
The Official Custodian for Charities

Annual Accounts
2024-25

The Official Custodian for Charities

Annual Accounts 2024-25

(For the year ended 31 March 2025)

Presented to Parliament pursuant to Paragraph 7 of
Schedule 2 of the Charities Act 2011

Ordered by the House of Commons to be printed on 8 July 2025



© Crown copyright 2025

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit **nationalarchives.gov.uk/doc/open-government-licence/version/3**.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at **www.gov.uk/official-documents**

Any enquiries regarding this publication should be sent to us at **enquiries@charitycommission.gov.uk**

ISBN 978-1-5286-5700-6

E03355825 07/25

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Contents

Foreword to the Accounts	2
Statement of the Official Custodian for Charities’ Responsibilities	4
The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	5
Receipts and Payments Account and Statement of Balances	10
Notes to the Accounts	11

Foreword to the Accounts

Introduction

This publication presents the Annual Accounts for the Official Custodian for Charities (the Official Custodian) for the year ended 31 March 2025. The **Receipts and Payments Account** records the cash inflows and outflows for the year 1 April 2024 to 31 March 2025. It also shows the total funds of the Official Custodian held as at the year-end. The **Notes to the Accounts** explain the basis on which transactions are recorded and provides further analysis of the disclosures in the Receipts and Payments Account. Further notes have been included to provide greater clarity.

The Official Custodian

By virtue of schedule 2 to the Charities Act 2011, the Official Custodian is a corporation whose sole function is to act as a custodian trustee for charities in respect of land or other property vested in the Official Custodian by an Order of the Court or the Charity Commission.

The Charity Commission designates one of its officers to be the Official Custodian, under section 21(3) of the Charities Act 2011. The officer of the Charity Commission designated to the role is Darren Griffiths, Assistant Director, Finance, and Commercial Services.

The Role and Powers of the Official Custodian

Under section 91(1), (b) of the Charities Act 2011, the Official Custodian has the same powers, duties and liabilities as a custodian trustee appointed under section 4 of the Public Trustee Act 1906, except that he has no power to charge fees for his statutory services.

The responsibility for managing charity property held in the name of the Official Custodian remains wholly with the managing trustees. The Official Custodian cannot exercise any powers of management. Although section 4 of the Public Trustee Act 1906 determines that all sums payable to or out of the income or capital of the trust property shall be paid to or by the custodian trustee, in practice, and within the provisions of section 4, the Official Custodian allows dividends and other income derived from the trust property to be paid to the managing trustees.

Land and interests in land may be vested in the Official Custodian under section 90 of the Charities Act 2011. Unincorporated charities cannot hold land in their own name but have to do so in the name of the charity's trustees. The primary advantage of vesting land in the name of the Official Custodian is that there is no need to apply to HM Land Registry for a change of proprietor every time the trustees of the charity change. The Official Custodian cannot take part in managing land vested in him. For example, the Official Custodian has no power to enter into lease agreements or pay taxes in respect of the property. Charity trustees keep all the powers and duties of management and will account for the land and buildings in their own financial statements.

The only other charity property to be held by the Official Custodian is that which has been transferred to him by an Order of Commission for the protection of the charity under section 76 of the Charities Act 2011 or by Order of the Court. The primary aim of the Official Custodian, in respect of property entrusted to him for its protection, is to safeguard that property until authorised to arrange its transfer to the managing trustees or their appointed representatives. The Official Custodian can hold land, cash and other assets in this temporary protective way and when in the form of cash, it is either held in a current account at a bank or, for more significant sums, for a longer period in a deposit account. A webpage on the roles and responsibilities of the Official Custodian can be viewed on the Commission's website: www.gov.uk/charity-commission.

The Chief Executive of the Charity Commission, as its senior full-time official, carries the responsibilities of Accounting Officer. He has overall responsibility for public funds in respect of all functions performed by officers of the Charity Commission, including the Official Custodian. The Official Custodian is responsible for preparing these annual accounts, as set out under section 21(4), paragraph 5 of schedule 2 to the Charities Act 2011.

Statement of the Official Custodian for Charities' Responsibilities

Under paragraph 5 of schedule 2 to the Charities Act 2011, the Official Custodian for Charities (the Official Custodian) is required to prepare a statement of accounts for each financial year and to ensure that appropriate financial procedures are followed. The financial statements are prepared on a cash basis and must properly present the receipts and payments for the financial year and the balances held at the end of the year. In preparing the financial statements, the Official Custodian is required to apply, on a consistent basis, any relevant accounting guidance given from time to time by HM Treasury.

So far as I, the Official Custodian, am aware, there is no relevant audit information of which the auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

I take personal responsibility for the annual accounts and the judgements required for determining that as a whole it is fair, balanced and understandable; which I can confirm.

A handwritten signature in black ink, appearing to read 'D. Griffiths'.

Darren Griffiths
Official Custodian for Charities
26 June 2025

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the Official Custodian for Charities for the year ended 31 March 2025 under the Charities Act 2011.

The financial statements comprise the Official Custodian for Charities':

- Receipts and Payments Account;
- Statement of Balances; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the direction issued by HM Treasury under the Charities Act 2011.

In my opinion, the financial statements:

- properly present the Official Custodian for Charities' receipts and payments for the year ended 31 March 2025; and
- have been properly prepared in accordance with the Charities Act 2011 and HM Treasury directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the receipts and payments recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Official Custodian for Charities in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Official Custodian for Charities' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Official

Custodian for Charities' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Official Custodian for Charities with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Accounts but does not include the financial statements and my auditor's certificate and report thereon. The Official Custodian for Charities is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit, the information given in the Annual Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Official Custodian for Charities and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword to the Accounts.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by the Official Custodian for Charities or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the Official Custodian for Charities for the financial statements

As explained more fully in the Statement of the Official Custodian for Charities' Responsibilities, the Official Custodian for Charities is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;

- providing the C&AG with unrestricted access to persons within the Official Custodian for Charities from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements and Annual Report which are in accordance with the applicable financial reporting framework.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Charities Act 2011.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Official Custodian for Charities' accounting policies;
- inquired of management, Official Custodian for Charities' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Official Custodian for Charities' policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Official Custodian for Charities' controls relating to the Official Custodian for Charities' compliance with the Charities Act 2011 and Managing Public Money;
- inquired of management, Official Custodian for Charities' head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Official Custodian for Charities for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and posting of unusual journals. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Official Custodian for Charities' framework of authority and other legal and regulatory frameworks in which the Official Custodian for Charities operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Official Custodian for Charities. The key laws and regulations I considered in this context included the Charities Act 2011 and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

2 July 2025

Receipts and Payments Account and Statement of Balances

Receipts and Payments Account

	2024-25			2023-24
	Specific Funds £	General Funds £	Total Funds £	Total Funds £
Receipts (Note 3)				
From charities for protection	10,800	0	10,800	91,975
From investments (interest)	0	141	141	819
Total Receipts	10,800	141	10,941	92,794
Payments (Note 3)				
Remittances made	0	0	0	283,340
Total Payments	0	0	0	283,340
Excess/(shortfall) of receipts over payments for the financial year	10,800	141	10,941	(190,546)

Statement of Balances

	2024-25			2023-24
	Specific Funds £	General Funds £	Total Funds £	Total Funds £
Balance as at 1 April	7,500	1,807	9,307	199,853
Excess/shortfall	10,800	141	10,941	(190,546)
Transfer of funds	0	0	0	0
Balance as at 31 March (Note 3)	18,300	1,948	20,248	9,307

The Notes on pages 11, 12 and 13 form part of these accounts.



Darren Griffiths
The Official Custodian for Charities
26 June 2025

Notes to the Accounts

Note 1: Basis of preparation

The Accounts have been prepared on a receipts and payments basis, in accordance with schedule 2 of the Charities Act 2011 and HM Treasury Accounts Direction. Income and expenditure are recognised in the Receipts and Payments Account at the point when the cash inflows and outflows occur.

Note 2: Accounting policies

The Official Custodian has no funds of his own. Funds retained by the Official Custodian to meet residual liabilities ultimately belong to HM Treasury's Consolidated Fund.

Specific funds relate to amounts held by the Custodian as directed by a Court Order. General funds relate to accumulated interest and is used to cover any banking or administration fees.

The ongoing expense of the Official Custodian of Charities' is met by the Charity Commission. In common with other government departments, the Commissions future grants of supply and the application of future income are both to be approved annually by Parliament. There is no reason to believe that future Parliamentary approval will not be forthcoming, and therefore, in accordance with the government financial reporting manual (FRoM), it has been concluded as appropriate to adopt the going concern basis of preparation for these accounts.

Note 3: Funds held

The funds held at bank are as follows:

	31 March 2025			31 March 2024
	Specific Funds Note (a) £	General Funds Note (b) £	Total Funds £	Total Funds £
Deposit account balance	18,300	1,380	19,680	8,739
Current account balance	0	568	568	568
Total Funds	18,300	1,948	20,248	9,307

(a) Specific Funds - Movement of funds between 31 March 2024 and 31 March 2025

As at 31 March 2025, the Official Custodian was holding the following funds:

- £7,500.06 held as at 31/03/2024 in respect Nimmo C Mahfouz Foundation (registered charity no. 1149924 removed from the register of Charities on 6 October 2023), under a section 76(3)c order that required these funds to be paid to the Official Custodian. An additional £10,000.08 was received in 2024/25. Total fund of £17,500.14 are still held by the Custodian as at 31 March 2025.
- £800.00 in respect Santa's Black Country Toy Appeal (registered charity no. 1195551 removed from the register of Charities on 6 Jan 2025), under a section 69(c) order that required these funds to be paid to the Official Custodian. These funds are still held by the Custodian as at 31 March 2025.

(b) General Funds

Schedule 2 of the Charities Act 2011 prescribes that the expenses of the Official Custodian (except those reimbursed to, or recovered by, the Official Custodian as trustee for any charity) are to be defrayed by the Charity Commission. This includes staff time, banking or other administration fees, and preparation of annual accounts and audit. Cash expenses are paid out of general funds. The Commission will fund any deficit in the general fund.

As at 31 March 2024, funds amounting to £568 were held in the current account by the Official Custodian. No transactions were made in the year.

Note 4: Land vested in the Official Custodian under section 76

The following property was vested in the Official Custodian by an order of the Charity Commission made under section 76(3)(C) of the Charities Act 2011.

Date vested	Date discharged	Item
19-Feb-19	11-Dec-24	Property for the Essex Islamic Academy (registered charity no.1131755)
19-Sep-23	-	Property for the Rav Chesed Trust (registered charity no.803758)
17-Feb-25	-	Property A for the Big Help Project (registered charity 1141024)
17-Feb-25	-	Property B for the Big Help Project (registered charity 1141024)
18-Feb-25	-	Property C for the Big Help Project (registered charity 1141024)

Property vested in the Official Custodian under section 76 of the Charities Act 2011 is not owned by the Official Custodian and does not therefore feature as an asset within these Accounts. Any property vested in the Official Custodian is done so on a temporary basis until such time as the Charity Commission is satisfied that the property can be divested. Please refer to the Foreword to the Accounts for an explanation of the Official Custodian's role.

Auditors

This year's Financial Statements have been audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. No further services were provided by the NAO. The cost of audit work was £5,400 (2023-24 £5,200).

Note 5: Land vested in the Official Custodian under section 90

As noted in the Foreword to the Accounts, land or interest in land may also be vested in the Official Custodian under section 90 of the Charities Act 2011. Some will be registered at the Land Registry, some will not. Vested land should appear on the balance sheet of the appropriate charity and does not appear in the Accounts of the Official Custodian.

Note 6: Related parties

The Official Custodian is an employee of the Charity Commission. The Charity Commission bears the full cost of the Custodian function. There are no related party transactions to disclose.

The Annual Accounts were authorised for issue on the same date that the Comptroller and Auditor General signed this Certificate.

A handwritten signature in black ink, appearing to read 'D. Griffiths'.

Darren Griffiths
Official Custodian for Charities
26 June 2025

978-1-5286-5700-6

E03355825