



Case Report

Africa Children's Fund - UK (1114606)

About the charity

The charity was registered in 2006. It has wide ranging objects including the relief of poverty, sickness and distress, the preservation of health and the provision of facilities for recreation.

Why the commission got involved

The Charity Commission became concerned about the charity due to a number of factors including:

- the charity had only 2 trustees, one of whom lived abroad; the charity's governing document required a minimum of 3 trustees
- the charity was in default with its filing requirements
- several changes of the charity's name had been made during a relatively short space of time
- the charity was incorporated and registered at Companies House; we became aware that the description of the charity's activities recorded at Companies House did not match with the charity's objects
- the charity had submitted dormant accounts to Companies House in 2013, however the 2013 annual return that they submitted to the commission indicated that their income was £24,090
- the charity's website was no longer operational

The action we took

As a first step we contacted the trustees to instruct them to submit their outstanding documents. The 2014 annual return was subsequently submitted with the income recorded as £14,350. This was below the £25,000 threshold for automatic submission of accounts but due to our concerns about the charity, we requested a copy of the charity's accounts from the trustees. The trustees were unable to provide us with the accounts and failed to give an acceptable explanation for this. We therefore used our powers to obtain the charity's bank statements.

What we found

When the bank statements were examined, it became apparent that the figures in the statements did not match the figures declared on the annual return. Additionally, the statements showed a number of payments which did not appear to be for charitable purposes. We contacted the trustees for further information but received no response.

In May, Africa Children's Fund was dissolved and struck off by Companies House. When a charitable company is struck off Companies House it is no longer a legal entity. Therefore we removed it from the register of charities. The trustees were advised that the charity could no longer apply for any grants or funding or use the charity number for any purposes.

The charity's bank accounts had been closed in January and there was no money held in the charity so there were no longer any charitable funds at risk. Given the amounts involved and that there were no funds remaining, it was not considered proportionate to pursue further the matter of how funds had previously been spent. However, the removal of the charity from the register meant that the individuals involved cannot use the number to raise any more funds.

Impact of our involvement

We acted swiftly to deal with a charity that was in default and whose trustees failed to explain some expenditure that did not appear to be charitable. As a result of our engagement, the public are no longer exposed to a charity unwilling to account for its expenditure. The removal of the charity from the register helps ensure that our register is accurate and up-to-date, an important factor in maintaining public trust and confidence in the sector and the commission.

Lessons for other charities

Compliance with the charity's governing document

Trustees must be familiar with their charity's governing document. They must follow the procedures as set out in their charity's governing document for the appointment of trustees including ensuring they have the number specified. This is made clear in [The essential trustee \(CC3\)](#).

Proper accounting

All charities must maintain accounting records and prepare accounts. Registered charities must also prepare a trustees' annual report to accompany their accounts. Those charities that are below the threshold for filing accounts with the commission still must ensure that they have prepared annual accounts and a trustees' annual report. They must be able to produce them on request.

Trustees must ensure they file their annual return (and accounts if they are above the threshold) with the commission and if necessary their accounts with Companies House on time. They also must ensure that the information is correct and up-to-date. The filing of the annual return is the charity's opportunity to tell donors (past, present and future) about the charity and the impact it is having in its chosen area.

More information is available in [our guidance on charity reporting and accounting and preparing a charity's accounts](#).