



SCFMC

**THE SMALL COUNTRIES FINANCIAL
MANAGEMENT CENTRE**

The Small Countries Financial Management Centre

Directors' report and financial statements

For the year ended 30 September 2024

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 2024.

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 6.

Directors

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

S J Pickford	S R Sinanan-Bollers
T W B Cullen	S S A Kern-Libera (resigned 25/11/2024)
J E Hicklin	L M Wittwer
B Roth	G Roberts (appointed 1/10/2023)
A Long (appointed 25/11/2024)	C Brannigan (appointed 30/01/2025)

Secretary

E L Moretta

Auditors

Crowe Isle of Man Audit LLC, being eligible, have expressed their willingness to act as auditor of the company in accordance with Section 12 (2) of the Isle of Man Companies Act 1982.

By order of the Board

E. Moretta

12 March 2025

Secretary

Date

The Nunnery
Old Castletown Road
Douglas
Isle of Man
IM2 1QB

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.

The Charities Registration and & Regulation Act 2019 and Charities Regulations 2020, together with Isle of Man company law require 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 and Charities Regulations 2020. 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.



Director

12.07.25

Date

The Small Countries Financial Management Centre

Independent auditor's report to the members of The Small Countries Financial Management Centre

Opinion

We have audited the financial statements of The Small Countries Financial Management Centre (the 'Charity') for the year ended 30 September 2024 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30 September 2024 and of its deficit 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 Acts 1931 to 2004 and the Charities Registration and Regulation Act 2019 and the Charities Regulation 2020.

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

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.

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.

The Small Countries Financial Management Centre

Independent auditor's report to the members of The Small Countries Financial Management Centre (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Acts 1931 to 2004 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' loans and 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 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.

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the charity and the management.

The Small Countries Financial Management Centre

Independent auditor's report to the members of The Small Countries Financial Management Centre (continued)

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards'; including FRS 102 – Charities SORP "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), the Isle of Man Foundations Act 2011, the Charities Registration and Regulation Act 2019 and the Charities Regulation 2020.

We considered the opportunities for non-compliance with the key laws and regulations affecting the charity. We identified the Companies Acts 1931 to 2004, the Charities Registration and Regulation Act 2019 and the Charities Regulation 2020 as the primary pieces of legislation and regulation affecting the charity. We reviewed the board minutes to conclude whether there has been any activity in the charity which is required to be disclosed under this legislation as well as designing tests to ensure the financial statements include all the necessary disclosures required by the legislation and regulations.

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: management override in the manipulation of financial information and management bias in the use of estimates. We discussed these risks with the charity's management and designed audit procedures to mitigate the risks identified. These included testing journals to confirm they were appropriate for the transactions noted in the year. We also reviewed management's judgements in key accounting estimates to ensure there was no indication of management bias and the rationale used by management was reasonable.

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 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 07 November 2023. 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.

Crowe Isle of Man Audit LLC

Crowe Isle of Man Audit LLC

Chartered Accountants

6th Floor

Victory House

Prospect Hill

Douglas

Isle of Man

IM1 1EQ

12th March 2025

Date

The Small Countries Financial Management Centre

Income and Expenditure Account

for the year ended 30 September 2024

	Note	£	2024 £	£	2023 £
Income					
Donations	2	<u>300,000</u>		<u>283,000</u>	
			300,000		283,000
Expenses					
Administration costs	3	<u>326,040</u>		<u>320,642</u>	
			(326,040)		(320,642)
Result for the period transferred from Members' reserves	5		<u>(26,040)</u>		<u>(37,642)</u>

The notes on pages 8 to 11 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 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	4	34	167
Current assets			
Debtors	7	3,419	2,075
Cash		<u>109,964</u>	<u>133,999</u>
		113,383	136,074
Current liabilities			
Creditors and accruals	8	<u>(15,199)</u>	<u>(11,983)</u>
Net assets		<u>98,218</u>	<u>124,258</u>
Members' reserves	5	<u>98,218</u>	<u>124,258</u>

The notes on pages 8 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 7th March 2025 and were signed on their behalf by:



Director

GARY ROBERTS QPM



Director

BETTINA ERIKA ROTH

The Small Countries Financial Management Centre

Notes

(forming part of the financial statements for the year ended 30 September 2024)

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

At a meeting of its political board on 19th December 2024, the Cabinet Office agreed to fund the Company for the 2025-26 financial year. As a condition of the funding, the Isle of Man Government wishes to place a representative onto the board of the Company who will, in due course, report back to the Cabinet Office with recommendations about future funding.

At a meeting of its board in January 2025, the SCFMC formally approved the appointment to the board of Chris Brannigan, executive director of external relations for the Isle of Man Government.

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 2024)

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 2024)

3 Expenses by nature

	2024 £	2023 £
Teaching expenses	77,668	80,410
Accommodation	84,706	80,888
Travel expenses	61,872	84,855
Salary costs	76,327	55,772
Administrative expenses	5,882	3,689
Audit and accountancy expenses	14,910	8,310
Miscellaneous	1,635	2,118
Foreign exchange	213	116
Depreciation	133	133
Insurance	2,694	4,351
Total administration costs	326,040	320,642

4 Tangible fixed assets

	Computer hardware £	Total £
Cost		
At beginning of year	399	399
Additions	-	-
Disposals	-	-
At end of year	399	399
Depreciation		
At beginning of year	232	232
Depreciation charge for the year	133	133
Disposals	-	-
At end of year	365	365
Net book value		
At 30 September 2024	34	34
At 30 September 2023	167	167

The Small Countries Financial Management Centre

Notes (continued)

(forming part of the financial statements for the year ended 30 September 2024)

5 Members' reserves

	2024 £	2023 £
Members' reserves brought forward	124,258	161,900
Result for the year	(26,040)	(37,642)
Members' reserves carried forward	98,218	124,258

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

	2024 £	2023 £
Prepayments	3,419	2,075

8 Creditors

	2024 £	2023 £
Trade creditors and accruals	15,199	11,983

9 Contingent Liability

As per the Donations/expenses and continued funding section to note 2, the Isle of Man Government has agreed to extend the existing grant funding of the Company for the 2025-26 financial year.

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 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."