

Updated Report made under Section 33 of the Charities and Trustee Investment (Scotland) Act 2005

> Wick Academy Development Fund Scottish Charity Number SC032787

The Judicial Factor appointed to manage the affairs of Wick Academy Development Fund is arranging for the assets of the Charity to be distributed to three charities in Wick and its environs to be used for public benefit in furtherance of the Charity's purposes.

The three charities to receive support are:

- Wick Youth Club. Scottish Charity No. SC015669.
  - See: <u>https://wickyouthclub.webs.com/</u>.
- Pulteneytown People's Project. Scottish Charity No. SC033675.
  - See: <u>https://pppwick.org.uk</u>.
- High Life Highland. Scottish Charity No. SC042593.
  - See: <u>www.highlifehighland.com</u>.

The Charity will now be dissolved.

## Background

Wick Academy Development Fund is a charity established in Scotland (Scottish Charity Number SC032787) and was recognised as a charity by HM Revenue and Customs (HMRC) on 15 March 2002. The Charity's objects are to:

"promote for the benefit of the inhabitants of Wick and the environs without distinction of sex, sexuality, political, religious or other opinions by associating with the local statutory authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide facilities, or assist in the provision of facilities, in the interests of social welfare for recreation and other leisure-time occupation so that their conditions of life may be improved."

From its formation until April 2009 the Charity engaged in fundraising activity by selling lottery tickets in Wick. That activity ceased on 28 April 2009.

In September 2010, OSCR opened an inquiry into the Charity, having received concerns as to whether the Charity was providing public benefit and about its failure to make use of its accumulated funds. In the period since then OSCR has engaged repeatedly with the Charity to try to ensure that it used its funds to further its charitable purposes.

The Charity undertook no activities in furtherance of its charitable purposes in the period since it suspended fundraising by lottery (other than the making of enquiries in relation to available land and ultimately unsuccessful discussions with the local authority about support for Wick High School). It failed to undertake such activities while holding funds of approximately £140,000. These funds were raised within the local community in order to further the Charity's purposes.

## **Regulator's Action**

Following our inquiries, we concluded that there was no realistic prospect of activities being undertaken by the charity trustees in furtherance of the Charity's objects. The Charity is not providing public benefit and was therefore at risk of removal from the Scottish Charity Register.

Given the seriousness of the situation and our concerns about the Charity's funds, we considered it necessary on 13 October 2020 to take interim measures to protect the charity's property, directing the charity trustees not to part with it without OSCR's consent.

While some of the charity trustees then sought OSCR's consent to dissolve the Charity and transfer its property to other charities, OSCR was unable to consent to these proposals. Further attempts to engage with the charity trustees to address the issues were unsuccessful.

OSCR therefore applied to the Court of Session to appoint a Judicial Factor to manage the affairs of the Charity, and on 7 January 2021 the Court appointed Eileen Blackburn, Chartered Accountant, French Duncan LLP as permanent Judicial Factor to the Charity.

The Judicial Factor's work included carrying out investigations into the Charity's financial affairs, and research to establish registered charities who were eligible for the distribution of funds held in a manner that best fits the Charity's original purposes for the benefit of projects in Wick area. The Factor also advertised publicly to invite eligible local charities to contact them, and this was successful in identifying three charitable organisations to receive funds from Wick Academy Development.

The Court of Session approved the Scheme of distribution of funds on 25 November. Three charities operating in Wick and its environs will shortly receive assets from Wick Academy Development Fund. Once this is completed, the Judicial Factor will proceed with the dissolution of Wick Academy Development Fund.

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