

Teaching Cases

Kids Company

A meteoric rise and a meteoric fall – who is responsible?

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Kids Company A meteoric rise and a meteoric fall – who is to blame

Kids Company was a voluntary sector success story. Admired by the public, praised by A-list celebrities, and supported by politicians, Kids Company was a £20 million organisation with 19 years of prosperous history behind it.

Kids Company was founded by its charismatic chief executive, Camila Batmanghelidjh, a successful author, psychotherapist, and entrepreneur of Iranian origin. Featured on the 100 Most Powerful Women in the UK list (2013) and appointed a Commander of the Order of the British Empire (CBE) for services to children and young people, Camila seemed to have it all.

Then, in only two summer months of 2015, it was all gone. Kids Company closed its doors, Camila's brilliant leadership was placed under a cloud of doubt and, most concerningly, thousands of children were left abandoned without help. Mired in allegations of mismanagement and caught in a media storm, Kids Company fell harder and faster than anyone could have anticipated.

Kids Company's downfall began with financial problems. Simply put, the charity was spending more than its income, had little to no reserves, and was reliant on government funding to survive. These issues might have stayed under the radar if the charity had not received millions of pounds in public money. Then in July 2015, the Metropolitan Police opened an investigation into allegations of sexual offences, exploitation, and child abuse. Only a month after these allegations were made, Kids Company closed its doors. Still, the police investigation was closed in January 2016 after no evidence of criminality was found.

Following the liquidation of Kids Company, Camila and seven trustees were taken to trial. The Official Receiver's case was that the eight leaders should be disqualified from holding senior positions because they "caused and/or allowed Kids Company to operate an unsustainable business model".¹ In 2021, after years of investigations and deliberations, the trial concluded with the exoneration of Camila and all the remaining trustees, with the judge concluding she found "no dishonesty, bad faith or personal gain on the part of Batmanghelidjh or the trustees ... Nor had there been any inappropriate expenditure on children assisted by the charity" (see Exhibit 1 for Kid's Company Timeline).

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¹ The Official Receiver v Batmanghelidjh & Others (2021:9), available at <https://www.judiciary.uk/wp-content/uploads/2021/02/Official-Receiver-v-Batmanghelidjh-judgment-120221.pdf>



However, one should note that, in 2022, the Charity Commission issued a decision regarding the inquiry opened into Kids Company.² The Commission agreed that, although there was no bad faith in leadership, the charity was operating on a high-risk business model despite the CEO and trustees being aware of the risks.

Although in the eyes of the law Kids Company's leaders were found not guilty, legal absolution arrived too late to matter, for both the charity and the children it supported. Was Camila at fault for the premature closure of Kids Company? How about the media, the UK government, or the Charity Commission? Finally, was closing Kids Company the right decision?

But first, who was Camila?

Born in 1963 in Tehran, Iran, Camila Batmanghelidjh went on to receive a first-class degree in Theatre and the Dramatic Arts from the University of Warwick, after which she trained as a psychotherapist at the London campus of Antioch University and the Tavistock Clinic. At the age of 25, she was involved in child protection and with family service teams as a therapist.

She was involved in the formation of Place2Be, a Family Service Unit project working with troubled children in primary schools, which later became a children's mental health charity. Place2Be was funded by several charitable trusts and its success and good reputation strengthened Camila's presence in the voluntary sector. Batmanghelidjh resigned from the project in 1996 to set up her new venture: Kids Company, an organisation that offered care and support to disadvantaged and vulnerable children.

Between 1996 and 2015, Batmanghelidjh became a high-profile "media darling". Her unique sense of style, defined by colourful dresses and headpieces, was in line with her charismatic approach. Camila was one of a kind, and her distinctiveness turned her into one of the UK's most instantly recognisable figures: as one magazine profile put it, "Ignoring Camila Batmanghelidjh is not easy: not her neon clothes and ready roar of laughter; nor her rocklike certainty gained through experience, academic research and compassion."³

Batmanghelidjh won an array of distinctions and awards, including a CBE, honorary degrees, and fellowships from multiple universities. Numerous titles were bestowed on her, such as the Most Admired Chief Executive of 2007 by the Third Sector magazine, and Businesswoman of the Year 2009 in the Dods and Scottish Widows Women in Public Life Awards. In 2007, The Guardian described Camila as "one of the most powerful advocates for vulnerable children in the country"⁴ and she was

2 Decision. Charity Inquiry: Keeping kids Company (2022), available at <https://www.gov.uk/government/publications/charity-inquiry-keeping-kids-company/charity-inquiry-keeping-kids-company#the-charitys-beneficiaries>

3 Great British Life (2014) - available at <https://www.greatbritishlife.co.uk/people/celebrity-interviews/at-the-court-of-queen-camila-batmanghelidjh-7145002>

4 The Guardian (2007) - available at <https://www.theguardian.com/society/2007/oct/10/guardiansociety supplement.childrensservices>

dubbed the “Angel of Peckham” by BBC News.⁵ Since 2008, her portrait has hung in the National Portrait Gallery, a strong accolade for women of colour. In 2013, BBC Radio 4 put Camila’s name on its list of 2013’s most powerful women in the UK.

Camila’s popularity came with support and praise from politicians including former Prime Minister Gordon Brown, who personally intervened to safeguard funding for Kids Company during his mandate. Another former Prime Minister, David Cameron, was also depicted in the media as being “mesmerised” by Camila’s presence. Cameron confirmed that he had personally been involved in securing governmental funds for Kids Company, despite cautionary advice from civil servants. The National Audit Office’s 2015 report indicated that a number of MPs, among them Cameron, the former education secretary Michael Gove, the former home secretary David Blunkett, and the former education secretary Ed Balls had all intervened to support Kids Company between 2002 and 2015, in some cases to prevent it from becoming insolvent. Less than two months before Kids Company’s closure, Cameron’s cabinet authorised a £3 million bailout.

Nevertheless, Camila’s name was also met with reticence. Some officials expressed opposition to Kids Company’s unmatched public funding, with an anonymous senior figure involved in funding calling the charity “a case of glamour over substance” and claiming that there was a “cult of personality” surrounding Camila. Following Kids Company’s closure, Camila declared that people in power wanted the charity to “disappear” because it was challenging the government, so they conducted a campaign discrediting her.

The meteoric rise of Kids Company

Kids Company provided social and psychological care to children whose lives had been disrupted by poverty, abuse, trauma, and gang violence. Originally a single drop-in centre in Camberwell, Kids Company developed over time to operate through a network of street-level centres, alternative education centres, and therapy houses. It collaborated with more than 40 schools in London and Bristol, as well as a performing arts programme in Liverpool. According to its 2013 annual report, the charity provided support to 36,000 inner-city children and vulnerable young people, operating 12 street-level centres in Greater London, Bristol, and Liverpool.⁶

Kids Company was established to enhance the emotional health of young people through counselling, support, and art therapy; and to support educational institutions (such as schools) in addressing the emotional needs of young people. What was unique about Kids Company among childcare organisations, is that most children and young people were self-referring directly to them, as they had a policy of not turning away any child seeking help.

The charity pioneered collaborations between scientists and children to arrive at a better understanding of how trauma negatively impacts brain development and health, with research subsequently published in medical and scientific journals. For example, Kids Company’s Peace of Mind campaign raised £1 million to fund research into the impact of trauma, abuse, and neglect on children’s brains.

Through Batmanghelidjh’s far-reaching connections, Kids Company also undertook work within the art world. Camila curated exhibitions exploring child trauma at the Tate Modern, the Saatchi Gallery, and The Royal Academy, while Kids Company’s art programme was honoured by the Royal Society for Public Health for its “innovative and outstanding contributions”.

In 2013, Kids Company was the subject of a study conducted by the London School of Economics, whose author concluded: “Kids Company combines flexibility and staff commitment to enable absolute focus on the needs of vulnerable children; they offer to the child the knowledge that someone cares, loves and will not give them up”.⁷ However, The Daily Telegraph found that Kids Company paid £40,000 for this “glowing” report.

In August 2015, the board of trustees comprised Erica Bolton (founding partner/ Director of Bolton & Quinn, international PR consultancy), Richard Handover (former chairman and CEO of WH Smith), Vincent O’Brien (former Finance Director of HSBC), Francesca Robinson (Executive Chairman of PSD Group, responsible for strategy and leadership), Jane Tyler (senior lawyer and partner in Macfarlane’s

⁶ Kids Company’s Annual Report and Accounts (2013:10) - available at https://www.accountancydaily.co/sites/default/files/Kids%20company%20Annual_Report_2013.compressed.pdf

⁷ Jovchelovitch, S and Concha, N (2013), Kids Company: a diagnosis of the organisation and its interventions. The London School of Economics and Political Science, London, p.8

law firm), Andrew Webster (Vice President with responsibility for human resources at AstraZeneca), Sunetra Sastry (formerly known as Atkinson, philanthropist and makeup artist), and Alan Yentob.

Alan Yentob had served as chairman of the board of trustees since 2003. Yentob held many of the most prestigious positions at the BBC, stepping down as Creative Director in 2015, following Kids Company's collapse. Being the dominant creative force for the BBC, Yentob brought legitimacy and popularity to Kids Company. However, Yentob's role as chairman came under the spotlight following the spate of allegations against Camila and Kids Company. Yentob was accused both of financial mismanagement and that he used his position at the BBC to deflect criticism of Kids Company and Batmanghelidjh. In 2004, the BBC opened an internal investigation over Yentob's expense abuse claims, such as extravagant parties, chauffeurs, or dry cleaning to name a few. Still, the BBC cleared Yentob and refused to make any additional comments on the matter.

Batmanghelidjh and Yentob's popularity turned Kids Company into a favourite among celebrity donors. Prince Charles, JK Rowling, Gwyneth Paltrow, and Damien Hirst were some of the high-profile people who donated money to Kids Company. This led to criticism that the charity was depending on celebrity philanthropists for its survival. For example, a 2014 article from The Times noted that Batmanghelidjh asked Coldplay for an advance of their annual gift of £1.3 million to meet the charity's bills.⁸ In the summer of 2015, when Kids Company was facing multiple allegations and financial difficulties, some high-profile donors (e.g. designers Stella McCartney and Bella Freud) defended Batmanghelidjh and hailed her inspirational work with disadvantaged children.

Finally, firm political support contributed to the rise of Kids Company. Kids Company received larger grants than any other charity from the Department of Education's grant programme, and in 2011 it received more than double the amount received by any other grant recipient.

It is without a doubt that Kids Company had been successful. From innovations in the scientific world (although these also had their fair share of detractors), to modern art, to an impressive array of celebrity supporters and political endorsements, this meteoric rise was only eclipsed by Kids Company's spectacular fall.

Problems ahead

The significant interest in the collapse of Kids Company resulted in a number of reports investigating the internal and external problems of the charity. The National Audit Office (NAO) published a report on the 29th of October 2015, the Public Administration and Constitutional Affairs Committee (PACAC) within the House of Commons published a report on the 21st of January 2016, and the Charity Commission issued its decision on the 10th of February 2022 (see footnote for a link to the full report).⁹ The findings of these reports are summarised below.

Internal

Finance

Public sector funding accounted for around 30% of the total income reported in Kids Company's accounts between 2002 and 2013, with the remainder of its income coming from private donations. Although the charity received at least £46 million of public funds, its finances were precarious.

Most notably, Kids Company failed to build proper financial reserves. Multiple factors influence the ultimate amount of reserves, but good practices range between the equivalent of three to nine months of the charity's income and expenditure. The 2013 accounts showed the Charity had reserves of just over £434,000, equivalent to around 1.9% of the charity's expenditure for that financial year. The level of reserves had been repeatedly raised in management letters by Kids Company's auditors, but PACAC concluded that no changes were made in response to these warnings. In addition, Kids Company did not have a clear plan to manage cash flow ups and downs, but relied on fundraisers and the government to make up for shortfalls.

Negligent financial management rendered the charity incapable of surviving any variance in its funding stream, such as donors retracting their support following allegations of sexual misconduct.

Staff

The lack of experienced staff was another serious problem. First of all, the Director of Kids Company mismanaged their finances and the bookkeeper mistakenly recorded £71,390 of loans as donations. PACAC was not convinced that the staff in place had sufficient experience or expertise to deal with complex financial matters.

Additionally, Kids Company appeared to operate in a regulatory blind spot with few of its services regulated by Ofsted or the Care Quality Commission. Kids Company had a policy that "all clinical workers should have qualifications appropriate to their

roles and responsibilities, as defined by their professional bodies". However, the CEO herself was not a registered member of the UK Council for Psychotherapy, despite her active role as a psychotherapist and clinical leader. In addition, as "therapist" is itself not a regulated profession, anyone can call themselves a therapist and offer clinical services. It should also be noted that none of the trustees had a background in youth services.

The Board of Trustees

Both the NAO and the PACAC reports state that primary responsibility for Kids Company's "collapse rests with the charity's Trustees" who failed to exercise the duty of care towards its employees and donors by relying on a 'hand-to-mouth' existence.

A board of trustees must also be able to interrogate the decisions of the CEO and assess service delivery and expenditure. Still, this task was difficult to complete considering that the board lacked experience in youth services and psychotherapy.

Although the trustees were skilled professionals with experience in business and, for some, experience as charity trustees, the CEO was the ultimate face of the charity and had significant influence over it. Good practice also dictate that senior leadership should not be held by a single person for many years because this can reduce the ability to challenge long-established customs.

Regulations

It is necessary to make sure projects in the organisation have some SOP (standard operating procedures). Besides, clear regulations on HR and other functions are also required to make it operate methodically. However, the regulations in Kids Company were incomplete with loopholes. Not only did this charity not have exact information such as the number of users, but salary payments to their staff were often late.

Organisational strategy and sustainability

Organisations cannot appropriately develop without an effective and long-term strategy. Kids Company worked well on a small scale, but as soon as it started to grow, so did the problems. According to NPC, some clients of Kids Company simply turned up each week for a cash handout, without engaging with any of the charity's staff or programmes, and thus did not benefit from their wider support. Concern was expressed that a cash handout may have been misused, either by the recipient or by those who knew that these vulnerable children had access to cash.

Officials raised concerns about the charity's cash flow and financial sustainability at least 6 times between 2002 and 2015, but the charity never reached a position where it was able to operate without government assistance.

Kids Company recognised that it could not continue to increase in scale to meet demand without changing its funding model; thus, from 2013, there were discussions about the charity's future funding model, and the shape and size of the charity. Still, Kids Company increasingly relied on short-term loans to address shortfalls in income and negative cash flow balances, which on some occasions it was unable to repay.

Transparency

The number of media stories that were published about Kids Company, suggests a culture of smoke and mirrors, rather than one of open transparency. The Charity Commission found that some records were destroyed at the time of the charity's collapse, while other records appear to have never been created. The Charity Commission therefore stated that "If records had not been destroyed, this could have helped to ensure that sufficient information was available to protect the interests of beneficiaries going forward – particularly if support to them was continued by another charity or service provider."

External

Police investigations

In July 2015, the Metropolitan Police launched an investigation into Kids Company led by Scotland Yard's child abuse command. The investigation was closed in January 2016 after officers carried out "extensive inquiries" into claims of physical and sexual abuse but found no evidence to reach the threshold for criminal prosecution.

Although Kids Company always denied the charges and claimed that it had always met its obligations to report crimes, the reputation of Kids Company was seriously damaged, with major donors pulling their support.

Media coverage

From the beginning, Kids Company had a close relationship with the media through its CEO and Chair of trustees. The media drew attention to, and raised resources for, Kids Company, helping to build its reputation. However, the heightened public interest in the organisation also raised the stakes. The issues faced by the charity quickly became a matter of wider public concern, and Kids Company subsequently faced "a trial by media".

When scandal hit the charity, newspapers claimed that most of the revenue came from public money (although two thirds came from donations), and that Camila was using tax-payers money recklessly: employing five personal assistants, paying for private chauffeurs, and planting a tree in the middle of her office. There were also stories about how the charity put children in luxury hotels and that money given to children to pay for food was spent on drugs. Newspaper outlets also claimed that staff members who were assaulted appealed directly to Camila but they were ignored. ([See Exhibit 4 for Media headlines](#).)

Credibility

The charity claimed it reached 36,000 beneficiaries each year. This figure came under scrutiny because the charity was not consistent in how it reported the

number - sometimes 36,000 were "vulnerable children across London", and at other times they were children and young families across London, Bristol, and Liverpool. The methodology for calculating these figures has never been articulated in public documents such as the annual reports, so the ambiguity surrounding the number of beneficiaries, coupled with large expenditure, impaired Kids Company's overall credibility.

Government involvement

It could be argued that the government is also (indirectly) responsible for Kids Company's unsustainable existence. The grant process for charities is competitive - the government should assess the charity in relation to others, consider whether sufficient safeguards are in place, and monitor how the charity spends the money with objectivity and transparency. However, Kids Company did not have to compete for its annual grant from 2013. Even more, the Department of Education made a public interest case for continuing to fund Kids Company outside of the competitive process due to precedent (DfE had funded the Charity since 2005), and the reputational damage to the government's wider agenda if it had withdrawn funding. In addition, the government relied heavily on Kids Company's self-assessments to monitor its performance.

Successive Ministers appear to have released funds on the basis of little more than their relationship with a charismatic leader and small-scale studies or anecdotes, despite a lack of evidence about the efficacy of the charity's model or any evaluation of outcomes.

The Trial

The Official Receiver, Anthony Hannon, filed a proceeding in 2020 to have Camila and all but one of her trustees disqualified under Section 6 of the Company Directors Disqualification Act of 1986. Hannon claimed that the CEO and Trustees were unfit to operate a sustainable business model.

In 2018, one of the Trustees, Ms Sunetra Atkinson (now known as Sunetra Sastry), was excluded from the trial as she had accepted the disqualification undertaking whilst the other trustees continued to battle on. Three former Kids Company employees, Diane Hamilton, Adrian Stones, and Mandy Lloyd, served as witnesses against Camila and her trustees. For Ms Hamilton, she claimed to feel increasingly undermined especially when dealing directly with Batmanghelidjh and the Head of Finance, Mr. Nevada, concerning contingency plans. She also claimed to be bullied by Batmanghelidjh and found her difficult to work with. Moreover, she felt as though she was being dissuaded from contacting the trustees directly to share her concerns; a claim shared with Mr. Stones.

On October 20th 2020, Mr Hannon opened a case at the High Court against the trustees and Batmanghelidjh, seeking their disqualification from holding company directorships despite the fact that Camila was not a director. The trial also covered the unsustainable business model of the charity (see Exhibit 5). The Judge found

that the model was not entirely unsustainable, as their budgeting strategy had been accurate through the years of its operation and the restructuring plan they had in place towards the end may have succeeded had it not been for the MET police investigations into the abuse allegations. The judge also found that the trustees and charity were not overdependent on the government for funds. Contrary to media reports and speculations, she found that only 30% of the charity's funds were from the government in the period between 2002 and 2013. There was simply not enough evidence to carry the case. And so, on February 12th, 2020, The High Court dismissed the case against Camila and the trustees. Justice Falk said:

"Most charities would, I think, be delighted to have available to them individuals with the abilities and experience that the trustees in this case possess. It is vital that the actions of public bodies do not have the effect of dissuading able and experienced individuals from becoming or remaining charity trustees."

Justice Falk also praised Camila for the "enormous dedication [that] she showed to vulnerable young people over many years". Falk also praised Camila's achievements, adding, "It would be unfortunate if the events in the focus of this decision were allowed to eclipse those achievements."

A sector-wide impact

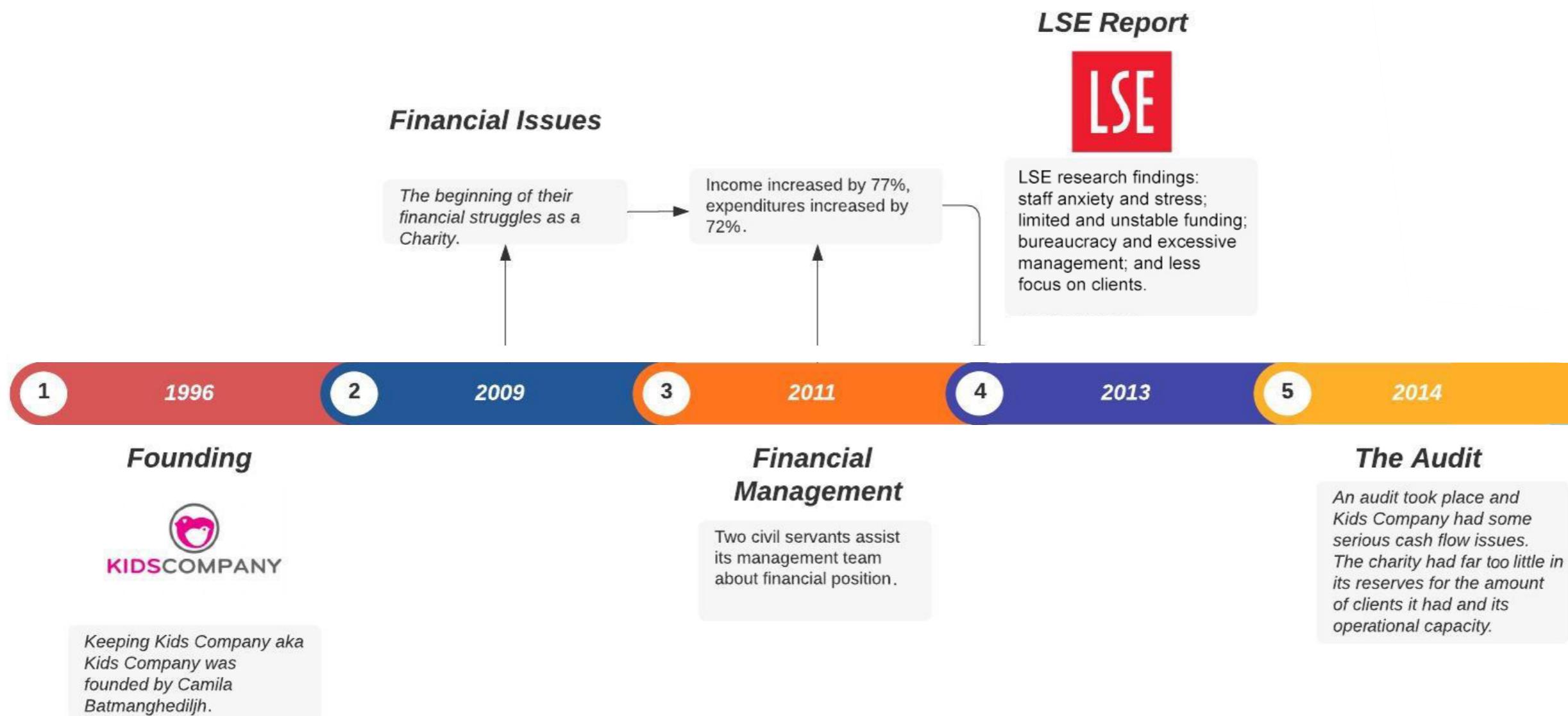
The downfall of Kids Company unfolded dramatically, under close scrutiny from the media and, therefore, the general public. News outlets and public opinion did not wait for the results of the police investigation or the High Court trial. In the eyes of the public, Kids Company signalled untrustworthiness, deceit, and other overarching problems within the voluntary sector, such as a lack of accountability and transparency. As a result, the British public's trust and confidence in charities fell by 10% in 2016, according to research conducted by Populus on behalf of the Charity Commission. The Charity Commission's 2020 report showed that the so-called 'third sector' had yet to recover to its pre-2014 levels, although this is now changing.¹⁰

When members of the public were polled, they were asked why their trust and confidence in charities had been dented: 65% of the responses were related to media coverage, and Kids Company was named multiple times as a reason for public distrust in charities.

¹⁰ Populus (2020), Trust in Charities 2020 – overview of findings, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/897204/Public_Trust_in_Charities_2020_overview_of_findings.pdf

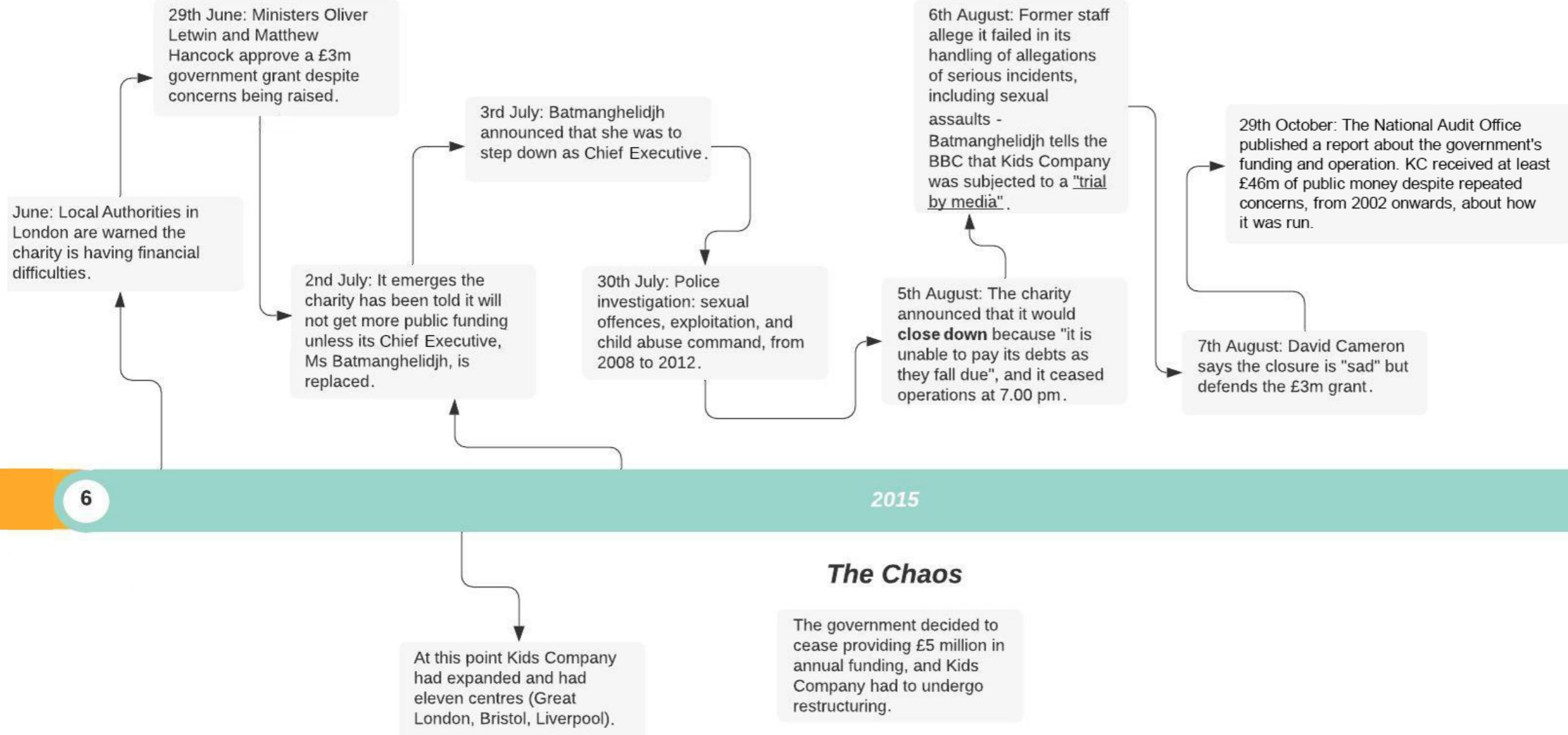
The Exhibits

Exhibit 1: The Timeline



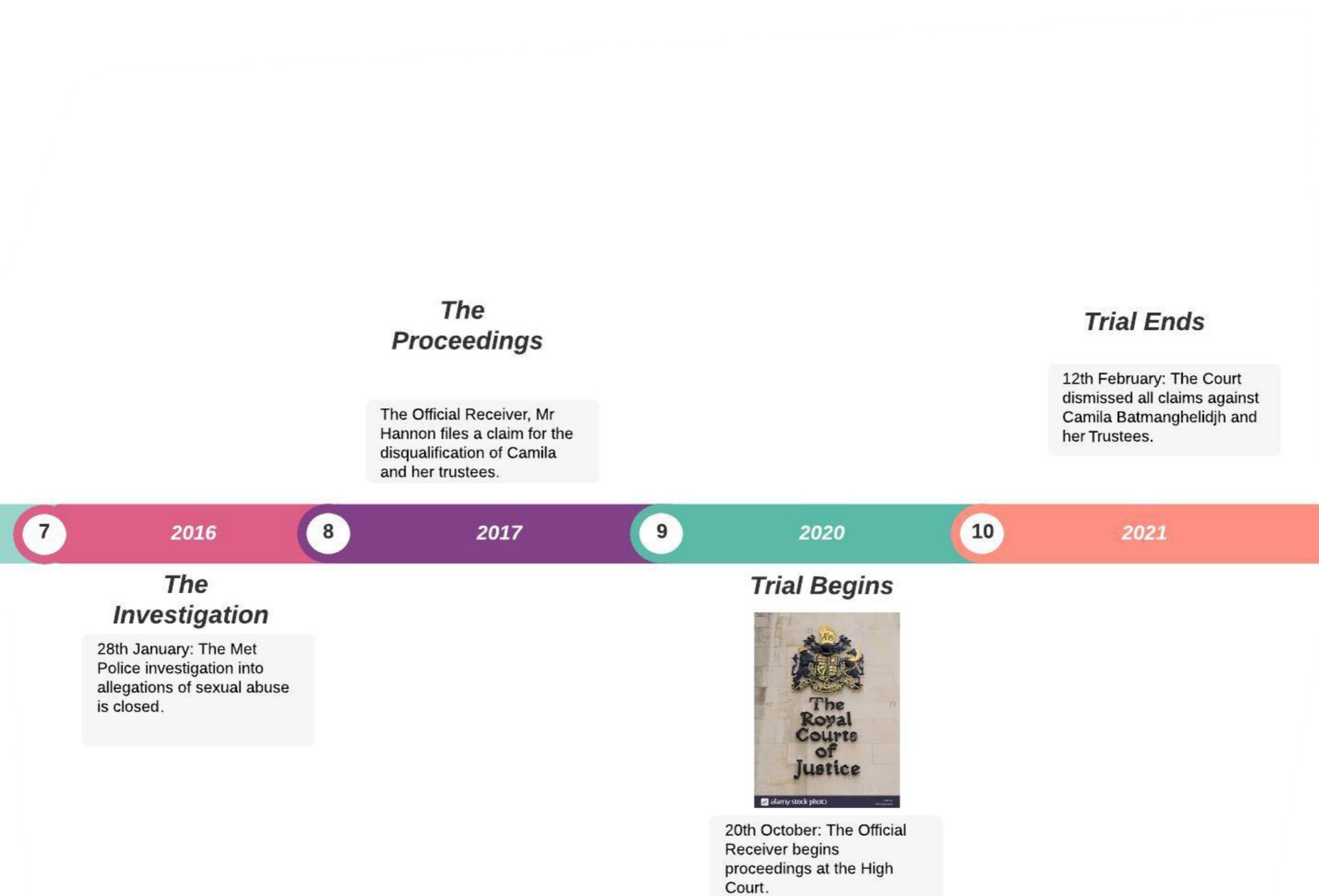
The Exhibits

Exhibit 1: The Timeline



The Exhibits

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The Exhibits

Exhibit 2: Report from the House of Commons Public Administration and Constitutional Affairs Committee

Parliament. House of Commons (2016). *The collapse of Kids Company: lessons for charity trustees, professional firms, the Charity Commission, and Whitehall. Fourth Report of Session 2015-16 from the Public Administration and Constitutional Affairs Committee.* (HC 433). London: The Stationery Office Ltd.

Available at: <https://publications.parliament.uk/pa/cm201516/cmselect/cmpubadm/433/433.pdf>

(Accessed: 25 September 2024).

Exhibit 3: LSE 2012 Report

Jovchelovitch, S. and Concha, N. (2013). 'Kids Company: a diagnosis of the organisation and its interventions. Final Report'. London School of Economics and Political Science.

Available at: http://eprints.lse.ac.uk/52856/1/Jovchelovitch_Kids_Company_Diagnosis_2013.pdf

(Accessed: 25 September 2024).

Exhibit 4: Media Headlines

NEWS WEBSITE OF THE YEAR
The Telegraph Coronavirus News Politics Sport Business Money Opinion Tech Life Style Travel Culture
UK news World news Royals Health Defence Science Education Environment Investigations Global Health Security

Bid to bar Kids Company founder Camila Batmanghelidjh from running businesses thrown out by High Court

The charity collapsed in 2015

By Telegraph Reporters
12 February 2021 6:49pm



Camila Batmanghelidjh | credit: David Gandy

Sun MONEY DEAR DEIDRE TECH TRAVEL MOTORS PUZZLES

EXCLUSIVE
News > UK News
YOU'RE KIDDING Disgraced charity boss Camila Batmanghelidjh enjoys lavish lifestyle full of posh dinners
Kids Company founder took chauffeur-driven car to Michelin Star restaurant in London's Fitzrovia district
Dan Sales
0:23, 26 Jun 2016

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TRENDING CIOF CHAIR TO STEP DOWN OXFAM SACKS THREE STAFF THE KNOWLEDGE

Kids Company was a 'victim of its own success', High Court told

Alan Yentob, former chair of Kids Company, says police regarded it as a tragedy that the charity had to close

Kids Company
Attempt to ban Kids Company trustees cost taxpayers £8m

Exclusive: Legal bill follows failed case brought by official receiver against Camila Batmanghelidjh and seven others



Camila Batmanghelidjh. Her barrister called for the National Audit Office to investigate the government's handling of the case. Photograph: Matt Lloyd/Rex

Patrick Butler Social policy editor

Fri 28 May 2021 06.00 BST

Four years of support for Kids Company revealed with o2 Arena gig to boost funds for 'phenomenal' charity



Coldplay have revealed they have donated millions to the children's charity Kids Company. Photograph: Steve Black / Rex Features

Kids Company boss 'bullied her staff and ignored cash crisis': Camila Batmanghelidjh brushed off warnings about charity's financial woes and boasted of 'special relationship' with HMRC, court hears

- Camila Batmanghelidjh said to have begged David Cameron to bail out charity
- She boasted 'special relationship' with HMRC which meant tax bill not be paid
- The allegations came at a High Court hearing brought by The Official Receiver

By DAVID CHURCHILL FOR THE DAILY MAIL
PUBLISHED: 01/02, 20 October 2020 | UPDATED: 01:09, 20 October 2020

Interview

Camila Batmanghelidjh: I'm actually quite rigorous. I'm just not wearing a suit'

Zoe Williams

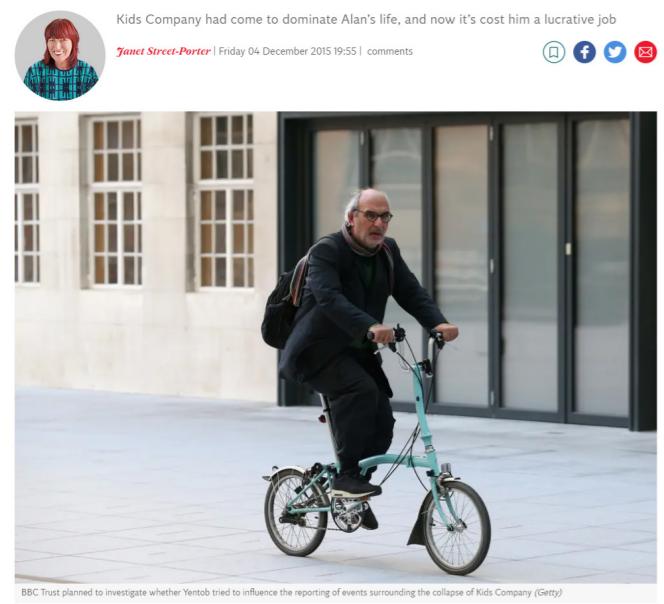
Kids Company closed its doors last week amid accusations of financial mismanagement, abuse by service users and suspicions about the motives and methods of its founder. Here she hits back at this 'reputational assassination'



▲ 'I'd been begging for 19 years. I had no more people to beg' ... Camila Batmanghelidjh. Photograph: Linda Nylind for the Guardian

The Exhibits

Too-nice Yentob was putty in the hands of Batmanghelidjh, now he's paying the price



David Cameron 'mesmerised' by Kids Company boss



Kids Company accused of mishandling sexual assault allegations

© 7 August 2015



Kids Company founder Camila Batmanghelidjh: "No awareness" of sexual exploitation

The Kids Company charity failed in its handling of allegations of serious incidents, including sexual assaults, former staff have said.

Exhibit 5: Notes from the Court Case

According to the principles set out in the CDDA 1986, the court has the duty to make a disqualification order. The nature of unfit is defined by Justice Parker as:

“Unfitness” may be shown by conduct which is dishonest (including conduct showing a want of probity or integrity) or by conduct which is merely incompetent. In every case the function of the court in addressing the question of unfitness is to ‘decide whether [the conduct of which complaint is made by the Secretary of State], viewed cumulatively and taking into account any extenuating circumstances, has fallen below the standards of probity and competence appropriate for persons fit to be directors of companies’ (see *Secretary of State for Trade and Industry v Gray* [1995] 1 BCLC 276 at 284, sub nom *Re Grayan Building Services Ltd (in liq)* [1995] Ch 241 at 253 per Hoffmann LJ). This has been described as ‘a jury question’ (see *Re Sevenoaks Stationers (Retail) Ltd* [1991] BCLC 325 at 330, [1991] Ch 164 at 176 per Dillon LJ).” (p.483a-c)

The court then has to assess the conduct of the alleged parties:

“...the court will assess the competence or otherwise of the respondent in the context of and by reference to the role in the management of the company which was in fact assigned to him or which he in fact assumed, and by reference to his duties and responsibilities in that role. Thus the existence and extent of any particular duty will depend upon how the particular business is organised and upon what part in the management of that business the respondent could reasonably be expected to play (see *Bishopsgate Investment Management Ltd (in liq) v Maxwell (No 2)* [1993] BCLC 1282 at 1285 per Hoffmann LJ). For example, where the respondent was an executive director the court will assess his conduct by reference to his duties and responsibilities in that capacity.” (p.484c- d)

Moody, E. (2021). ‘The Official Receiver and Kids Company case – long-awaited, unexpected or not?’, *Womble Bond Dickinson, Articles and Briefings*, 25 February. Available at: <https://www.womblebonddickinson.com/uk/insights/articles-and-briefings/official-receiver-and-kids-company-case>. (Accessed: 25 September 2024).

Exhibit 6: Children missing voices in all reports

Gogarty, C. (2021). ‘BBC Newsnight accused of causing charity’s collapse leaving Bristol children without support.’ *Bristol Live*. 19 February. Available at: <https://www.bristolpost.co.uk/news/bristol-news/bbc-newsnight-accused-causing-charitys-5019304>. (Accessed: 25 September 2024).

The Exhibits

Exhibit 7:

Charity Commission Report

Since the charity's closure, the Charity Commission has released its report on Kids Company in 2022, although it was withdrawn on 13 February 2024.

Charity Commission for England and Wales (2022). Decision. Charity Inquiry: Keeping Kids Company. 10 February. Available at: <https://www.gov.uk/government/publications/charity-inquiry-keeping-kids-company/charity-inquiry-keeping-kids-company>.

(Accessed: 25 September 2024).

Postscript: Camila Batmanghelidjh obituary

Camila Batmanghelidjh died on 1 January 2024.



Bates, S. (2024). 'Camila Batmanghelidjh obituary.' *The Guardian*. 7 January. Available at: <https://www.theguardian.com/society/2024/jan/07/camila-batmanghelidjh-obituary>. (Accessed: 25 September 2024).

BBC News (2024). *Kids Company* founder Camila Batmanghelidjh dies. Available at: <https://www.bbc.co.uk/news/uk-67868843>. (Accessed: 25 September 2024).