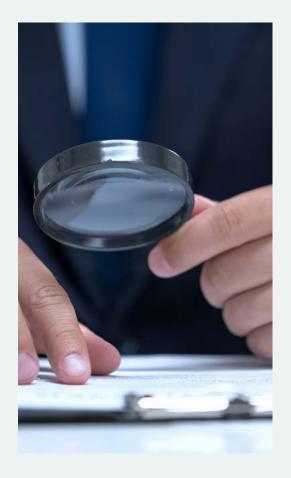


# **CHARITY COMMISSION OPENS INQUIRY INTO THE CAPTAIN TOM FOUNDATION**

The Charity Commission has opened a statutory inquiry into <u>The Captain Tom Foundation</u>, after identifying concerns about the charity's management and independence. The Commission is concerned that a failure to consider intellectual property and trademark issues provided Club Nook Limited, controlled by Hannah and Colin Ingram-Moore, the opportunity to trademark variations of the name 'Captain Tom' without objection from the charity which may have generated significant profit for the company. The Commission's case identified potential concerns about payments of consultancy fees and payments to related third parties revealed in the charity's accounts however, these were determined reasonable reimbursements for expenses, and conflicts of interest were adequately identified and managed.



# **MORE INQUIRIES THIS MONTH**

It has been a busy month for the Charity Commission who have investigated a number of charities. Further inquiries included:

<u>The Everlasting Arms Ministries</u>- A statutory inquiry by the Charity Commission has found that the previous trustee board of the charity was responsible for misconduct and/or mismanagement.

<u>Quba Trust</u>- The Charity Commission has opened a statutory inquiry into Quba Trust due to ongoing concerns about the charity's financial management.

<u>Macbeth Memorial Trust</u>- The Charity Commission has issued an official warning to the trustees for their failures to submit the charity's annual return.

<u>Muffin Pug Rescue</u>- The Charity Commission has opened a statutory inquiry over concerns about potential misconduct and/ or mismanagement at the charity.

<u>Children Care Centre</u>- The Charity Commission has opened a statutory inquiry over concerns about the charity's failure to submit accounting information on a timely basis.

<u>Potanin Foundation</u>- a statutory inquiry into the Potanin Foundation, after the charity's founder Mr Vladimir Potanin was sanctioned by the UK government.

## **UPDATE TO SAFEGUARDING GUIDANCE**

Safeguarding remains a key area of focus of the Charity Commission following the most challenging environment for the sector over the last five years. Detailed guidance on safeguarding continues to be updated to reflect the current climate with the latest update including a section on <u>managing the risks when operating online</u>. Charities will need to ensure due care and attention is given in reviewing and updating their current policies to ensure compliance.



# **ANNUAL RETURN**

Further to our May eNews on the changes to the Annual Return, the Charity Commission has <u>launched a formal consultation</u> on these proposed changes which are designed to ensure the regulator is collecting the right information in the years ahead. The Commission has been undertaking user-testing of the question set with charities, to ensure the questions drafted are clear and easy to understand. A further round of testing is planned for July, and will involve 4,000 randomly chosen charities providing feedback on the language of the question set. The consultation will run for 12 weeks, ending 1 September 2022.

## COMMISSION TOLD TO INCREASE CHARITIES' DIVERSITY DATA REPORTING

Charities and campaigners have written to the Charity Commission, urging it to require voluntary organisations to report diversity information about their senior leaders and trustees. Publicly available information on the diversity of charities' leaders is "often incomplete and out of date" and "the charity sector's diversity problem is most evident at senior management and board level", the letter to the Commission says, and lags behind the public and private sectors. The letter, written by UK based charity Money4YOU, called on the regulator to require all charities to include standardised data tables on the diversity of their board and senior leadership in their Annual Return.



# TRUSTEES AND ETHICAL INVESTMENT

The High Court has decided that charity trustees can choose to invest ethically in a landmark judgement at the end of April. The case was brought forward by trustees of the Ashden Trust and the Mark Leonard Trust, who asked the court to give them clear guidance about making decisions on investment with environmental protection in mind as they felt existing guidance was unclear. The High Court ruling clarifies that the guidance does not stop trustees from investing in a way that they deem to be ethical, as long as the investment still furthers the charity's purposes. The Charity Commission will be providing updated quidance in this area.

#### **COMPANY CARS: THE FUTURE IS ELECTRIC!**

The Government's green agenda (with an aspirational target that all new car/vans will be 100% zero emission by 2035), raising fuel costs and attractive company car tax benefit in kind (BIK) rates has meant that providing an electric company car is becoming a norm.

Government figures show that battery/hybrid electric vehicles make up more than half of all new cars sold, with fully electric vehicle (EV) sales having risen 70% in the last year. Fleet cars represents a large proportion of the new car sales.

In a <u>recent article</u>, Nick Bustin and Dinesh Pancholi considered the incentives and other tax implications associated with EVs which make them so attractive as company cars.



#### FRC PLANS AUDIT OUALITY METRICS

The Financial Reporting Council (FRC) has issued a <u>consultation</u> document on <u>publishing audit quality indicators</u> (AQIs) for the largest UK audit firms in an attempt to improve audit quality, with the AQIs starting from 1 April 2023. Firms auditing over 20 public interest entities, or at least one FTSE 350 company, would have to comply with the scheme, although smaller firms would be excluded so that the reporting is not too onerous. The FRC proposes, at least, 11 AQIs which are designed to give indications of culture, inspection results, staff workload and partner involvement.

#### **CHARITIES PAY TRIBUTE TO DAME DEBORAH JAMES**

Charities have paid tribute to campaigner and fundraiser Dame Deborah James, who sadly passed away after a five year battle with bowel cancer at age 40. In May, she launched the <u>Bowelbabe Fund</u> for Cancer Research UK which has raised over £6.9m and more than £1.2m in Gift Aid for The Royal Marsden Cancer Charity, Bowel Cancer UK and Cancer Research UK. The money will support clinical trials and research into personalised medicine that could result in new treatments for cancer patients, and awareness campaigns.

## **UPCOMING EVENTS**

Quarterly Charities Update Online 15:30 - 17:30

7 June 2022 14 September 2022 06 December 2022

For further details on our not for profit upcoming events and to register, visit <a href="https://www.haysmacintyre.com/events">www.haysmacintyre.com/events</a>.

We welcome your feedback on this update and would be pleased to hear about any areas you would like to see covered in future editions. Please email <u>Vikram Sandhu</u>, Director, with any comments.

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