

Version	Author	Date approved
V1.0	PRO	6/12/2024



Why charities closed



If you have any accessibility requirements, please contact us at admin@charitycommissionni.org.uk

Contents

1.0	Analysis of charities that closed after registration	3
	Background	3
	Aim	3
	Sample	3
2.0	Results	4
	Reason for closure	4
	Year of closure	5
3.0	Information from the register of charities	6
	Income of closed charities	6
	Staff and volunteers	6
	Governing document	6
	Charitable purpose	7
	How the closed charities worked	8
	Who the charities helped	10
4.0	Key findings	12

Table 1: Reason for closure

Table 2: Year of closure

Table 3: Income of closed charities

Table 4: Governing document

Table 5: Charitable purpose

Table 6: How the charities worked

Table 7: Who the charities helped

1.0 Analysis of charities that closed after registration

Background:

Since the launch of charity registration in December 2013 the Commission has received information about charity closures in a variety of ways:

Closures of registered charities: Charities are assigned a status on the *register of charities*. Those that have informed the Commission they are closing are marked as 'removed'. These charities are encouraged to submit a form to the Commission which asks for the reason the charity is closing.

Pre-registration closures: Some organisations indicated they wanted to apply for registration, however they closed before their application was either begun or completed. Pre-registration closures were not part of this research project.

Failed accounts submission: A small number of charities were removed from the register because they failed to submit their annual monitoring returns for several years in a row. These were not included in the analysis of:

- the reason for closure or
- the date of closure.

They have been included in the rest of the analysis.

Aim:

The aim of this research was to record the number of registered charities which have closed between 13 December 2013 – 1 July 2024 and analyse the reasons for closure. The research also analysed features of these charities namely:

- income
- type of governing document
- charitable purpose, beneficiaries
- and, where available, number of staff and volunteers engaged by the charity.

Sample:

The sample consists of 800 charities marked as 'Removed' on the register of charities on 1 July 2024. Of this sample:

- 93% (745) notified the Commission of its closure.
- 1% (8) were removed from the register by the Commission.
- 6% (47) no closure forms were available.

2.0 Results:

Reason for closure:

Eighteen charities did not provide a reason for closure. Table 1, below, sets out the reasons for closure provided by 93% (745) of the closures sample.

Table 1: Reason for closure

Number of charities	Reason for closure
20% (146)	Lack of members or supporters to enable the charity to continue to operate.
15% (110)	Covid-19
14% (104)	The organisation has merged with another charity.
13% (96)	Lack of sufficient trustees to enable the charity to continue to operate.
10% (74)	The original purpose has been fulfilled and the reason the charity was created has now been met.
8% (56)	Loss/reduction of grant(s) meaning that the charity can no longer to operate.
6% (43)	Other funding difficulties that are not covered by the loss or reduction of grants.
4% (28)	Charity became incorporated and re-registered with the Commission
2% (15)	Insolvency of the charity.
1% (9)	The charity transferred its assets.
1% (7)	The charity used powers in the Charities Act (NI) 2008 to deal with its property.
1% (4)	Education Authority closed the school so there was no need for a PTA
>1%	Charity was created but never operated

The three most common reasons for closure were:

- Lack of members or supporters to enable the charity to continue to operate.
- The Covid-19 pandemic.
- The organisation has merged with another charity.

Year of closure

Based on the information provided most closures occurred in 2021 (114), and 2022 (109), significantly post the Covid-19 pandemic. Table 2 below shows the level of closure for each complete year from 2014-2023.

Table 2: Year of closure

Year the charities closed:	Number of charities
2014	> 1% (2)
2015	2% (16)
2016	8% (60)
2017	13% (93)
2018	12% (87)
2019	14% (103)
2020	10% (78)
2021	15% (114)
2022	15% (109)
2023	11% (81)
2024 (first 6 months)	> 1% (2)

Outside the pandemic years (2014-2019 & 2023) the average number of closures reported to the Commission was 63.

3.0 Information from the register of charities

The full sample of 800 was used for the analysis of income, type of governing document, charitable purpose, beneficiaries, and the number of staff and volunteers engaged by the charity. The results of the analysis for each of these elements is set out in the tables below.

Income of closed charities

The reported income of closed charities ranged from £0 - £32 million. In this sample 80 per cent (640) had an income below £10k.

Table 3: Income of closed charities

Total income of closed charities	
Less than £0	>1% (1)
£0-£5,000	76% (606)
£5,001-£10,000	4% (34)
£10,001-£20,000	5% (39)
£20,001-£50,000	6% (48)
£50,001-£100,000	3% (24)
£100,001-£500,000	4% (33)
Over £500,000	2% (15)

Staff & Volunteers:

- 12 per cent (95) of the sample had employed staff. The number of staff employed ranged from 1 to 141.
- 13 per cent (100) of the sample had UK and Ireland volunteers ranging from 1 to 2,300.

Governing document:

Over half the sample (56%, 450) had a constitution as their governing document. This indicates that most of the registered charities which closed between 2014 -2024 were small, low-income charities. Information on the governing document for 12 charities was unavailable. Table 4 sets out the breakdown of governing documents in this sample of closed charities.

Table 4: Governing document

Type of governing document of closed charity:	
Constitution	56% (450)
Memorandum and Articles	20% (160)
Royal Charter	16% (124)
Trust Deed or Declaration of Trust	6% (49)
IPS Rules	>1% (3)
Wills	>1% (2)

Charitable purpose:

Charities at registration select from a list of twelve classifications to describe their charitable purposes. They can make several selections; the percentage figures below indicate what percentage of the 800 sample chose each classification.

Most of the closed charities in this sample were established for the advancement of:

- education - 65% (516)
- citizenship or community development - 51% (408)
- the relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage - 30% (242)
- health or the saving of lives – 20% (163)

Table 5, below, sets out the charitable purposes recorded by all the charities in this sample.

Table 5: Charitable purpose

What the charities did:	Number of charities
The advancement of education.	65% (516)
The advancement of citizenship or community development.	51% (408)
The relief of those in need by reason of youth, age, ill-health, disability, financial hardship or other disadvantage.	30% (242)

The advancement of health or the saving of lives.	20% (163)
The prevention or relief of poverty.	15% (121)
The advancement of religion.	13% (104)
The advancement of the arts, culture, heritage or science.	12% (95)
The advancement of human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity.	6% (51)
Other charitable purpose	5% (43)
The advancement of amateur sport.	4% (32)
The advancement of environmental protection or improvement.	3% (27)
The advancement of animal welfare.	1% (8)

How the closed charities worked:

Registered charities also indicate how they intended to meet their charitable purposes. They can choose a number of delivery methods, the percentage figures below show what percentage of the 800 sample chose each delivery method.

The four most common delivery methods chosen by the closed charities were:

- Education/training- 62% (498)
- Youth development- 42% (339)
- Volunteer development- 40% (318)
- Community development- 38% (300)

Table 6: How the charities worked

How the charities worked:	Number of charities:
Education/training	62% (498)
Youth development	42% (339)
Volunteer development	40% (318)

Community development	38% (300)
Sport/recreation	29% (234)
Cross-border/cross-community	21% (168)
Advice/advocacy/information	21% (166)
Relief of poverty	16% (124)
Gender	14% (111)
Cultural	14% (109)
Counselling/support	13% (100)
General charitable purposes	13% (100)
Religious activities	12% (96)
Medical/health/sickness	11% (84)
Disability	10% (81)
Arts	9% (72)
Human rights/equality	8% (67)
Playgroup/ after schools	8% (60)
Heritage/historical	7% (57)
Grant making	7% (56)
Research/evaluation	7% (55)
Welfare/benevolent	6% (49)
Environment/sustainable development/conservation	5% (43)
Rural development	5% (40)
Accommodation/housing	4% (29)
Community enterprise	4% (28)

Economic development	4% (28)
Overseas aid/famine relief	3% (24)
Urban development	2% (15)
Criminal justice	2% (12)
Community transport	1% (4)
Search and rescue	>1% (3)

Who the charities helped:

Registered charities indicate the types of people they intend to help by choosing from a list of groups. They can choose several categories; the percentage figures below show what percentage of the 800 sample chose each category.

The top four groups of people helped by the closed charities were:

- Children (5-13 years old) - 52% (412)
- Youth (14-25 years old) - 47% (373)
- General public- 34% (272)
- Women- 33% (266)

Table 7 below sets out the groups of people helped by all the charities in this sample.

Table 7: Who the charities helped

Who the charities helped:	Number of charities
Children (5-13 years old)	52% (412)
Youth (14-25 years old)	47% (373)
General public	34% (272)
Women	33% (266)
Men	31% (244)
Older people	24% (193)
Volunteers	38% (190)

Voluntary and community sector	24% (190)
Preschool (0-5 years old)	22% (172)
Parents	21% (166)
Adult training	17% (132)
Unemployed/low income	14% (114)
Mental health	13% (102)
Physical disabilities	11% (89)
Carers	10% (80)
Learning disabilities	10% (79)
Ethnic minorities	9% (68)
Specific areas of deprivation	8% (64)
Community safety/crime prevention	8% (62)
Overseas/developing countries	7% (57)
Interface communities	7% (55)
Sensory disabilities	6% (46)
Addictions (drug/solvent/alcohol abuse)	6% (45)
Ex-offenders and prisoners	5% (41)
Homelessness	5% (37)
Tenants	3% (27)
Travellers	3% (21)
Language community	3% (21)
HIV/Aids	2% (12)

4.0 Key findings

The key findings of this research show that there was an increase in charity closures following the Covid-19 pandemic. The analysis shows that it was mainly low income, unincorporated organisations that closed.

Some of the external factors which may have led to those closures include:

- These charities are more likely to rely on volunteers and therefore did not qualify for the furlough scheme.
- Smaller charities may have been less able to adopt online fundraising methods and as a result had little or no income to continue operating.
- Volunteers moved towards charities and organisations that were doing direct Covid 19 relief work, for example delivering meals and taking people to appointments.

There is also anecdotal evidence from the sector that some smaller charities did not so much close but hibernated during the pandemic, with the intention of reopening after the crisis. However, this research did not have access to information to reach that conclusion.

For further information:

Website: www.charitycommissionni.org.uk

Email: admin@charitycommissionni.org.uk

Tel: 028 3832 0220

Sign up for the [Commission's newsletter](#) and receive news, views and important updates direct to your inbox.

Follow us on X @CharityCommNI