

# The Hedgerow Trust

Registered Charity No. 1076956

## Introduction

1. This report is the statement of results of an inquiry conducted under Section 8 of the Charities Act 1993.
2. The Hedgerow Trust (the Charity) was registered by the Commission on 9 August 1999. It is governed by a Declaration of Trust executed on 23 March 1999 as amended by Supplemental Deeds of 2 August 1999 and 22 August 2001.
3. The objects of the charity are the conservation and protection of all forms of wildlife and the enhancement of the natural environment. In particular: a) to plant new and regenerate existing hedgerows on agricultural land in England and Wales. In addition, to manage and improve hedgerows situated on agricultural land that form parks or other public amenities, including those that are in the vicinity of a landfill site, where it is for the protection of the environment; b) to work in partnership with farmers, other landowners, wildlife organisations and rural communities; and c) to establish a permanent biodiversity learning centre primarily for the education of children.
4. The charity is based in Egham, Surrey, but has been inactive since 2001.

## Issues

5. The Commission received reports from funders that [REDACTED] money granted to the charity did not appear to have been acted upon or accounted for. An evaluation of the concerns revealed that:

- Grants of £10,000 and £25,000 had not been used for the purposes intended. Other smaller funders were also concerned by a lack of visible activity by the charity.
- A formal request for the charity's bank statements and copies of related cheques revealed that funds appeared to have been used for non-charitable purposes. This included payments made directly to a trustee without explanation.
- There were only two trustees in place instead of three as required by the charity's governing document.
- The [REDACTED] wished to resign their position, and the Commission prepared an Order to discharge them and appoint new trustees. Shortly before the Order was sealed, they expressed a wish to continue in their position.

6. An inquiry was opened on 26 April 2005.

## Findings

7. [REDACTED]  
[REDACTED]  
[REDACTED]

8. The grant of £10,000 had been repaid by the charity.

9. The grant of £25,000 had been made to employ a project manager. No such person had been employed and the grant had not been repaid.

10. The examination of the bank transactions revealed the following:

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

11. The charity's governing document required a quorum of three trustees. [REDACTED]  
[REDACTED] only two were left and the vacancy was not filled. This resulted in the lack of controls that enabled the fraudulent activity to take place.

## Outcome of the Inquiry

12. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

13. [REDACTED] is automatically disqualified from being a charity trustee, [REDACTED]  
[REDACTED]

14. The residual funds of the charity were transferred to another charity with identical objects.
15. The Hedgerow Trust was removed from the register of charities as being non-operational in accordance with s3 (4) of the Charities Act 1993.
16. The inquiry was closed on 8 March 2006.

## Wider Lessons

17. The Commission will always report criminal matters to the police and will work with other authorities where necessary to prevent and check abuses and to recover and protect charity assets.
18. Trustees who are convicted of crimes of dishonesty or deception are automatically disqualified under s72 of the Charities Act 1993.
19. Control weaknesses tend to occur where a trustee body is weakened through lack of numbers. Where such a lack means that there is not a quorum, the remaining trustees can meet only to appoint additional trustees in order to bring the trustee body to the required number.
20. All funds belonging to a charity must be used for solely charitable purposes.
21. Where grants are designated for a specific purpose they can only be used for that purpose.
22. Where a trustee body is reduced in number to below that required by the governing document of the charity, the remaining trustees can meet only to appoint additional trustees to make up the number to the required level.