



CHARITY COMMISSION
FOR ENGLAND AND WALES

Inquiry Report

Wolsey Charitable Trust

Registered Charity Number 1116597

A statement of the results of the class inquiry into double defaulter charities in particular Wolsey Charitable Trust (registered charity number 1116597) ('the charity').

Published on 20 February 2017.

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

Wolsey Charitable Trust was registered on 1 November 2006. It is a charitable company governed by a memorandum and articles of association incorporated on 25 September 2006.

The charity's objects are the relief of sickness and financial hardship and to provide for better education, either generally or individually, in various parts of the world, particularly but not exclusively in Africa and India.

In practice the charity has furthered its objects by providing grants to a community centre in Harrow, UK, a school project in Kherwa Jalapur, Meerut, India, and ad hoc contributions to smaller projects overseas.

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 for the financial years ending 31 March 2014 and 2015 to the Commission 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, a final warning letter was issued 8 August 2016 requesting that the missing documents be provided by 14 September 2016, and warning the charity that if it remained in default it would become part of the inquiry. The charity became part of the inquiry on 15 September 2016 because it failed to supply the outstanding annual accounting information by the deadline.

The inquiry is confined to dealing with the trustees' mismanagement and misconduct¹ and remedying the non-compliance in connection with the annual accounting information.

The outstanding accounting documents were submitted in November 2016.

A representative of the charity informed the Commission that the charity had not complied with their statutory accounting requirements due to delays experienced in preparing accounts for the financial year ending 31 March 2014 which required an audit, and also due to a misunderstanding by the trustees regarding the filing of the accounting documents with the Commission. This does not excuse the failure of the trustees to fulfil their statutory obligations.

When the charity's missing documents were submitted, the accounts were referred for scrutiny by the Commission's accountants. 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 their annual accounting information. Two sets of accounts were filed and as a result £970,695 of charitable income has been accounted for with the Commission.

The charity ceased to be part of the inquiry when it was no longer in default of its accounting obligations. This happened on 21 November 2016 when the charity filed the last missing documents.

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 missing years accounts. These will be used in connection with the Commission's scrutiny of the accounts.

On 26 September 2016 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.

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.

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.