

LLOYDS TSB FOUNDATION FOR SCOTLAND REOPENS APPLICATIONS FOR GRANTS NAMED IN HONOUR OF HENRY DUNCAN

Lloyds TSB Foundation for Scotland, one of Scotland's leading charitable organisations, has announced the reopening of its grant-making programme and is inviting charities to apply for funding from the £2 million available for 2010.

Last October, the Foundation announced the suspension of its grant-making activities indefinitely due to an ongoing dispute with Lloyds Banking Group. However, as a result of monies raised by the Foundation through its entitlement to participate in Lloyds Banking Group's Rights Issues in 2009, the Foundation now has £2 million to distribute to Scottish charities this year.

This year's main grant programme will be named 'The Henry Duncan Awards' in honour of the Reverend Henry Duncan who founded the first Trustee Savings Bank – which ultimately led to the establishment of the Foundation – 200 years ago this year. When the Trustee Savings Bank was floated on the Stock Market in 1985, as a way of compensating savers for the loss of their bank, the Foundation in Scotland was created and given shares. Rather than receive dividends, a Covenant was set up in order to distribute monies back to the communities. However, in early 2010 Lloyds Banking Group chose to serve notice on this Covenant, and after a nine year notice period the Covenant will be terminated.

Mary Craig OBE, Chief Executive of Lloyds TSB Foundation for Scotland, said:

“The Foundation owes its existence to the Reverend Henry Duncan, who founded the Trustee Savings Bank so that everyone, regardless of wealth or position, could benefit from a savings bank.

“In honour of his work to support the most under-privileged, the Foundation's main award programme this year will target smaller and harder to fund grassroots charities.

“Since we put our grant-making activities on hold last year, we have been only too aware of the difficulties this posed for charities in Scotland. However, with the restart of awards, I hope we can now move forward and focus firmly on the future.”

The first deadline for applications for Henry Duncan Awards is May 24, with further deadlines in July and September. The capacity building programme is also now open for applications, and charities can apply for one of these awards at any time. Details on the criteria and other information on how to apply can be found on the Foundation's website at www.ltsbfoundationforscotland.org.uk . The Foundation also hopes to be in a position to continue its work with the Scottish Government in the successful Partnership Drugs Initiative in 2010.

Notes to Editors

1. Lloyds TSB Foundation for Scotland announced last October that it had closed its door to new applications for grants indefinitely as a result of an ongoing dispute with Lloyds Banking Group.

Because of the Group's huge losses, there were no monies due to the Foundation through its 25 year old Covenant with the Group. This legally obliged the Banking Group to pay a percentage of one percent of pre-tax profits to the Foundation annually.

Efforts to plug the gap in funding until monies flowed in again from the Covenant were unsuccessful as Lloyds Banking Group refused to discuss any option other than their own proposal. This would have seen the Foundation's share via the Covenant halved and their independence removed. When the Foundation failed to accept the offer, despite putting a cost-neutral counter-proposal, Lloyds Banking Group terminated the Covenant and served the Foundation with nine year's notice.

2. LTSBF, in line with many other charities, is a company limited by guarantee with charitable status.

3. Lloyds TSB Foundation for Scotland facts

- Since 1985, the Foundation has awarded almost £85m to charities across Scotland in over 12000 awards
- Since 1997, the Foundation has allocated around £30m to support salaries – and therefore jobs - in the charitable sector.
- The Partnership Drugs Initiative (PDI) has been running since 2000 and is funded by the Foundation and the Scottish Government. PDI works with children and young people around issues of drug and alcohol misuse and has awarded over £14 million to voluntary organisations across Scotland.

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