

Commission orders military charity which 'misled the public' to wind up following mismanagement by trustees

The Commission found its trustees responsible for misconduct and/or mismanagement, and secured voluntary undertakings that they would not act as trustees of any charity for a period of five years.

The charity was founded to support people currently serving or who have served in the armed forces.

The regulator opened an inquiry into the charity in November 2016, over concerns about the trustees' management of conflicts of interests and the charity's fundraising activities, in particular an arrangement with Targeted Management Limited (TML) entered into in 2014.

The Commission found that the trustees did not manage conflicts of interest adequately. The only two trustees were sisters, and one of them, the chair of trustees, was the long-term partner of the father of the sole director of TML. The chair entered into agreements with TML, and agreed amendments that proved costly to the charity, without approval from other trustee and without declaring or managing the conflict of interest.

TML had been significantly involved in the formation of the charity and received 67% of the gross proceeds raised from the public by the fundraising activities. As a result, the charity donated only approximately 18% of the gross income raised between 2015 and 2017 to charitable causes.

There was also a lack of transparency around the charity's fundraising and its agreements with third parties. The inquiry concludes that the public were misled by the charity's fundraising activities and, as a result, were unable to make an informed decision whether to donate to the charity.

The trustees did not act in the best interests of the charity in entering into the fundraising agreement, as they did not properly assess the risks or assess other fundraising options, and did not ensure whether the contract was lawful, appropriate and represented value for money.

The Commission appointed an Interim Manager to Support the Heroes in 2016 and in 2018, the Commission ordered the Interim Manager to wind the charity up.

Amy Spiller, Head of Investigations at the Charity Commission, said:

Donors have a reasonable expectation that the money they give reaches the cause they care about. Due to a complete lack of transparency about the fundraising arrangements, the charity misled the public and much of the money went to a private company instead of military veterans and serving personnel in need.

Cases like these have the potential to seriously undermine trust and confidence in charities generally. So it is right that we took robust action to ensure the charity was removed from the register and its trustees cannot lead other charities for a period of five years.

The charity was removed from the register on 18 January 2022. Its remaining funds were redistributed to Help the Heroes, registered charity (1120920), in August 2021.

ENDS

Notes to Editors

1. The Charity Commission is the independent, non-ministerial government department that registers and regulates charities in England and Wales. Its purpose is to ensure charity can thrive and inspire trust so that people can improve lives and strengthen society.
2. The Commission opened the inquiry on 10 November 2016. View the full inquiry report on [the Commission's website](#).