

## Former Chair of charity disqualified after failures resulted in loss of property

The Commission has concluded its inquiry into Christ Apostolic Church World Soul Winning and Evangelistic Ministry (registered charity number 1014992), which also saw the disqualification of the charity's former Chair, Pastor Paul Obadare, for a period of 10 years.

The inquiry revealed serious regulatory concerns, including failings in the charity's financial management, and wider misconduct and/or mismanagement.

An inquiry was launched in 2015 when concerns were raised in connection with the repossession of the charity's land and property and subsequent litigation costs incurred by the trustees.

The trustees of Christ Apostolic obtained a bridging loan for £250,000 purportedly to fund maintenance work for their church building. The former Chair (Mr Obadare) told the inquiry they discovered that solicitors, who were acting on their behalf, received £188,858 of the loan funds and the majority of this was paid to five companies they had not previously heard of. £35,000 of this is believed to have been used to repair the church roof, however, the inquiry found that it was not possible to establish the end use of the remainder of the loan funds that were drawn down.

The inquiry was told that the former trustees failed to carry out background checks on a broker they relied on for financial advice. Two former trustees said they signed the bridging loan agreement, which included the church as collateral, without seeing the terms and conditions. The former trustees defaulted on repayments of the loan and the property was repossessed by the loan company.

A fire destroyed the building and the land was then sold by the loan company. Legal proceedings undertaken by the charity to dispute the repossession had increased their liability with the loan company to more than £1.5 million. The charity then received none of the £1.2 million proceeds from the sale of the land.

The official report is also critical of the trustees' failure to submit timely serious incident reports to the Charity Commission, notably when the charity's property was repossessed.

The inquiry concluded that there had been mismanagement and/or misconduct in the administration of the charity by its former trustees and it found that a lack of sound judgement by the former trustees led to them taking inappropriate risks. As a result of his particular role in the failings, the former Chair of trustees has been disqualified from being a charity trustee or from holding senior management positions in charities in England and Wales

for a period of 10 years.

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

The public expects each charity to show that it is doing its bit to uphold trust in charity more generally, and this expectation starts with the Chair and trustees. The former trustees failed in this expectation, allowing a catalogue of serious mistakes and misjudgements to occur. Their mismanagement had a direct and profound impact on the charity resulting in the loss of its largest asset – its property.

Our inquiry found the trustees had not acted in their charity's best interests or that of its beneficiaries. Their actions and oversights ultimately exposed the charity to undue and avoidable risk. This case should send a clear message to other charities about the need for financial controls, due diligence and correct conduct and the potential impact should these not be in place.

A new board of trustees has been appointed and the Commission has issued them with an action plan to help protect the charity going forward. It is satisfied that the new trustees are now acting in the charity's best interests and have made significant progress.

**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. Read [the full report](#) of the Commission's inquiry into Christ Apostolic Church World Soul Winning and Evangelistic Ministry.
3. View the [charity's entry on the register of charities](#).
4. The inquiry noted that the reports of the amount of money paid to the solicitors differed; the loan company told the inquiry that £191,950 of the funds were paid to an account in the name of the solicitors acting for the former trustees.
5. Police investigated the matter regarding the payment to the five organisations linked to the charity but decided there was insufficient evidence to proceed.