

COMPLIANCE

Inquiry Report

Manacare Foundation

Registered Charity Number 1108701



This report dated 22 July 2010 is supplementary to the earlier statement of results of an Inquiry which was published on 20 August 2008

The Charity

1. Manacare Foundation ('the Charity') was incorporated as a company on 28 October 2004. It is governed by a Memorandum and Articles of Association of the same date. It was originally registered as a charity on 23 March 2005.
2. Its objects are to relieve the suffering of people of all ages and bring together like-minded persons and organisations throughout England and Wales, Egypt, South Africa and Sri Lanka.

Commission Inquiry

3. On 17 January 2008 the Commission opened a statutory Inquiry into the Charity. The Company had been struck off the Register of Companies on 1 August 2006 as accounts had not been filed. The Charity was subsequently removed from the Register of Charities on 10 September 2007 as it had ceased to exist. The Charity, however, continued to fundraise using a Gibraltar charity registration number even though the Commission had informed the trustees on 7 August 2007 that this was not permitted.
4. The Inquiry found that the administration of the Charity was inadequate, including the failure to submit annual accounts and returns with the Commission and Companies House. The trustees were also unaware that the company had been struck off the Register of Companies until the Commission informed them in July 2007.
5. The Charity was re-instated to the Register of Companies on 25 January 2008 after it appealed to the High Court of Justice. The Charity was re-instated to the Register of Charities on 27 May 2008; however the Commission was concerned to ensure that the trustees would return the governance of the Charity to a proper footing before closing the Inquiry.
6. The trustees appointed an additional trustee with a financial background. The trustees then immediately brought the financial records of the Charity up to date including filing all outstanding returns and accounts to the Commission and Companies House.
7. The Inquiry was closed with the publication of a report on 20 August 2008. The Commission informed the trustees that the governance of the Charity would be reviewed by the Commission to ensure it had continued to improve to a satisfactory level.

Action since the Inquiry closure

8. In January 2010, the Commission received a number of complaints from local authorities and a member of the public regarding clothing collections being made in the name of the Charity by a commercial clothing company without obtaining the necessary public licences from the local authority. As a result of the concerns raised, the Commission opened an investigation called a Regulatory Compliance Case on 12 February 2010 to examine whether the Charity trustees had discharged their legal duties and responsibilities regarding the fundraising arrangement with the commercial clothing company.
9. The Commission established that there was an agreement between the Charity and the clothing company dated 10 June 2008. The Commission also established that there was evidence that some unlicensed collections had taken place by the clothing company.
10. Following receipt of the complaint by the Commission the trustees took action to rectify the concern. They wrote to the clothing company on 20 March 2010 insisting it make alterations to its procedures to ensure that further unlicensed collections did not take place. This was important as this could possibly impact on the Charity's reputation. The trustees also made it clear that if further instances occurred, then the Charity would have to consider terminating the agreement with the clothing company.
11. On 26 March the Commission met with the trustees and representatives from the clothing collection company to discuss the concern regarding the unlicensed clothing collections; and to review the governance of the Charity.
12. The Commission established that the clothing company accepted responsibility for the unlicensed collections. The clothing company stated that its staff had accidentally and unknowingly strayed into other local authority areas for which licences had not been obtained. The clothing company gave assurances that changes to its procedures would prevent further instances of unlicensed collections occurring.
13. The Commission provided regulatory advice and guidance to the trustees about their duties and responsibilities to monitor the performance of the clothing company as the Charity's agent and representative. The trustees accepted this point and assured the Commission that they would closely monitor the future performance of the clothing company.
14. The Commission examined the financial records for the Charity and was satisfied that the overall administration of the Charity had improved. The Commission established that all returns, reports and accounts had been submitted and the Commission's records were up to date. In identifying what steps had been taken to ensure proper accounting records were maintained by the trustees the Commission further established that all the Charity's income and expenditure was now recorded on a computer system, as and when it occurred, to ensure records were accurate and payments could be easily identifiable and cross referenced.
15. The Commission provided further regulatory advice and guidance to the trustees with regard to the regulations governing public charitable collections and the terms of the contract with the clothing company.
16. The Commission closed its Regulatory Compliance Case on 26 April 2010.

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