

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**

**Report and Financial Statements**

**For the year ended 30 June 2019**

# **FALKLAND ISLANDS DEVELOPMENT CORPORATION**

## **REPORT AND FINANCIAL STATEMENTS 2017**

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# **FALKLAND ISLANDS DEVELOPMENT CORPORATION**

## **BOARD MEMBERS' REPORT**

### **FALKLAND ISLANDS DEVELOPMENT CORPORATION BOARD MEMBERS**

The Falkland Islands Development Corporation Ordinance 2013 provides for the Corporation to have a governing board, known as the Falkland Islands Development Board, consisting of the following persons:

- (a) an appointed Chair;
- (b) an appointed Vice-Chair;
- (c) one appointed member;
- (d) one MLA, nominated by MLAs collectively;
- (e) the Chief Executive; and
- (f) up to 4 co-opted members.

In addition to the above, the Financial Secretary of the Falkland Islands Government (or her representative) and the Managing Director and Financial Controller of the Corporation may attend meetings of the Board and may speak to any matter before the Board, but may not vote.

The Ordinance additionally provides for an employee of the Corporation to be nominated as Secretary.

The following individuals served on the Board from July 2018 and to the date of this report:

Chair	Mr J Wylie
Vice-Chair	Mr A Newman
Appointed Member	Mr A Pollard (Resigned June 2019) Mr R Lee
Nominated MLA	Mr M Pollard
Chief Executive	Mr B Rowland
Co-opted Members	Dr A Clausen (Resigned September 2019) Mr E Hurley Mr P Phillips (Resigned June 2019) Mr N Judd (Appointed September 2019) Mr T Blake (Appointed September 2019)

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**

**BOARD MEMBERS' REPORT (CONTINUED)**

**STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES**

The Falkland Islands Development Corporation Ordinance 2013 requires the organisation to prepare financial statements for each financial year. In preparing those financial statements, the Falkland Islands Development Corporation board members are required to:

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

The Falkland Islands Development Corporation board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation and enable them to ensure that the financial statements comply with the Falkland Islands Development Corporation Ordinance 2013 and the Finance and Audit Ordinance 1988. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Falkland Islands Development Corporation board on 21<sup>st</sup> NOVEMBER 2019.

Signed on behalf of the Falkland Islands Development Corporation board

Chair



## **Independent auditor's report to the Board members of the Falkland Islands Development Corporation**

### **Opinion**

We have audited the financial statements of the Falkland Islands Development Corporation (the 'corporation') for the year ended 30 June 2019 which comprise the General Revenue Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is Falkland Island Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance.

In our opinion, the financial statements:

- \* give a true and fair view of the state of the corporation's affairs as at 30 June 2019 and of its surplus for the year then ended;
- \* have been prepared in accordance with the requirements of the Falkland Island Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance.

### **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 corporation 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 board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- \* the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the corporation'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 board members are responsible for the other information. The other information comprises the information included in the board members report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the corporation and its environment obtained in the course of the audit, we have not identified material misstatements in the Board Report.

### **Responsibilities of Board members**

As explained more fully in the board members' responsibilities statement set out on page 2, the board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the corporation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. Our audit work has been undertaken so that we might state to the corporation's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the corporation and the corporation's members as a body for our audit work, for this report, or for the opinions we have formed.

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 auditor's report.

*Mazan*

Mazars LLP  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol, BS1 6DP

*28/11/19*

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## PRINCIPAL ACCOUNTING POLICIES

Year ended 30 June 2019

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Corporation's financial statements:

**(a) Basis of accounting**

The financial statements are prepared under the historical cost accounting convention.

The presentation of the financial statements is in a form considered by the Falkland Islands Development Corporation board members appropriate to the activities of the Corporation and complies with the requirements of the Falkland Islands Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988.

**(b) Basis of preparation**

The accounts have been prepared on a going concern basis.

**(c) Funding**

The Corporation's mainstream activities during the year were principally funded by subvention from the Falkland Islands Government, repayment of loans advanced in previous periods, rental income, loan interest and other income. This funding financed both capital expenditure, including investments and loans, and the excess of revenue expenditure over income. Previously the subvention, also known as Grant-in-aid, was credited to the general fund, and the excess of expenditure over income was deducted from the general fund. It has been agreed, by the Board, that following the change in corporate structure and funding methodology from FIG, income is now shown on the face of the General Revenue account, rather than as an adjustment through reserves. In certain circumstances, where the Corporation is acting purely in an administrative capacity in the application of funding received, the funding is credited to deferred income and released to the subvention funding to match actual expenditure. If expenditure is in excess of funding received and the corporation has recourse to recover the excess, then the difference is accounted for as accrued income.

**(d) Fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. No depreciation is charged in respect of freehold land. Assets under the course of construction are not depreciated until they are brought into use. Depreciation on other categories of fixed assets is calculated to write off the cost of fixed assets by equal annual instalments over their estimated useful lives at the following rates:

Land	Nil
Buildings – freehold	3%
Buildings – leasehold	Over life of lease
Buildings – portacabins	20%
Motor vehicles	25%
Plant & equipment	10-20%
Office furniture & fittings	10-33%
Computer equipment	33%

**(e) Investments and loans**

Investments are stated at cost less any provision for impairment considered necessary by the Falkland Islands Development Corporation board members. Loans are stated after deduction of any provisions for losses considered necessary in cases where it is anticipated that loans will not be recovered in full.

**(f) Stocks**

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price. Adjustments are made for slow moving and obsolete stock.

## FALKLAND ISLANDS DEVELOPMENT CORPORATION

### PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Year ended 30 June 2019

**(g) Research and surveys**

Expenditure on research and surveys is charged to the General Revenue Account in the year which it is incurred.

**(h) Deferred income**

Amounts received in prior periods from the Falkland Islands Government to fund land transfer loans made by the Corporation have been recorded as deferred income and are released to the General Fund as the farm loan repayment income is received or written off by the Corporation.

**(i) Operating leases**

Assets owned by the Corporation for use under operating leases are included in Tangible Fixed Assets – Projects. Income is derived from operating leases recognised in the General Revenue Account as it falls due.

**(j) Loans and interest**

Outstanding amounts in relation to loans are shown within Investment in Projects – Shares and Loans, and are reduced to nil over the period of the loan by the capital element of loan repayment.

Interest earned on loans is credited to the General Revenue Account upon receipt. No account is taken of interest in respect of which a moratorium has been granted.

**(k) Foreign currency**

The financial statements are maintained and reported in Falkland Islands pounds. Transactions denominated in other currencies are converted to Falkland Islands pounds at the foreign exchange rate ruling on the date the transactions take place. Foreign currency bank balances held at the year end are retranslated into Falkland Islands pounds at the exchange rate ruling at the year end. Gains and losses on translation are taken to the General Revenue Account.

**(l) Taxation**

The Corporation is not subject to taxation.

**(m) Pension costs**

The pension cost charge in the financial statements represents contributions paid by the Corporation to defined contribution pension funds during the year.

**(n) Consolidation**

Consolidated financial statements including the results of subsidiaries and associates have not been prepared. There is no requirement to prepare consolidated financial statements under applicable Falkland Islands legislation.



# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## GENERAL REVENUE ACCOUNT

Year ended 30 June 2019

	Note	2019 £	2018 £
<b>INCOME</b>			
Loan and hire purchase interest		87,392	78,483
Bank interest		2,504	956
Rent		90,672	88,798
Subvention funding received		1,029,133	524,659
Other income		1,235	-
		<u>1,210,936</u>	<u>692,896</u>
<b>EXPENDITURE</b>			
Project costs:			
Rural Development		(68,995)	(49,835)
Industry		(41,728)	(45,101)
Tourism		(54,698)	(45,769)
Administrative expenses (net)	1	(552,363)	(457,365)
Depreciation of own use assets		(36,659)	(35,019)
		<u>(754,443)</u>	<u>(633,089)</u>
<b>NET OPERATING INCOME</b>		<u>456,493</u>	<u>59,807</u>
Net gain on disposal of fixed assets		<u>8,500</u>	<u>8,000</u>
<b>NET SURPLUS</b>		<u>464,993</u>	<u>67,807</u>

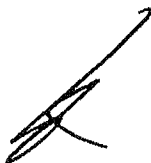
**FALKLAND ISLANDS DEVELOPMENT CORPORATION**

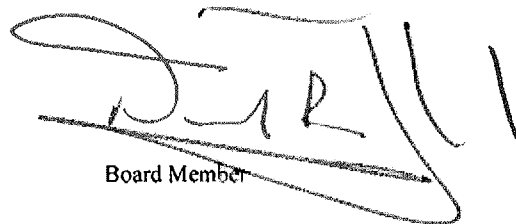
**BALANCE SHEET**  
As at 30 June 2019

	Note	2019 £	2018 £
<b>INVESTMENT PROJECTS</b>			
Shares and loans	2	2,562,189	2,583,681
Tangible fixed assets - projects	3	<u>296,107</u>	<u>176,511</u>
		2,858,296	2,760,192
<b>FIXED ASSETS</b>			
Tangible fixed assets - own use	4	536,971	546,802
		<u>3,395,267</u>	<u>3,306,994</u>
<b>CURRENT ASSETS</b>			
Stocks	5	-	-
Debtors	6	58,133	17,747
Cash at bank and in hand		<u>1,663,207</u>	<u>1,308,977</u>
		1,721,340	1,326,724
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	7	(149,071)	(134,042)
<b>NET CURRENT ASSETS</b>		<u>1,572,269</u>	<u>1,192,682</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Deferred income account	8	(11,063)	(44,912)
<b>NET ASSETS</b>		<u>4,956,473</u>	<u>4,454,762</u>
<b>FUNDS</b>			
Net capital funding received during year		32,000	115,000
Deferred income released	8	4,718	10,615
Funds reserves brought forward		4,454,762	4,261,340
Surplus for year		464,993	67,807
<b>FUND RESERVES CARRIED FORWARD</b>		<u>4,956,473</u>	<u>4,454,762</u>

Approved by the Falkland Islands Development Corporation board on 21/6/19

Signed on behalf of the Falkland Islands Development Corporation board

Board Member 

  
Board Member

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**  
**CASH FLOW STATEMENT**  
**As at 30 June 2019**

	2019 £	2018 £	
<b>RECONCILIATION OF NET OPERATING CASH OUTFLOW</b>			
Net operating surplus	464,993	67,807	
Depreciation and provisions for diminution in value of tangible fixed assets	49,871	47,062	
Increase in debtors	(40,386)	60,795	
Decrease in stock	-	-	
Increase in creditors	15,029	550	
Net (gain) on disposal of fixed assets	(8,500)	(8,000)	
Deferred income released	(29,131)	(74,659)	
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<u>451,876</u>	<u>93,555</u>	
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Additions to tangible fixed assets	(159,636)	(73,589)	
Receipts from sales of tangible assets	8,500	8,000	
Addition to investments	-	-	
Loans advanced during year	(322,099)	(435,550)	
Loan and hire purchase capital repayments received	343,591	335,583	
<b>NET CASHFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS</b>	<u>(129,644)</u>	<u>(165,556)</u>	
<b>NET CASH INFLOW BEFORE FINANCING</b>	322,232	(72,001)	
<b>FINANCING</b>			
Net capital funding received during year	32,000	115,000	
Deferred revenue	-	-	
<b>(DECREASE)/INCREASE IN CASH DURING THE YEAR</b>	<u>354,232</u>	<u>42,999</u>	
Net funds at 1 July 2018	1,308,977	1,265,978	
Cash outflow	354,230	42,999	
Net funds at 30 June 2019	<u>1,663,207</u>	<u>1,308,977</u>	
<b>ANALYSIS OF CASH AS SHOWN IN THE BALANCE SHEET</b>			
	2019 £	2018 £	Change in year £
Cash at bank and in hand	<u>1,663,207</u>	<u>1,308,977</u>	<u>354,230</u>

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

<b>1. ADMINISTRATIVE EXPENSES (NET)</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Salaries and staff costs	390,046	334,403
Less: allocated to project costs	-	-
	<u>390,046</u>	<u>334,403</u>
<b>Other admin costs</b>		
Travel and subsistence	265	217
General expenses	25,543	21,441
Heat, light and power	8,106	5,207
Repairs and maintenance	26,833	22,976
Insurance	12,571	13,768
Telephone, fax and postage	9,136	6,454
Computer and internet support	6,206	10,513
Printing and stationery	4,242	6,631
Audit fees	20,033	19,579
Accountancy and professional fees	48,043	15,330
Bad debt	-	-
Publicity and promotions	1,339	846
	<u>162,317</u>	<u>122,962</u>
<b>TOTAL</b>	<u><u>552,363</u></u>	<u><u>457,365</u></u>

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

**2. INVESTMENTS IN PROJECTS**

<b>SHARES AND LOANS</b>	<b>Ordinary shares £</b>	<b>Loans £</b>	<b>Total £</b>
<b>At 1 July 2018</b>			
Subsidiary companies	36,300	34,471	70,771
Associated companies	-	-	-
Land Transfer loans	-	-	-
Others	-	2,512,910	2,512,910
	<u>36,300</u>	<u>2,547,381</u>	<u>2,583,681</u>
<b>Net additions/(disposals) in year:</b>			
Subsidiary companies	-	-	-
Associated companies	-	-	-
Land Transfer loans	-	-	-
Others	-	322,099	322,099
	<u>-</u>	<u>322,099</u>	<u>322,099</u>
<b>Repayments/transfers in year:</b>			
Subsidiary companies	-	-	-
Associated companies	-	-	-
Land Transfer loans	-	-	-
Others	-	(343,591)	(343,591)
	<u>-</u>	<u>(343,591)</u>	<u>(343,591)</u>
<b>At 30 June 2019</b>			
Subsidiary companies	36,300	34,471	70,771
Associated companies	-	-	-
Land Transfer loans	-	-	-
Others	-	2,491,418	2,491,418
	<u>36,300</u>	<u>2,525,889</u>	<u>2,562,189</u>
<b>Analysis by sector:</b>			
Rural development	-	1,375,797	1,375,797
Industry	36,300	986,486	1,022,786
Tourism	-	163,606	163,606
	<u>36,300</u>	<u>2,525,889</u>	<u>2,562,189</u>

## FALKLAND ISLANDS DEVELOPMENT CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2019

#### 2. INVESTMENTS IN PROJECTS (CONTINUED)

Investments in ordinary shares	2019	2018
<b>FIDC subsidiaries</b>		
Falkland Islands Meat Company Limited	100%	100%
<b>Other significant FIDC associated companies</b>		
Falkland Farmers Ltd (no voting control)	50%	50%

Consolidated financial statements including the results of the above subsidiaries and associates have not been prepared. There is no requirement to prepare consolidated financial statements under applicable Falkland Islands company law.

#### Repayment profile of loan investments

	2019	2018
	£	£
Loans are recoverable as follows:		
Within 1 year	273,560	294,776
Within 2 to 5 years	787,021	739,560
After more than 5 years	1,465,308	1,513,045
	<u>2,525,889</u>	<u>2,547,381</u>

**FALKLAND ISLANDS DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

**3. TANGIBLE FIXED ASSETS - PROJECTS**

	<b>Land &amp; buildings £</b>	<b>Furniture fittings £</b>	<b>Plant &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2018	404,674	2,513	228,313	635,500
Additions	132,809	-	-	132,809
Disposals	-	-	-	-
At 30 June 2019	<u>537,483</u>	<u>2,513</u>	<u>228,313</u>	<u>768,309</u>
<b>Depreciation</b>				
At 1 July 2018	230,101	2,513	226,375	458,989
Charge for year	12,324	-	889	13,213
Disposals	-	-	-	-
At 30 June 2019	<u>242,425</u>	<u>2,513</u>	<u>227,264</u>	<u>472,202</u>
<b>Net book value</b>				
At 30 June 2019	<u>295,058</u>	<u>-</u>	<u>1,049</u>	<u>296,107</u>
At 30 June 2018	<u>174,573</u>	<u>-</u>	<u>1,938</u>	<u>176,511</u>
<b>Cost analysis by sector:</b>				
Rural development	346,098	915	209,802	556,815
Fisheries	-	1,098	-	1,098
Industry	191,385	500	18,511	210,396
	<u>537,483</u>	<u>2,513</u>	<u>228,313</u>	<u>768,309</u>

Included within plant and equipment is motor vehicles and included within furniture and fittings is computer equipment.

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

**4 TANGIBLE FIXED ASSETS - OWN USE**

	<b>Land &amp; buildings</b>	<b>Motor vehicles</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 July 2018	897,962	63,028	146,599	1,107,589
Additions	7,489	2,750	16,588	26,827
Disposals	-	(17,688)	-	(17,688)
At 30 June 2019	<u>905,451</u>	<u>48,090</u>	<u>163,187</u>	<u>1,116,728</u>
<b>Depreciation</b>				
At 1 July 2018	410,192	21,455	129,140	560,787
Charge for year	18,944	6,637	11,077	36,658
Disposals	-	(17,688)	-	(17,688)
At 30 June 2019	<u>429,136</u>	<u>10,404</u>	<u>140,217</u>	<u>579,757</u>
<b>Net book value</b>				
At 30 June 2019	<u>476,315</u>	<u>37,686</u>	<u>22,970</u>	<u>536,971</u>
At 30 June 2018	<u>487,770</u>	<u>41,573</u>	<u>17,459</u>	<u>546,802</u>

Included in own use land and buildings cost is an amount of £170,927 (2018: £170,927) for land which is not depreciated.

<b>5. STOCK</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Finished Goods	<u>-</u>	<u>-</u>
<b>6. DEBTORS</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	13,400	5,582
Other debtors	38,553	9,752
Prepayments	6,180	2,413
	<u>58,133</u>	<u>17,747</u>
<b>7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	28,914	66,036
Other creditors	28,050	19,667
Accruals	92,107	48,339
	<u>149,071</u>	<u>134,042</u>



**FALKLAND ISLANDS DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

<b>8. DEFERRED INCOME ACCOUNT</b>	<b>FIG funded Grant specific £</b>	<b>ISP FIG funded Loans £</b>	<b>Total £</b>
Total as at 1st July 2018	38,234	6,678	44,912
Funding received in year	-	-	-
Released to the General Revenue Account	(29,131)	(4,718)	(33,849)
Total as at 30 June 2019	<u>9,103</u>	<u>1,960</u>	<u>11,063</u>

<b>9. BOARD MEMBER EMOLUMENTS</b>	<b>2019 £</b>	<b>2018 £</b>
Total emoluments (including pension contributions)	<u>2,480</u>	<u>2,160</u>

The Chairman's remuneration was £800 (2018: £640) and the remuneration of the highest paid member, excluding pension contributions was £800 (2018: £640). Pension contributions paid to the highest paid member during the year were £nil (2018: £nil). Under the 2014 Ordinance the Managing Director is no longer a Board Member and his remuneration is therefore no longer included.

**10. PENSION COSTS**

The corporation participates in the Falkland Islands Pension Scheme, which is a defined contribution scheme. Contributions to the scheme during the year in respect of Corporation employees totalled £30,658 (2018: £18,038).

**11. GUARANTEES**

At 30 June 2019 the Corporation had granted guarantees in relation to third party bank loans totalling £1,500,000 (2018: £1,500,000).

**12. TOTAL REVENUE BUDGET APPROVED**

	<b>2019 Budget £</b>	<b>2019 Actual £</b>	<b>2019 Under/(over) budget £</b>
Income	(170,000)	(181,803)	(11,803)
Expenditure:			
Rural Development	253,000	68,995	184,005
Industry	236,000	41,728	194,272
Tourism	65,000	54,697	10,303
Administrative expenses (net)	572,750	530,648	42,102
	<u>956,750</u>	<u>514,265</u>	<u>442,485</u>

The above expenditure and budget for 2019 does not include depreciation

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**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

**13. RELATED PARTIES**

During the year ended 30 June 2019, the Corporation has undertaken a number of transactions with entities that are defined as a related party, either through direct ownership by the Corporation, or through other directorships of Falkland Islands Development Board (FIDB) members. The total income and expenditure attributable to these entities in the year ended 30 June 2019, as well as the balances due or receivable from the entities at 30 June 2019 is listed below. With the exception of some loan and rental agreements, which were undertaken on an arms-length basis and in the normal course of business, there were no related party transactions, other than those that are disclosed, that were individually material during the year.

	Income		Expend		Debtors		Creditors	
	2019	2018	2019	2018	2019	2018	2019	2018
FIMCO	-	3,610	-	-	-	-	-	-
FFL	-	-	28	-	-	-	11	-
FiG	1,037,668	536,150	17,981	28,979	-	-	1,089	4,276
FITB	65	-	10,110	8,100	65	-	2,370	-
FLH	2,520	10,819	-	-	-	-	7,844	7,844
FiCoC	750	750	690	842	3,597	-	-	-
FPS Ltd	-	65	124	124	-	-	-	-
FITT	-	-	728	880	-	-	36	100
Invenio Ltd	-	-	-	1,315	-	-	-	-
Seaf sh	850	130	-	-	-	-	-	-
SAAS	-	130	-	4,414	-	-	-	-
Wool Co	1,478	1,221	-	-	-	-	-	-
	<b>1,043,331</b>	<b>552,875</b>	<b>29,661</b>	<b>44,654</b>	<b>3,662</b>	<b>-</b>	<b>11,350</b>	<b>12,220</b>

**FALKLAND ISLANDS DEVELOPMENT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2019**

**14. RELATED PARTIES (CONTINUED)**

At the year end, Falkland Islands Meat Company Limited owed £34,470 (2018: £34,470) and Falkland Farmers Limited owed £Nil (2018: £Nil) to the Corporation in respect of loans made by the Corporation and included within Investment Projects in the balance sheet.

	Falkland Islands Government	Falkland Islands Tourist Board	Falklands Landholdings Corporation	Falkland Islands Chamber of Commerce	Falklands Meat Company	FPS Ltd	FITT	Seafish	SAAS	Wool Co
J Wylie				✓	✓			✓		
M Slater					✓					
A Pollard			✓		✓					✓
A Clausen				✓		✓	✓			
E Hurley				✓					✓	
A Newman										
Rodney Lee			✓		✓					✓
Barry A Rowland	✓		✓						✓	
Paul Phillips			✓		✓					
Mark Pollard	✓	✓			✓				✓	
Jo Muncaster		✓			✓					
James Wilson	✓									

**15. LOAN COMMITMENTS**

As at 30th June 2019 there were loans approved to the value of £195,000 which are scheduled for pay out after the year end.

