

BUTLIN AND ELBOROW HOUSING TRUST
A Charitable Incorporated Organisation
REGISTERED CHARITY No 1174921

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

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TRUSTEES ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Trustees in the year

Mr Roger Evans (Chairman)
Rev Edmund Newey
Mr Paul Smith
Mr Adrian Thacker
Mrs Ruth Wagstaffe (From 21 Sept 2021)

Objects

The objects of the charity are to provide housing accommodation for poor persons who reside in the Borough of Rugby. Such charitable activity and objectives is commonly referred to as the supply of "Almshouses".

Governing Instruments

The Charity is governed by a constitution dated 2nd October 2017, last amended in April 2018 and is registered as a Charitable Incorporated Organisation

Review of the Period

For almost the whole of the year all of the 12 properties were occupied
The Clerk, who had held that position for over 20 years, resigned near the end of the year having confessed to borrowing money from the Charity over a lengthy period. The records of financial dealings were in many cases incomplete but the amount involved has been provisionally calculated as accurately as possible having regard to the information available.

Financial Review

The trustees believe that proper accounting records have been established following the resignation of the former clerk across the year to 31 March 2022. The balance sheet, profit and loss, cash flow and statement of cost associated with the unauthorised cash withdrawals made by the former clerk between 2006 and 2022, fairly reflect the trusts state of affairs as at 31 March 2022, the financial activity across that year then ended and an estimate of the impact of the former clerk's unauthorised and concealed cash withdrawals, net of the amounts repaid to the trust.

In the last few days another Charity, Lawrence Sheriff Almshouses, has indicated it wants to claim £35,579.41 from the Charity representing money paid to the Charity from Lawrence Sheriff Almshouses by the former Clerk as part repayment of the money he owed. The trustees do not think the claim is legally valid.

Roger Evans

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INDEPENDENT EXAMINER'S REPORT

Independent Examiner's Report to the Trustees of the Butlin and Elborow Housing Trust

I report on the accounts of Butlin and Elborow Housing Trust for the year ended 31st March 2022 as set out on pages 1 - 6

Basis of Independent Examiner's Report is report relates to an independent examination carried out under section 145 of the Charities Act 2011 and the examination has been conducted in accordance with the Directions given by the Charity Commission. For this financial year of the accounts to which their report relates, This charitable Incorporated organisation does not require an audit in accordance with Part 16 of the Companies Act 2006.

Independent Examiner's Statement

I have examined the accounting records and the corresponding accounts reported herein and I believe that, following the resignation of the former clerk and a total cessation of his administration of the trust's financial affairs:

1. The accounting records of this charitable incorporated organisation, for the year ended 31 March 2022, have been established by the trustees and are in accordance with section 386 of the Companies Act 2006.
2. The unauthorised sale of trust investments and corresponding cash withdrawals by the former clerk across the period 2006 to 2022 have been specifically identified from the underlying bank and investment holding records by the trustees
3. The loss of investment returns due to the unauthorised sale of those investments across the period 2006 to the previous year ended 31 March 2021 is reported as an accounting reserve adjustment during the year ended 31 March 2022. That accounting estimate fairly reflects the dividend yields and capital appreciation of those investments that the trust would have benefited from had those investments not been sold, up to that accounting cut-off date of the 31 March 2021.
4. The accounts accord with the accounting records
5. The accounts are prepared on an accruals basis for a charity and comply with section 396 of the Companies Act and the methods and principles of the applicable SORP.

Iain Richard Smith BA, FCCA.
38 Sandford Way, Dunchurch, Rugby. CV22 6NB

BUTLIN & ELBOROW HOUSING TRUST
PROFIT ON ORDINARY CONTINUING OPERATIONS IN THE YEAR
ENDING 31 March 2022

		Not e 1
Maintenance charges collected on properties let in the year		47,407
Expenses in the year		
Utilities	1,307	
Bank Charges	207	
Insurance	1,179	
Annual regulatory fees	1,390	
Council Property Tax	785	
Repairs	6,583	
Charity Bank Loan Interest	<u>8,707</u>	
Total		20,159
Net profit on ordinary continuing operations in the year		<u><u>27,248</u></u>

CASH FLOW IN THE YEAR 31 March 2022

Net profit on ordinary continuing operations in the year		27,248
Property refurbishment loan repayments in the year		
Charity Bank Ltd - 25 years 4.5% above base interest	8,966	
Almshouse Association - 10 years interest free	<u>9,450</u>	
Total		(18,416)
Net cash flows from ordinary continuing operations in the year		<u><u>8,833</u></u>

Unauthorised cash withdrawals by the former clerk

Withdrawals between April 2021 and February 2022	(14,670)		
Amount repaid by the former clerk in the year to 31 March 2022	<u>61,021</u>		
Total net recovered in the year to 31 March 2022		4	46,351

2019/20 Property renovation cost final settlement paid in the year			(9,900)
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Total net cash flows during the year to 31 March 2022			<u><u>45,284</u></u>
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Net movement in cash balances in the year to 31 March 2022

Reported Lloyds bank balance as at 01 April 2021			13,796
Lloyds Bank current account March 2021 balance over stated by former clerk	4		<u>(12,729)</u>
Actual Lloyds Bank balance as at 1 April 2021			1,067

Closing Lloyds Bank balance as at 31 March 2022			46,351
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Net movement in cash balances in the year to 31 March 2022			<u><u>45,284</u></u>
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BUTLIN & ELBOROW HOUSING TRUST

BALANCE SHEET 31 March 2022

	2022 (Restated actuals)	Note	2021 (Reported)
Fixed Assets			
Freehold Property at market value 2022 (repaired cost 2021)	1,800,000	2	491,177
Less Homes England grants repayable if properties are sold	(243,423)	2	0
Investments	<u>0</u>	4	<u>150,648</u>
Total realisable value	<u>1,556,577</u>		<u>641,825</u>
Current Assets			
Debtors	0		1,984
Prepayments	0		925
Investments	0		1,500
Cash at Bank and in Hand	<u>46,351</u>		<u>13,796</u>
Total	<u>46,351</u>		<u>18,205</u>
Long term liabilities - property refurbishment loans			

Charity Bank Ltd - 25 years 4.5% above base interest	231,609		240,574
Almshouse Association - 10 years interest free	47,250		54,000
Total	<u>278,859</u>		<u>294,574</u>
Council Tax liability			
For periods properties are unoccupied	<u>63,524</u>	3	<u>58,029</u>
Reported Net Assets	<u>1,260,545</u>		<u>307,427</u>

MOVEMENT ON RESERVES IN THE YEAR

Reported Net Assets as at 1 April 2021			307,427
Profit on ordinary continuing operations in the year to 31 March 2022			27,248
Restatement of properties from historical repairS cost to current market value	1,308,823		
Less Homes England grants repayable if properties are sold	(243,423)		
Extra provision for rates liability on properties unoccupied but not being claimed	(5,495)	??	
2019/20 Property renovation cost final settlement	(9,900)		
Total accounting restatements to pre 31 March 2021 events			1,050,005
Cost of unauthorised withdrawals by the former clerk between 2006 and Feb 2022			(124,135)
4			<u>1,260,545</u>
Reported Net Assets as at 31 March 2022			<u>45</u>

Approved by the trustees on 18TH January 2023

Roger Evans
Chairman

Roger Evans

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BUTLIN & ELBOROW HOUSING TRUST

Cost to the trust of unrecovered unauthorised withdrawals by the former clerk between 2006 and Feb 2022

See Note 4

	To 31 Mar 2022	To 31 Mar 2021
Unauthorised cash withdrawals by the former clerk between 2006 and February 2022 largely funded by the unauthorised and concealed sale of trust investments	184,715	170,045
Falsely reported investment returns for the period 2006 to March 2021 = Dividends reinvested and investment unit trust valuation appreciation, relating to investments the trustees understood that the trust owned, but which had been sold by the former clerk.	119,753	119,753

Payment made by the clerk personally to the building contractor for renovation works during 2019/20, thereby concealing the fact that the investments, which the trustees assumed existed and could be applied to that work, had been previously misappropriated by the clerk

(119,312) (119,312)

Repayments made by the former clerk in the year to 31 March 2022

(61,021)

Net cost to the trust of the former clerk's actions

124,135

170,486

The above 31 March 2021 cost being concealed at that balance sheet date by way of the following reported assets

1570 NAACIF accumulation shares on the March 2021 balance sheet that had been sold between 2006 and 2014

150,648

Lloyds Bank current account March 2021 balance over stated

12,729

Understatement of Almshouse Association Loan

2,700

Other trust asset restatements

4,409

Total value of trust asset misstatements as at 31 March 2021

170,486

BUTLIN & ELBOROW HOUSING TRUST NOTES TO THE ACCOUNTS TO 31 March 2022

1. The accounts have been drawn up under the historical cost convention with items recognised at cost or accrued transaction value.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued 2019 and the Charities Act 2011

2. To report fairly the ongoing solvency and viability of the charity, the freehold almshouses properties are stated at their estimated market value rather than the historical repairs cost that had accumulated up to the end of the previous accounting year.

The trust has received various grants from Homes England going back as far as 1970 totalling £243,423. These are repayable to Homes England in the event that the trust properties are sold or the trust ceases.

3. The properties' liability for council tax during periods that they were unoccupied amounts to £63,524. The Council have registered a charge on the properties to protect this liability but have taken no further action recently. The Trustees plan to resolve this in the very near future.

4. In early 2022 it was discovered that the former clerk had been selling trust investments and withdrawing the cash proceeds with other money as what he called a loan. The trustees believe the total cash withdrawals to be £184,715 between 2006 and February 2022. The clerk concealed this activity by -

- falsely reporting that the trust still owned the various investments and cash bank balances within the year end accounts
- and fabricating an independent examiner's report thereon.