

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

Year ended 30 June 2017

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

**FALKLAND ISLANDS MUSEUM
AND NATIONAL TRUST**

REPORT AND FINANCIAL STATEMENTS 2017

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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 2017.

RESULTS

The Museum Fund surplus for the year was £11,079 (2016: surplus £8,536). The balance of reserves, excluding Special Funds, now totals £138,423 (2016: £15,958). The balance on the Special Funds is £66,735 (2016: £178,121).

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 2017 the Trust has net current assets of £153,741 and cash of £156,335. 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 2018 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 Check
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



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 TRUSTEES OF THE FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST

We have audited the financial statements of Falkland Islands Museum and National Trust (the 'trust') for the year ended 30 June 2017 which comprise the Income and Expenditure account, the Balance Sheet, and notes to the financial statements, including a summary of significant 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 trust's affairs as at 30 June 2017 and of its profit for the year then ended 30 June 2017;
- have been properly prepared in accordance with applicable Falkland Islands law and International Standards on Auditing (UK and Ireland).
- 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 trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Falkland Islands, 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 trust'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 trustees are responsible for the other information. The other information comprises the information included in the trustees' 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees 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 trustees 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 trustees are responsible for assessing the trust'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 trustees either intend to liquidate the trust 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. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

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. This description forms part of our auditor's report.

Signed:



Mazars LLP Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 8AN

Date: 16/01/2018

Mazars LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**FALKLAND ISLANDS MUSEUM
AND NATIONAL TRUST**

**INCOME AND EXPENDITURE ACCOUNT
Year ended 30 June 2017**

	Note	2017 £	2016 £
TURNOVER	2	164,335	157,156
Cost of sales		<u>(52,084)</u>	<u>(42,226)</u>
Gross profit		112,251	114,930
Administrative expenses		<u>(247,601)</u>	<u>(239,411)</u>
Deficit before other operating income		(135,350)	(124,481)
Other operating income	3	<u>146,429</u>	<u>133,017</u>
SURPLUS FOR THE YEAR	4, 13	<u><u>11,079</u></u>	<u><u>8,536</u></u>

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

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

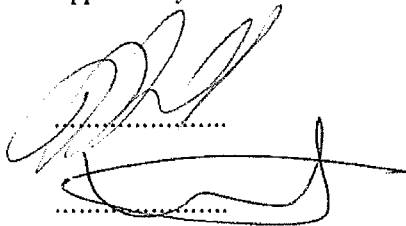
All amounts relate to continuing operations.

**FALKLAND ISLANDS MUSEUM
AND NATIONAL TRUST**

**BALANCE SHEET
At 30 June 2017**

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets:			
Operational assets	6	1,645,235	1,691,547
Exhibits	7	771	771
		<u>1,646,006</u>	<u>1,692,318</u>
CURRENT ASSETS			
Stock	8	37,595	36,525
Debtors	9	26,327	41,209
Cash at bank and in hand		156,335	128,431
		<u>220,257</u>	<u>206,165</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	10	(66,516)	(68,063)
NET CURRENT ASSETS			
		<u>153,741</u>	<u>138,102</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		1,799,747	1,830,420
Creditors - amounts falling due after more than one year	11	(1,593,589)	(1,636,341)
NET ASSETS			
		<u>205,158</u>	<u>194,079</u>
CAPITAL AND RESERVES			
Museum fund	12	138,423	15,958
Special funds	12, 13	66,735	178,121
TOTAL TRUST FUNDS			
	13	<u>205,158</u>	<u>194,079</u>

Approved by the Trustees on



Trustees

FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2017

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 2017 the Trust has net current assets of £153,741 and cash of £156,335. 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 2018 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
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2017

1. ACCOUNTING POLICIES (CONTINUED)

Special funds

Special funds represent income received which is restricted 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:

	2017 £	2016 £
Donations	14,399	26,429
Fundraising event	-	5,930
Entry fees	68,957	61,313
Sale of merchandise	80,979	63,484
	<u>164,335</u>	<u>157,156</u>

3. OTHER OPERATING INCOME

	2017 £	2016 £
Government subsidies/Operating subsidy	141,507	125,210
Venue hire/rent received	3,240	1,300
Sundry income	1,603	6,401
Interest received	79	106
	<u>146,429</u>	<u>133,017</u>

4. SURPLUS FOR THE YEAR

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

	2017 £	2016 £
Wages and salaries	155,937	149,911
Auditors' remuneration	1,780	1,700
Depreciation	52,561	52,060
	<u>210,278</u>	<u>203,671</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
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2017**

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 £	Total £
Cost:				
At 1 July 2016	1,718,066	27,225	80,977	1,826,268
Additions	-	1,626	3,623	5,249
Disposals	-	-	-	-
	<u>1,718,066</u>	<u>28,851</u>	<u>84,600</u>	<u>1,831,517</u>
At 30 June 2017	1,718,066	28,851	84,600	1,831,517
Depreciation:				
At 1 July 2016	64,719	16,793	53,209	134,721
Charge for year	34,295	8,413	9,853	52,621
On disposals	-	-	-	-
	<u>99,014</u>	<u>25,206</u>	<u>63,062</u>	<u>187,232</u>
At 30 June 2017	99,014	25,206	63,062	187,232
Net book value:				
At 30 June 2017	<u>1,619,052</u>	<u>3,645</u>	<u>21,538</u>	<u>1,644,235</u>
At 30 June 2016	<u>1,653,347</u>	<u>10,432</u>	<u>27,768</u>	<u>1,691,547</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 £
Cost:	
At 1 July 2016 and 30 June 2017	<u>771</u>

**FALKLAND ISLANDS MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2017

8. STOCK

	2017 £	2016 £
Goods for resale	<u>37,595</u>	<u>36,525</u>

9. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,029	2,359
Prepayments and other debtors	<u>25,298</u>	<u>38,850</u>
	<u>26,327</u>	<u>41,209</u>

10. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	8,954	6,978
Deferred capital grants	42,751	48,065
Other creditors and accruals	<u>14,811</u>	<u>13,020</u>
	<u>66,516</u>	<u>68,063</u>

11. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN YEAR

	2017 £	2016 £
Deferred capital grants	<u>1,593,589</u>	<u>1,636,341</u>
	<u>1,593,589</u>	<u>1,636,341</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 £48,066. At the year end, the remaining capital grant amounts to £1,636,340, the amount included within one year totals £42,751, 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 2018. The remaining amount of £1,593,589 has been included in amounts falling due after more than one year.

**FALKLAND ISLANDS MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2017

12. SPECIAL FUNDS

	2017	2016
	£	£
1914 Fund	-	15,853
Dockyard Project Fund	57,846	162,268
Whalebone Arch/Signage	3,750	-
Big Shed	1,200	-
Cape Pembroke Fund	3,939	-
	<u>66,735</u>	<u>178,121</u>

13. TOTAL TRUST FUNDS

	Museum fund £	Special funds £	Total £
The movements on Trust funds during the year were as follows:			
At 1 July 2016	15,958	178,121	194,079
Surplus for the year	11,079	-	11,079
Dockyard Project Fund released from Special Funds	104,421	(104,421)	-
Museum fund transferred to Cape Pembroke fund	(3,939)	3,939	-
Museum fund transferred to Whalebone Arch/Signage fund	(3,750)	3,750	-
1914 Fund released from Special Funds	15,854	(15,854)	-
Museum fund transferred to Big Shed Fund	(1,200)	1,200	-
	<u>138,423</u>	<u>66,735</u>	<u>205,158</u>

14. RELATED PARTY TRANSACTIONS

Richard Cockwell, a Trustee, received the amount of £348 in respect of items sold in the Museum shop.

**FALKLAND ISLANDS MUSEUM
AND NATIONAL TRUST**

ADDITIONAL UNAUDITED INFORMATION
Year ended 30 June 2017

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

	2017	2016
	£	£
Insurance	4,036	3,968
Light and heat	11,734	11,826
Wages and salaries	155,937	149,911
Administrative support	300	328
Materials and miscellaneous	17,212	21,409
Advertising and promotion	12,238	2,684
Displays and exhibitions	5,173	10,832
Fund raising event	-	6,344
National Trust expenses	3,198	-
Travel and subsistence	3,458	7,213
Repairs, handyman, and housekeeping	15,071	7,380
Telephone and fax	2,694	3,533
Auditors' remuneration	1,780	1,700
Legal fees	2,175	-
Depreciation	52,561	52,060
Release of deferred capital grants	(48,066)	(48,065)
Accountancy	8,100	8,288
	<u>247,601</u>	<u>239,411</u>

COST OF SALES

	2017	2016
	£	£
Opening stock	36,525	24,263
Purchases	53,154	54,488
Less: closing stock	(37,595)	(36,525)
	<u>52,084</u>	<u>42,226</u>