



# **SCFMC**

**THE SMALL COUNTRIES FINANCIAL  
MANAGEMENT CENTRE**

## **The Small Countries Financial Management Centre**

### **Directors' report and financial statements**

**For the year ended 31 March 2018**

**Company Number: 123601C**

**Registered Charity Number: 1044**

# The Small Countries Financial Management Centre

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# The Small Countries Financial Management Centre

## Directors' report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2018.

## Principal activity

The principal activity of the Charity is to provide education in financial management and regulatory practice to Government officials of small developing countries.

## Results

The Charity's results are set out on page 7.

## Directors

The Directors who held office throughout the year and to date are as follows:

P M Shimmin  
T Cullen  
S Pickford  
S Sinanan-Bollers  
C Rustomjee

S Lowe  
J Hicklin (appointed 4th October 2017)  
A Arnhambat (resigned 29<sup>th</sup> August 2017)  
I Lavea (resigned 4<sup>th</sup> October 2017)

## Secretary

C Cowley

## Auditors

Baker Tilly Isle of Man LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 12 (2) of the Isle of Man Companies Act 1982.

By order of the Board



*Secretary*

# The Small Countries Financial Management Centre

## Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year, which meet the requirements of Isle of Man company law. In addition, the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards as applicable to an Isle of Man Charity.

The financial statements are required by law to give a true and fair view of the state of affairs of the Charity and of the results of the Charity for that year.

In preparing these financial statements, the Directors 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 Charity will continue in business, based on assumptions disclosed in note 2 to these financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Isle of Man Companies Acts 1931 to 2004 and the Charities Registration Act 1989. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

# Report of the Independent Auditors, Baker Tilly Isle of Man LLC, to the members of The Small Countries Financial Management Centre

## **Registered Charity Number: 1044**

We have audited the financial statements of The Small Countries Financial Management Centre (the 'Charity') for the year ended 31 March 2018 which comprise the Income and Expenditure Account, the Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 section 1A The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Accounting Standards applicable to Smaller Entities).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 March 2018, and of its results for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Isle of Man Companies Act 1931 to 2004 and Charities Registration Act 1989.

### *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 charity 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.



Report of the Independent Auditors, Baker Tilly Isle of Man LLC, to the members of The Small Countries Financial Management Centre  
(continued)

*Other information*

The directors are responsible for the other information. The other information comprises the information included in the annual 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 the light of our knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 1982 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

*Responsibilities of directors*

As explained more fully in the directors' responsibilities statement set out on page 2, the directors 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## Report of the Independent Auditors, Baker Tilly Isle of Man LLC, to the members of The Small Countries Financial Management Centre (continued)

### *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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### *Use of our report*

This report is made solely to the charity's members, as a body, in accordance with the terms of our engagement letter dated 18th September 2017. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report of the Independent Auditors, Baker Tilly Isle of Man LLC, to the  
members of The Small Countries Financial Management Centre  
(continued)

We communicate with those charged with governance regarding, among other matters, the  
planned scope and timing of the audit and significant audit findings, including any significant  
deficiencies in internal control that we identify during our audit.

*Baker Tilly Isle of Man LLC*

**Baker Tilly Isle of Man LLC**  
*Chartered Accountants*  
PO Box 95, 2a Lord Street,  
Douglas, Isle of Man, IM99 1HP

*24 September 2018*  
Date



# The Small Countries Financial Management Centre

## Income and Expenditure account for the year ended 31 March 2018

	Note	£	2018 £	£	2017 £
<b>Income</b>					
Donations	2	300,000		300,000	
Other Income	2	6,812		-	
			<b>306,812</b>		<b>300,000</b>
<b>Expenses</b>					
Administration costs	3	278,047		264,574	
			<b>(278,047)</b>		<b>(264,574)</b>
<b>Result for the year transferred to Members' reserves</b>			<b>28,765</b>		<b>35,426</b>

The notes on pages 9 to 11 form part of these financial statements.

The Directors consider that all results derive from continuing activities.

In the current year, there were no recognised gains or losses other than those dealt with in the income and expenditure account.

# The Small Countries Financial Management Centre

## Balance sheet as at 31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible fixed assets	4	1,056	4,886
<b>Current assets</b>			
Debtors		11,034	11,042
Cash		128,897	90,057
		<u>139,931</u>	<u>101,099</u>
<b>Current liabilities</b>			
Creditors		(12,131)	(5,894)
<b>Net assets</b>		<u>128,856</u>	<u>100,091</u>
<b>Members' reserves</b>	5	<u>128,856</u>	<u>100,091</u>

The notes on pages 9 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on ~~24th September~~ 2018 and were signed on their behalf by:



Director



Director

# The Small Countries Financial Management Centre

## Notes

*(forming part of the financial statements for the year ended 31 March 2018)*

### **1 Compliance with FRS 102**

These financial statements and related notes have been prepared in accordance with UK Accounting Standards including Section 1A of FRS 102 (UK Accounting Standards Applicable to Smaller Entities).

### **2 Accounting policies**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, as applicable to an Isle of Man charity.

#### ***Basis of accounting***

The financial statements are prepared in accordance with the historical cost convention and on an accruals basis.

#### ***Donations/expenses and continued funding***

In September 2015, the Council of Ministers approved the recommendation of the International Development Committee that the Small Countries Financial Management Centre continue to be funded for a further three years, being 2016 to 2018 at £300,000 per year.

The Council of Ministers has granted an extension to the current funding which will guarantee a further £300,000 per year until 2020/2021.

In 2018, a further programme was operated in the Cook Islands, funded by the Cook Islands Government. All costs incurred by SCFMC were recharged to the Cook Islands Government, with a residual balance of £6,812 for labour costs of SCFMC staff being reimbursed and included as income.

#### ***Foreign exchange***

Monetary assets and liabilities held in foreign currency are translated into sterling at the exchange rate ruling at the balance sheet date. Revenue transactions have been translated into sterling at the exchange rate in operation on the date the transaction occurred. Gains and losses on exchange are dealt with in the income and expenditure account.

#### ***Depreciation***

Fixed assets are depreciated so as to write-off their cost less residual values on a straight line basis over their useful lives, at three years for computer equipment and five years for software.

# The Small Countries Financial Management Centre

## Notes (continued)

(forming part of the financial statements for the year ended 31 March 2018)

### 3 Expenses by nature

	2018 £	2017 £
Teaching expenses	93,052	94,233
Accommodation	62,937	61,992
Travel expenses	51,813	51,519
Salary costs	52,596	41,429
Administrative expenses	7,499	7,108
Accountancy expenses	3,600	-
Miscellaneous	2,720	4,462
Depreciation	3,830	3,831
<b>Total administration costs</b>	<b>278,047</b>	<b>264,574</b>

### 4 Tangible fixed assets

	Computer hardware £	Software £	Total £
<b>Cost</b>			
At beginning of year	399	18,486	18,885
Additions	-	-	-
At end of year	<b>399</b>	<b>18,486</b>	<b>18,885</b>
<b>Depreciation</b>			
At beginning of year	133	13,866	13,999
Depreciation charge for the year	133	3,697	3,830
At end of year	<b>266</b>	<b>17,563</b>	<b>17,829</b>
<b>Net book value</b>			
At 31 March 2018	<b>133</b>	<b>923</b>	<b>1,056</b>
At 31 March 2017	<b>266</b>	<b>4,620</b>	<b>4,886</b>

### 5 Members' reserves

	2018 £	2017 £
Members reserves brought forward	100,091	64,665
Result for the year	28,765	35,426
<b>Members reserves carried forward</b>	<b>128,856</b>	<b>100,091</b>

# The Small Countries Financial Management Centre

## Notes (continued)

*(forming part of the financial statements for the year ended 31 March 2018)*

### **6 Ownership**

The Small Countries Financial Management Centre is a company limited by guarantee with the members' liability restricted to a maximum of £1 each in the event of the company being wound up for payment of the debts and liabilities of the company.

The company is also a registered charity in the Isle of Man.

### **7 Subsequent Events**

There were no material subsequent events following the year end.