000
Paul Martin	
50,000	
Mrs A R Said	
50,000	
Lord Sainsbury	50,000
Shore Capital Group Plc	
50,000	
Lord Steinberg	530,000
Michael Stone	
100,000	
Vincos Ltd	50,000
Western United Investment Co Ltd	
100,000	
Stuart Wheeler	50,000
Mr S A Wolfson	
50,000	
Total	
£6,210,000	

Loans

We have no overdraft.

We have confirmed to the Electoral Commission that all our loans

are on commercial terms and therefore meet the requirements set out in the Political Parties, Elections and Referendum Act. This has been confirmed by our lawyers, who have reviewed the loans.

Our lenders, as of 31st March 2006, amount to £16million as follows:

**Beneficial Interest
Amount**

Henry Angest	Treasurer	
550,000		
Lord Ashcroft	Deputy Chairman & former Treasurer	
		3,600,000
Dame Vivien Duffield		
250,000		
Johan Eliasch	Deputy Treasurer	
2,600,000		
Alan Lewis CBE	Former Treasurer	
100,000		
Cringle Corporation Ltd		
450,000		
Graham Facks-Martin	Conservative Cllr	
50,000		
Michael Hintze		2,500,000
Lord Laidlaw		
3,500,000		
Victoria, Lady de Rothschild	Former Treasurer	
1,000,000		
Raymond Richards (deceased)		1,000,000
Lord Steinberg	Former Treasurer	
250,000		
Charles Wigoder		
100,000		
Total		
£15,950,000		

In addition we have loans totalling £4.5 million from the

constituency Conservative Associations, and £200,000 from the Association of Conservative Clubs.

Outlook

The total level of debt is significant, but securing the freehold of the 32 Smith Square and 67 Tufton Street has significantly increased our asset base. Furthermore, donations remain buoyant and most of our debt is long-term.

Background information on our lenders

Henry Angest has been a Treasurer of the Conservative Party since 2000. He regularly gives to charities and other worthy causes.

Lord Ashcroft is a former Treasurer and Deputy Chairman of the Conservative Party. He is the founder and Chairman of the Trustees of Crimestoppers – the only UK charity dedicated to solving crimes. Since 1988, it has received over 800,000 calls and resulted in over 70,000 arrests and charges. Lord Ashcroft is currently Deputy Treasurer of the International Democratic Union and was formerly Belize's Permanent Representative to the United Nations. He has been Chancellor of Anglia Ruskin University since November 2001.

Dame Vivien Duffield is the daughter of Sir Charles Clore, one of Britain's most generous post-war philanthropists. She is Chairman of the Clore Duffield Foundation, which has donated and pledged over £8 million to museums, education and the Arts since 1998. Dame Vivien is also a Founder and Life Patron of Eureka!, the Museum for Children in Halifax, and a Founding Trustee of the Jewish Community Centre for London. She was named Benefactor of the Year by the National Art Collections Fund in 1988, and was awarded a CBE in 1989 and a DBE in 2000. She has sat on several Appeal Committees and Development Boards for the NSPCC and Great Ormond Street Hospital. She is Chairman of the Royal

Opera House Endowment Fund and a Governor of the Royal Ballet and Royal Ballet School.

Johan Eliasch has been a Deputy Treasurer of the Conservative Party since 2003. He has worked extensively with NGOs and charities. He is a member of the board at the Centre for Social Justice and President of the Global Strategy Forum. He sits of the Board of Advisors to the International Peace Foundation in Vienna and is a Patron of the Faculty of Economic Studies at Stockholm University. He was Chairman of the Duke of York NSPCC Challenge, and helped to raise over £2.3 million for the Full Stop campaign in 2000. He was also recently involved in the establishment of a 400,000-acre reserve in the Amazonian Rainforest in Brazil to help combat global climate change.

Graham Facks-Martin is a retired farmer and Conservative Councillor.

Michael Hintze has an extensive record of philanthropy. He is an International Patron of the Prince of Wales' Trust and sits of the International Council of the Victoria and Albert Museum. He is Chairman of the Finance Committee of St Vincent de Paul Roman Catholic Church in Battersea, and a Trustee of the Institute of Economic Affairs. Michael and his wife are supporters of Trinity Hospice, the Old Vic theatre and are Patrons of the Arts of the Vatican Museums.

Lord Laidlaw is one of Scotland's most generous philanthropists. He donated £1 million in November 2003 to establish the Laidlaw Youth Project, which supports vulnerable children and works with young people across Scotland - 42 projects have benefited from his support. He has also provided generous financial support to schools in both Scotland and England.

Alan Lewis financed the start up of The Acorn Christian Healing

Trust in 1985, and was appointed a Trustee of The Opportunity Trust in 1996, a charitable organisation set up to alleviate poverty in poorer countries. He has helped with fundraising for The Wildlife Trusts, a leading conservation organisation and has been awarded a Professorship at the European School of Management in Oxford, where he lectures. He was Chairman of the CBI Initiative for Europe (1988-90) and was made a CBE in 1990.

Lord Steinberg established the Steinberg Family Charitable Trust in 1995. This donates around £200,000 every year to around a hundred charities, including a considerable number of Jewish charities. The Trust gives generous contributions to the Cancer Research Fund, Downs Syndrome Association, the Salvation Army and the Guide Dogs for the Blind Association. Lord Steinberg is President of the Manchester Jewish Federation, and the Family Trust donates around £25,000 per year to hardship cases in the Manchester area.

Victoria, Lady de Rothschild was a Treasurer of the Conservative Party from 2001 until 2006.

Charles Wigoder is Chief Executive of Telecom Plus, and also serves as a Governor of the North London Collegiate School.