

# Press release: £1.2 million of charitable income accounted for following regulator's intervention

[A Charity Commission inquiry](#) into a Birmingham-based charity has found that its former trustees repeatedly failed in their duties to administer and manage the charity. The Commission's investigation into Bethel United Church of Jesus Christ Apostolic UK has ensured that the charity has filed all its accounts, resulting in £1.2million of charitable funds being publicly accounted for.

The Commission opened its inquiry in March 2017 after the trustees repeatedly failed to submit mandatory annual financial information despite regulatory advice that was provided previously. The charity has been subject to previous regulatory engagement. This included a [compliance case](#) after a significant amount of funds were misappropriated by a then trustee, and the Commission's double defaulters class inquiry in 2016 after former trustees failed to file the charity's annual financial information for over five consecutive years.

The inquiry found the former trustees responsible for misconduct and mismanagement in the administration of the charity. This included a failure to manage the charity's funds appropriately. In addition to defaulting on repayments on debts amounting to £1.2 million, the trustees failed to manage conflicts of interest in relation to transactions between the charity and a Birmingham based bakery where a former trustee was a majority stakeholder. During the financial year ending 2014 this resulted in a debt of £23,000 being owed to the charity. Those funds were subsequently repaid and the trustee involved resigned.

The former trustees also failed to fulfil a number of their legal duties. Despite receiving guidance on this from a previous inquiry, the trustees again failed to file the charity's annual financial information on time. There was also an absence of a full board of trustees, as required in the charity's governing document, to manage the charity effectively.

As a result, the Commission has issued an action plan to the charity's new trustees setting out steps which the inquiry considered necessary in resolving the issues of concern.

The Commission will be monitoring the new trustees' compliance with the plan, and says it will consider further enforcement action against the charity and/or the new trustees should they not comply with the plan.

## **Harvey Grenville, Head of Investigations at the Charity Commission said:**

"It is unacceptable that this charity has repeatedly found itself subject to regulatory scrutiny. The former trustees failed to meet the expectations of

the public and the charity's beneficiaries in terms of transparency, accountability and the careful stewardship of charitable funds.

"I expect the new board of trustees to continue making good progress, thereby returning the charity to a sounder footing.

"The public deserve to be able to understand how their donations are being spent, and see clearly that they go towards their intended causes. As a result of our inquiry significant charitable funds are now accounted for."

The full report of the inquiry is available on [GOV.UK](https://www.gov.uk)

Ends

## **Notes to Editors**

- The Charity Commission is the independent regulator of charities in England and Wales
- The Commission's inquiry into Bethel United Church of Jesus Christ Apostolic UK closed on 3 April 2019
- During the course of the investigation, one trustee passed away and one resigned. The remaining trustees were replaced by the current board of trustees who were appointed in December 2017.
- Trustees of charities with an income over £25,000 have a legal duty to submit annual returns, reports and accounting documents to the Commission. Charities with an income of over £10,000 must submit a full annual return.