



**FIRST-TIER TRIBUNAL (CHARITY)  
GENERAL REGULATORY CHAMBER**

**Appeal number: CA/2016/0010**

**SUPPORT THE HEROES**

**Appellant**

**- and -**

**THE CHARITY COMMISSION FOR  
ENGLAND AND WALES**

**Respondent**

**Before: Judge Alison McKenna**

**Ms Susan Elizabeth**

**Mr Manu Duggal**

**Determined on the papers on 12 June 2017**

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## DECISION

**The appeal is dismissed.**

## REASONS

### *Background*

1. Support the Heroes (“the Charity”) is a registered charity (1155853) which was incorporated as a charitable incorporated organisation in February 2014. The Charity’s governing document is a CIO Foundation Constitution and its objects are:

*“To support and to promote the assistance of persons currently serving or who have served in the armed forces and their dependents by advancing any lawful charitable purpose as the trustees think fit and in particular but not exclusively:*

*a.to promote direct and practical support to those who are serving or who have served in the armed forces who are in need by virtue of their physical or mental health or economic circumstances and provide benefits to the dependents of such persons who are in need;*

*b.to support the families of those who have died in service; and*

*c.to aid and support those serving or who have served in the armed forces making the transition to civilian life”.*

2. Clause 7 of the governing document requires charity trustees to declare conflicts of interest and absent themselves from any discussions where they face such a conflict. Clause 9 (3) provides that there must be at least three trustees and that if the number falls below that minimum, the remaining trustees may act only to call a meeting of the charity trustees or appoint a new charity trustee.
3. The Charity currently has only two trustees following a slew of resignations. These are Ms Pauline White (Chair) and Ms. Pamela Carruthers, who is Ms White’s sister<sup>1</sup>. Ms White’s partner and cohabitee is Mr Bernard Chadwick. Mr Chadwick’s son Anthony Chadwick is the sole director of Targeted Management Limited (“TML”), with which the Charity entered into a five-year contract in October 2014.
4. The Charity received adverse publicity following a social media campaign, press articles and a BBC television programme about its relationship with TML. The Charity Commission regards the contract between the Charity and TML (the title page of which states “Fundraising Agreement”) as a fundraising agreement. The

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<sup>1</sup> There is a dispute as to whether this was known to the Charity Commission at the time of registration.

Charity regards it as creating a contract for management services so not governed by the law relating to fundraising agreements.

5. The Charity's accounts for the year ended 31 March 2016 show an income of £119,473 and expenditure of £91,885, of which £81,302 was expended as donations and grants in furtherance of the Charity's objects. The Charity established a wholly-owned trading subsidiary called Support the Heroes (Fundraising) Limited, whose sole director (and the sole signatory of its bank account) is Ms Pauline White. In the year ended 31 March 2016 that company's turnover was £445,000 with costs of sales at £376,000. The company donated £60,000 to the Charity in that period.
6. The Charity Commission engaged with the Charity and obtained key records in October 2016. It opened an inquiry pursuant to s. 46 of the Charities Act 2011 on 10 November 2016. There has been no application to the Tribunal in respect of the decision to open the inquiry. The Charity Commission's reasons for opening the inquiry included the alleged failure of the Charity's trustees to protect the Charity's interests, to manage conflicts of interest, and to protect the Charity's reputation in respect of its relationship with TML. The Charity Commission also had concerns about the Charity's governance arrangements.
7. On 11 November 2016, the Charity Commission made an Order pursuant to s. 76 (3) (d) of the Charities Act 2011 which required the Charity trustees not to part with any of the Charity's property without the written consent of the Charity Commission. On the same day, it issued a Direction under s. 84A of the 2011 Act, requiring the trustees immediately to cease and suspend all fundraising activity in the name of the Charity. Its reasons for doing so were provided to the Charity on 17 November 2016. There is no application before us in relation to that Order or the Direction.
8. On 18 November 2016, the Charity Commission made two further Orders pursuant to s. 76 (3) (d) of the 2011 Act. These froze the Charity's main and subsidiary bank accounts. There are no applications before us in relation to those Orders.
9. On 9 December 2016, the Charity Commission made an Order pursuant to s. 76 (3) (g) of the Charities Act 2011, appointing Brian Johnson of HW Fisher & Co as the Charity's Interim Manager ("IM"), to the exclusion of the trustees<sup>2</sup>. Its Order was accompanied by a Statement of Reasons which cited evidence of mismanagement and/or misconduct in the administration of the Charity, consisting of a failure to avoid or adequately manage conflicts of interest in respect of the relationship with TML. It noted that there was no evidence demonstrating why the Charity had entered into the contractual relationship with TML or that the trustees had considered alternative options. The Statement detailed concerns about the conduct of TML and noted a history of complaints from the public about its fundraising activities. It noted that, as TML did not regard itself as a professional fundraiser, it did not comply with the relevant regulatory framework and that the financial arrangements between the Charity and TML were not transparent.
10. In respect of the need to protect the Charity's property, the Statement recorded that the agreement between the Charity and TML had been running for two years and that

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<sup>2</sup> See s.78(4) (b) of the Charities Act 2011, at paragraph 19 below.

the Charity appeared to have received 16% of the total funds raised (with 84% retained by TML). The contract provided for a maximum of 67% of the funds raised to be paid to TML but this amount was expressed to be exclusive of VAT so the true level of remuneration of TML was unclear. The Charity Commission stated that the IM would need to ascertain whether all the money due to the Charity from TML had been paid to it.

11. The Charity Commission concluded that the trustees had exposed the Charity to reputational and financial risk through their failure to discharge their legal duties with respect to the Charity's relationship with TML and that there was a resulting risk to public trust and confidence in charities generally. It decided to expedite the appointment of an IM due to the serious risk to public trust and confidence and the inability, due to their conflicts of interest, of the existing trustees to take the necessary steps to address the Charity Commission's regulatory concerns.
12. The Charity Commission has made Orders subsequent to the Orders above, in the exercise of its review powers under s. 76 (6) of the 2011 Act. It has varied the IM Order under s. 337(6) of the 2011 Act and issued an amended Statement of Reasons. There has been no application to the Tribunal in respect of the subsequent Orders.

#### *Appeal to the Tribunal*

13. A Notice of Appeal dated 27 December 2016 was submitted to the Tribunal in the name of "*Pauline Elizabeth White on behalf of Support the Heroes*". The Charity Commission had originally informed Ms White that, whilst she could apply on a personal basis to the Tribunal as a "person affected" by its Order, she could not make an application on behalf of the Charity because the trustees had no power to act on the Charity's behalf, having been excluded from the administration of the Charity by the appointment of the IM. In correspondence on this point, the Tribunal took the view that as Parliament had provided in Schedule 6 to the Charities Act 2011 for a corporate charity itself to challenge an Order appointing an IM, the Charity Commission's approach was troubling, because it would serve to deprive a corporate charity of a statutory right of application to the Tribunal. The Tribunal offered to issue a preliminary ruling on the point. In the event, the Charity Commission decided not to contest the Tribunal's view and this appeal has consequently proceeded as one made by the Charity itself.
14. The Charity's Notice of Appeal relied on grounds which challenged the suitability of the IM who had been appointed, his remuneration, and the proposed timescale for his work. It also complained that the IM had been appointed before the Charity Commission had met with the Charity's trustees, or given them an opportunity to justify their conduct and actions. In respect of the outcome sought, the Charity asked the Tribunal to rescind the appointment of the IM until after the meeting with the Charity Commission scheduled for 11 January 2017 and to order the Charity Commission not to make any public statements which may be contentious or inflammatory until after that meeting.
15. The Charity Commission's Response dated 10 February 2017 suggested that the Charity's grounds of appeal should be viewed as being (a) that the decision to

appoint the IM was unnecessary, because the Charity Commission had already acted to protect the Charity's assets on 18 November 2016 by freezing the Charity's accounts and halting all fundraising; and (b) that the decision to appoint the IM was premature, because the Charity Commission had not yet met with the Charity nor received all of the information it had requested from the trustees.

16. The Charity Commission resisted the Charity's grounds of appeal on the following basis. As to (a), it was submitted that the decision to appoint an IM was intended to address a discrete regulatory issue which it had not been possible to address through the earlier Orders. As to (b), it was submitted that the risk to public trust and confidence in charities in general (and military charities in particular) was such that the appointment of the IM needed to be expedited. It was said that the information subsequently obtained from the Charity has increased, rather than decreased, the Charity Commission's concerns. The Charity Commission noted that the outcome sought by the Charity in its Notice of Appeal was by the time of its Response obsolete, as the meeting referred to had already taken place and the Charity Commission had voluntarily refrained from making any public statement until it had met with the Charity.
17. The Notice of Appeal requested a determination on the papers and the Respondent agreed to this. The Tribunal agreed that this matter was suitable for determination on the papers in accordance with rule 32 of The Tribunal Procedure (First-tier Tribunal) (General Regulatory Chamber) Rules 2009, as amended.

#### *The Law*

18. Section 76 of the Charities Act 2011 provides (where relevant) as follows:

*(1) Subsection (3) applies where, at any time after it has instituted an inquiry under section 46 with respect to any charity, the Commission is satisfied—*

*(a) that there is or has been any misconduct or mismanagement in the administration of the charity, or*

*(b) that it is necessary or desirable to act for the purpose of—*

*(i) protecting the property of the charity, or*

*(ii) securing a proper application for the purposes of the charity of that property or of property coming to the charity.*

*(2) ...*

*(3) The Commission may of its own motion do one or more of the following—*

*(a)...(f)*

*(g) by order appoint (in accordance with section 78) an interim manager, to act as receiver and manager in respect of the property and affairs of the charity.*

*(4)...*

*(5)...*

*(6) The Commission—*

- (a) must, at such intervals as it thinks fit, review any order made by it under paragraph (a), or any of paragraphs (c) to (g), of subsection (3), and*
- (b) if on any such review it appears to the Commission that it would be appropriate to discharge the order in whole or in part, must so discharge it (whether subject to any savings or other transitional provisions or not).*

19. Section 78 of the 2011 Act provides (where relevant) that:

*“(1) The Commission may under section 76(3)(g) appoint to be interim manager in respect of a charity such person (other than a member of its staff) as it thinks fit.*

*(2) An order made by the Commission under section 76(3)(g) may make provision with respect to the functions to be discharged by the interim manager appointed by the order.*

*This does not affect the generality of section 337(1) and (2).*

*(3) Those functions are to be discharged by the interim manager under the supervision of the Commission.*

*(4) In connection with the discharge of those functions, an order under section 76(3)(g) may provide—*

*(a) for the interim manager appointed by the order to have such powers and duties of the charity trustees of the charity concerned (whether arising under this Act or otherwise) as are specified in the order;*

*(b) for any powers or duties specified by virtue of paragraph (a) to be exercisable or performed by the interim manager to the exclusion of those trustees.*

*(5)...(9)”.*

20. There is no statutory definition of the terms “mismanagement” or “misconduct” so the terms carry their ordinary meaning. The Charity Commission’s published guidance defines them as follows:

*“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 a charity that may result in significant charitable resources being misused or the people who benefit from the charity being put at risk”.*

21. The Charity Commission’s statutory objectives under s. 14 of the 2011 Act include a public confidence objective, a compliance objective and an accountability objective. Its statutory functions under s. 15 of the 2011 Act include encouraging and facilitating the better administration of charities, identifying and investigating apparent misconduct or mismanagement in the administration of charities and taking remedial or protective action.

22. An appeal against the Charity Commission’s Order under s. 76 (3) (g) requires the Tribunal to “*consider afresh*” the Charity Commission’s decision (s.319 (4) (a) of the

2011 Act). In so doing, it can consider evidence which has become available subsequent to the Charity Commission's Order (s.319 (4) (b) of the 2011 Act).

23. It follows that the issue for the Tribunal in determining the Charity's appeal is whether the Tribunal would, as at the time of the hearing, appoint (or continue the appointment of) an Interim Manager on the basis of the evidence now before it. There is no right of appeal under s. 78 of the 2011 Act concerning matters such as the identity of the IM appointed, his remuneration or the timescale for his work. These were the issues raised by the Charity in its grounds of appeal. We have followed the Charity Commission's suggestion in considering particularly whether the appointment of an IM was necessary and/or premature, as these concerns have also been raised by the Charity.

### *Evidence*

24. The Tribunal had before it a bundle of documentary evidence comprising three files and running to 1757 pages. The contents of the bundle had been agreed between the parties and consisted of documents provided by the Charity and others during the course of the inquiry (minutes of meetings, legal and accountancy advice, bank statements, correspondence, and contractual information); the Charity Commission's Decision Logs in relation to the making of its Orders; correspondence and minutes of meetings between the Charity and the Charity Commission; and the Charity Commission's published policies in relation to its Risk Framework and the Appointment of Interim Managers.
25. The Charity Commission sought and obtained the permission of the Tribunal to include in the Tribunal's bundle the IM's draft interim report dated 3 May 2017. In response, the Charity provided the Tribunal with a heavily annotated copy of the draft report, which made clear that its contents were very much disputed. However, the Tribunal was informed that the Charity had not made its views of the draft report known to the IM himself, with the result that the document before us was incomplete, subject to factual challenge, and lacking even an interim conclusion on the key points. In the circumstances, we take the view that it would not be fair and just for us to rely on any of the views expressed in it and so we must regard it as having negligible evidential value in relation to the decision we must take. We have, however, taken into account, where relevant, the primary documentary evidence to which the IM refers and which are exhibited in the annexes to the report.
26. The documents in our bundle also included correspondence between the Charity and its solicitor dated 7 November 2016 suggesting that a decision had been taken to wind up the Charity. This, of course, preceded the opening of the inquiry and the appointment of the IM. It is not clear to us whether that decision had been made in accordance with clause 9 of the governing document in view of the Charity's quorum (see paragraph 2 above). In any event, that decision has not yet been brought into effect, as the IM's Terms of Reference included a requirement to establish whether all the money due to the Charity had been paid to it by TML. We note that the evidence produced by the IM suggests that TML is also now being wound up.
27. We considered carefully the contract between the Charity and TML. The trustee meeting minutes from September 2014 suggest that the contract was drawn up by

TML. The minutes refer to legal advice being obtained by the Charity on its terms, but we have not seen this. Ms White is recorded as telling her fellow trustees that the Charity could expect to receive £10,000 per month net from the contract with no financial risk. It is also recorded that Ms White would not be voting on the proposal to enter into the contract due to her conflict of interest.

28. We note that there is a disagreement between the Charity and the Charity Commission as to the legal status of the contract. It is beyond the remit of this appeal for us to reach a conclusion on that point. We note that the evidence before us shows that the contract was formally made between the Charity and TML in October 2014 but that the accounts show that the income derived from TML was routed through the trading subsidiary. TML is not mentioned by name in the financial statements of either the Charity or the subsidiary and the group's income was below the compulsory consolidation threshold. We note that the Charity and its subsidiary use the same accountancy firm. The evidence before us shows that concerns were expressed internally in that firm about the lack of transparency in the Charity's accounting framework, given the concerns that had been expressed about its system of fundraising. We have not seen any expression of concern made to the Charity itself. We note that Ms White signed the accounts which the firm prepared for both the Charity and the trading subsidiary, acting as chair of trustees and sole director respectively.

29. It is clear from the documentary evidence before us that the Charity obtained legal advice about managing its relationship with TML. It is less clear whether they followed it. For example, the legal advice obtained by Ms White in June 2014 (soon after the Charity was established but prior to it entering into the contract with TML) counselled as follows:

*“No charity trustee or connected person may sell goods or services to the CIO...I'm aware that Tony is Keith's son but is he also your son?...If Tony isn't your son then these provisions won't apply and we won't need to consider them further.*

*Assuming the connected person provisions do not apply, the main area you need to be aware of is clause 7 which relates to conflicts of interest. You would need to comply with these provisions so you must:*

- *Declare the nature and extent of the interest in any proposed arrangement between the CIO and Tony's company;*
- *Absent yourselves from any discussions of the trustees in relation to this arrangement”.*

30. Subsequently, the evidence shows that Ms Pamela White agreed to and executed an amendment to the terms of the contract between the Charity and TML and a consequent adjustment to the accounts, acting alone. It does not appear that she informed her fellow trustees of this beforehand or afterwards. Ms White has accepted that she did this in her submissions to the Tribunal and in her comments on the draft IM report (see pages 1640 and 1755 of the bundle), but she argues that her actions saved the Charity money as the amendments made remedied a problem with VAT which saved the Charity £80,000.



31. We have read the Charity Commission's Decision Log in relation to the IM Order, and note that it specifically considered whether, as the Charity has suggested, Mr Johnson was subject to a conflict of interest as a result of his previous dealings with another company previously run by Mr Anthony Chadwick, Prize Promotions Limited ("PPL"), which had entered into a contractual relationship with a charity called Afghan Heroes<sup>3</sup>. The Charity Commission concluded that there was no conflict of interest and noted that HW Fisher & Co had applied a 25% discount to its normal charge out rate in view of its familiarity with this type of work.
32. We have considered the minutes of the meeting held between the Charity Commission and the Charity (Ms White and Ms Carruthers) in January 2017. It was confirmed that PPL (of which Anthony Chadwick was also a director) had made an initial donation to the Charity to assist it to become established and obtain registration. Ms White confirmed that they were already thinking about using TML when they established the Charity but that they had not carried out any due diligence as Anthony Chadwick was known to them. She confirmed that no other quotes were obtained because they could not find any other firms offering the same services as TML.
33. It is clear from these minutes that the trustees had done little to satisfy themselves that TML had operated appropriately during the contractual relationship. For example, they could not explain why TML's street fundraisers had been paid in cash out of the funds collected. They said they had understood TML to be responsible for the training of the fundraisers and for dealing with any complaints from the public. The trustees accepted they had not taken any advice about the wording of the solicitation statement used by the fundraisers engaged by TML.

#### *Submissions*

34. Both parties provided the Tribunal with written submissions for which we were grateful.
35. The Charity Commission's submissions dated 10 May 2017 may be summarised as follows: the role of the IM is to safeguard the Charity's property, address the regulatory concerns and regularise the Charity's administration. The earlier Orders did not negate the need to appoint an IM as they addressed different regulatory issues, namely the need to prevent further fundraising and ensure the proper application of charitable funds. The appointment of the IM was necessary in order to secure an independent review of the contractual arrangements with TML, as the trustee body cannot do this in view of its low number and the conflicts of interest faced by the two remaining trustees. The appointment of the IM was a proportionate measure in all the circumstances and it was appropriate to expedite that appointment in view of the risk to public trust and confidence in charities occasioned by the circumstances of this Charity. The trustees' desire to wind up the Charity did not obviate the need to ensure that all funds due to it have been received.

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<sup>3</sup> The Charity Commission has since informed the Tribunal that Mr Johnson had submitted to the liquidators of Prize Promotions Limited that the charity Afghan Heroes should be recognised as a creditor of that company.

36. The Charity's submissions in reply, dated 22 May 2017<sup>4</sup>, may be summarised as follows: the appointment of the IM was disproportionate in circumstances where the Charity's bank accounts had been frozen, so it could not carry out any more fundraising and the trustees had taken a decision to wind the Charity up in any event. The IM appointment had been expected to last 4-6 weeks but it had taken 15 weeks for the draft report to be produced. The IM's agreement to work for longer than anticipated and at a discounted rate suggests that he is motivated by a desire to further his own investigation against PPL and TML, which demonstrates a conflict of interest. Mr Johnson is not a suitable candidate to be IM in this case.
37. The complaint that Ms White acted alone to amend the contract is described as "*just another blinkered attempt to find fault with no consideration for the benefit or otherwise to the Charity...*". The trustees submit that they had made the Charity Commission aware that they were sisters from the outset and assert that they are proud of their achievement in raising £223,000 for the causes they believed in. They submit that there is no need for and no sense in the continuation of the IM appointment. If the IM appointment is continued, they ask that the appointment should not be held by Mr Johnson, as it is submitted that his past and present involvement in ongoing legal proceedings against PPL and Anthony Chadwick of TML has clearly affected his stance towards Support the Heroes.

### Conclusion

38. We have considered the statutory test for appointing an IM under s. 76 (3) (g) of the Charities Act 2011 (see paragraph 18 above). We have considered whether we are satisfied that there is misconduct or mismanagement in the administration of the Charity or whether it is necessary or desirable to act for the purpose of protecting the property of the Charity or securing a proper application of the Charity's existing or future funds.
39. Having considered all the evidence before us (but excluding the IM's draft interim report, for the reasons given at paragraph 25 above) we are satisfied on the balance of probabilities that there has been misconduct in the administration of the Charity. Adopting the definition of "misconduct" set out at paragraph 20 above, we conclude that Ms White received clear advice from a lawyer about the need to manage her conflict of interest in relation to the contract with TML. We find that she therefore knew that it was improper for her unilaterally to amend that contract. She has admitted taking that step in any event. The question of whether she did so with the intention of saving the Charity money is irrelevant to our finding on this point.
40. Although "misconduct" and "mismanagement" are expressed in the alternative in the statutory test, we are also satisfied on the balance of probabilities that there has been mismanagement in the administration of the Charity. Adopting the definition of "mismanagement" set out at paragraph 20 above, we conclude that the Charity trustees failed to ensure that the contract with TML was lawful, appropriate, and represented value for money through the consideration of appropriate advice and a process of bench-marking. This omission created a risk that significant charitable resources

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<sup>4</sup> The Tribunal confirms that we have read all the documents which the Charity asked us in its submissions to confirm we have read.

would be misused through the over-remuneration of TML, and that the Charity would be provided with services by TML which were delivered in a manner which posed a reputational risk.

41. Although parts (a) and (b) of s. 76 (1) of the 2011 Act are expressed in the alternative, we also find that it is necessary or desirable to act for the purpose of s. 76 (1) (b) (ii), securing a proper application of property coming to the Charity, by ensuring that all of the funds due to the Charity from TML have been accounted for. We find that the current trustee body cannot do this because of the provisions of clause 9 of its governing document (see paragraph 2 above) and because it is paralysed by conflicts of interest in relation to TML.
42. We are satisfied that the appointment of an IM under s. 76 (3) (g) of the 2011 was a necessary step, because an IM would be best-placed to undertake an independent review of the situation in which the Charity found itself. We are satisfied that the Orders made prior to the appointment of an IM addressed different regulatory concerns and did not obviate the need for an IM to be appointed.
43. We conclude that we would ourselves appoint an IM on the basis of the evidence before us and we conclude that the IM appointment should continue. We note that the Charity Commission's Order must be further reviewed, and we encourage the Charity to engage with the IM so that he can complete his work. In this way, it may be possible for the Charity finally to be wound up, as its trustees intend. We regret that the apparent magnitude of the Charity's disagreement with the IM's draft report as it has been communicated to us suggests that there is still much work for the IM to do before he can conclude his work.
44. Those findings are sufficient for us to dispose of this appeal, but we wish to comment further on two issues which the Charity raised with us but are outside the scope of the legal appeal. We also wish, thirdly, to comment on an issue that has concerned us during our deliberations.
45. Firstly, the Charity's challenge to the choice of Mr Johnson as IM. We can see why this was an attractive choice for the Charity Commission, given his familiarity with the issues and we agree with the Charity Commission that he did not suffer from a conflict of interest which prevented the appointment. However, it seems to us inevitable that the choice of a person known to the Charity through his previous dealings with Anthony Chadwick would be an inflammatory choice, and so it has proved. We note that there has been a considerable consumption of resources in dealing with the Charity's challenge to his appointment for reasons overwhelmingly concerned with these prior dealings. We suggest that the likelihood of any IM being able to form a constructive working relationship with the charity to which s/he is appointed should also have featured in the Charity Commission's considerations, although we recognise that it may not always be possible to achieve this.
46. Secondly, we sympathise with the Charity's complaint that the Charity Commission appointed the IM before it had even met with them. In ordinary circumstances, we would regard such a meeting as an important feature of the regulatory process, demonstrating the Charity Commission's commitment to natural justice in its inquiry. However, in the circumstances of this case, we can understand the Charity

Commission's precipitation. It was apparent from the papers that the Charity was constitutionally unable to act to regularise its position, and the publicity surrounding the Charity's dealings with TML represented a clear threat to the reputation of the charity sector generally so that the Charity Commission needed to be seen to act quickly and decisively. It follows that there was very little the trustees could have said at a meeting to persuade the Charity Commission to act differently. As things transpired, we agree with the Charity Commission that things looked even worse for the Charity after the meeting in January 2017 than they had done beforehand.

47. Thirdly, we have noted that the legal and accountancy advice provided to the Charity in this case, whilst accurate, was limited to advice on technical compliance with the law. From what we have seen, the Charity's advisers did not also point out the inherent reputational risk involved in the Charity's decision to contract with TNL, arising from the terms of the contract itself and from the clear conflict of interest which existed. We have found this to be a significant omission because it appears that the trustee body consequently took decisions without properly considering this risk.

48. In all the circumstances, we are satisfied that the Charity Commission's Order to appoint the IM was both lawful and proportionate. Accordingly, the Charity's appeal against the Charity Commission's Order is dismissed.

(Signed)

Alison McKenna

Date 18 July 2017

Principal Judge

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