

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

Year ended 30 June 2021

**FALKLAND ISLANDS MUSEUM
AND NATIONAL TRUST**

REPORT AND FINANCIAL STATEMENTS 2021

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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 2021.

RESULTS

The Museum Fund deficit for the year was £35,331 (2020: surplus £187,209). The balance of reserves, excluding Special Funds, now totals £503,713 (2020: £569,384). The balance on the Special Funds is £272,448 (2020: £242,108).

REVIEW OF THE BUSINESS AND PLANS FOR THE FUTURE

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.

The Trust is currently raising funds for the construction of a new exhibition hall, which will contain some larger exhibits and permit better custodianship and conservation of other items. Additionally, due to the surplus for the year, the Trust is now in the position to extend its National Trust work, recording and preserving historic sites throughout the Falkland Islands including the Hawk's Nest Shanty.

Sir Michael Edward Palin KCMG CBE FRGS has agreed to become Honorary Patron of the Trust, which will help promote the work of the Trust on a worldwide basis.

BASIS OF PREPARATION

As at 30 June 2021 the Trust has net current assets of £652,230 and cash of £625,039. The Trust is funded primarily through retained earnings and grant income from the Falkland Islands Government.

As a consequence of the funding agreed for the year to 30 June 2022 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:

Emma Brook
Jan Cheek
Richard Cockwell - Chair
Paul Ellis
John Hellowell (appointed 27 July 2020)
Tim Miller
Geoff Pring (appointed 15 September 2021)
Kurt Whitney (resigned 29 June 2021)

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 2021 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 2021 and of its profit for the year then ended 30 June 2021;
- 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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.

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.

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

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 the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Museum and National Trust Ordinance 1991 and the Finance and Audit Ordinance 1988.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

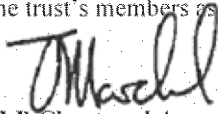
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Use of the audit report

This report is made solely to the trust's members as a body. Our audit work has been undertaken so that we might state to the trust's 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 trust and the trust's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Mazars LLP Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 8AN

Date: 7 February 2022

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 2021

	Note	2021 £	2020 £
TURNOVER	2	105,532	137,623
Cost of sales		(33,766)	(51,819)
Gross profit		71,766	85,804
Administrative expenses		(264,969)	(345,145)
Deficit before other operating income		(193,203)	(259,341)
Other operating income	3	157,872	446,550
(DEFICIT)/SURPLUS FOR THE YEAR	4, 13	(35,331)	187,209

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.

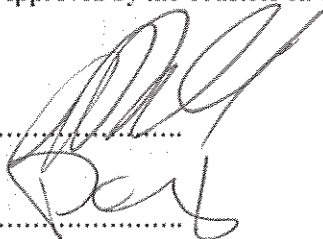
All amounts relate to continuing operations.

**FALKLAND ISLANDS MUSEUM
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**BALANCE SHEET
At 30 June 2021**

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets:			
Operational assets	6	1,521,358	1,563,349
Exhibits	7	771	771
Assets under construction	8	57,422	41,845
		<u>1,579,551</u>	<u>1,605,965</u>
CURRENT ASSETS			
Stock	9	64,404	79,069
Debtors	10	21,573	14,691
Cash at bank and in hand		625,039	655,190
		<u>711,016</u>	<u>748,950</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	11	(51,786)	(46,153)
NET CURRENT ASSETS		<u>659,230</u>	<u>702,797</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,238,781</u>	<u>2,308,762</u>
Creditors - amounts falling due after more than one year	12	(1,462,620)	(1,497,270)
NET ASSETS		<u><u>776,161</u></u>	<u><u>811,492</u></u>
CAPITAL AND RESERVES			
Museum fund	13	503,713	569,384
Special funds	13, 14	272,448	242,108
TOTAL TRUST FUNDS	14	<u><u>776,161</u></u>	<u><u>811,492</u></u>

Approved by the Trustees on 17th June 2022



Trustees

FALKLAND ISLANDS MUSEUM AND NATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2021

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 2021 the Trust has net current assets of £659,230 and cash of £625,039. 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 2022 and the previously unspent reserves, the Trustees believe that the Trust is reasonably well placed to operate for the foreseeable 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, assets under construction, or assets not yet brought into use. 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 and are related to the value of landing fees from cruise ship passengers received by the Falkland Islands Government during the tourist season.

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 2021

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:

	2021	2020
	£	£
Donations	51,512	20,934
Fundraising events	4,085	11,883
Entry fees	5,413	10,607
Sale of merchandise	44,522	94,199
	<u>105,532</u>	<u>137,623</u>

3. OTHER OPERATING INCOME

	2021	2020
	£	£
Income from landing fees/Government subsidy	150,000	437,016
Venue hire/rent received	4,600	4,665
Sundry income	2,951	3,593
Interest received	321	1,276
	<u>157,872</u>	<u>446,550</u>

4. (DEFICIT)/SURPLUS FOR THE YEAR

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

	2021	2020
	£	£
Wages and salaries	182,541	213,940
Auditors' remuneration	8,100	1,890
Depreciation	45,991	48,879

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 2021

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 £	Vehicles £	Total £
Cost:					
At 1 July 2020	1,735,835	36,613	106,779	19,383	1,898,610
Additions	-	250	3,750	-	4,000
Disposals	-	(3,352)	(13,057)	-	(16,409)
At 30 June 2021	1,735,835	33,511	97,472	19,383	1,886,201
Depreciation:					
At 1 July 2020	202,715	34,297	94,373	3,876	335,261
Charge for year	34,650	1,726	5,739	3,876	45,991
On disposals	-	(3,352)	(13,057)	-	(16,409)
At 30 June 2021	237,365	32,671	87,055	7,752	364,843
Net book value:					
At 30 June 2021	1,498,470	840	10,417	11,631	1,521,358
At 30 June 2020	1,533,120	2,316	12,406	15,507	1,563,349

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 2020 and 30 June 2021	771

**FALKLAND ISLANDS MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 30 June 2021

8. TANGIBLE FIXED ASSETS – ASSETS UNDER CONSTRUCTION

Lookout Gallery construction works continued during the year £57,422 (2020: £41,845).

9. STOCK

	2021 £	2020 £
Goods for resale	64,404	79,069

10. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,427	1,943
Prepayments and other debtors	20,146	12,748
	21,573	14,691

11. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	4,971	1,467
Deferred capital grants	34,650	34,650
Other creditors and accruals	12,167	10,036
	51,788	46,153

12. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN YEAR

	2021 £	2020 £
Deferred capital grants	1,462,620	1,497,270
	1,462,620	1,497,270

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 £34,650. At the year end, the remaining capital grant amounts to £1,497,270, the amount included within one year totals £34,650, 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 2022. The remaining amount of £1,462,620 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 2021

13. SPECIAL FUNDS

	2021 £	2020 £
Past Finders	9,517	5,874
Lookout Gallery	258,003	232,295
Cape Pembroke Fund	4,928	3,939
	<u>272,448</u>	<u>242,108</u>

14. TOTAL TRUST FUNDS

	Museum fund £	Special funds £	Total £
The movements on Trust funds during the year were as follows:			
At 1 July 2020	569,384	242,108	811,492
Deficit for the year	(35,331)	-	(35,331)
Donations for Lighthouse transferred to Special Funds	(990)	990	-
Donations for Past Finders Fund transferred to Special Funds	(6,222)	6,222	-
Costs of Past Finders transferred to Museum Fund	2,579	(2,579)	-
Donations for Lookout Gallery transferred to Special Funds	(41,285)	41,285	-
Costs of Lookout Gallery project transferred to Museum Fund	15,578	(15,578)	-
At 30 June 2021	<u>503,713</u>	<u>272,448</u>	<u>776,161</u>

15. RELATED PARTY TRANSACTIONS

Richard Cockwell, a Trustee, received the amount of £nil (2020: £168) in respect of items sold in the Museum shop.

**FALKLAND ISLANDS MUSEUM
AND NATIONAL TRUST**

ADDITIONAL UNAUDITED INFORMATION
Year ended 30 June 2021

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

	2021	2020
	£	£
Insurance	8,797	8,359
Light and heat	16,821	21,818
Wages and salaries	182,541	213,940
Administrative support	90	85
Materials and miscellaneous	10,156	15,386
Advertising and promotion	(6,478)	11,045
Displays and exhibitions	982	2,728
Fund raising events	866	10,561
National Trust expenses	372	1,572
Past Finders expenses	2,579	3,413
Travel and subsistence	874	6,265
Repairs, handyman, and housekeeping	14,734	23,149
Telephone and fax	3,329	3,404
Auditors' remuneration	8,100	1,890
Legal fees	1,102	114
Depreciation	45,991	48,879
Release of deferred capital grants	(34,650)	(37,288)
Accountancy	8,763	9,825
	<u>264,969</u>	<u>345,145</u>

COST OF SALES

	2021	2020
	£	£
Opening stock	79,069	71,202
Purchases	19,101	59,686
Less: closing stock	(64,404)	(79,069)
	<u>33,766</u>	<u>51,819</u>