



WHAT REALLY HAPPENED TO THE TRUST RESERVES UNCOVERED

On 5th July 2016 we predicted what will happen to the Trust funds...

Figures are now in and they are eye watering...

On 5th July 2016 we wrote a detailed, informative document which we encourage you to download again from the previous official Trust's website www.eivt.co.uk which we continue to update to keep owners informed.

Previous to that, on 29th January 2016, we wrote to all 14 Charities Commission directors, to Joanne Ryan MP for Enfield North as well as to the Enfield Advertiser to raise awareness of our concerns about irregularities with the appointment of the Interim Managers, Veale Wasbrough Vizards (VWV). To date we did not receive any response from anyone. This letters and the accounts as at 30 September 2015, which showed the Trust's net assets to be £919,069, can be downloaded from www.eivt.co.uk.

THE FINANCIAL FACTS "BEFORE AND AFTER" IN SIMPLE TERMS:

Previous expenditure ICRI	Current expenditure Warwick Estates	Increase in expenditure
£269,284	£445,853	£176,569 (65.5% increase)

We have all recently received our Rentcharge demand for £250 from Warwick Estates. In their misguiding letter they state "EIVT cash reserves have been depleted due to the mismanagement of funds by the previous board, which includes the setting of an inadequate Rentcharge and its limited collection in 2014-15....." (THIS IS A LIE!)

THE FACTS ARE:

When the previous board managed the Trust in 2014/2015 the income as per the accounts for the Trust was £269,096 and the expenditure was £269,284. The deficit was a mere -£186 and the reserves as at 31 March 2015 were £773,789.

Between 1st April 2015 and 30th September 2015 The Trust's income was £299,458 and expenditure to date was £154,178. The surplus to that date was £145,280 and the reserves handed over to the Interim Manager were £919,069 (£773,789 + the surplus of £145,280).

Since then the RENTCHARGE has increased from £150 (ICRI) in 2015 to £200 (VWV & Warwick Estates) in 2016 and now £250 (Warwick Estates) for 2017.

Below we display the extract of the accounts which are available to download from our website www.eivt.co.uk and should also be available to download from the Trust website www.eiv.org.uk

PREVIOUS MANAGEMENT PERFORMANCE BY ICRI

	ICRI	ICRI
	01Apr2014 To 31Mar2015 (12 months)	01Apr2015 To 30Sep2015 (6 months)
Trust income	£269,096	£299,458
Expenditure	-£269,282	-£154,178
Surplus /-deficit	-£186	£145,280
Net Assets	£773,789	£919,069

Even the most inept cannot possibly believe the claim that the amount collected by ICRI for Rentcharge to March 2015 was inadequate given the evidence of the figures in the accounts as stated above which is incontrovertible proof that for the entire year the village was maintained to a high standard, utilizing only the so called "Inadequate Rentcharge" of £150p.a. supplemented only by a small deficit of -£186. For the following 6 months between 1 April 2015 to 30 September 2015 ICRI achieved a magnificent surplus of £145,280 whilst still keeping the Rentcharge to £150. Yet Warwick Estates are so bold as to write to all of us with this preposterous reason for the depletion of the Trust reserves, as justification for increasing the Rentcharge from £150 to £200 and now to £250.

THE TRUST'S PERFORMANCE SINCE THE INTERIM MANAGER AND THE CURRENT TRUSTEES TOOK OVER

	VWV / Warwick Estates	VWV / Warwick Estates
	01Oct2015 To 31Mar2016 (6 months)	01Apr2016 To 31Mar2017 (12 months)
Trust income	£19,265	Not yet published (Actual)
Expenditure	-£291,675	Not yet published (Actual)
Surplus /-deficit	-£272,410	Not yet published
Net Assets	£646,659	Not yet published

The accounts to 31 March 2016, as examined by the Trust new examiner, show the performance of the new management during the last 6 months of the year. Compare this with ICRI's performance of the first 6 months of the same financial year. It is clear that the assets of the Trust were depleted by £272,410 down to £646.659 from £919,069.

Where did all the money go? Read on, the answer is further down!

The accounts to 31 March 2017 have not as yet been published but we predict that if they continue down the same road, believing this is a Charity and not a Residents Association, the accounts will

highlight the magnitude of their disastrous performance. It seems that the qualification of Warwick Estates to which they referred in their letter is the qualification for indiscriminate spending.

NOTE OF SOME CURRENT INFLATED SPENDING EXAMPLES:

1. Increase in accountancy fees from £1,631 to £6,589 which includes £3,000 for auditing charge. These Trust accounts were not audited they were examined so why £5,000 increase.
2. Veale Wasbrough Vizards (Interim Managers) fees for 6 months of £68,412. Their appointment was for circa £42,000 to investigate (1) mismanagement (2) the validity of our elections & (3) current litigation.
How much more have they charged us up to the time they handed the Trust over to the current trustees? No one seems to know and where is this report which cost us so much money?
3. Premises costs increased from £9,443 to £19,926. The Trust has no premises other than the community centre and it does not pay rent, other than the service charges of around £5,000 and utility bills. What is that additional £10,000 for?
4. The gardener who was paid £25,000p.a. was recently dismissed and a new contract has been handed out (mainly to cut the grass at the back of the village) for £87,250. Why would the current trustees do this when the previous gardener worked 6 days a week and was doing an excellent job?
5. Litter picking had previously been done by a litter picker in 3 hours each day 3 days a week at a cost of £3,500p.a. The Trust is now paying £12,500 to a person for doing the same job. We have all seen him strolling around the village...
6. Administration £18,500 – This expenditure was previously part of the management fees paid to ICRI. Why pay £18,000 more now?
7. Bridge survey £4,000 – The bridge is the responsibility of Enfield Council and not the Trust, so why this expenditure now?
8. Clay cap inspection £4,500 – When ICRI managed the Trust it was agreed with Enfield Council that this is no longer required so why spend these money every year again?
9. Electricity £26,000 – This was previously £18,000 – 30% increase in electricity. This is rather strange as the Trust electricity is on contract.
10. Water rates £6,000 – This was previously £4,000 - 30% increase in water. Another over inflated estimate.
11. Professional fees £5,000 – Does anyone know what these are?

12. Investment Income £10,550 – The Trust owns two properties outright which are now worth over £500,000. The income from these properties was a constant £26,520. The budget we were now given states that the investment income from these properties is expected to be £10,550. Both properties are still owned by the Trust so where is the balance of £15,970 receivables going?
13. The total expenditure of the Trust should have now reduced by £28,000 because the Trust is no longer responsible for maintaining the pumping station at that cost. By law this responsibility has now been adopted by the water authority. Yet the budget increased from the expenditure of £236,835 (excluding the pumping station expenditure) when ICRI managed the Trust to over £300,000 budgeted for the coming year.

TO SUMMARISE:

As you will be able to ascertain from the examined accounts which are irrefutable, since the Interim Managers were appointed by the Charities Commission and the current trustees appointed Warwick Estates to maintain the village, the Rentcharge for each of property increased from £150p.a. to £250p.a., and expenditure increased from £269,284 (see accounts 31 March 2015) to £445,853 (see accounts 31 March 2016) and where is the transparency?

Yet Warwick Estates in their letter accompanying the Rentcharge would have you believe that the reason we now have to pay much higher Rentcharges is because of previous mismanagement, even though in September 2015 the Interim Manager took over from ICRI total net assets of £919,069, an astronomical amount in itself and this is an amount before taking into account the £200,000 increase in the value is the two properties the Trust owns. This would make the net realizable value at £1,119,069!

It seems that the current board of trustees with Warwick Estates and VWV in concert are trying to convince you all that economising is mismanagement and overspending while doing an inferior job is professional management.

Owners should ask for clarification on all the points from the current trustees who are ultimately in charge of the village and if you are dissatisfied raise your concerns with the Charities Commission. We will remind you it was the Charities Commission who ultimately induced all these issues by appointing an Interim Manager to report on 3 issues resulting in our costs spiralling out of control and no report ever made.

The previous trustees ensured that ICRI as the managing agent presented a comprehensive and transparent accounts detailing itemised expenditure. The accounts now prepared from instructions given by the trustees to Warwick Estates, merely gives the following details as expenditure:

Charitable Expenditure:	£375,738
Other Expenditure:	<u>£70,115</u>
Total Expenditure	£445,853

There is clearly no breakdown or explanations anywhere on what this £445,853 have been spent. Is this the professionalism and transparency the current trustees promised to introduce during their frenetic battle to take over the Trust and its funds?

The current trustees comprise of 4 of the people who presented themselves as the group who wanted to **“Save our Island”, the Interim Manager who appointed himself as a director of the Trust and who is now also the Trust’s solicitors. What a conflict of interest to be a trustee and authorising fees for his law practice of £64,000 in the first 6 months to produce a non-existent report.** This group is the group who apart from asking for transparency also accused the previous trustees of conflict of interest and running amok with the Trust’s money. Yet six months later they overspend by almost £272,410 and accepted as trustee someone who is not an owner but the most expensive service provider.

We are anxious to see the accounts for 31 March 2017 and how much will ultimately be left in the kitty.

Finally we encourage you to take a walk around the village and decide for yourselves if the infrastructure is better managed now by Warwick Estates compared to when ICRI managed it.

After you considered the events that took place since the appointment of the Interim Manager in September 2015 and digest the facts of the past 18 months and figures in the recent accounts and understand how the Trusts money disappeared from the banks, then you can decide for yourselves whether this is incompetence, dishonesty or something else currently practiced.

Sent to you by the falsely accused previous management

22 April 2017