

Trustees' report Year to 31 July 2021



The UK Friends of The  
Mustique Charitable Trust

**Annual Report and  
Accounts**

31 July 2021

Charity Registration Number:  
1125777

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**Reference and administrative information**

**Charity Name** The UK Friends of The Mustique Charitable Trust

**Trustees** Mrs Valerie Jungels-Winkler (Chair)  
Mrs Asli Arah  
Mr Andrew Charles James Rodger  
Mrs Isabelle Winkler

**Registered office** The Trust Partnership  
6 Trull Farm Buildings  
Trull  
Tetbury  
GL8 8SQ

**Website** <https://mustiquecharitabletrust.com>

**Charity Registration Number** 1125777

**Auditor** Dunkley's Chartered Accountants  
Woodland's Grange  
Woodland's Lane  
Bradley Stoke  
BS32 4JY

**Accountants** Trust Accounting Limited  
6 Trull Farm Buildings  
Trull, Tetbury  
Gloucestershire  
GL8 8SQ

**Bankers** C. Hoare & Co.  
37 Fleet Street  
London  
EC4P 4DQ

**Grant administrators** The Trust Partnership Ltd  
6 Trull Farm Buildings  
Trull, Tetbury  
Gloucestershire  
GL8 8SQ

### **Trustees' report**

The trustees present their statutory report together with the accounts of The UK Friends of The Mustique Charitable Trust (the "trust" or "charity") for the year to 31 July 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 21 - 23 of the attached accounts and comply with the charity's trust deed, applicable laws, accounting standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

### **INTRODUCTION**

The charity is governed by a trust deed dated 11 July 2008 and confirmation of registration with the Charity Commission was received on 9 September 2008 - Charity Registration Number 1125777.

The UK Friends of The Mustique Charitable Trust (hereafter, UK Friends) is an independent grant-making charitable trust. It funds charitable projects on St Vincent and the Grenadines.

### **MISSION**

During the year to 31 July 2021, The UK Friends focused its efforts on supporting the islands of St Vincent and the Grenadines with their Covid-19 response. Latterly, with the eruption of La Soufriere in the north of St Vincent in April 2021, efforts pivoted to the support of the Volcanic Emergency Relief Fund (VERF). In total £1,295,110 was donated (for further details, see below under 'Achievements and performance').

The trustees are supported locally in St Vincent and the Grenadines by the Administration Director of The Mustique Charitable Trust (MCT) and her team. After La Soufriere erupted, the Administration Director relocated to the Red Zone on the north of the island and personally oversaw the distribution of supplies funded through VERF.

The team's salaries are paid for by The Mustique Company as a gift in kind. This partnership working with the MCT means that the UK Friends can operate with very low overheads, thus enabling as much income as possible to be directed to grant-making.

### **OBJECTIVES AND ACTIVITIES IN THE YEAR**

#### **Activities and specific objectives**

The stated objects of the charity are to support and promote such charitable purposes and causes in the islands of St Vincent and the Grenadines as the Trustees in their absolute discretion may determine.

Until September 2020, the UK Friends had a strategic partnership with the St Vincent and the Grenadines Environment Fund (SVGEF). SVGEF is a not-for-profit entity, based in St Vincent, specialising in supporting philanthropic activities in respect of sustainable or environmental projects in the region. SVGEF is managed by a board that includes experts in the field and includes one trustee of the UKFMCT. It is now part of a new charity, the Conservation Collective, (UK registered charity number 1185925), which will enable it to develop its mission.

The trustees made, or committed to, seven grants and donations in the year and details are set out on page 25 of the accounts. The main source of income continued to be from donations received.

The trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives, managing the charity's assets and considering applications for financial assistance. The charity constitutes a public benefit entity as defined by FRS 102.

### **Grant-making policy and aims**

The charity's primary areas of focus are:

- ◆ Supporting long-term economic development, with an emphasis on providing relevant skills-training for the local population, especially in more remote areas
- ◆ Providing children with opportunities to grow and flourish, particularly in the provision of extra-curricular activities
- ◆ Contributing to the health and wellbeing of the islands through supporting the hospital and other medical initiatives.

### **How we work**

We aim to be a supportive grant maker and wish to help organisations grow to their full potential. We take a holistic view and insist, wherever possible, that for UKFMCT-funded projects, supplies be sourced locally, and local businesses supported.

In determining our grants, we consider how the proposals align to the UN's Sustainable Development Goals, especially the following:

- ◆ No Poverty
- ◆ Zero Hunger
- ◆ Good Health & Well-Being
- ◆ Quality Education.

### **Achievements and performance**

The year to which these accounts relate was overshadowed by two devastating events: one global, one national, both beyond the charity's control. Like elsewhere, the islands of St Vincent and the Grenadines were negatively impacted by Covid-19, and, locally, the volcanic eruption at La Soufriere on St Vincent in April 2021 led to approximately 17,000 St Vincentians (roughly 15% of the population) being made homeless. The economic and social fallout from both these events has been immense, with many islanders still in temporary accommodation, unable to work or go to school.

## Trustees' report Year to 31 July 2021

Considering such an emergency, and to enable our response to be as quick and effective as possible, we worked jointly with The Mustique Charitable Trust in raising funds for their Volcanic Emergency Relief Fund (VERF), to support St Vincent's relief efforts. From April 2021 onwards, we also pivoted our grant-making strategy to support VERF. The trustees of the UK Friends also decided to ringfence all their fundraising efforts to support VERF rather than raise money for general funds, especially as Covid-19 restrictions made the usual fundraising events impossible to deliver.

The UK Friends is very fortunate to have dedicated support from the Mustique community, who rose to the challenge of raising funds online. The response to our VERF appeal (in conjunction with The Mustique Charitable Trust) was incredible, with more than £1m being raised in the space of a few weeks. We are very grateful to the artist, Marc Quinn, for dedicating proceeds from a limited print run of a picture of the island's flora, inspired by his time on Mustique (see front cover for details), which helped significantly in raising these funds.

The charity made grant and donation payments totalling £232,021 (year ended 31 July 2020: £96,512), chiefly to fund Covid-19 support and VERF.

In line with the charity's mission and rationale (see above under 'How we work'), grants given were as follows:

**Junior Sailing Academy Bequia:** £8,659 to purchase a double-ender boat to provide a training boat in line with those already used in the fishing industry, thus helping the school improve its impact by being able to train more people to fulfil local jobs.

**Vincy Table Tennis Federation:** £7,026 for the development of a table tennis programme, focused on rural communities, in particular engaging children and young people who are often excluded from these activities, and at greater risk of social exclusion. [Due to the ongoing impact of Covid-19, this grant payment and activity was deferred until March 2022.]

**Sion Hill Euphonium Steel Orchestra (SHESO):** £4,429 for their summer training programme. [Due to the ongoing impact of Covid-19, and delays to the programme start, this grant payment was not made until the following financial year, in September 2021.]

**Salvation Army Children's Home:** £5,701 to support the monthly groceries and monthly stipends for two caretakers over 12 months; capital costs towards dining room and classroom furniture and kitchen appliances, wares and utensils.

**Richmond Vale Academy:** £10,663 funding to train 18 young people in Ecological Forming and Climate Change Education as part of the organisation's Environmental Education Programme.

**Face masks:** £14,129 for reusable fabric face masks, which were locally made, thus helping meet public health needs whilst providing much-needed employment for the local community. These masks were distributed mainly to primary and secondary school students, who had previously been identified as being most in need.

**Covid-19 testing kits:** £3,151 part contribution towards the purchase of 8,000 Rapid Test Kits, which were donated to the Ministry of Health to help contain and manage the spread of Covid-19.

**Volcano Emergency Relief Funds (VERF):** Working jointly with trustees of the MCT, the charity contributed funds to a number of initiatives in response to the volcanic eruption at La Soufriere, namely £178,263 to support the following:

£58,263 for the purchase of heavy-duty cleaning equipment, for use by four major infrastructure organisations: Roads, Building & General Services Authority (BRAGSA), National Emergency Management Organisation (NEMO), Argyle International Airport (AIA) and Kingstown Town Board;

£120,000 to purchase 750 farmers' tool kits, containing essential equipment to enable farmers who had been badly affected by the volcano to resume their livelihoods.

Further funds, totalling £190,253, were committed in principle, but costs were not finalised, nor payment made, until the following financial year. These will be reported in detail under next year's financial activities – see also under 'Plans for the future'.

**St Vincent and the Grenadines Environment Fund (SVGEF):** In September 2020, the UKFMCT disbursed the restricted funds being held for SVGEF's use to a new charity, The Conservation Collective (UK charity number 1185925) of which SVGEF is now a member (see also above under 'Activities and specific objectives'). This final donation amounted to £53,272.33 sterling and \$942.34 US dollars. Having made this disbursement, this ended the formal collaboration between UKFMCT and SVGEF.

The charity's main activity is to provide grants. Therefore, it is able to exercise a significant degree of control over its expenditure. The trustees will continue to keep both income and expenditure under review.

Whilst there will undoubtedly be challenges ahead, the trustees do not expect material concerns to arise over the charity's financial position.

## FINANCIAL REPORT FOR THE YEAR

### Results for the year

A summary of the results for the year can be found on page 18 of this report and accounts.

During the year, total income from donations (excluding income in kind) is £1,295,110 (year ended 31 July 2020 - £43,936). This comprises £1,295,110 of restricted funds (year ended 31 July 2020 – £6,909) and nil from unrestricted (year ended 31 July 2020 - £37,027).

During the year, total amount of expenditure (excluding expenditure in kind) is £258,418 (year ended 31 July 2020 - £117,399 excluding in kind expenditure), of which £56,560 is unrestricted (year ended 31 July 2020 - £47,222) and £201,858 of restricted (year ended 31 July 2020 - £70,177). Expenditure consisted of grants payable totalling £232,021 (year ended 31 July 2020 - £96,512), costs of raising funds £6,315 (year ended 31 July 2020 - £nil) and support costs comprising administration and governance costs totalling £20,082 (year ended 31 July 2020 - £20,887). Grants and donations were £36,478 unrestricted (year ended 31 July 2020 - £26,373) and £195,543 restricted (year ended 31 July 2020 - £70,139). Costs of raising funds were £6,315 restricted (year ended 31 July 2020 - £nil) and nil unrestricted (year ended 31 July 2020 - £nil). Support costs were £20,082 unrestricted (year ended 31 July 2020 - £20,849) and nil restricted (year ended 31 July 2020 - £38).

Loss on exchange amounted to £1,898 (year ended 31 July 2020 – profit of £7,382).

This results in a net surplus during the year of £1,034,794 (year ended 31 July 2020 – net deficit £80,845), being a deficit of £58,572 unrestricted (year ended 31 July 2020 – deficit £17,090) and a surplus of £1,093,366 restricted (year ended 31 July 2020 – deficit £63,755).

### Reserves policy and financial position

#### Financial position

The balance sheet shows total funds of £1,528,760 at 31 July 2021 (2020 - £493,966), being £435,394 unrestricted and £1,093,366 restricted (year ended 31 July 2020 – £493,966 unrestricted and £nil restricted). The size of the unrestricted funds sustains and supports the level of donations which the trustees wish to make over time. The trustees consider free reserves to be adequate in light of the charity's reserves policy set out below.

**Reserves policy**

The trustees' policy is to operate on the basis of having sufficient income to use towards meeting their charitable objects and to accord with their principal aims, which are to make grants for the benefit of the people of St. Vincent and the Grenadines. As at the 31<sup>st</sup> July 2021, the unrestricted reserves were £435,394. The trustees are of the opinion that the charity's funds on 31 July 2021, together with anticipated donations, remain sufficient to enable them to continue this ongoing objective.

The charity has sufficient funds to maintain its current level of charitable distributions and administrative expenses. Despite the social and economic challenges that may arise in the short to medium term as a result of Covid-19, this level of reserves is deemed appropriate and the trustees are content that the charity is a going concern.

Incomes and expenditures are recognised and converted where necessary into GBP pounds sterling. However, when making grants, these funds are converted into local currency. Restricted funds are held for the Covid relief and VEF; Unrestricted comprises funds for the UKFMCT.

The policy of the UKFMCT Board of Trustees is to establish and maintain sufficient unrestricted funds to:

- ◆ Smooth out potential currency exchange fluctuations.
- ◆ Cover existing grant commitments for one year.
- ◆ Cover potential grants, based on historical norms, for one year in the event of a downturn in fundraising.
- ◆ Cover the Trust's running costs for one year.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

The charity is governed by a trust deed dated 11 July 2008. The charity is registered under the Charities Act 2011, Charity Registration Number 1125777.

### **Trustees**

The names of the trustees who were in place on 31 July 2021 are set out as part of the reference and administrative details on page 1 of this annual report and accounts.

The trustees held a full board meeting twice during the year, in line with their governing document.

Trustees are required to disclose all relevant interests and withdraw from decisions where a conflict of interest arises.

The power of appointing new trustees is vested in the trustees. The induction process for any newly appointed Trustee comprises an initial meeting with the Chair and the Board, followed by a briefing on investment strategy, the grant-making process and powers and responsibilities of the Trustee Board. The welcome pack includes copies of recent minutes of Trustee meetings, the financial statements of the Foundation and a copy of the Charity Commission's guidance 'The essential trustee: what you need to know, what you need to do' (CC3).

The trustees hold ultimate responsibility for the policies, activities and assets of the charity. The trustees agree the broad strategy of the charity, review and confirm policy decisions, review proposals, approve grants, assess and discuss grant-holder performance reports and discuss financial and investment issues and performance.

When necessary, the trustees seek advice and support from professional advisors, including legal advisors and auditors. The charity does not hold an investment portfolio but receives donations into its bank accounts at C. Hoare & Co. which it then uses to make grants and to cover its administrative costs.

### **Statement of trustees' responsibilities**

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

Charity law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity at the year end and of its income and expenditure during the year. In preparing accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

## Trustees' report Year to 31 July 2021

- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102 (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the charity and enable it to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations 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.

Each trustee confirms that:

- ◆ so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ◆ they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees are ultimately responsible for the policies, activities and assets of the charity. They review the developments with regard to the charity, its grant-giving activities and make any important decisions. When necessary, the trustees seek advice and support from the charity's professional advisers including solicitors and accountants. The day-to-day management of the charity's activities, and the implementation of policies, is delegated to the Administration Director and her team on St Vincent.

### **Key management**

The trustees comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The day-to-day management and operation of the charity has been supported by an Administration Director and Assistant on St Vincent with administrative and bookkeeping support provided by The Trust Partnership in the UK.

The Administration Director has worked closely with the trustees in order to implement the charity's strategic priorities and managed the grant-making process, the grants portfolio and relationships with grant holders. The Trust Partnership has provided clerking and bookkeeping support, including trustees' policy statements and risk management procedures. This has increased efficiency and allowed the charity to maintain cost-effective operations. Where appropriate, advice is also taken from the charity's auditor, legal and other professional advisors.

### **Risk management**

The trustees have a range of experience across the business, investment and charity sectors. Additional relevant expertise and internal control is maintained by delegating responsibilities and performance measurement. Procedures and policies are kept under regular review.

The trustees regularly assess the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances. The trustees believe that by monitoring grants made, by ensuring controls exist over key finance systems and by examining the operational and business risks faced by the charity, they have established effective systems to mitigate those risks. The trustees' work on risk assessment has been formally documented and is subject to regular ongoing review.

Risks are categorised as either financial, conduct or reputational, and responsibility is ascribed for each risk. Probability and potential impact are assessed for each risk. Consideration is also given as to whether risks are regarded as static, diminishing or increasing. This enables the trustees to judge whether and where additional controls need to be implemented.

For example, the charity has a grant-making policy and due diligence and monitoring procedures aimed at ensuring that all grants are both appropriate and effective. Policies are formally reviewed and re-adopted annually.

Having assessed the major risks to which the charity is exposed including giving consideration to any challenges that may arise due to the Covid-19 pandemic, the trustees believe that by ensuring controls exist over key financial and grant making systems which are subject to regular monitoring, including periodic reviews of performance against benchmarks, they have established effective systems to mitigate those risks.

### **PLANS FOR THE FUTURE**

The trustees aim to continue supporting the people of St Vincent and the Grenadines in the ways heretofore outlined. At the time of writing, the trustees are working closely with their grantees as they respond to the impact of the La Soufriere volcano and the economic fallout from Covid-19. They will continue to support their grantees as they seek to rebuild their impact when the immediate crisis abates.

## Trustees' report Year to 31 July 2021

In particular, the following grants have been agreed as part of the charity's VERF commitments and will be paid in the year ending 31 July 2022: £190,253 to support the following:

- ◆ £27,953 for the purchase of Educational Supplies for distribution in the 'Red' and 'Orange Zones';
- ◆ £8,240 for shipping and distribution costs of the heavy-duty cleaning equipment as outlined above (under 'Achievements and performance').
- ◆ £74,739 to fund 12 Shower Facilities with Water Tank Storage Platforms at 12 schools, which also serve as evacuation centres;
- ◆ £79,321 in shipping and distribution costs to supply the 750 farmers' tool kits (outlined above under 'Achievements and performance').

Signed on behalf of the trustees:

  
Andrew Rodger (May 30, 2022 16:30 EDT)

Andrew Rodger

Approved by the trustees on: May 30, 2022

## **Independent auditor's report**

### ***Opinion***

We have audited the financial statements of The UK Friends of Mustique Charitable Trust for the year ended 31<sup>st</sup> July 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31 July 2021 and of its 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 Auditors' 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 trustees with respect to going concern are described in the relevant sections of this report.

### ***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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Matters on which we are required to report by exception***

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ◆ the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept; 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 trustees***

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

***Our responsibilities for the audit of the financial statements***

We have been appointed as auditors under Section 144 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 a Report of the Independent Auditors 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 based on these financial statements.

The extent to which our procedures can detect irregularities, including fraud is detailed below:

***Extent to which the audit was considered capable of detecting irregularities, including fraud***

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

***Identifying and assessing potential risks related to irregularities***

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- ◆ the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, bonus levels and performance targets;
- ◆ any matters we identified, having obtained and reviewed the company's documentation of their policies and procedures relating to:
- ◆ identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- ◆ detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- ◆ the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- ◆ the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- ◆ As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the areas of management override of controls, and revenue recognition.
- ◆ We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements.

***Audit response to risks identified***

Our procedures to respond to risks identified included the following:

- ◆ enquiring of management, concerning actual and potential litigation and claims;
- ◆ performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- ◆ in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**Independent auditor's report** Year to 31 July 2021

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

***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 auditors' 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.

The logo for Dunkley's, featuring the name in a stylized, handwritten-style font with a triangle above the letter 'D'.

Dunkley's Statutory Auditors Chartered Accountants  
Woodlands Grange  
Woodlands Lane  
Bradley Stoke  
Bristol  
BS32 4JY

Date: 31/05/2022 .....

Statement of financial activities Year to 31 July 2021

Statement of financial activities

	Notes	Unrestricted Year to 31 July 2021 £	Restricted Year to 31 July 2021 £	Total funds Year to 31 July 2021 £	Unrestricted Year to 31 July 2020 £	Restricted Year to 31 July 2020 £	Total funds Year to 31 July 2020 £
<b>Income from:</b>							
Donations and legacies	1	-	1,295,110	1,295,110	37,027	6,909	43,936
In kind income	7	20,137	-	20,137	22,000	-	22,000
<b>Total income</b>		<b>20,137</b>	<b>1,295,110</b>	<b>1,315,247</b>	<b>59,027</b>	<b>6,909</b>	<b>65,936</b>
<b>Expenditure on:</b>							
Raising funds		-	6,315	6,315	-	-	-
Promoting and enhancing charitable work	3	36,478	195,543	232,021	26,373	70,139	96,512
Other expenditure	3	20,082	-	20,082	20,849	38	20,887
In kind expenditure	7	20,137	-	20,137	22,000	-	22,000
<b>Total expenditure</b>		<b>78,560</b>	<b>201,858</b>	<b>278,555</b>	<b>69,222</b>	<b>70,177</b>	<b>139,399</b>
<b>Net (expenditure)/income</b>		<b>(56,560)</b>	<b>1,093,252</b>	<b>1,036,692</b>	<b>(10,195)</b>	<b>(63,268)</b>	<b>(73,463)</b>
<b>(Loss)/profit on exchange</b>	2	<b>(2,012)</b>	<b>114</b>	<b>(1,898)</b>	<b>(6,895)</b>	<b>(487)</b>	<b>(7,382)</b>
<b>Net movement in funds</b>		<b>(58,572)</b>	<b>1,093,366</b>	<b>1,034,794</b>	<b>(17,090)</b>	<b>(63,755)</b>	<b>(80,845)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 August 2020		<b>493,966</b>	-	<b>493,966</b>	511,056	63,755	574,811
Total funds carried forward at 31 July 2021		<b>435,394</b>	<b>1,093,366</b>	<b>1,528,760</b>	493,966	-	493,966

All of the charity's activities derived from continuing operations during the above two financial years.

All recognised gains and losses are included in the above statement of financial activities.

## Balance Sheet Year to 31 July 2021

### Balance Sheet

Notes	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
<b>Current assets</b>						
Cash at bank and in hand	458,007	1,093,366	1,551,373	501,154	53,993	555,147
<b>Liabilities</b>						
<b>Creditors: amounts falling due within one year</b>						
- Accruals for grant payables	(11,455)	-	(11,455)	-	(53,993)	(53,993)
- Trade creditors	(7,558)	-	(7,558)	(6,188)	-	(6,188)
- Accruals and deferred income	(3,600)	-	(3,600)	(1,000)	-	(1,000)
	<b>(22,613)</b>	<b>-</b>	<b>(22,613)</b>	<b>(7,188)</b>	<b>(53,993)</b>	<b>(61,181)</b>
<b>Net current assets</b>	<b>435,394</b>	<b>1,093,366</b>	<b>1,528,760</b>	<b>493,966</b>	<b>-</b>	<b>493,966</b>
<b>Total net assets</b>	<b>435,394</b>	<b>1,093,366</b>	<b>1,528,760</b>	<b>493,966</b>	<b>-</b>	<b>493,966</b>
<b>Funds and reserves</b>						
Initial capital	100	-	100	100	-	100
Unrestricted funds	435,294	1,093,366	1,528,560	493,866	-	493,866
<b>Total funds</b>	<b>435,394</b>	<b>1,093,366</b>	<b>1,528,760</b>	<b>493,966</b>	<b>-</b>	<b>493,966</b>

Approved by the trustees and signed on their behalf by:

  
Andrew Rodger (May 30, 2022 16:30 EDT)

Andrew Rodger

Approved by the trustees on: May 30, 2022

## Cashflow Statement Year to 31 July 2021

### Cashflow Statement

	Notes	2021 £	2020 £
<b>Cashflow from operating activities:</b>			
Net cash provided by operating activities	A	<b>998,124</b>	(3,699)
<b>Net cash from financing activities - exchange (loss)/profit</b>		<b>(1,898)</b>	(7,382)
<b>Change in cash and cash equivalents in the year</b>		<b>996,226</b>	(11,081)
<b>Cash and cash equivalents at opening</b>		<b>555,147</b>	566,228
<b>Cash and cash equivalents at closing</b>	B	<b>1,551,373</b>	555,147

### Notes to the statement of cash flows for the year 31 July 2021

**A:** Reconciliation of net income and net movement in funds to net cash used in operating activities

	£	£
<b>Net income and net movement of funds (as per the statement of financial activities)</b>	<b>1,036,692</b>	(73,463)
<b>Decrease/(Increase in debtors)</b>	-	11,043
<b>(Decrease)/Increase in creditors</b>	<b>(38,568)</b>	58,721
<b>Net cash provided by operating activities</b>	<b>998,124</b>	(3,699)

**B:** Analysis of cash and cash equivalents

<b>Total Cash and cash equivalents: cash at bank and in hand</b>	<b>1,551,373</b>	555,147
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## **Principal accounting policies** Year to 31 July 2021

### **Principal accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

### **Basis of preparation**

These accounts have been prepared for the year to 31 July 2021, with comparative information given in respect to the year from 1 August 2019 to 31 July 2020.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102) issued on 16 July 2014, Update Bulletin 1 issued on 2 February 2016, Update Bulletin 2 issued on 5 October 2018, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees to make significant judgements and estimates.

The principal item in the accounts where a judgement or an estimate has been made is in respect to estimating future income and expenditure flows to enable the trustees to assess the impact of the Covid-19 pandemic on the charity's financial position and going concern (see below).

### **Assessment of going concern**

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts, and in light of the recent Covid-19 pandemic.

The charity's main activity is to provide grants. Therefore, it is able to exercise a significant degree of control over its expenditure. The trustees will continue to keep both income and expenditure under review.

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

## Principal accounting policies Year to 31 July 2021

### **Income recognition**

Income is recognised in the year in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

### **Income recognition (continued)**

Donations are recognised when the charity has confirmation of both the amount and the settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that the donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either the conditions are fully met, or the fulfilment of these conditions are wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

All other income is recognised to the extent that it is probable that the economic benefit will flow to the charity and the revenue can be measured reliably. It is measured at fair value and is accounted for on an accruals basis.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligations can be measured reliably.

All expenditure is accounted for on an accrual's basis. Expenditure comprises direct costs and support costs.

Grants and donations payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

All expenditure is stated inclusive of irrecoverable VAT.

### **Allocation of support and governance costs**

Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of administration services. Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect of its compliance with regulation and good practice.

Support costs and governance costs are apportioned directly to the one charitable activity.

## **Principal accounting policies** Year to 31 July 2021

### **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

### **Cash in bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits.

### **Creditors and provisions**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

### **Fund accounting**

The unrestricted fund represents funds available for the general charitable purposes of the charity which may be applied at the discretion of the trustees.

**Notes to the accounts**

**1. Donations and legacies**

	Unrestricted Year to 31 July 2021 £	Restricted Year to 31 July 2021 £	Total funds Year to 31 July 2021 £	Unrestricted Year to 31 July 2020 £	Restricted Year to 31 July 2020 £	Total funds Year to 31 July 2020 £
The UK Friends of The Mustique Charitable Trust	-	1,295,110	1,295,110	37,027	-	37,027
St Vincent & Grenadines Environment Fund	-	-	-	-	6,909	6,909
<b>Total: Donations</b>	<b>-</b>	<b>1,295,110</b>	<b>1,295,110</b>	<b>37,027</b>	<b>6,909</b>	<b>43,936</b>

**2 (Loss)/profit on exchange**

	Unrestricted Year to 31 July 2021 £	Restricted Year to 31 July 2021 £	Total Year to 31 July 2021 £	Unrestricted Year to 31 July 2020 £	Restricted Year to 31 July 2020 £	Total Year to 31 July 2020 £
Profit on exchange	-	114	114	-	-	-
Loss on exchange	(2,012)	-	(2,012)	(6,895)	(487)	(7,382)
<b>Total (Loss)/Profit on exchange</b>	<b>(2,012)</b>	<b>114</b>	<b>(1,898)</b>	<b>(6,895)</b>	<b>(487)</b>	<b>(7,382)</b>

**3 Promoting and enhancing charitable work**

	Unrestricted Year to 31 July 2021 £	Restricted Year to 31 July 2021 £	Total Year to 31 July 2021 £	Unrestricted Year to 31 July 2020 £	Restricted Year to 31 July 2020 £	Total Year to 31 July 2020 £
Charitable donations (note 4)	36,478	195,543	232,021	26,373	70,139	96,512
Expenses (note 5)	17,082	-	17,082	19,849	38	19,887
Governance costs (note 6)	3,000	-	3,000	1,000	-	1,000
<b>Total</b>	<b>56,560</b>	<b>195,543</b>	<b>252,103</b>	<b>47,222</b>	<b>70,177</b>	<b>117,399</b>

**4 Charitable donations**

Charitable donations during the year comprised the following:

	<b>Year to 31 July 2021 £</b>	Year to 31 July 2020 £
<b>Unrestricted</b>		
<b>The UK Friends of The Mustique Charitable Trust</b>		
Vincy Table Tennis	<b>7,026</b>	-
SHESHO	<b>4,429</b>	-
Swimming Federation		
- Grass Roots Swimming	-	808
Brighton Methodist School	-	1,779
Fancy Village, Sandy Bay Government School	-	2,080
Mountain View Adventist Academy	-	16,282
Richmond Vale Academy Permaculture Design Course	<b>10,663</b>	3,117
Sustainable Livelihoods Project (ECO Entrepreneurship)	-	2,307
Junior Sailing Academy	<b>8,659</b>	-
Salvation Army Children's Home	<b>5,701</b>	-
<b>Total</b>	<b>36,478</b>	26,373
<b>Restricted</b>		
Environmental Protection for Seabirds - SVGEF	-	16,146
The Conservation Collective – donation of SVGEF funds	-	53,993
<b>Total</b>	-	70,139
<b>VERF Fund</b>		
Covid Fund re-allocation	<b>17,280</b>	-
VERF – Purchase of Farmers Tool Kits/Cleaning Equipment	<b>178,263</b>	-
<b>Total</b>	<b>195,543</b>	70,139
<b>Total grants and donations</b>	<b>232,021</b>	96,512

At 31 July 2021, the charity had no grant commitments in respect to grants awarded but payable only on the fulfilment of certain conditions (year to 31 July 2020 – none).

**5 Grant and other administrative costs**

	Unrestricted Year to 31 July 2021 £	Restricted Year to 31 July 2021 £	Year to Total 31 July 2021 £	Unrestricted Year to 31 July 2020 £	Restricted Year to 31 July 2020 £	Total Year to 31 July 2020 £
Bank charges	549	-	549	292	38	330
Accountancy & administration	16,533	-	16,533	19,557	-	19,557
<b>Total</b>	<b>17,082</b>	<b>-</b>	<b>17,082</b>	<b>19,849</b>	<b>38</b>	<b>19,889</b>

**6 Governance costs**

	Unrestricted Year to 31 July 2021 £	Restricted Year to 31 July 2021 £	Total Year to 31 July 2021 £	Unrestricted Year to 31 July 2020 £	Restricted Year to 31 July 2020 £	Total Year to 31 July 2020 £
<b>Total Funds: Statutory audit fee</b>	<b>3,000</b>	<b>-</b>	<b>3,000</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>

**7 Staff costs and trustees' remuneration**

The charity employed no staff during the year (year to 31 July 2020 – none).

No trustee received any remuneration in respect of their services during the year (year to 31 July 2020 – none).

No trustees were reimbursed for expenditure incurred in the performance of their duties during the year (year to 31 July 2020 – none).

**Key management personnel**

The key management personnel of the charity in charge of directing and controlling the charity comprise the trustees. The total remuneration (including taxable benefits but excluding employer's pension contributions) of the key management personnel for the year was £nil (year to 31 July 2020 - £nil).

The salary costs for the Administration Director and the Assistant to the Administration Director are paid for by gifts in kind. The payments for the year were £20,137 (year to 31 July 2020 – £22,000)

**8 Taxation**

The UK Friends of The Mustique Charitable Trust is a registered charity and, therefore, is not liable to income tax or corporation tax on income or gains derived from its charitable activities as they fall within the various exemptions available to registered charities.

**9 Creditors: amounts falling due within one year**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £
Accruals for grant payables	11,455	-	11,455	-	53,993	53,993
Trade creditors	7,558	-	7,558	6,188	-	6,188
Accruals and deferred income	3,600	-	3,416	1,000	-	1,000
	<b>22,613</b>	<b>-</b>	<b>22,613</b>	7,188	53,993	61,181

**10 Funds analysis**

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £
Brought forward 1 August 2020	493,966	-	493,967
Income	-	1,093,366	1,093,366
Expenditure	(58,572)	-	(58,572)
Transfers	-	-	-
Gains and losses	-	-	-
Carried forward 31 July 2021	<b>435,394</b>	<b>1,093,366</b>	<b>1,528,760</b>

In response to the volcanic eruption in 2021 on the island of St Vincent all income funds resulting from fundraising appeals were restricted to support VEF (Volcano Emergency Relief Fund). In 2020 restricted funds were held on behalf of the SVGEF and these were fully dispersed by the end of 2020.

Unrestricted comprises funds for the UKFMCT, some of which may be deployed to The Mustique Charitable Trust, at the discretion of the trustees.

**11 Related party transactions**

There was a £19,585 related parties' transaction in 2021 (year to 31 July 2020 - £2,307). The Mustique Charitable Trust was reimbursed £17,280 for purchasing Covid-19 face masks and test kits to support the mitigation of Covid-19 on St Vincent and the Grenadines (see above under 'Achievements and performance'). There was also a purchase of a Marc Quinn print by a trustee at £2,305.

The Administration Director and Assistant at The Mustique Charitable Trust provide support for the UKFMCT, which is paid for as a gift in kind.