



CHARITY COMMISSION
FOR ENGLAND AND WALES

Inquiry Report

The Ramgarhia Sikh Gurdwara Slough

Registered Charity Number 1057208

A statement of the results of the class inquiry into double defaulter charities in particular The Ramgarhia Sikh Gurdwara Slough (registered charity number 1057208) ('the charity').

Published on 1 November 2016.

The class inquiry

On 20 September 2013, the Charity Commission ('the commission') opened a statutory class inquiry ('the inquiry') into charities that were in default of their statutory obligations to meet reporting requirements by failing to file their annual documents for 2 or more years in the last 5 years and met certain criteria, including that:

- the charities were recently (or in the case of charities that would become part of it in due course, would be) given final warnings to comply by a specified date
- on the day after the specified date they were still in default (partially or otherwise)

At the point a charity met the criteria they would become part of the inquiry. Charities that have been identified for inclusion in the class inquiry have a last known annual income of at least £150,000.

The charity

The charity was registered on 30 July 1996. It is an unincorporated association governed by a constitution adopted 17 April 1996, as amended 16 January 2000.

The charity's objects are:

1. To promote the Sikh religion by the administration of a temple and the holding of services therein, the celebration of religious festivals, the organisation of Sunday or weekday school, and by such other means as the charity trustees from time to time think fit and ancillary thereto.
2. To provide facilities for the recreation and other leisure time occupation with the object of improving their condition of life of those persons who have need of such facilities as aforesaid by reason of their youth, age, infirmity, poverty or social and economic circumstances.'

More details about the charity are available on the **register of charities** ('the register').

Issues under investigation

The charity had failed to submit its annual accounts, reports and annual returns to the commission for the financial years ending 31 December 2013 and 2014 within the statutory deadlines. During the whole period of default, the charity was sent various computer generated reminders from the commission regarding the submission of their annual accounting documents. Although reminders were sent the charity remained in default of its obligations under the Charities Act 2011 ('the act').

In addition, an attempt was made to contact the charity by telephone on 13 May 2016, and a final warning letter was issued on the same day requesting that the missing documents be provided by 3 June 2016, and warning the charity that if it remained in default it would become part of the inquiry.

The charity submitted its annual accounts and reports for the financial years ending 31 December 2013 and 2014 on 29 February 2016 before the inquiry was opened. The charity became part of the inquiry on 6 June 2016 because it failed to supply the outstanding annual returns by the deadline. The inquiry was confined to dealing with the trustees' mismanagement and misconduct¹ and remedying the recent non-compliance in connection with the annual returns and the trustees' persistent failure to file their annual accounts and returns within the statutory deadlines.

The outstanding annual return for the financial year ending 31 December 2013 was submitted to the inquiry on 29 July 2016; and the return for 2014 on 1 August 2016.

A charity trustee informed the commission that the reason for not complying with their statutory filing requirements was due to a misunderstanding between the trustees and their accountants regarding the submission of the outstanding annual returns. This does not excuse the failure of the trustees to fulfil their statutory obligations, as they have the overall responsibility for submitting accounting and returns documents to the commission on time.

When the charity's outstanding accounting documents were submitted, the accounts were referred for scrutiny by the commission's accountants. Any issues arising from that scrutiny will be followed up separately.

Although the trustees had co-operated with the inquiry to supply the outstanding information, the commission had concerns about the charity's overall record for filing the accounting information on time. Despite the charity having received extensive advice and reminders in the past from the commission about the deadlines for filing annual accounts, reports and annual returns the trustees persistently failed to fulfil their statutory reporting responsibilities over a sustained period of 5 consecutive financial years, from 2010 to 2014.

The commission directed the trustees to review their procedures and implement such changes as are necessary to enable them to fully comply with their statutory responsibilities for the preparation and submission of the charity's annual reports, accounts and returns to the commission.

Conclusions

The charity's trustees were in default of their legal obligations to file accounting information with the commission. This was mismanagement and misconduct in the administration of the charity and a breach of their legal duties.

The commission has directed the trustees to implement such changes as are necessary to enable them to fully comply with their statutory responsibilities for the preparation and submission of the charity's annual reports, accounts and returns to the commission. The commission will monitor the trustees' actions to ensure that they comply with the terms of the direction.

The charity ceased to be part of the inquiry on publication of this report.

¹ The terms misconduct and mismanagement are taken from section 76 of the act. Misconduct includes any act (or failure to act) in the administration of the charity which the person committing it knew (or ought to have known) was criminal, unlawful or improper. Mismanagement includes any act (or failure to act) in the administration of the charity that may result in significant charitable resources being misused or the people who benefit from the charity being put at risk. A charity's reputation may be regarded as property of the charity.

Regulatory action taken

The commission used its information gathering powers under section 52 of the act to order and obtain bank records and financial information of the charity relating to the financial period that the charity was in default. These will be used in connection with the commission's scrutiny of the accounts.

The commission provided regulatory advice and guidance about the trustees' duty to file the charity's annual accounting information.

The inquiry subsequently exercised powers under section 84 of the act to direct the trustees, to review their procedures and practices and implement necessary changes to ensure that they fully complied with their statutory responsibilities for the preparation and submission of the charity's annual accounts, reports, and annual returns; and to also provide written details to the commission of the measures taken by the trustees.

Issues for the wider sector

Trustees of charities with an income of over £25,000 are under a legal duty as charity trustees to submit annual returns, annual reports and accounting documents to the commission as the regulator of charities. Even if the charity's annual income is not greater than £25,000 trustees are under a legal duty to prepare annual accounts and reports and should be able to provide these on request. All charities with an income over £10,000 must submit an annual return.

Failure to submit accounts and accompanying documents to the commission is a criminal offence. The commission also regards it as mismanagement and misconduct in the administration of the charity.

For those individuals who were not trustees at the initial date of default, when they became a trustee, they became responsible for making good the default.

The commission will not hesitate to exercise its statutory powers to ensure that a charity's annual reports, annual accounts and annual returns are submitted to the commission within the statutory deadlines where trustees persistently fail to comply with their legal duties.