



Shropshire Severn & Teme District Scout Council

Registered Charity Number 1124969

Financial Statements

For the year ending 31st March 2024

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Trustees Annual Report

Prepared by Darren Owen, Trustee and District Treasurer

Trustees who have served at any point in this year.

- Anne Woolridge District Chair
- Margaret Mcgeachy (from 27th September 2023)
- Chloe Wale
- Ralph Mills
- Ed Pritchard
- Jeff Williams
- Darren Owen
- Gill Callaghan
- James Brophy
- Sandra Henson
- Michelle Gough (resigned 27th September 2023)
- Des Rogers District Treasurer (trustee role closed 20th August 2023)

These Financial Statements show a Statement of Financial Activities - Income and Expenditure Account. The statements also include a Balance Sheet with supporting notes.

In the year to 31st March 2023 a serious historic fraud was identified within the District. The investigation by the police and subsequent court action has been underway for c18 months. As a post balance sheet event to the current years accounts it can be reported that a trustee of the District (former District Chair) has pleaded guilty to 'fraud by abuse of position' and 'theft by employee'. He appeared at Shrewsbury Crown Court on Wednesday 25th September 2024 and was sentenced.

The NatWest District Bank Account had been originally set up in such a way that on the face of it, it was dual signatory (using NatWest Bankline). However, following a 'strength test' conducted on the instruction of The Trustees, it was uncovered that Bankline/Dual Signatory aspect could be bypassed during the log on process, thereby avoiding any need for a second signatory all together.

Within a fortnight of this finding, The Trustees had found a suitable secure bank account, with a bank that would accept new business (Lloyds). This information was put to the Trustees, agreement was made to transfer all our District Accounts to Lloyds and the applications were submitted to the bank.

Whilst this account was being set up, several control measures were put in place. The accounts being scrutinised every three months and a monthly bank statement being sent out by The Treasurer, so that any discrepancies would be highlighted without delay.

In August 2023, before the District funds could be transferred into the new accounts, £26,900 was taken from the account, without permission. This 'theft' was uncovered straight away, the suspect was immediately suspended from the Scout Association and the police were informed.

The Charities Commission have been informed and they are content with all the actions carried out by The Trustees.

As a District we continue to provide Online Scout Manager (OSM) for all our Groups. This is a large commitment for the District, but we feel it is money well spent, as it undoubtedly makes the lives of our volunteers much easier. This is something we would like to continue providing looking to the future.

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES

I report on the accounts of the Shropshire Severn and Teme District Scout Council for the year ended 31 March 2024 which are set out on the following pages.

Respective responsibilities of trustees and examiner

The charities trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for the year under section 114 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the financial statements under section 145 of the Charities Act
- To follow the procedures laid down in the general directions given by the Charity Commissioners (under section 145(5)(b) of the Charities Act); and
- To state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations for you as trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and the report is limited to such matters set out in the statement below.

Independent Examiner's statement

In connection with my examination, no matter has come to my attention:

Which gives reasonable cause to believe that in any material respect the requirements

- To keep accounting records in accordance with Section 130 of the Charities Act and
- To prepare accounts which accord with the accounting records and
- To comply with the accounting requirements of the Charities Act

have been met, or

To which, in my opinion, attention should be drawn in order to enable proper understanding of the accounts to be reached.

It should be noted that the District has been subject to a major theft during the course of the year. This theft is unrelated to the fraud identified in the previous year. The ongoing financial viability of the charity has been significantly impacted. The District has been the recipient of long-term financial support from Shropshire County Scouting. These matters are fully discussed within the notes to the Accounts.

Michael Phillips MBA FCA

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Shropshire Severn and Teme District Scout Council

**Statement of Financial Activities - Income and Expenditure Account
For the Year Ended 31 March 2024**

		<u>2024</u>		<u>2023</u>	
	Notes	£	£	£	£
Income					
Youth Membership Fees		51,270		58,760	
Payments to County re Membership Fees		<u>39,920</u>	11,350	<u>36,833</u>	21,927
Camps Legacy Income		0		13,401	
Camps Legacy Expenditure		<u>0</u>	0	<u>10,953</u>	2,448
SST Network Income, Ex DofE Scheme			827		
Donations received			0		600
Income re defunct Groups			0		12,394
Surplus on the Shop Account			2,069		2,846
Sundry Income			<u>-7</u>		<u>180</u>
Aggregate Net Income Received	1		<u>14,239</u>		<u>40,395</u>
District Scout Shop Expenditure			0		383
Travel, mileage and other subsistence costs			143		1,919
Web Hosting			1,478		395
Computer Hardware			53		2,485
Stationery and telephone			151		768
Licences and Permits			3,292		538
Accommodation			0		510
Advertising and Promotion			0		744
Property Rental, Repairs and Maintenance			728		1,450
Legal and Professional Fees			0		920
Donations			250		0
Insurance			52		1,082
Training costs			178		0
Sundry costs			228		405
Funds stolen from the District	7		26,900		0
TOTAL OPERATING EXPENDITURE			<u>33,453</u>		<u>11,599</u>
Net Operating Income before interest and Financing Charges			<u>-19,214</u>		<u>28,796</u>
Less Bank and other finance charges			0		12
Net surplus (deficit) for the Year			<u>-19,214</u>		<u>28,784</u>

Shropshire Severn and Teme District Scout Council

**Balance Sheet
As At 31 March 2024**

	Notes	<u>2024</u> £	<u>2023</u> £
Current Assets			
Debtors re late received membership fees and sums due from Shifnal Hut Committee	5	13,056	10,440
Cash at Bank /In Hand (main District bank account)	3	5,087	54,319
Cash at Bank /In Hand (shop account)	4	1,415	2,846
		<u>19,558</u>	<u>67,605</u>
Current Liabilities			
Membership fees due to County	6	<u>0</u>	<u>36,833</u>
Net Current Assets		<u>0</u>	<u>30,772</u>
Long Term Liabilities			
Less amounts Loaned by County	6	8,000	0
Net Assets		<u>11,558</u>	<u>30,772</u>
Represented By			
General Funds			
At 1st April		30,772	38,822
Prior year adjustment re membership fees due and payable to County but not paid until the following year.		<u>0</u>	<u>36,834</u>
Revised opening reserves / General Funds at 1st April		30,772	1,988
Surplus / (Deficit) for the year			
As per the Statement of Financial Activities		-19,214	28,784
At 31st March - Closing Funds		<u>11,558</u>	<u>30,772</u>

Shropshire Severn and Teme District Scout Council

Notes to the Accounts

For the year ended 31 March 2024

1 Accounting Policies

a) Basics of Accounting

These accounts are prepared under the income and expenditure method of accounting.

b) In previous years the District has collected all of most of its membership fees during the year but paid over these fees to County in the following year (collect in March, pay over to County in April). During the current year there has been a change in operating policy such that fees are collected in March and paid over to County in March.

The view has been taken that this change should not be taken as a change in accounting policy. Rather, a change in how the policy is applied. The implication of this is that prior year reporting has been changed to incorporate membership fees due to County but not paid at the previous year end.

Membership fees paid to County are also restated in the prior year to achieve consistency. The fee adjustment for the pre-prior year is shown as a movement in opening reserves for the prior year.

c) The District does not hold any land and buildings or other fixed assets

	<u>2024</u>	<u>2023</u>
	£	£
3 Cash at Bank and In Hand		
Nat West Current Account	0	54,319
Lloyds Bank Current Account	5,087	0
	<u>5,087</u>	<u>54,319</u>

During the course of the year the District closed its current account with Nat West Bank. All funds at the date of closure were transferred to Lloyds Bank.

4 Cash at bank and in hand (Shop Account)	<u>1,415</u>	<u>2,846</u>
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During the course of the year funds totalling £3,500 were transferred from the shop account to the main District bank account. It has been decided by the trustees that £2,000 of these transferred funds should be treated as ring-fenced, since the funds may be transferred back to the Shop account at some time in the future.

	<u>2024</u>	<u>2023</u>
	£	£
5 Other Current Assets		
Membership fees at year end were outstanding from two Groups (£11,656), and a sub due from a Hall Committee of another Group (£1,400). All sums were paid to the District post year end.	<u>13,056</u>	<u>10,440</u>
6 Current and Long Term Liabilities		
Creditors: amounts falling due within one year. This sum relates to membership fees due to Shropshire County Scouting, in the prior year.	0	36,833
Long term loan from Shropshire County	8,000	0
Scouting, per Memorandum of understanding	<u>8,000</u>	<u>36,833</u>

7 Ongoing investigation into a fraud within the District, during the course of the year

During the course of the year a major theft was uncovered within the District. This theft was discovered almost immediately via the application of internal control procedures. Unfortunately, the funds in the hands of the thief were used to pay off other debts; recovery may thus prove problematic. Insofar as the Trustees are able to ascertain this has resulted in a loss to the District of £26,900. In the opinion of the Trustees this is the full magnitude of the financial loss. The situation has been under investigation by West Mercia Police for the last c12 months.