



Queensland University of Technology
Brisbane Australia

This may be the author's version of a work that was submitted/accepted for publication in the following source:

[McGregor-Lowndes, Myles & Hannah, Frances](#)
(2020)

ACPNS Legal Case Notes Series: 2020-174 OSCR Inquiry Report into Breaking Chains Global – Scottish Charity Number SC048087.
[Working Paper]

This file was downloaded from: <https://eprints.qut.edu.au/207775/>

© The Australian Centre for Philanthropy and Nonprofit Studies (ACPNS)

Disclaimer: The material included in this document is produced by QUT's Australian Centre for Philanthropy and Nonprofit Studies (ACPNS) with contribution from some authors outside QUT. It is designed and intended to provide general information in summary form for general informational purposes only. The material may not apply to all jurisdictions. The contents do not constitute legal advice, are not intended to be a substitute for legal advice and should not be relied upon as such. You should seek legal advice or other professional advice in relation to any particular matters you or your organisation may have.

License: Creative Commons: Attribution 4.0

Notice: *Please note that this document may not be the Version of Record (i.e. published version) of the work. Author manuscript versions (as Submitted for peer review or as Accepted for publication after peer review) can be identified by an absence of publisher branding and/or typeset appearance. If there is any doubt, please refer to the published source.*

<https://www.oscr.org.uk/media/4085/2021-01-28-section-33-report-breaking-chains-global-draft.pdf>

ACPNS LEGAL CASE REPORTS SERIES

This series compiles short summaries of significant cases involving charitable, philanthropic, nonprofit and social enterprise organisations in Australia and overseas.



OSCR INQUIRY REPORT INTO BREAKING CHAINS GLOBAL – SCOTTISH CHARITY NUMBER SC048087

An Inquiry Report made under Section 33 of the Charities and Trustee Investment (Scotland) Act 2005, Office of the Scottish Charity Regulator, 29 January 2021

Key words: Charity, Scotland, Fundraising, Governance, Remediation

1. An Inquiry was launched into Breaking Chains Global (the Charity) following queries from the public concerning fundraising. The Charity is a Scottish Charitable Company formed in 2017 as a private limited company by guarantee without share capital, with use of the 'Limited' exemption. Its purpose is to raise awareness about mental health issues. In 2019, its purposes were amended to include raising awareness about human trafficking and modern slavery.
2. The Charity currently has two directors, with two others having resigned in 2019 and 2020 respectively. In 2018 the Charity raised almost £1 million to distribute to various mental health charities. It did so with the involvement of high profile individuals and media interest. However, concerns were subsequently raised with the regulator about how those funds had been spent.
3. The Inquiry investigated relevant documentation with the full cooperation of the Charity. The Report highlighted weaknesses in the governance and stewardship of the Charity's assets by the charity trustees. It concluded that the Charity had to better understand:
 1. The need for strong, well-documented and transparent decision-making;
 2. The need for robust planning of significant fundraising events;
 3. The need for strong financial management;
 4. The need to consider the reputation of the Charity, particularly where it was linked to high profile individuals and events.
4. The Inquiry found that these failings were not deliberate, and given that some issues had already been addressed by the charity trustees, there was no need to go beyond making recommendations, and supporting the Charity to function more appropriately in the future. The Charity will be monitored to ensure compliance with the recommendations made.

IMPLICATIONS



The OSCR took the opportunity to remind charity trustees in Scotland about issues of governance and transparency, including:

1. Acting always in the best interests of the charity;
2. Considering consequences of decision-making in advance;
3. Properly planning major fundraising events;
4. Being open and transparent about finances and annual accounts;
5. Complying with all necessary legal requirements, especially as they relate to the preparation and external scrutiny of accounts;
6. Understanding how to make changes to a charity and when OSCR consent is required for changes to take place.

VIEW THE CASE



This report may be viewed at <https://www.oscr.org.uk/media/4085/2021-01-28-section-33-report-breaking-chains-global-draft.pdf>

Read more notable cases in [The Australian Nonprofit Sector Legal and Accounting Almanac series](#).

Author: McGregor-Lowndes, Myles & Hannah, Frances M.

Email: acpns@qut.edu.au

Date of creation: February 2021

Number of case: 2020-174

Disclaimer: The material included in this document is produced by QUT's [Australian Centre for Philanthropy and Nonprofit Studies](#) (ACPNS) with contribution from some authors outside QUT. It is designed and intended to provide general information in summary form for general informational purposes only. The material may not apply to all jurisdictions. The contents do not constitute legal advice, are not intended to be a substitute for legal advice and should not be relied upon as such. You should seek legal advice or other professional advice in relation to any particular matters you or your organisation may have.

Creative Commons Licence: 

This work is licensed under a [Creative Commons Attribution 4.0 International License \(CC-BY\)](#)



ACPNS SUPPORTING THE SECTOR

QUT's Australian Centre for Philanthropy and Nonprofit Studies is a small centre with BIG impact. Since 2001 it has taken a leading role in nonprofit teaching and research, benefiting the sector here in Australia and beyond.

RESEARCH

COURSES

RESOURCES

EVENTS