



Inquiry Report

The Hope Trust (Yorkshire)

Registered Charity Number 1116059



A statement of the results of the class inquiry into double defaulter charities in particular The Hope Trust (Yorkshire) (registered charity number 1116059).

Published on 4 August 2014.

The Class Inquiry

On 20 September 2013, 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 two or more years in the last five 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; and
- 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. The Commission started by looking at and sending final warnings to charities with a last known income over £500,000 and then moved on to those over £250,000 and other charities whose last submissions to the Commission showed a high income.

The Charity

The Hope Trust (Yorkshire) ("the Charity") was registered on 7 September 2006. It is a trust governed by a Trust Deed executed on 9 August 2006.

The Charity's objects are:

- A) *to advance research into gynaecological cancer and disseminate the useful results of such research.*
- B) *to relieve the suffering of women with gynaecological cancer by providing care.*
- C) *to advance public education into the diagnosis and care of women suffering from gynaecological cancer by providing training.*

More details about the Charity are available on the Register of Charities which can be accessed through the Charity Commission's website¹.

Issues under Investigation

The Charity failed to submit to the Commission annual accounts, reports and annual returns required for the financial years ending 31 October 2009, 31 October 2010, 31 October 2011 and 31 October 2012. The Charity was sent various computer generated reminders from the Commission regarding the submission of their annual accounting documents.

¹ <http://www.charitycommission.gov.uk/find-charities/>

In addition, the Commission attempted to contact the charity by telephone on 10 April 2014. Further to this the Commission wrote to the Charity with a final warning on 10 April 2014 requesting that the missing documents be provided by 3 May 2014. The Commission warned what would happen if the Charity remained in default on 6 May 2014. The Charity submitted its annual accounts, reports and annual return for the financial years ending 31 October 2009 and 31 October 2010 on 2 May 2014. However, the Charity has been in default of its obligations under the Act for a lengthy period of time, in respect of the documents required for the financial years ending 2011 and 2012, and in spite of receiving numerous reminders.

The Charity therefore met the criteria and became part of the Inquiry on 6 May 2014.

The Inquiry is confined to dealing with the trustees' mismanagement and misconduct² and remedying the non-compliance in connection with the annual accounting documents.

During the Inquiry the Charity filed the missing annual accounts, reports and annual returns for the financial years ending 31 October 2011 and 31 October 2012 on 14 May 2014. The Charity also filed the required documents for the financial year ending 31 October 2013 on 18 June 2014.

The trustees informed the Commission on 5 June 2014 the reason for not complying was that the Charity did not have the full range of records it required to properly prepare its accounts.

When the Charity's missing documents were submitted, the accounts were referred for scrutiny by the Commission's accountants and if any issues arise from that they will be followed up separately.

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 reasons the charity gave for non compliance was not a legitimate excuse. The charity did not file annual returns for the four financial years from 2009 to 2012 inclusive until May 2014.

As a result of the Inquiry, the Commission ensured the Charity complied with its legal obligations to submit their annual accounting information. Two sets of returns, reports and accounts were filed during the inquiry. Prior to entering the Inquiry two additional set of accounts were filed, publicly accounting for £5,000 of charitable income and over £100,000 of charitable expenditure. In addition, the Charity also filed the required documents for the financial year ending 31 October 2013.

The Charity ceased to be part of the Inquiry when it was no longer in default of its accounting obligations. This happened on 15 May 2014 when the Charity filed the last missing documents.

² The terms misconduct and mismanagement are taken from section 76 of the Charities Act 2011. 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 Charities Act 2011 (the “Act”) to order and obtain bank records and financial information of the Charity relating to the missing years accounts. These will be used in connection with the Commission’s scrutiny of the accounts.

On 9 May 2014 the Inquiry exercised powers under section 84 of the Act to direct the trustees to prepare and complete the relevant missing annual accounts, reports and returns for the Charity and provide copies of these to the Commission.

The Commission provided regulatory advice and guidance about the trustees’ duty to file the Charity’s annual accounting information.

Issues for the wider sector

Trustees of charities with an income of £25,000 or over 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 under £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.

It is important that the financial activities of charities are properly recorded and their financial governance is transparent. Charities are accountable to their donors, beneficiaries and the public. Donors to charity are entitled to have confidence that their money is going to legitimate causes and reaches the places that it is intended to. This is key to ensuring public trust and confidence in charities.

