



**CHARITY COMMISSION**  
FOR ENGLAND AND WALES

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## **Inquiry Report** **Gableholt Limited**

Registered Charity Number 276250

# A statement of the results of the class inquiry into double defaulter charities in particular Gableholt Limited (registered charity number 276250) ('the charity').

**Published on 5 August 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 1 August 1978. It is a charitable company governed by a memorandum and articles of association incorporated on 6 June 1978.

The charity's objects are:

'To advance religion in accordance with the Orthodox Jewish faith and for such other purposes as are recognised by English law as charitable'.

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

## Issues under investigation

The charity failed to submit its annual accounts, reports and annual returns to the commission for the financial years ending 30 September 2013 and 2014. 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 on 6 October 2015 by telephone and a final warning letter was issued on the same day requesting that the missing documents be provided by 26 October 2015, and warning the charity that if it remained in default it would become part of the inquiry.

The charity failed to fully comply and submit its outstanding documents by the deadline and became part of the inquiry on 27 October 2015. The inquiry is confined to dealing with the trustees' mismanagement and misconduct<sup>1</sup> and remedying the non-compliance in connection with the annual accounting documents.

The outstanding annual accounts, report and annual return for the financial year ending 30 September 2013, was submitted on 13 November 2015, and for the financial year ending 2014 on 6 May 2016.

On 13 May 2016 a charity representative informed the commission that the reason for not complying with their statutory accounting requirements was due to delays being incurred when the charity's auditor had to undergo surgery which required ongoing hospital treatment and associated aftercare. Further delays were incurred while the auditor obtained additional accounting information to complete the audit, and while an additional review was carried out on the audit.

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.

## 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.

As a result of the inquiry, the commission ensured the charity complied with its legal obligations to submit its annual accounting information. Two sets of accounts were filed and as a result £1,893,482 of charitable income is now transparently and publicly accounted for on the register.

The charity ceased to be part of the inquiry when it was no longer in default of its accounting obligations. This happened on 6 May 2016 when the charity filed the last missing documents.

## Regulatory action taken

On 11 November 2015 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 and their obligations under the updated Charities SORP to disclose details of grants to financial institutions.

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<sup>1</sup> 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.

## 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.

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.