

The Children's Magic Wand Trust

Registered Charity Number 1055455

Introduction

1. This is the statement of the results of an Inquiry under section 8 of the Charities Act 1993.
2. The Children's Magic Wand Trust ('the Charity') was registered as a charity in 1996. Its objects are 'to provide or assist in the provision of facilities, in the interests of social welfare for recreation or other leisure time occupation of young persons who have need of such facilities by reason of their youth, or disablement, poverty or social and economic circumstances with the object of improving their conditions of life'. Its income in the financial year ending 31st May 2001 was £117,593.

Issues

3. Concerns were raised by members of the public about this Charity's fund-raising activities. It was, in particular, alleged that representatives from the charity carried out street collections without having obtained the necessary permits. It was also alleged that individuals collecting for the charity harassed members of the public.
4. The trustees failed to submit the Charity's accounts for the financial year ending 31st May 2002 which should have been lodged with the Commission by the end of March 2003.
5. On receipt of the complaints about fund-raising, the Commission attempted to contact the Charity's trustees, but these individuals could not be traced.
6. An Inquiry was opened on 18th December 2003 with the aim of establishing contact with the trustees in order to raise with them the concerns about the Charity's fund-raising methods and to obtain the overdue accounts.

Findings

7. As the trustees could not be contacted at the Inquiry's inception, the Commission acted to freeze the Charity's bank account as a protective measure while further inquiries were made. None of the trustees contacted the Commission to query why the account had been frozen.
8. The Commission made numerous attempts to trace and contact the trustees including an unannounced visit to premises formerly occupied by the Charity, but these attempts were unsuccessful.

9. The Commission liaised with a number of Local Authorities around the country with a view to establishing whether the Charity was operating in their areas. Lack of information about any charitable activities led the Commission to believe that the trustees were no longer acting to manage and administer the Charity.

Outcome of the Inquiry

10. The Commission notified the police about possible criminal offences that appeared to be revealed by scrutiny of the Charity's bank records.

11. Having concluded that the original trustees of the Charity appeared no longer to be actively involved in its management, the Commission identified and assessed the suitability of three individuals who were prepared to be appointed as new trustees for this Charity and to deal with the application for charitable purposes of funds held in the frozen bank account as well as dealing with the Charity's debts. Due to the nature of the Charity and the fact that the trustees may come into contact with children, the Commission checked the details of the potential new trustees with the Criminal Records Bureau.

12. Following the successful outcome of the Criminal Records Bureau checks, the Commission appointed the three individuals as trustees of the Charity under section 18(1)(ii) of the Charities Act 1993.

13. The Commission wrote to the last known addresses of those individuals who formerly acted as trustees but with whom it has not been possible to re-establish contact. The Commission informed these individuals of the appointment of new trustees and set out their right to appeal against this decision.

14. The Inquiry was closed on 6th February 2006. The newly appointed trustees have begun to manage the Charity and regularise its finances.

Wider Lessons

15. Charity trustees are responsible for managing and administering their charity according to the law and best practice. If they fail to do so, the Commission has the power to intervene in order to protect charitable assets and the beneficiaries.

16. Trustees have a responsibility to ensure that their own charity's reputation, and the good name of 'charity' in the public's perception, is not brought into disrepute by inappropriate fund-raising activities.