

Press release: New Charity

Investigation: Combined Funds Limited

The Charity Commission, the independent regulator of charities in England and Wales, has opened a statutory inquiry into Combined Funds Limited and frozen the charity's bank accounts. The inquiry was opened on 27 March 2018.

The purposes of Combined Funds Limited are to advance religion in accordance with the Jewish Orthodox faith and to relieve poverty, and they do this by making donations to other charitable organisations. In the financial year ending 2016, the charity had an income of over £700,000 with net assets over £6.5m. The charity also has 9 trading subsidiaries.

The Commission initially opened a compliance case in 2017 following concerns that the charity had been operating for a prolonged amount of time without having registered with the Commission. The Commission notified the charity's trustees of the issue and they have since submitted an application to register. During this engagement, the Commission assessed the charity's financial accounts and bank records and identified a number of serious regulatory concerns over the governance and administration of the charity.

The Commission is concerned in particular about potential conflicts of interest and connected party transactions given that the 3 trustees of the charity are all related and in 8 of the trading subsidiaries the sole director is also a trustee of the charity.

Despite the charity's main activity being making grants to other charitable organisations, there is no formally agreed grant-making policy in place. Therefore it is unclear how beneficiaries are selected, whether any due diligence is carried out or whether there are appropriate processes in place to monitor the end use of the funds.

The inquiry will look at:

As a result of its concerns the Commission has made an order under Section 76 of the Charities Act to the charity's bank, restricting any application of the charity's funds without the prior written approval of the Commission. The charity's registration application is currently on hold pending the outcome of the inquiry.

It is the Commission's policy, after it has concluded an inquiry, to publish a report detailing what issues the inquiry looked at, what actions were undertaken as part of the inquiry and what the outcomes were. Reports of previous inquiries by the Commission are available on GOV.UK.

Ends

Notes to editors

1. The Charity Commission is the regulator of charities in England and

Wales. To find out more about our work see the [about us](#) page on GOV.UK.

2. Search for charities on our [check charity](#) tool.

3. Section 46 of the Charities Act 2011 gives the Commission the power to institute inquiries. The opening of an inquiry gives the commission access to a range of investigative, protective and remedial legal powers.