

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST  
Report and Financial Statements**

**Year ended 30 June 2018**

**Registered as a charity in the Falkland Islands number C6(E)**

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**REPORT AND FINANCIAL STATEMENTS 2018**

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**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**TRUSTEES' REPORT**

The trustees present their report, together with the audited financial statements for the year ended 30 June 2018.

**RESULTS**

The Museum Fund deficit for the year was £3,745 (2017: surplus £11,079). The balance of reserves, excluding Special Funds, now totals £138,719 (2017: £138,423). The balance on the Special Funds is £312,694 (2017: £66,735).

**REVIEW OF THE BUSINESS**

The Trust is registered as a charity, number C6(E), in the Falkland Islands and the principal activity during the year was that of operating a museum.

The trustees are pleased with the results for the year of operation at the Historic Dockyard site.

**BASIS OF PREPARATION**

As at 30 June 2018 the Trust has net current assets of £395,870 and cash of £334,037. The Trust is funded primarily through retained earnings and grant income from the Falkland Islands Government.

As a consequence of the increased funding agreed for the year to 30 June 2019 and the previously unspent reserves, the trustees believe that the Trust is reasonably well placed to operate for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

**TRUSTEES**

The trustees during the year and to the date of this report were as follows:

Jan Cheek  
Richard Cockwell - Chair  
Paul Ellis  
Denise McPhee  
Tim Miller  
Vernon Steen  
Kurt Whitney

The trustees shall hold office in terms regulated under Section 4(2) of the Museum and National Trust Ordinance 1991.

**By order of the board of trustees**

*J. O. Summers*

**Secretary**

## **FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Falkland Islands Finance and Audit Ordinance 1988 requires the trustees to prepare financial statements for each financial year which give a true and fair view in accordance with the accounting requirements of the Falkland Islands of the state of affairs of the Trust and of the result of the Trust for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Museum and National Trust Ordinance 1991. They are also responsible for the system of internal control and for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF THE FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST**

**YEAR ENDED 30 JUNE 2018**

## **Opinion**

We have audited the financial statements of the Falkland Islands Museum and National Trust (the 'entity') for the year ended 30 June 2018 which comprise the Profit and Loss Account, the Balance Sheet and the related notes, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is the Museum and National Trust Ordinance 1991 and the Finance and Audit Ordinance 1988 and the accounting policies set out therein.

In our opinion, the financial statements:

- give a true and fair view of the state of the entity's affairs as at 30 June 2018 and of its surplus for the year then ended;
- have been properly prepared in accordance with applicable Falkland Islands law and International Standards on Auditing (UK and Ireland); and
- comply with the Museum and National Trust Ordinance 1991 and the Finance and Audit Ordinance 1988.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the entity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The committee members are responsible for the other information. The other information comprises the information included in the committee members report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, we have not identified material misstatements in the Members' Report.

#### **Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 1, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit report**

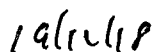
Our audit work has been undertaken so that we might state to board members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the board members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP



**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**INCOME AND EXPENDITURE ACCOUNT  
Year ended 30 June 2018**

	Note	2018 £	2017 £
<b>TURNOVER</b>	2	190,577	164,335
Cost of sales		<u>(65,857)</u>	<u>(52,084)</u>
<b>Gross profit</b>		124,720	112,251
Administrative expenses		<u>(307,623)</u>	<u>(247,601)</u>
<b>Deficit before other operating income</b>		(182,903)	(135,350)
Other operating income	3	<u>179,158</u>	<u>146,429</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>	4, 13	<u><u>(3,745)</u></u>	<u><u>11,079</u></u>

The Trust has no recognised gains or losses other than the above (deficit)/surplus for the current and prior year.

The accompanying notes are an integral part of this income and expenditure account.


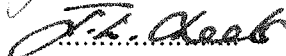
All amounts relate to continuing operations.

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**BALANCE SHEET  
At 30 June 2018**

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible fixed assets:			
Operational assets	6	1,611,720	1,645,235
Exhibits	7	771	771
		<u>1,612,491</u>	<u>1,646,006</u>
<b>CURRENT ASSETS</b>			
Stock	8	52,324	37,595
Debtors	9	76,793	26,327
Cash at bank and in hand		334,037	156,335
		<u>463,154</u>	<u>220,257</u>
<b>CURRENT LIABILITIES</b>			
Creditors - amounts falling due within one year	10	(67,284)	(66,516)
		<u>395,870</u>	<u>153,741</u>
<b>NET CURRENT ASSETS</b>			
		<u>2,008,361</u>	<u>1,799,747</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>1,556,948</u>	<u>(1,593,589)</u>
<b>Creditors - amounts falling due after more than one year</b>			
	11	(1,556,948)	(1,593,589)
		<u>451,413</u>	<u>205,158</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Museum fund	12	138,719	138,423
Special funds	12, 13	312,694	66,735
		<u>451,413</u>	<u>205,158</u>
<b>TOTAL TRUST FUNDS</b>			
	13	<u>451,413</u>	<u>205,158</u>

Approved by the Trustees on 17 December 2018

  
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Trustees



**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
Year ended 30 June 2018**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted by the Trust are described below and have been applied consistently in the current and prior year.

The financial statements have been prepared in accordance with United Kingdom accounting standards.

**Basis of preparation**

As at 30 June 2018 the Trust has net current assets of £395,870 and cash of £334,037. The Trust is set up primarily to break even after receipt of grant income. The Trust is funded primarily through retained earnings and grant income from the Falkland Islands Government.

As a consequence of the funding received for the year to 30 June 2019 and the previously unspent reserves, the Trustees believe that the Trust is reasonably well placed to operate for the foreseeable future despite the current uncertain economic outlook and accordingly the financial statements have been prepared on a going concern basis.

**Accounting convention**

These financial statements are prepared under the historical cost convention.

**Turnover**

Turnover includes entrance fees to the Museum and donations received which are recognised on receipt. The sale of goods is recognised when the goods are physically delivered to the customer.

**Tangible fixed assets**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. No depreciation is charged in respect of freehold land or assets under construction. Depreciation on other categories is provided at rates to write off the cost of each asset on a straight-line basis at the following annual rates:

Buildings	2% (previously 10%)
Computer equipment	33%
Museum and office equipment	20%
Motor vehicles	20%

No depreciation is charged in respect of exhibited assets, which are recorded at original purchase cost, as their condition is not considered to deteriorate over time.

**Donated exhibits**

No value is reflected in the financial statements for donated exhibits.

**Sale of exhibits**

Proceeds of sales of purchased exhibits are set against their purchase cost with any gain or loss arising being charged to the income and expenditure account.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Adjustments are made for slow moving and obsolete stock.

**Government subsidies**

The Falkland Islands Government provides financial support by way of subsidies. These subsidies take the form of drawdowns by the Falkland Islands Museum and National Trust to cover operating expenses.

Government Subventions received, in respect of revenue expenditure incurred in relation to the Dockyard Development, are treated as income and matched to the expenditure, except when they are deemed to be capital items.

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 30 June 2018**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Special funds**

Special funds represent income received which is restricted or designated by the Trustees to being spent in a defined manner on specific projects. On an annual basis, the grant received in connection with the building of the Dockyard development is moved from special funds into deferred capital grants and released in line with the depreciation charged to the Income and Expenditure account.

**Cash flow statement**

The financial statements do not include a cash flow statement because the company, as a small entity, is exempt from the requirement to prepare such a statement.

**Grants**

Grants in respect of capital expenditure are recorded in the balance sheet as deferred income within creditors and released to the income and expenditure account over the life of the related fixed assets.

**2. TURNOVER**

The Trust engages in only one class of business in one location. Turnover for the year was as follows:

	2018	2017
	£	£
Donations	23,067	14,399
Fundraising events	6,287	-
Entry fees	72,247	68,957
Sale of merchandise	88,976	80,979
	<u>190,577</u>	<u>164,335</u>

**3. OTHER OPERATING INCOME**

	2018	2017
	£	£
Government subsidies/Operating subsidy	170,756	141,507
Venue hire/rent received	3,300	3,240
Sundry income	4,878	1,603
Interest received	224	79
	<u>179,158</u>	<u>146,429</u>

**4. SURPLUS FOR THE YEAR**

The surplus for the year is stated after charging / (crediting):

	2018	2017
	£	£
Wages and salaries	179,079	155,937
Auditors' remuneration	1,780	1,780
Depreciation	<u>51,287</u>	<u>52,561</u>

None of the trustees received any payments from the Trust during the year or prior year in respect of their services as trustees.

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 June 2018**

**5. TAXATION**

In accordance with the Museum and National Trust Ordinance 1991, the income of the Trust is exempt from any form of taxation in the Falkland Islands.

**6. TANGIBLE FIXED ASSETS – OPERATIONAL ASSETS**

	Land & buildings £	Computer equipment £	Museum & office equipment £	Vehicle £	Total £
<b>Cost:</b>					
At 1 July 2017	1,718,066	28,851	84,600	-	1,831,517
Additions	5,260	2,833	9,079	8,000	25,172
Disposals	-	-	-	(8,000)	(8,000)
	<u>1,723,326</u>	<u>31,684</u>	<u>93,679</u>	<u>-</u>	<u>1,848,689</u>
At 30 June 2018	1,723,326	31,684	93,679	-	1,848,689
<b>Depreciation:</b>					
At 1 July 2017	99,014	25,206	63,062	-	187,282
Charge for year	34,400	4,046	11,241	1,600	51,287
On disposals	-	-	-	(1,600)	(1,600)
	<u>133,414</u>	<u>29,252</u>	<u>74,303</u>	<u>-</u>	<u>236,969</u>
At 30 June 2018	133,414	29,252	74,303	-	236,969
<b>Net book value:</b>					
At 30 June 2018	<u>1,589,912</u>	<u>2,432</u>	<u>19,376</u>	<u>-</u>	<u>1,611,720</u>
At 30 June 2017	<u>1,619,052</u>	<u>3,645</u>	<u>21,538</u>	<u>-</u>	<u>1,644,235</u>

In 1993, the land and buildings of Cartmell House were transferred to the Trust for £nil consideration by a benefactor. In 2017, the land and buildings of the Hawk's Nest Shanty were transferred to the Trust for £nil consideration by two separate benefactors. These conveyances were complete subject to the buildings being retained and preserved by the Trust as buildings of historic interest.

**7. TANGIBLE FIXED ASSETS - EXHIBITS**

	Display items £
<b>Cost:</b>	
At 1 July 2017 and 30 June 2018	<u>771</u>

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 June 2018**

**8. STOCK**

	2018 £	2017 £
Goods and asset for resale	52,324	37,595

**9. DEBTORS**

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,263	1,029
Prepayments and other debtors	75,530	25,298
	<u>76,793</u>	<u>26,327</u>

**10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	5,212	8,954
Deferred capital grants	41,795	42,751
Other creditors and accruals	20,277	14,811
	<u>67,284</u>	<u>66,516</u>

**11. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN YEAR**

	2018 £	2017 £
Deferred capital grants	1,556,948	1,593,589
	<u>1,556,948</u>	<u>1,593,589</u>

The deferred capital grant will be amortised to the income and expenditure account over the remaining useful life of the fixed assets. The total amount amortised during the year amounts to £42,857. At the year end, the remaining capital grant amounts to £1,598,743, the amount included within one year totals £41,795, which represents the element of the capital grant which is expected to be amortised to the income and expenditure account in the financial year ended 30 June 2019. The remaining amount of £1,556,948 has been included in amounts falling due after more than one year.

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 June 2018**

**12. SPECIAL FUNDS**

	2018	2017
	£	£
Past Finders	4,969	-
Dockyard Project Fund	52,586	57,846
Whalebone Arch/Signage	-	3,750
Big Shed	252,200	1,200
Cape Pembroke Fund	3,939	3,939
	<u>312,694</u>	<u>66,735</u>

**13. TOTAL TRUST FUNDS**

	Museum fund £	Special funds £	Total £
The movements on Trust funds during the year were as follows:			
At 1 July 2017	138,423	66,735	205,158
Deficit for the year	(3,745)	-	(3,745)
Dockyard Project Fund released from Special Funds	5,260	(5,260)	-
Museum fund transferred to Past Finders Fund	(4,969)	4,969	-
Whalebone Arch/Signage Fund released to Museum fund	3,750	(3,750)	-
Capital subvention from Falkland Islands Government for new exhibition hall	-	250,000	250,000
At 30 June 2018	<u>138,719</u>	<u>312,694</u>	<u>451,413</u>

**14. RELATED PARTY TRANSACTIONS**

Richard Cockwell, a Trustee, received the amount of £201 in respect of items sold in the Museum shop.

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**ADDITIONAL UNAUDITED INFORMATION  
Year ended 30 June 2018**

The additional unaudited information below is prepared from the accounting records of the Trust. It should be read in conjunction with the statutory financial statements set out on pages 4 to 10 and the independent auditors' report thereon.

**ADMINISTRATIVE EXPENSES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Insurance	4,517	4,036
Light and heat	15,154	11,734
Wages and salaries	179,079	155,937
Administrative support	289	300
Materials and miscellaneous	25,229	17,212
Advertising and promotion	2,931	12,238
Displays and exhibitions	3,681	5,173
Fund raising events	5,456	-
National Trust expenses	26,968	3,198
Past Finders expenses	4,350	-
Travel and subsistence	4,140	3,458
Repairs, handyman, and housekeeping	13,653	15,071
Telephone and fax	3,328	2,694
Auditors' remuneration	1,780	1,780
Legal fees	-	2,175
Depreciation	51,287	52,561
Release of deferred capital grants	(42,857)	(48,066)
Accountancy	8,638	8,100
	<u>307,623</u>	<u>247,601</u>

**COST OF SALES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Opening stock	37,595	36,525
Purchases	78,586	53,154
Less: closing stock	(50,324)	(37,595)
	<u>65,857</u>	<u>52,084</u>