

# International Youth Link Foundation

Registered Charity No: 1100549

## Introduction

1. This report is the statement of the results of an inquiry conducted under section 8 of the Charities Act 1993.
2. The International Youth Link Foundation (IYLF) was registered as a charity on 5 November 2003.
3. The objects of the charity are the relief of poverty sickness and distress, the advancement of public education, and such other purposes as are charitable in law, in particular by encouraging and facilitating members of the public to offer their time and efforts voluntarily to projects and organisations engaged in the pursuit of charitable purposes in Africa.
4. This charitable company is based in Bournemouth. In the case of a charitable company the charity trustees are its directors. As the charity had only been registered for 12 months it was not yet required to submit an Annual Return and accounts.

## Issues

5. The Commission received information from another government department about the charity's two linked web sites. This raised concerns that information relating to donors and activities on the websites was misleading.
6. Company House records showed there to be [REDACTED] and the trustee board was therefore inquorate.
7. The charity failed to provide requested information leading to concerns about the management and administration of the charity.
8. Following an evaluation of these concerns an inquiry was opened on 16 June 2004.
9. During the course of the inquiry concerns were also raised about the level of charitable activity.
10. The inquiry also looked at the charity's financial controls and its application of funds.

## Actions Taken and Findings

11. A direction under section 8(3) of the Charities Act 1993 was served on the charity's bank to provide statements, cheques and a copy of the mandate. The inquiry officers also examined the charity's financial and administrative records and took evidence from [REDACTED]

12. The charity's two websites implied funding had been received from a number of well known funding bodies and that the charity was involved in many charitable projects worldwide. The Commission found that the charity had received no grant funding and [REDACTED] was unable to demonstrate that it had been involved with any of the charitable projects mentioned.

13. The application for registration as a charity, received in July 2003, related to a trust with six named trustees. However, subsequently the company was incorporated and registered as a charity and the trust was terminated. The articles of association provide that three directors are necessary for a quorum.

14. No evidence was provided to show that any trustee meetings had taken place.

15. [REDACTED]  
[REDACTED]

16. The Commission found that there had been very little charitable activity, the principle activity being the buying and selling of drums. It was not demonstrated that this activity was in furtherance of the objects.

17. The charity's bank account was used for this trade. It appears that most of the funds put into the account were raised as a result of the trading activity. The Commission was told that no further trading took place after June 2004.

18. IYLF has no property and does not expect to receive any property. It seems the charity has little or no funds. In an Annual Return to Companies House, filed in August 2004, the company is described as dormant.

19. The Commission found that the charity has not maintained proper financial records other than the retention of some invoices and receipts.

20. [REDACTED]  
[REDACTED]

was not able to show that these amounts had been spent in accordance with the charity's objects.

21. An application for striking off the company from the Companies House register was filed in September 2004. IYLF was struck off the register and dissolved on 26 January 2005.

22. The inquiry closed on 18 November 2004.

## Outcome of the Inquiry

23. Although the website addresses remain, all information has been withdrawn apart from a telephone number and e-mail addresses.

24. Companies House have been advised of the [REDACTED] disqualification under section 72(1) of the Charities Act 1993.

25. The [REDACTED] was advised to contact Inland Revenue Charities to take advice on whether the charity's trading in drums could be viewed as primary purpose which would be exempt from tax.

26. The issue of funds for which the [REDACTED] has not been able to account will not be pursued in the interests of the proportional likelihood of successful recovery.

27. The charity has carried out very little charitable activity and has no firm plans for future charitable activity. It does not have property of any kind, nor expectations of receiving any property, and there are no trustees. The Commission has a duty to remove from the register any charity which does not operate or has ceased to exist. IYLF was therefore removed from the register on 29 November 2004.

## Wider Lessons

28. It is essential that a charity has adequate internal financial controls over the charity's assets and their use. The fundamental responsibility for control of the charity's activities and funds is that of the trustees themselves.

29. A charity should be run by a clearly identifiable body of trustees, appointed in accordance with its governing document, who take responsibility and are accountable for controlling the charity so that it is effectively and economically run. It must comply with all relevant legal and regulatory requirements and be able to show how its activities are, or will be, able to support its charitable aims.

30. Under Part VI of the Charities Act 1993 all charities are required to maintain accounting records which are sufficient to show and explain all the charity's transactions.

31. Under section 4 of the 1993 Act the Commission has an obligation to remove from the register any charity that ceases to exist or does not operate.