

YEAR END 5 APRIL 2023

The transfer of assets, business and undertakings of the United Kingdom Falkland Islands Trust (Registered Charity Number 282786) to the Foundation Charitable Incorporated Organisation (CIO) with the name 'The Falkland Islands Trust' (Registered Charity No: 1199145) has yet to be completed.

The Charitable Incorporated Organisation (CIO) with the name 'The Falkland Islands Trust' (Registered Charity No: 1199145) therefore holds no assets and has conducted no business in the year ending 5 April 2023.

For the record the Annual Report and Financial Statements for the United Kingdom Falkland Islands Trust (Registered Charity Number 282786) follow.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2023

Registered Charity Number: 282786

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

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THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Report of The Trustees

1. Introduction

This report is by the Trustees of the United Kingdom Falkland Islands Trust (UKFIT) and covers the period 6 April 2022 to 5 April 2023 with additional comments up to the date of this Report. It has been prepared in accordance with our governing document, Charities SORP (FRS 102), the Charities Act 2011, and applicable accounting standards.

2. Structure, Governance and Management

2.1 Legal Status

The UKFIT is registered in England & Wales as charity number 282786 and also as a charity recognised in the Falkland Islands for tax deduction purposes under section 57(2) of the Taxes Ordinance 1997. The governing document is a Charitable Trust Deed, made on 1 June 1981.

2.2 The Board of Trustees

The UKFIT has a Board which, according to the Charitable Trust Deed, shall have no more than ten and no fewer than three trustees. For most of the year under review there were ten trustees, and they are a mix of people from various walks of life including Falklands residents. Annie Bailey was appointed on 28th June 2022 and since the year end has taken over as Treasurer from Hugh Normand, who remains a trustee. Trustees are recruited by the Board for their interest in the Islands and for the expertise they bring in furthering the objects of the Trust. The Board usually meets at least three times per year, either in person or, following changes instituted during the pandemic, online. The trustees are responsible for all policy decisions on the running and future direction of UKFIT, and for:

- Ensuring that the Trust has a clear vision, mission and strategic direction, and is focused on achieving these;
- The performance of the Trust and for its corporate behaviour;
- Ensuring that the Trust complies with all legal and regulatory requirements;
- Acting as guardian of the Trust's assets, both tangible and intangible, taking due care over their security, deployment and proper application;
- Ensuring that the Trust's governance is of the highest possible standard.

The support of our Patron, Her Royal Highness Princess Alexandra, is highly appreciated.

2.3 Relationships with Other Organisations

The Trust maintains strong links with the Falkland Islands Government (FIG) through its London Office. The FIG Representative in London attends Trustee Board meetings and courtesy calls are made on FIG representatives, including HE the Governor and Members of the Legislative Assembly, during visits to the islands by the UK-based consultant or trustees on UKFIT business. The FIT also has links with the Falkland Islands Association, Falklands Conservation, Falklands Maritime Heritage Trust, Royal Botanic Gardens Kew, the Agri-Food & Biosciences Institute (AFBI) at Queen's University, Belfast, the University of Magallanes in southern Chile and many other organisations connected with the Islands in various ways.

2.4 Public Benefit

The Trustees believe that the activities of the charity are for the public benefit and comply with the requirement in section 17(5) of the 2011 Charities Act.

3. Objectives and Activities for the public benefit

3.1 Summary of the Objectives.

The objects given in the Charitable Trust Deed are very wide and, in practice, the trustees have not had the resources to use them to their full extent. They include the following for example:

- To advance the education of the inhabitants of the Falkland Islands and the South Atlantic Region by the provision of prizes, bursaries and scholarships.
- To advance the education of the general public in UK and in the Falkland Islands by promoting research into fauna, flora and places of scientific importance and buildings of historic interest and to publish the results of that research.
- To promote the study and research of agriculture, animal husbandry, commerce, fisheries forestry and all other industries and sciences in the Falkland Islands.
- To provide medical support by providing funds, equipment, apparatus etc.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Report of The Trustees

3.2 Overview of Past Activities

Since its founding in 1981, the main activities of the Trust have been to assist the population of the Falkland Islands using two main streams of activity, the Core Fund and the Shackleton Scholarship Fund. Following a generous gift in December 2020 a third fund was set up, The Patrick Davy Civic Fund.

3.2.1 The Core Fund

Using the resources of the Core Fund, the charity has conducted beneficial projects not normally funded by the FIG, with an emphasis on scientific research. The primary effort has been directed towards programmes of research and advice on agriculture, forestry and rural development or through use of the contacts and special skills of the Trust's Consultant, Dr Jim McAdam OBE. The aim has been to promote the sustainable growth of the rural economy. Over the years, the Trust has actively promoted the scientific and development potential of the Falklands at many key national and international events and worked on a wide variety of rural development projects, many of which have been initiated by the Trust and then taken on by FIG. These have included, for example:

- Research on kelp harvesting for use as liquid fertiliser.
- Research on soil improvement and soil surveys.
- Development of organic farming and the marketing of organic products.
- The selection and establishment of tree species to create shelter belts.
- The development of Tussac grass as a source of animal feed and erosion inhibitor.
- The development of a comprehensive science database for the Islands.
- Climate change studies.

3.2.2 The Shackleton Scholarship Fund (SSF)

The trustees of the Charity launched an appeal (in conjunction with others) on 25 January 1995 to raise funds as a memorial to the life and work of the late Lord Shackleton, KG, and of his father Sir Ernest Shackleton, who were both closely associated with the Falkland Islands and the South Atlantic Region. The Appeal was established as a restricted fund of the FIT and the Trustees delegate the day-to-day management of the fund to an Advisory Committee with branches in Stanley and London. A total of £350,881 has been granted from the foundation of the Shackleton Scholarship Fund to 5 April 2022. The scholarships awarded are of two kinds:

• **Academic Scholarships.** Academic Scholarships are to subsidise the travel and accommodation costs of researchers who wish to study in the Falkland Islands or for which the Falkland Islands is a good base. The range of projects supported is wide; for example, in June 2020, four scholarships were awarded totalling £12,050, one of which was for £3,500 to document "beetle diversity of the Falkland Islands using modern DNA-based tools".

• **Quality of Life Scholarships.** Quality of Life Scholarships are to subsidise the travel and accommodation costs of experts who have some knowledge or skill to impart to people in the Falkland Islands; teaching which is not available in a remote location with a small population on subjects such as sports coaching and the teaching of musical instruments.

3.2.3 The Patrick Davy Civic Fund

The Patrick Davy Civic Fund was set up with a £750,000 donation at the end of 2020. Its purpose is to focus on civic projects which are aligned with the Charitable Trust Deed (3.1), but which emanate from discussions with Falkland Islanders on their priorities particularly in the area of civic development. To assist the generation of project proposals for consideration by the Trustees, a consultant based in the Falklands, Darren Christie, was appointed in 2021.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Report of The Trustees

3.3 Summary of Core Fund Activities in the Year Under Report

The Consultant, Dr Jim McAdam OBE, continued to supply material from the scientific database to researchers working on the Falkland Islands.

He visited the Falkland Islands in March 2023 and:-

- Briefed members of SAERI, FIG and the Department of Agriculture on the outcomes of the Trust's research and support activities over almost 40 years
- Ensured that all the accumulated files on the appropriate FIT Legacy projects were made available to relevant people in the Islands.
- Organised the handover of the Trust's flagship legacy project, the Alexandra Wood at Port Howard, to the farm and generated publicity for the Trust's involvement.
- had wider discussions on the potential for the FIT legacy projects to contribute to current issues around climate change and possible future project directions.

His visit overlapped with that of the Chairman and, with the Falkland Islands Consultant, together they promoted the legacy of the Trust's involvement in the Falklands and explored other potential funding support routes.

3.4 Summary of SSF Activities in the Year Under Report

The year from 6 April 2022 to 5 April 2023 saw a gradual return of SSF activity as the impacts of the pandemic diminished. In particular from mid-2022 access to the Falkland Islands for SSF scholars became easier and we were able to begin to manage the backlog of research visits accumulated since 2020.

The London and Stanley Committees met on 30 May and 23 June 2022 respectively to consider scholarship applications submitted by end March 2022. The two Committees were largely in agreement in their assessments of the applications. As a result the Fund offered Academic awards to 6 applicants totalling £21,500 and Quality of Life awards to 3 applicants totalling £8,440, making an overall total of £29,940 awarded.

Since the end of the period under report, The Shackleton Fund has awarded further scholarships to the value of £31,110.

3.5 Patrick Davy Civic Fund

The trustees agreed two projects, the construction of a bowling green, and restoration work on the historic buildings at the race course to enable their use by the community. Work is under way on the bowling green, but the difficulty in getting contractors to carry out construction work noted in last year's report has slowed this down. Work on the race course has yet to begin: as yet nobody has been found willing or able to undertake the work.

The chairman visited the Falklands in March to raise awareness of the fund and to encourage project proposals. He had a wide range of meetings on both East and West Falkland, including with the Governor, MLAs and the acting Chief Executive, and gave TV, radio and newspaper interviews. The visit was in conjunction with Dr McAdam's visit to complete the transfer of his projects to local management. The Governor gave a reception to mark the launch of the Fund, at which she also recognised the considerable role Dr McAdam had played in over forty years of supporting agricultural research and development in the Islands.

At the time of this report (August 2023) approximately £61k has been spent on the separate PDCF project in respect of work to Admiralty Cottage

4. Financial Review

4.1 The Financial Overview

The reopening of the Islands to visitors following the relaxation of restrictions imposed by the COVID pandemic enabled funds to be spent both on the resumption of visits by Shackleton scholars and on the refurbishment of Admiralty Cottage.

The Trust takes a long term view on investments but made minor adjustments to investments at the advice of our fund managers

4.2 The Core Fund

The Core Fund started the year with a value of £233k and ended with a value of £212k due to reduction in the value of investments.

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Report of The Trustees

4.3 Shackleton Scholarship Fund

The Shackleton Scholarship Fund started with a balance of about £1,006k and largely due to the volatile nature of the stock market ended with a value of £863k.

4.4 The Patrick Davy Civic Fund

Not being exposed to the market, the Patrick Davy Fund reduced in value by sums spent.

4.5 Reserves Policy

It is the policy of the Board to keep a short term, cash reserve to cover Core Fund management expenses, and to protect planned research, development projects and scholarships taking into account likely cash in-flows from investments. In the case of SSF, the capital value of the invested funds is sufficient to cover the award of extra scholarships beyond the normal budgeted level of £30,000.

4.6 Investment Policy

It is the policy of the Board to sustain the capital values of invested funds, while seeking an income for the Core Fund to cover basic administrative costs, and about £30,000 per year for the SSF to cover administrative costs and scholarships. Policy for all invested funds is based on a medium risk strategy and the Trustees receive regular reports from the Investment Managers, LGT Vestra.

4.7 Risk

The Trustees regularly review the main risks facing the charity and have plans to mitigate those risks which include:

- Losses on investment portfolios leading to a reduction of income.
- SSF scholars suffering financial loss, injury or death during their projects.
- Adverse publicity linked to any person connected to the charity.

4.8 Policies

The Trustees have documented Policies in respect of the following which are kept under review:

- Conflicts of Interest.
- Risk Management (including a protocol for handling adverse publicity).
- Safeguarding Beneficiaries.
- Archiving.
- Complaints Handling.
- Data Protection Policy.
- Financial Procedures.

4.9 Insurance

Special insurance cover is taken out to cover contractual risks and liabilities inherent in the charity's work and it is renewed annually.

5. Future Plans

In the immediate future, the charity intends to concentrate on the following:

- Restoring the activity of both the Core Fund and the SSF to pre-Covid levels.
- Broadening its activity for the benefit of the people of the Falkland Islands using the generous donations noted in the 2020-21 trustees report. It is hoped that there will be an increase in good quality proposals for support from the Patrick Davy Civic Fund, and that the difficulty in getting contractors to engage with projects will begin to ease.
- Converting the legal status from Charitable Trust to Incorporated Charitable Organisation (ICO). It is hoped that the various formalities will be completed in time to make the change at the latest by early April 2024.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Charity information for the financial year ending 5 April 2023

Patron	HRH Princess Alexandra	
President	(Vacant)	
Vice President	Air Commodore Peter Johnson, OBE	
Trustees	Nigel Haywood, CVO	Chairman
	Annie Bailey	Hon Treasurer (appointed 28 June 2022)
	Hugh Normand	
	Tim Miller	(FI resident)
	Marlane Marsh	(FI resident)
	Dick Sawle	
	Tym Marsh	Retired 10 June 2022
	Andrew Moffat	Hon Secretary
	Colin Roberts CVO	(Chairman SSF Committee)
	Paula Fowmes	
	David Pickup CB	
Principal Consultants	Dr Jim McAdam, OBE Darren Christie	
Auditors	Azets Audit Services 2nd Floor Regis House 45 King William Street LONDON EC4R 9AN	
Investment Managers	LGT Vestra LLP 14 Cornhill, London EC3V 3NR	
Charity Number	282786	
Registered Office	Falkland House 14 Broadway Westminster London SW1H 0BH	

A UK-registered charity approved for tax deduction purposes under section 57B(2) of the Falkland Islands Taxes Ordinance 1997

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Report of The Trustees

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Trustees:

Nigel Haywood
Nigel Haywood (Jan 18, 2024 23:13 GMT)
Dr N R Haywood, CVO
Chairman

Date: Jan 18, 2024

A J Bailey
A J Bailey (Jan 19, 2024 06:10 GMT)
Ms A J Bailey
Honorary Treasurer

Date: Jan 19, 2024

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Independent Auditors' Report To The Trustees of The United Kingdom Falkland Islands Trust

Opinion

We have audited the financial statements of The United Kingdom Falkland Islands Trust (the 'charity') for the year ended 5 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 5 April 2023 and of the charity's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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

Other information

The trustees 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 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 UNITED KINGDOM FALKLAND ISLANDS TRUST

Independent Auditors' Report To The Trustees of The United Kingdom Falkland Islands Trust

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 Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, 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 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 trustees 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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Independent Auditors' Report To The Trustees of The United Kingdom Falkland Islands Trust

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

John Howard (Senior Statutory Auditor)
For and on behalf of Azets Audit Services,
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: *22 January 2024*

Azets Audit Services is eligible for appointment as auditor by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Statement of Financial Activities

For The Year Ended 5 April 2023

	Notes	Unrestricted Funds £	Restricted Funds Shackleton Scholarship Fund £	Other Restricted Funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS FROM						
Other trading activities	2	-	-	-	-	45
Investment income	3	4,413	20,173	-	24,586	21,446
Other income		-	4	-	4	-
Total income		4,413	20,177	-	24,590	21,491
EXPENDITURE ON						
Raising funds	4	300	1,727	-	2,027	2,345
Charitable activities	4	22,638	37,152	86,112	145,902	47,815
Total expenditure		22,938	38,879	86,112	147,929	50,160
NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS		(18,525)	(18,702)	(86,112)	(123,339)	(28,669)
NET GAINS/ (LOSSES) ON INVESTMENTS	8	(14,669)	(124,814)	-	(139,483)	5,921
NET INCOME / (EXPENDITURE)		(33,194)	(143,516)	(86,112)	(262,822)	(22,748)
Transfers between funds	11	-	-	-	-	-
NET MOVEMENT OF FUNDS		(33,194)	(143,516)	(86,112)	(262,822)	(22,748)
Total funds at 6 April 2022	11	283,256	1,006,493	978,451	2,268,200	2,290,948
Total funds at 5 April 2023	11	250,062	862,977	892,339	2,005,378	2,268,200

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes on pages 13 to 20 form part of these financial statements.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Balance Sheet

As at 5 April 2023

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Investments	8		1,092,680		1,232,331
CURRENT ASSETS					
Stock	7	668		668	
Debtors	9	-		-	
Cash and cash equivalents		996,894		1,091,831	
		997,562			1,092,499
Current Liabilities					
Creditors	10		(84,864)		(56,630)
NET CURRENT ASSETS			912,698		1,035,869
NET ASSETS			2,005,378		2,268,200
FUNDS					
Shackleton Scholarship fund	11	862,977		1,006,493	
Other Restricted funds	11	892,339		978,451	
			1,755,316		1,984,944
Unrestricted funds:					
Designated funds	11	38,125		50,000	
Core activities	11	211,937		233,256	
			250,062		283,256
TOTAL FUNDS			2,005,378		2,268,200

The financial statements were approved by the Board of Trustees on **Jan 18, 2024** and were signed on its behalf by:

Nigel Haywood
Nigel Haywood (Jan 18, 2024 23:13 GMT)
Dr N R Haywood, CVO
Chairman

A J Bailey
A J Bailey (Jan 19, 2024 06:10 GMT)
Ms A J Bailey
Honorary Treasurer

The notes on pages 13 to 20 form part of these financial statements.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Cash Flow Statement

As at 5 April 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Cash generated from operations	14	(119,691)	(30,585)
Cash flows from investing activities:			
Dividends and interest from investments		24,586	21,446
Proceeds from sale of investments		5,155	267,262
Purchase of investments		(4,987)	(264,032)
Net cash provided by investing activities		24,754	24,676
Change in cash and cash equivalents in the reporting period		(94,937)	(5,909)
Cash and cash equivalents at the beginning of the reporting period		1,091,831	1,097,740
Cash and cash equivalents at the end of the reporting period		996,894	1,091,831

The notes on pages 13 to 20 form part of these financial statements.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Charities Act 2011.

The United Kingdom Falkland Islands Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in sterling (£) which is also the functional currency for the charity.

1.2 Going concern

After reviewing the charity's forecasts and projections and taking into account the economic conditions (including the COVID-19 pandemic) and possible changes in trading performance, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds of the charity which the trustees have decided, at their discretion, to set aside to use for a specific purpose. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

1.4 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from donations is included in full in the Statement of Financial Activities when receivable.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods in order to raise funds and is recognised when entitlement has occurred.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends and interest. It is included when the amount can be measured reliably.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds include those costs incurred in attracting voluntary income.
- Expenditure on charitable activities includes those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Scholarships payable are accounted for on accruals basis.

1.6 Allocation of costs

Costs are allocated between costs of generating funds and charitable expenditure according to the nature of the cost. Detailed analysis of the allocation of costs is given in note 5 to the financial statements.

1.7 Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with movements recognised in 'net gains/(losses) on investments' in the SOFA, if the shares are publicly traded or their value can otherwise be measured reliably. Investments in unquoted equity instruments whose fair values cannot be measured reliably are measured at cost less impairment.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income is measured at the amount due to be received.

1.10 Creditors

Creditors are recognised when there is a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Other creditors and accruals are recognised at their settlement amount due.

1.11 Financial instruments

The charity only has assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. All exchange differences are reflected in the Statement of Financial Activities.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

2. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2023 £	2022 £
Other income	-	-	-	-
Book sales	-	-	-	45
	<u>-</u>	<u>-</u>	<u>-</u>	<u>45</u>

3. INVESTMENT INCOME

	Unrestricted £	Restricted £	2023 £	2022 £
Dividends	<u>4,413</u>	<u>20,173</u>	<u>24,586</u>	<u>21,446</u>

The unrestricted dividend income is generated from the 'Main Fund' investment portfolio whilst the restricted dividend income is generated from the 'Shackleton Fund' investment portfolio.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

4. ANALYSIS OF RESOURCES EXPENDED

	Unrestricted Funds	Shackleton Scholarship Fund	Other Restricted Funds	2023 Total	2022 Total
	£	£	£	£	£
Raising funds:					
Website costs	-	225	-	225	545
Investment administration charge	300	1,502	-	1,802	1,800
	<u>300</u>	<u>1,727</u>	<u>-</u>	<u>2,027</u>	<u>2,345</u>
Charitable activities:					
<u>Agriculture and forestry:</u>					
Consultancy and travel	8,331	-	18,550	26,881	16,800
Soil mapping	-	-	-	-	183
Fishing Cardon Reduction Project	11,875	-	-	11,875	-
<u>Museum/Stanley Cottage project</u>					
Museum/Stanley Cottage project	-	-	55,331	55,331	-
<u>Management and Administration:</u>					
Audit and accountancy costs	750	4,339	4,315	9,404	7,828
Insurance	230	459	458	1,147	997
Other general costs	-	-	4,631	4,631	4,240
Changes to CIO	1,286	2,571	2,571	6,428	-
Trustee expenses	166	43	256	465	-
<u>Scholarships:</u>					
Scholarships awarded	-	29,740	-	29,740	17,767
	<u>22,638</u>	<u>37,152</u>	<u>86,112</u>	<u>145,902</u>	<u>47,815</u>
Total resources expended	<u>22,938</u>	<u>38,879</u>	<u>86,112</u>	<u>147,929</u>	<u>50,160</u>

Historically costs incurred by the Charity that are not specific to a particular fund, are allocated to each fund, broadly in proportion to the relatively size of each fund. The ratio is reviewed from time to time.

By the end of the period to 5th April 2021 shared cost were allocated 20% to Unrestricted Funds, and 80% to Restricted Funds (the Shackleton Scholarship Fund).

Payments made after 6th April 2021 will be allocated 20% to Unrestricted Funds, 40% to the Shackleton Scholarship Restricted Fund, and 40% to Other Restricted Funds.

5 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2023 £	2022 £
This is stated after charging:		
Auditors' remuneration:		
- for audit	6,000	5,600
- for other services	1,650	1,500

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

6 STAFF COSTS

There were no staff employed in the current or previous year in either the Core activities or the Shackleton Scholarship Fund.

The key management of the charity comprises of the Trustees. The Trustees do not receive any remuneration.

During the year four of the trustees were reimbursed £5,095 for expenses incurred in their duties as trustees (2022: nil).

7. Stocks

	2023 £	2022 £
Books held for resale	668	668

8. INVESTMENTS

	2023 £
At market value:	
Balance at 6 April 2022	1,232,331
Additions	4,987
Disposal	(5,155)
Gains/(losses) on revaluation	(139,483)
Market value at 5 April 2023	1,092,680
Cost at 5 April 2023	866,141

The Charity's investment in the following represents more than 5% of the total investment portfolio as at 5 April 2023:

	£
LINK FUND SOLUTIONS LTD TROJAN INCOME X INC	58,546.15
BNY MELLON FUND MANAGERS LIMITED NEWTON GROWTH & INC FOR	
CHARI INC NAV	79,106.43
SCOTTISH MORTGAGE INV TRUST ORD GBP0.05	144,166.00

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

9. DEBTORS

	2023 £	2022 £
Funds due from Shackleton Scholarship Fund	-	-

10. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Accruals	21,401	8,500
Scholarship commitments	63,463	48,130
	84,864	56,630

11. STATEMENT OF FUNDS CURRENT YEAR

	Balance at 6 April 2022	Incoming Resources	Resources Expended	Transfers, Gains & (losses)	Balance at 5 April 2023
UNRESTRICTED FUNDS:					
<u>General fund:</u>					
Core activities	233,256	4,413	(11,063)	(14,669)	211,937
<u>Designated fund:</u>					
Research of reduction of carbon emissions in the fishing industry	50,000	-	(11,875)	-	38,125
Total unrestricted funds	283,256	4,413	(22,938)	(14,669)	250,062
RESTRICTED FUNDS:					
Shackleton Scholarship fund	1,006,493	20,177	(38,879)	(124,814)	862,977
The Patrick Davy Civic Fund for the benefit of the people of the Falkland Islands	728,451	-	(30,781)	-	697,670
Admiralty Cottage Fund	250,000	-	(55,331)	-	194,669
Total restricted funds	1,984,944	20,177	(124,991)	(124,814)	1,755,316
Total funds	2,268,200	24,590	(147,929)	(139,483)	2,005,378

Designated funds:

The 'Research of reduction of carbon emissions in the fishing industry' fund was created during financial year ended 5 April 2021 to allocate funds for research in the field of the reduction of carbon emissions in the fishing industry.

Restricted funds:

The 'Shackleton Scholarship Fund' was restricted during financial year ended 5 April 2021 to allocate funds for providing scholarships for research and educational purposes in the Falkland Islands

'The Patrick Davy Civic Fund for the benefit of the people of the Falkland Islands' fund was created during financial year ended 5 April 2021 for the benefit of the people of the Falkland Islands.

The 'Admiralty Cottage Fund' was also created during financial year ended 5 April 2021. The restricted funds are to be used to refurbish and refit Admiralty Cottage and to preserve it for posterity; also to enable the Falkland Islands Museum to contribute to the preservation of the natural history of the Falklands including its gardening heritage.

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

11. STATEMENT OF FUNDS (continued)

PRIOR YEAR	Balance at 6 April 2021	Incoming Resources	Resources Expended	Transfers, Gains & (losses)	Balance at 5 April 2022
UNRESTRICTED FUNDS:					
<u>General fund:</u>					
Core activities	232,326	3,694	(4,504)	1,740	233,256
<u>Designated fund:</u>					
Research of reduction of carbon emissions in the fishing industry	50,000	-	-	-	50,000
Total unrestricted funds	282,326	3,694	(4,504)	1,740	283,256
RESTRICTED FUNDS:					
Shackleton Scholarship fund	1,008,622	17,797	(24,107)	4,181	1,006,493
The Patrick Davy Civic Fund for the benefit of the people of the Falkland Islands	750,000	-	(21,549)	-	728,451
Admiralty Cottage Fund	250,000	-	-	-	250,000
Total restricted funds	2,008,622	17,797	(45,656)	4,181	1,984,944
Total funds	2,290,948	21,491	(50,160)	5,921	2,268,200

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £	Other Net Assets £	Total £
General Funds	210,485	1,452	211,937
Designated Funds	-	38,125	38,125
Restricted Funds	882,195	873,121	1,755,316
	1,092,680	912,698	2,005,378

13. RELATED PARTIES

There were no related party transactions in either the current or the prior year, other than those disclosed in note 7 – Staff Costs

14. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period	(262,822)	(22,748)
Adjustments for:		
Dividends and interest from investments	(24,586)	(21,446)
Losses/(gains) on investments	139,483	(5,921)
Decrease in stocks	-	-
Decrease in debtors	-	-
Increase/(decrease) in creditors	28,234	19,530
Net cash provided by operating activities	(119,691)	(30,585)

THE UNITED KINGDOM FALKLAND ISLANDS TRUST

Notes To The Financial Statements

For the Year Ended 5 April 2023

15. SOFA Comparative

	Notes	Unrestricted Funds £	Restricted Funds Shackleton Scholarship Fund £	Other Restricted Funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS FROM						
Donations and legacies		-	-	-	-	1,250,000
Other trading activities	2	-	45	-	45	6,552
Investment income	3	3,694	17,752	-	21,446	18,119
Other income		-	-	-	-	1
Total income		3,694	17,797	-	21,491	1,274,672
EXPENDITURE ON						
Raising funds		390	1,775	180	2,345	1,981
Charitable activities		4,114	22,332	21,369	47,815	46,102
Total expenditure	4	4,504	24,107	21,549	50,160	48,083
NET INCOME BEFORE NET GAIN		(810)	(6,310)	(21,549)	(28,669)	1,226,589
NET GAINS/ (LOSSES) ON INVESTMENTS		1,740	4,181	-	5,921	324,209
NET INCOME / (EXPENDITURE)		930	(2,129)	(21,549)	(22,748)	1,550,798
Transfers between funds	11	-	-	-	-	-
NET MOVEMENT OF FUNDS		930	(2,129)	(21,549)	(22,748)	1,550,798
Total funds at 6 April 2021		282,326	1,008,622	1,000,000	2,290,948	740,150
Total funds at 5 April 2022	11	283,256	1,006,493	978,451	2,268,200	2,290,948