

# Wheelock Village Hall Committee (Wheelock)

Non Registered Organisation

## Introduction

1. This report is the statement of the results of an Inquiry under Section 8 of the Charities Act 1993.

2. Wheelock Village Hall Committee ('the Organisation') was established to raise funds in order to provide a village hall facility in Wheelock. Funds were originally raised in the 1960s and 1970s at the annual May Day event in the village by the then Townswomen's Guild. Upon its formation in the late 1970s the Organisation took over responsibility for the fundraising.

## Issues

3. The Commission had been in correspondence with the trustees and their solicitors since 1998 in order to establish how the funds that had been raised would be utilised. The Commission entered into lengthy and protracted correspondence with the trustees and their advisers but was unable to obtain confirmation that the funds had been applied for the purposes for which they were raised. Despite several attempts by a number of the Commission's officers the trustees' advisers were unable to demonstrate that the funds had or would be expended in line with the donors' wishes. The trustees' advisers continually requested further time to make arrangements for the funds to be suitably applied but the Commission was never informed of how the funds were applied.

4. On 6 September 2004 the Commission contacted two of the trustees and their legal advisers to notify them that an Inquiry had been opened because of concerns relating to a failure by the trustees to secure a proper application of the charitable funds they were responsible for.

## Findings

5. Evidence obtained by the Commission found that a suitable recipient charity for the funds had been identified. This charity was attempting to refurbish an existing building in the village but required substantial funding to bring it up to a suitable standard. The trustees felt that there were potential problems with passing the funds to this charity due to the state of repair of the property and felt that the funds they had raised would be lost because the recipient charity did not have funding from other sources to complete the refurbishment. The trustees informed the Commission that they had therefore taken a decision not to apply the funds towards this project.

6. The Commission established that despite the trustees' decision not to apply the funds raised towards the then only viable option, they had not actively fundraised for a number of years. Also, they had not attempted to look for alternative suitable recipients for the funds or attempt to provide a village hall facility themselves.

7. After meeting with the trustees and their legal advisers the Commission allowed the trustees a further brief period in which they could put together alternative proposals and apply the funds raised in accordance with the original purposes for which they were raised and in line with the wishes of the donors. However, after the expiry of this period the trustees were unable to provide other viable proposals and therefore they accepted that the funds could not be applied for the purposes for which they were intended.

8. The trustees contacted the Commission to confirm this and requested that the funds be treated as a failed appeal. The Commission then took forward application of the funds under a Scheme made under Section 14 of the Charities Act 1993. It is necessary for the Commission to apply the funds for purposes as close as possible to the original purposes for which the funds were raised. The Commission may consider suggestions from the trustees of the funds as to their future application. However, if the Commission does not consider such suggestions in the best interests of the funds, the Commission will apply the funds as they think fit.

## Outcome of the Inquiry

9. The Commission was mindful of the public interest and whether there was any advantage in the expenditure of public funds by continuing with its Inquiry. As the trustees had accepted that the funds could not be applied as originally intended and had cooperated with the Commission and approached them for authority to deal with the funds, the Commission concluded it was not necessary nor a productive use of resources to prolong its Inquiry.

10. The trustees were reminded of their duties and responsibilities as trustees of charitable funds and the Commission reiterated that there was an expectation by members of the public and the donors of charitable funds that those funds be expended for the purposes for which they were raised.

11. The Inquiry was closed on 9 March 2005.

## Wider Lessons

12. Members of the public donating funds to charities or for charitable purposes are entitled to expect that those funds will be expended in line with their wishes or in accordance with any stated purpose.

13. Charity trustees must ensure that any charity they represent adheres to the wishes of donors or applies funds raised in line with any stated purpose or stipulation made by the trustees at the time of any fundraising. Failure to apply funds in accordance with stated purposes may attract criticism and concern and may damage the reputation of the charity concerned or the charitable sector. This could also lead to donors requesting the return of their funds on the basis that they have been misled about the application of such funds.