



# SCFMC

THE SMALL COUNTRIES FINANCIAL  
MANAGEMENT CENTRE

**The Small Countries Financial Management Centre**

**Directors' report and financial statements**

**For the year ended 30 September 2022**

**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 30 September 2022.

### 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:

S J Pickford  
T W B Cullen  
J E Hicklin  
L M Wittwer

P M Shimmin  
S R Sinanan-Bollers  
S S A Kern-Libera  
B E Roth (appointed 1 June 2022)

### Secretary

C Cowley (resigned 8 October 2021)  
E L Moretta (appointed 8 October 2021)

### 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.

Isle of Man company law requires the Directors to prepare financial statements for each financial year. The Directors have elected to prepare the financial statements in accordance with Section 1A of FRS102: The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

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; and
- state whether they have been in accordance with UK Accounting Standards applicable to smaller entities

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 and Regulation Act 2019. 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 30 September 2022 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 30 September 2022, and of its result for the year then ended; and
- have been properly prepared in accordance with Financial Reporting Standard 102 Section 1A; and
- have been prepared in accordance with the requirements of the Isle of Man Companies Acts 1931 to 2004 and the Charities Registration and Regulation Act 2019.

### *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 Financial Reporting Council'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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.



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
- we have not received all the information and explanations we require for our audit.

*Responsibilities of directors*

As explained more fully in the Statement of Directors' Responsibilities 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.

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.



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

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. Examples of the procedures which we performed included:

- Gaining an understanding of the legal and regulatory framework applicable to The Small Countries Financial Management Centre including but not limited to the Isle of Man Companies Acts 1931 to 2004 and the Charities Registration and Regulation Act 2019.
- Enquiring with the management team whether there have been any known or suspected instances of non-compliance with laws and regulations and fraud
- Reviewing minutes of meetings held throughout the year and post year end
- Agreeing the Financial Statements disclosures to underlying supporting documentation
- Reviewing the nature of all expenses to ensure they are appropriate for a charity and in line with our understanding of the functions and operations of the charity
- Obtain an understanding of funding receivable by the charity from the Isle of Man Government and agreeing all funding received to external evidence. Furthermore, considering the direct impact that funding commitments have on going concern
- Research details on all individuals that delivered courses or presentations to consider reasonableness.

We also addressed the risk of management override of internal controls, principally the posting of inappropriate transactions and management bias in accounting estimates, and evaluated whether there is evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the Financial Statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

*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 22nd August 2019. 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.

*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

*Date: 21 MARCH 2023*



# The Small Countries Financial Management Centre

## Income and Expenditure Account for the year ended 30 September 2022

	<i>Note</i>	£	2022 £	£	2021 £
<b>Income</b>					
Donations	2	<b>300,000</b>		175,827	
			<b>300,000</b>		175,827
<b>Expenses</b>					
Administration costs	3	<b>282,815</b>		200,593	
			<b>(282,815)</b>		(200,593)
<b>Result for the period transferred from/(to) Members' reserves</b>			<b>17,185</b>		<b>(24,766)</b>

The notes on pages 9 to 12 form part of these financial statements.

The Directors consider that all results derive from continuing activities.

# The Small Countries Financial Management Centre

## Statement of Financial Position as at 30 September 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	4	300	-
<b>Current assets</b>			
Debtors	7	3,317	1,979
Cash		<u>167,999</u>	<u>150,293</u>
		171,316	152,272
<b>Current liabilities</b>			
Creditors	8	<u>(9,716)</u>	<u>(7,557)</u>
<b>Net assets</b>		<u>161,900</u>	<u>144,715</u>
<b>Members' reserves</b>	5	<u>161,900</u>	<u>144,715</u>

The notes on pages 9 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 16th March 2023 and were signed on their behalf by:



PETER MARK SHIMMIN

Director



TIM CULLEN

Director

# The Small Countries Financial Management Centre

## Notes

*(forming part of the financial statements for the year ended 30 September 2022)*

### **1 Statement of compliance**

The financial statements of The Small Countries Financial Management Centre have been prepared in compliance with Section 1A of the Financial Reporting Standard 102, “The Financial Reporting Standard in the United Kingdom and the Republic of Ireland applicable to Small Entities”, as applicable to an Isle of Man Company (“FRS 102 section 1A”) and the Companies Acts 1931 to 2004.

### **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***

These financial statements are prepared on a going concern basis under the historical cost convention, as modified by the recognition of certain assets and liabilities measured at fair value.

The presentation and functional currency of these financial statements is Sterling, and each balance is rounded off to the nearest Pound.

Under FRS 102 Section 1A, the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

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

In December 2016, the Council of Ministers confirmed that funding for the Small Countries Financial Management Programme, at £300,000 per annum should continue for the 5-year life of that administration, being in respect of Government’s financial years 2017-18 to 2021-22.

In its financial year ended 2021 it received £173,000 to cover, inter alia, the 2021 Programme delivered virtually as a result of the Covid-19 pandemic. A further £2,827 was also received from the Isle of Man Government in order to aid with expenses already incurred.

In February 2022, the Isle of Man Government confirmed that it would provide continued funding at the maximum of £335,000 per year to The Small Countries Financial Management Centre for a further three years, on the basis that the SCFMP board make plans to utilise their reserves accumulated over that three-year period, including those brought forward at the beginning of this new grant period.

The Isle of Man Government’s External Relations team was also asked to undertake a review (of the funding for the programme) in the second year of this new three year funding agreement, and that the programme then be subject to tender, following that review.

Donations are recognised when consideration is received and are subject to conditions outlined by the Isle of Man Government within the grant agreement.

#### ***Expenses***

Expenses are accounted for on an accruals basis.

# The Small Countries Financial Management Centre

## Notes (continued)

(forming part of the financial statements for the year ended 30 September 2022)

### 2 Accounting policies (continued)

#### *Going Concern*

The directors are satisfied that it is appropriate to prepare the financial statements on the going concern basis.

#### *Foreign exchange*

Monetary assets and liabilities held in foreign currency are translated into sterling at the exchange rate ruling at the Statement of Financial Position 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.

#### *Fixed Assets*

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost represents purchase price together with any incidental cost of acquisition. The charity assesses at each reporting date whether its fixed assets are impaired.

#### *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.

#### *Basic Financial Instruments*

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

- (i) Financial assets  
Basic financial assets, including trade debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

- (ii) Financial liabilities  
Basic financial liabilities, including trade creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



# The Small Countries Financial Management Centre

## Notes (continued)

(forming part of the financial statements for the year ended 30 September 2022)

### 3 Expenses by nature

	2022	2021
	£	£
Teaching expenses	81,088	76,997
Accommodation	65,512	1,620
Travel expenses	64,807	45
Salary costs	54,171	54,005
Administrative expenses	4,654	11,741
Independent evaluation	-	34,218
Alumni Engagement	-	15,420
Audit and accountancy expenses	4,800	4,800
Miscellaneous	4,098	1,447
Foreign exchange	(172)	300
Depreciation	99	-
Insurance	3,758	-
	<u>282,815</u>	<u>200,593</u>
<b>Total administration costs</b>	<b>282,815</b>	<b>200,593</b>

### 4 Tangible fixed assets

	Computer hardware	Total
	£	£
<b>Cost</b>		
At beginning of year	399	399
Additions	399	399
Disposals	(399)	(399)
	<u>399</u>	<u>399</u>
At end of year	<b>399</b>	<b>399</b>
<b>Depreciation</b>		
At beginning of year	399	399
Depreciation charge for the year	99	99
Disposals	(399)	(399)
	<u>99</u>	<u>99</u>
At end of year	<b>99</b>	<b>99</b>
<b>Net book value</b>		
<b>At 30 September 2022</b>	<b>300</b>	<b>300</b>
At 30 September 2021	-	-

# The Small Countries Financial Management Centre

## Notes (continued)

(forming part of the financial statements for the year ended 30 September 2022)

### 5 Members' reserves

	2022 £	2021 £
Members' reserves brought forward	144,715	169,481
Result for the year	17,185	(24,766)
<b>Members' reserves carried forward</b>	<b>161,900</b>	<b>144,715</b>

### 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 Debtors

	2022 £	2021 £
Prepayments	3,317	1,979

### 8 Creditors

	2022 £	2021 £
Accruals	9,716	7,557

### 9 Contingent Liability

As per the Donations/expenses and continued funding section to note 2, the Isle of Man Government has confirmed in February 2022 that it will provide funding at the maximum of £335,000 per year to The Small Countries Financial Management Centre for a further three years, to the financial year 2024/25, on the basis that the SCFMP board make plans to utilise their reserves over that three year period, including those reserves brought forward at the start of this new grant period.

The Isle of Man Government Conditions of Grant state "Any funds that are unspent at the end of the grant period must be promptly returned to the Isle of Man Government, unless the Isle of Man Government gives prior written approval to a written request proposing how unspent funds will be used, or to a written request for an extension of the grant period. Proposals for the use of unspent funds must be for work that is consistent with the overall aims of the original grant. The Charity may not use the unspent funds without the prior written approval of the Isle of Man Government.

At the end of the grant period, any assets with a monetary value purchased with Isle of Man Government grant funding and retained by the Charity should be considered as unspent funds and

## The Small Countries Financial Management Centre

their value either returned to Isle of Man Government as underspend or approval sought to apply them or their equivalent value in the carrying out of other activities consistent with the aims of the original grant.”