



CHARITY COMMISSION
FOR ENGLAND AND WALES

Inquiry Report

Islamic Trust (Maidenhead)

Registered Charity Number 1034710

A statement of the results of the class inquiry into double defaulter charities in particular Islamic Trust (Maidenhead) (registered charity number 1034710) ('the charity').

Published on 22 December 2016.

The class inquiry

On 20 September 2013, the Charity Commission ('the commission') opened a statutory class inquiry ('the inquiry') into charities that were in default of their statutory obligations to meet reporting requirements by failing to file their annual documents for 2 or more years in the last 5 years and met certain criteria, including that:

- the charities were recently (or in the case of charities that would become part of it in due course, would be) given final warnings to comply by a specified date
- on the day after the specified date they were still in default (partially or otherwise)

At the point a charity met the criteria they would become part of the inquiry. Charities that have been identified for inclusion in the class inquiry have a last known annual income of at least £150,000.

The charity

Islamic Trust (Maidenhead) was registered on 9 March 1994. It is an unincorporated association governed by a constitution adopted 20 February 1994.

The charity's object is the advancement of the Islamic religion and the education of the general public in the Islamic faith, including its teachings the Holy Quran and Islamic history.

In practice the charity furthers its object through the provision of a mosque and religious education.

More details about the charity are available on the **register of charities** ('the register').

Issues under investigation

The charity had failed to submit its annual accounts, reports and annual returns to the commission for the financial years ending 31 March 2014 and 2015 within the statutory deadlines. During the whole period of default, the charity was sent various computer generated reminders from the commission regarding the submission of their annual accounting documents. Although reminders were sent the charity remained in default of its obligations under the Charities Act 2011 ('the act').

In addition, a final warning letter was issued on the 8 August 2016 requesting that the missing documents be provided by 14 September 2016, and warning the charity that if it remained in default it would become part of the inquiry. The charity became part of the inquiry on 15 September 2016 because it failed to supply the outstanding annual accounting information by the deadline.

The inquiry is confined to dealing with the trustees' mismanagement and misconduct¹ and remedying the non-compliance in connection with the annual accounting documents.

The outstanding annual accounts, reports and annual returns for the financial years ending 31 March 2014 and 2015 were submitted on 15 and 24 September 2016 respectively, shortly after the inquiry was opened.

A charity representative informed the commission that the reason for not complying with their statutory accounting requirements was due to the charity's accountants having obtained a new accounting software, and delays were incurred using the new system to prepare the charity's accounts. This does not excuse the failure of the trustees to fulfil their statutory obligations for 3 consecutive years.

When the charity's missing documents were submitted, the accounts were referred for scrutiny by the commission's accountants. Any issues arising from that scrutiny will be followed up separately.

Conclusions

The charity's trustees were in default of their legal obligations to file accounting information with the commission. This was mismanagement and misconduct in the administration of the charity and a breach of their legal duties.

As a result of the inquiry, the commission ensured the charity complied with its legal obligations to submit their annual accounting information. Two sets of accounts were filed and as a result £519,137 of charitable income is now transparently and publicly accounted for on the register.

The charity ceased to be part of the inquiry when it was no longer in default of its accounting obligations. This happened on 24 September when the charity filed the last missing documents.

Regulatory action taken

The commission used its information gathering powers under section 52 of the act to order and obtain bank records and financial information of the charity relating to the missing years accounts. These will be used in connection with the commission's scrutiny of the accounts.

The commission provided regulatory advice and guidance about the trustees' duty to file the charity's annual accounting information.

Issues for the wider sector

Trustees of charities with an income of over £25,000 are under a legal duty as charity trustees to submit annual returns, annual reports and accounting documents to the commission as the regulator of charities. Even if the charity's annual income is not greater than £25,000 trustees are under a legal duty to prepare annual accounts and reports and should be able to provide these on request. All charities with an income over £10,000 must submit an annual return.

¹ The terms misconduct and mismanagement are taken from section 76 of the act. Misconduct includes any act (or failure to act) in the administration of the charity which the person committing it knew (or ought to have known) was criminal, unlawful or improper. Mismanagement includes any act (or failure to act) in the administration of the charity that may result in significant charitable resources being misused or the people who benefit from the charity being put at risk. A charity's reputation may be regarded as property of the charity.

Failure to submit accounts and accompanying documents to the commission is a criminal offence. The commission also regards it as mismanagement and misconduct in the administration of the charity.

For those individuals who were not trustees at the initial date of default, when they became a trustee, they became responsible for making good the default.

The commission will not hesitate to exercise its statutory powers to ensure that a charity's annual reports, annual accounts and annual returns are submitted to the commission within the statutory deadlines where trustees persistently fail to comply with their legal duties.