

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**Report and Financial Statements**

**Year ended 30 June 2022**

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**REPORT AND FINANCIAL STATEMENTS 2022**

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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 2022.

### **RESULTS**

The Museum Fund surplus for the year was £52,769 (2021: deficit £35,331). The balance of reserves, excluding Special Funds, now totals £447,653 (2021: £503,713). The balance on the Special Funds is £381,277 (2021: £272,448).

### **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 despite the effects of Covid-19 on tourist numbers.

The Trust is continuing to raise 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, the Trust is now looking to extend its National Trust work, recording and preserving historic sites throughout the Falkland Islands including the Cape Pembroke Lighthouse.

The property known as Admiralty Cottage, Stanley was donated to the Trust in July 2022, with a further potential amount to renovate the building. Plans are still being developed for the future use of the property under the terms of the bequest.

### **BASIS OF PREPARATION**

As at 30 June 2022 the Trust has net current assets of £714,349 and cash of £669,332. 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 2023 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  
Tim Miller  
Geoff Pring (appointed 15 September 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**

## **Opinion**

We have audited the financial statements of Falkland Islands Museum and National Trust (the 'trust') for the year ended 30 June 2022 which comprise Income and Expenditure Account, 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 2022 and of its profit for the year then ended;
- 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 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**

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 trust'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 other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 trust and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the trust is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the trust which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Museum and National Trust Ordinance 1991 and the Finance and Audit Ordinance 1988 and the accounting policies set out therein.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

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.

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

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](http://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.

*Mazars LLP*

Mazars LLP (Feb 27, 2023 13:12 GMT)

Mazars LLP Chartered Accountants and Statutory Auditor

90 Victoria Street

Bristol

BS1 6DP

Date: Feb 27, 2023

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**INCOME AND EXPENDITURE ACCOUNT**  
**Year ended 30 June 2022**

	Note	2022 £	2021 £
<b>TURNOVER</b>	2	199,399	105,532
Cost of sales		(24,915)	(33,766)
<b>Gross profit</b>		174,484	71,766
Administrative expenses		(283,802)	(264,969)
<b>Deficit before other operating income</b>		(109,318)	(193,203)
Other operating income	3	162,087	157,872
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	4	52,769	(35,331)

The Trust has no recognised gains or losses other than the above surplus/(deficit) 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.



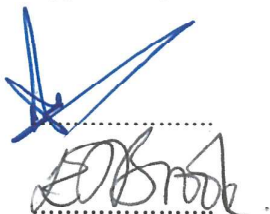
**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**BALANCE SHEET  
At 30 June 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Tangible fixed assets:			
Operational assets	6	1,477,446	1,521,358
Exhibits	7	771	771
Assets under construction	8	64,334	57,422
		<u>1,542,551</u>	<u>1,579,551</u>
<b>CURRENT ASSETS</b>			
Stock	9	71,067	64,404
Debtors	10	25,881	21,573
Cash at bank and in hand		669,332	625,039
		<u>766,280</u>	<u>711,016</u>
<b>CURRENT LIABILITIES</b>			
Creditors - amounts falling due within one year	11	<u>(51,931)</u>	<u>(51,786)</u>
<b>NET CURRENT ASSETS</b>			
		<u>714,349</u>	<u>659,230</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		2,256,900	2,238,781
Creditors - amounts falling due after more than one year	12	<u>(1,427,970)</u>	<u>(1,462,620)</u>
<b>NET ASSETS</b>			
		<u>828,930</u>	<u>776,161</u>
<b>CAPITAL AND RESERVES</b>			
Museum fund	14	447,653	503,713
Special funds	13, 14	381,277	272,448
<b>TOTAL TRUST FUNDS</b>			
	14	<u>828,930</u>	<u>776,161</u>

Approved by the Trustees on .....

22<sup>nd</sup> February 2023.



Trustees

**NOTES TO THE FINANCIAL STATEMENTS  
Year ended 30 June 2022**

**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 2022 the Trust has net current assets of £714,349 and cash of £669,332. 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 2023 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 2022**

**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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Donations	121,776	51,512
Fundraising events	14,563	4,085
Entry fees	7,424	5,413
Sale of merchandise	55,636	44,522
	<u>199,399</u>	<u>105,532</u>

**3. OTHER OPERATING INCOME**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Income from landing fees/Government subsidy	150,000	150,000
Venue hire/rent received	4,200	4,600
Sundry income	6,188	2,951
Interest received	1,699	321
	<u>162,087</u>	<u>157,872</u>

**4. (DEFICIT)/SURPLUS FOR THE YEAR**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	192,732	182,541
Auditors' remuneration	5,250	8,100
Depreciation	<u>44,481</u>	<u>45,991</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 2022**

**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 £
<b>Cost:</b>					
At 1 July 2021	1,735,835	33,511	97,472	19,383	1,886,201
Additions	-	-	569	-	569
Disposals	-	-	-	-	-
At 30 June 2022	<u>1,735,835</u>	<u>33,511</u>	<u>98,041</u>	<u>19,383</u>	<u>1,886,770</u>
<b>Depreciation:</b>					
At 1 July 2021	237,365	32,671	87,055	7,752	364,843
Charge for year	34,650	753	5,202	3,876	44,481
On disposals	-	-	-	-	-
At 30 June 2022	<u>272,015</u>	<u>33,424</u>	<u>92,257</u>	<u>11,628</u>	<u>409,324</u>
<b>Net book value:</b>					
At 30 June 2022	<u>1,463,820</u>	<u>87</u>	<u>5,784</u>	<u>7,755</u>	<u>1,477,446</u>
At 30 June 2021	<u>1,498,470</u>	<u>840</u>	<u>10,417</u>	<u>11,631</u>	<u>1,521,358</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 2021 and 30 June 2022	771

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**Year ended 30 June 2022**

**8. TANGIBLE FIXED ASSETS – ASSETS UNDER CONSTRUCTION**

Lookout Gallery construction works continued during the year £64,334 (2021: £57,422).

**9. STOCK**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Goods for resale	71,067	64,404

**10. DEBTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	731	1,427
Prepayments and other debtors	25,150	20,146
	<u>25,881</u>	<u>21,573</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,115	4,971
Deferred capital grants	34,650	34,650
Other creditors and accruals	14,166	12,167
	<u>51,931</u>	<u>51,788</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred capital grants	1,427,970	1,462,620
	<u>1,427,970</u>	<u>1,462,620</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 £34,650. At the year end, the remaining capital grant amounts to £1,462,620, 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 2023. The remaining amount of £1,427,970 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 2022**

**13. SPECIAL FUNDS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Past Finders	8,767	9,517
Lookout Gallery	367,418	258,003
Cape Pembroke Fund	5,092	4,928
	<u>381,277</u>	<u>272,448</u>

**14. TOTAL TRUST FUNDS**

	<b>Museum fund £</b>	<b>Special funds £</b>	<b>Total £</b>
The movements on Trust funds during the year were as follows:			
At 1 July 2021	503,713	272,448	776,161
Surplus for the year	52,769	-	52,769
Donations for Lighthouse transferred to Special Funds	(164)	164	-
Donations for Past Finders Fund transferred to Special Funds	(2,650)	2,650	-
Costs of Past Finders transferred to Museum Fund	3,400	(3,400)	-
Donations for Lookout Gallery transferred to Special Funds	(116,327)	116,327	-
Costs of Lookout Gallery project transferred to Museum Fund	6,912	(6,912)	-
At 30 June 2022	<u>447,653</u>	<u>381,277</u>	<u>828,930</u>

**15. RELATED PARTY TRANSACTIONS**

Richard Cockwell, a Trustee, supplied goods to the value of £283 (2021: £nil) in respect of items sold in the Museum shop. Emma Brook, a Trustee, supplied goods to the value of £490 (2021: £195) in respect of items sold in the Museum shop.

**FALKLAND ISLANDS MUSEUM  
AND NATIONAL TRUST**

**ADDITIONAL UNAUDITED INFORMATION**

**Year ended 30 June 2022**

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 6 to 12 and the independent auditors' report thereon.

**ADMINISTRATIVE EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Insurance	8,803	8,797
Light and heat	17,682	16,821
Wages and salaries	192,732	182,541
Administrative support	60	90
Materials and miscellaneous	13,271	10,156
Advertising and promotion	1,835	(6,478)
Displays and exhibitions	2,499	982
Fund raising events	620	866
National Trust expenses	1,396	372
Past Finders expenses	3,400	2,579
Travel and subsistence	182	874
Repairs, handyman, and housekeeping	14,831	14,734
Telephone and fax	3,410	3,329
Auditors' remuneration	5,250	8,100
Legal fees	-	1,102
Depreciation	44,481	45,991
Release of deferred capital grants	(34,650)	(34,650)
Accountancy	8,000	8,763
	<u>283,802</u>	<u>264,969</u>

**COST OF SALES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Opening stock	64,404	79,069
Purchases	31,578	19,101
Less: closing stock	(71,067)	(64,404)
	<u>24,915</u>	<u>33,766</u>