

**Stanley Services Limited**

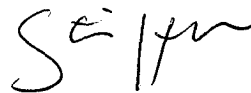
Directors' Report and Financial Statements

Year Ended

30 June 2017

Company Number 8257

I certify that this document is  
a true copy of the original (and if  
necessary, that the photograph is a true  
likeness of the holder).



STIRLING MARCUS

SOLICITOR

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21 M. 2018

# Stanley Services Limited

## Company Information

### Directors

B A Rowland  
D S M Robertson  
P R George  
P Pontikos  
R S Robertson  
B T Swales      Managing Director  
R J Rowlands    General Manager  
S R Fowmes      Financial Director

### Company secretary

Pinsent Masons Nominee Company (Falklands) Limited

### Registered number

8257

### Registered office

Stanley Services Limited  
Airport Road  
Stanley  
Falkland Islands  
FIQQ 1ZZ

### Independent auditors

BDO LLP  
Level 12  
Thames Tower  
Station Road  
Reading  
Berkshire  
RG1 1LX

# Stanley Services Limited

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# Stanley Services Limited

## Directors' report for the year ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

### Principal activities

In the period under review, the principal business of the company was the supply and distribution of fuel on and around the Falkland Islands, including supply and distribution of fuel for civilian aircraft on the Falkland Islands. Business has also been conducted in a number of other areas, notably as a hotelier, together with general retailing, agency for liner and air freight, travel and tourism and motor vehicles.

### Business review

The turnover for the year has declined as a result of there being no oil exploration activity in the period. The prior year benefitted from oil exploration activity from July – March. Profitability on ordinary activities before taxation declined by 35% due to the departure of oil exploration companies; continued depressed World oil prices; and the continued level of competition for bunkering in the region. The profit for the year after taxation amounted to £781,755 (2016 - £1,074,183), from which dividends of £350,035 (2016 - £560,056) were paid.

### Results and dividends

The profit for the year, after taxation, amounted to £781,755 (2016 - £1,074,183).

The directors proposed and paid dividends totalling 35 pence per share (2016 - 56 pence) during the year.

### Directors

The directors who served during the year were:

J L Cheek (resigned 29 September 2017)  
B A Rowland (appointed 26 October 2016)  
D S M Robertson  
R S Robertson  
P R George  
P Pontikos  
K Padgett (resigned 8 October 2016)  
B T Swales  
R J Rowlands  
S R Fowmes

None of the directors had any direct beneficial interest in the shares of the company at either 1 July 2016 or 30 June 2017.

### Charitable contributions

During the year the company made charitable donations totalling £12,250 (2016 - £5,680).

### Financial instruments

The company is exposed to a variety of financial risks, including credit risk, effects of foreign currency exchange, interest rates, liquidity and price risk.

# Stanley Services Limited

## Directors' report for the year ended 30 June 2017

### Credit risk

The company has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The company only operates on The Falkland Islands and is therefore in the main exposed to credit risk in a limited geographical area. Where the company does allow third parties that are outside of The Falkland Islands to trade on credit this is done after many years of trading and credit limits are in place.

### Foreign exchange risk

The company is exposed to foreign currency risk due to customer and supplier relationships denominated in United States Dollars. The foreign currency risk is minimal as currency is purchased using forward exchange contracts for large purchases and smaller purchases are paid within suppliers' credit terms thus minimising any exchange risk.

### Interest risk

Exposure to the effects of fluctuating interest rates on deposits and business cash flows arises and is subject to prevailing bank prime lending rates.

### Liquidity risk

The company maintains on call access to cash and bank accounts and only puts any cash on fixed deposit for one month to ensure availability of funds for both operational and development needs.

### Price risk

The company has no long term supply contracts on which a price risk could arise.

### Provision of information to auditors

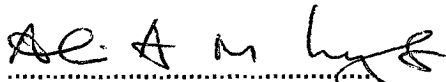
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### Auditors

In accordance with Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006), a resolution to reappoint the auditor BDO LLP will be proposed at the forthcoming annual general meeting.

This report was approved by the Board of Directors on 15 December 2017 and signed on its behalf.



Pinsent Masons Nominee Company (Falklands) Limited  
Secretary

# Stanley Services Limited

## Directors' responsibilities statement for the year ended 30 June 2017

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice as it applies in the Falkland Islands. The financial statements are required to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006) as it applies in the Falkland Islands. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Stanley Services Limited

## Independent Auditor's report to the members of Stanley Services Limited

### Opinion

We have audited the financial statements of Stanley Services Limited ("the Company") for the year ended 30 June 2017 which comprise the profit and loss account, 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 the United Kingdom Accounting Standards that apply in the Falkland Islands.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with applicable law and the United Kingdom Accounting Standards that apply in the Falkland Islands; and
- have been prepared in accordance with the requirements of the Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable general 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 Company 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company'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.

# Stanley Services Limited

## Independent Auditor's report to the members of Stanley Services Limited

### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006) as it applies in the Falkland Islands requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines 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 Company'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 Company or to cease operations, or have no realistic alternative but to do so.



# Stanley Services Limited

## Independent Auditor's report to the members of Stanley Services Limited

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

This report is made solely to the Company's members, as a body, in accordance with section 162 (1) of the Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006 as it applies in the Falkland Islands. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

*BDO LLP*

BDO LLP, registered auditor  
Reading,  
United Kingdom

*15 DECEMBER 2017*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Stanley Services Limited

## Profit and loss account for the year ended 30 June 2017

	Note	2017 £	2016 £
Turnover	2	17,470,722	23,693,939
Cost of sales		(12,286,906)	(17,834,798)
<b>Gross profit</b>		<b>5,183,816</b>	<b>5,859,141</b>
Administrative expenses		(4,237,680)	(4,397,424)
<b>Operating profit</b>	3	<b>946,136</b>	<b>1,461,717</b>
Interest receivable and similar income		6,436	6,832
Interest payable and similar charges		-	(399)
<b>Profit on ordinary activities before taxation</b>		<b>952,572</b>	<b>1,468,150</b>
Tax on profit on ordinary activities	7	(170,817)	(393,967)
<b>Profit for the financial year</b>	17	<b>781,755</b>	<b>1,074,183</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 or 2016 other than those included in the profit and loss account.

The notes on pages 10 to 22 form part of these financial statements.


# Stanley Services Limited

Registered number: 8257


## Balance sheet as at 30 June 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	8		32,500		37,500
Tangible assets	9		11,885,749		11,586,065
Investment property	10		803,953		803,953
Investments	11		9,647		9,647
			<u>12,731,849</u>		<u>12,437,165</u>
<b>Current assets</b>					
Stocks	12	2,452,669		3,218,952	
Debtors	13	1,763,721		1,464,009	
Cash at bank and in hand		2,277,140		2,314,051	
		<u>6,493,530</u>		<u>6,997,012</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,308,651)</u>		<u>(1,962,052)</u>	
<b>Net current assets</b>			<u>5,184,879</u>		<u>5,034,960</u>
<b>Total assets less current liabilities</b>			<u>17,916,728</u>		<u>17,472,125</u>
<b>Provisions for liabilities</b>					
Deferred tax	15		<u>(1,823,385)</u>		<u>(1,810,502)</u>
<b>Net assets</b>			<u><u>16,093,343</u></u>		<u><u>15,661,623</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		500,050		500,050
Profit and loss account	17		15,593,293		15,161,573
<b>Shareholders' funds</b>	18		<u><u>16,093,343</u></u>		<u><u>15,661,623</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14/12/17



B T Swales  
Director



B A Rowland  
Director

The notes on pages 10 to 22 form part of these financial statements.

# Stanley Services Limited

## Cash flow statement for the year ended 30 June 2017

	Note	2017 £	2016 £
Net cash flow from operating activities	20	1,655,384	2,479,568
Returns on investments and servicing of finance	21	6,436	6,433
Taxation		(369,899)	(466,809)
Capital expenditure and financial investment	21	(978,797)	(1,411,348)
Equity dividends paid		(350,035)	(560,056)
<b>Cash (outflow)/inflow before financing</b>		<b>(36,911)</b>	<b>47,788</b>
Financing	21	-	(66,729)
<b>Decrease in cash in the year</b>		<b>(36,911)</b>	<b>(18,941)</b>

## Reconciliation of net cash flow to movement in net funds/debt for the year ended 30 June 2017

	2017 £	2016 £
Decrease in cash in the year	(36,911)	(18,941)
Cash outflow from decrease in debt and lease financing	-	66,729
<b>Movement in net debt in the year</b>	<b>(36,911)</b>	<b>47,788</b>
Net funds at 1 July 2016	2,314,051	2,266,263
<b>Net funds at 30 June 2017</b>	<b>2,277,140</b>	<b>2,314,051</b>

The notes on pages 10 to 22 form part of these financial statements.

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards as they apply in the Falkland Islands. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial years.

##### Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties, which are stated at open market value, and in accordance with applicable accounting standards.

#### 1.2 Turnover

Turnover includes sales of domestic fuel, royalties received under a bunkering contract, retail sales, vehicle sales, vehicle hire sales, vehicle service revenue, revenue from hotel room sales, tourism sales amongst other trading activities.

With effect from 1 July 1991, income on domestic fuel sales has been recognised in the profit and loss account on the basis of the domestic fuel pricing formula, as contained in the Agreement between the Falkland Islands Government and the Company dated 18 August 1987 and most recently revised on 31 March 2015 ("The Fuel Agreement"). Fuel sold through domestic deliveries is recognised upon delivery. All other fuel sales are recognised when the fuel is supplied.

Bunkering sales are recognised when bunkering services are provided.

Retail sales are recognised at when the transaction takes place.

Vehicle sales are recognised when vehicles are delivered. Revenue from vehicle hire is recognised on a daily basis for which vehicles are rented. Vehicle service revenue is recognised at the point services are completed.

Hotel revenue is recognised on a nightly basis for which rooms are rented.

Tourism sales are recognised over the period to which trips relate.

Bitumen sales are recognised at the point at which bitumen is delivered.

#### 1.3 Intangible fixed assets and amortisation

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life which is 20 years. Provision is made for any impairment.

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 1. Accounting policies (continued)

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Buildings	-	5 - 30 years
Motor vehicles	-	3 - 10 years
Fixtures, fittings and equipment	-	3 - 10 years
Land	-	Not depreciated
Assets under construction	-	Not depreciated

Depreciation has not been provided on the Malvina House Hotel since 30 June 2006. Since this date the hotel building has not been depreciated as the directors feel that the residual value of the hotel is so high as to make any depreciation charge immaterial.

#### 1.5 Investments

Fixed asset investments are shown at cost less provision for impairment.

#### 1.6 Investment properties

Investment properties are included in the Balance Sheet at their open market value in accordance with the Statement of Standard Accounting Practice 19 "Accounting for Investment Properties", and are not depreciated. This treatment is contrary to the Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006) which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

#### 1.7 Group accounts

Group accounts are not prepared given that the results of the Company's subsidiary are insignificant as defined in section 229(2) of the Companies Act 1948 (amended by the Companies (Amendment) Ordinance 2006) as it applies in the Falkland Islands and as such group accounts are not required.

#### 1.8 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents material and freight costs. In the case of fuel stocks, net realisable value is assessed on an average cost basis. Net realisable value for all other stocks are assessed on a first in first out basis.

#### 1.9 Hire purchase debtors

Amounts receivable under the hire purchase contracts are included under debtors and represent the total amount outstanding under the hire purchase agreements less unearned income. Hire purchase income is brought into turnover on an accruals basis in proportion to the reducing balance outstanding.

#### 1.10 Pensions

The company operates a defined contribution pension scheme, and a compulsory Governmental pension scheme. The pension charge represents the amounts payable by the company to the funds in respect of the year. All company contributions to the defined contribution pension schemes are recognised in the profit and loss account as they are incurred.

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 1. Accounting policies (continued)

#### 1.11 Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

#### 1.12 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### 1.13 Foreign currencies

Transactions denominated in foreign currencies are translated at the rate applicable at the time they take place. All assets and liabilities denominated in foreign currencies have been translated into sterling at the rate of exchange ruling at the balance sheet date. Translation differences are reflected within the operating profit.

#### 1.14 Domestic fuel provision

In accordance with the accounting policy for income recognition, a provision for an amount receivable has been calculated for the difference between the actual average sale price and the average sale price calculated in accordance with the domestic fuel pricing formula contained within the Fuel Agreement. Any future differences are assessed annually and charged/credited to the profit and loss account as appropriate.

### 2. Turnover

In accordance with paragraph 55(5) of Schedule 4 to the Companies Act 1985 (enacted by virtue of paragraph 2(c) of Companies (Amendment) Ordinance 2006) as it applies in the Falkland Islands, no segmental analysis of turnover is provided as, in the opinion of the directors, the provision of this information would be seriously prejudicial to the interests of the company.

All turnover arose within the Falkland Islands.

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 3. Operating profit

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Amortisation - intangible fixed assets	5,000	5,000
Depreciation of tangible fixed assets: - owned by the company	731,131	738,174
Difference on foreign exchange	(18,184)	(44,236)
	717,947	708,938

### 4. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	21,750	20,750
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	1,450	1,390
Taxation compliance services	-	1,550
All other non-audit services not included above	8,324	3,702
	30,524	26,392

### 5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	£	£
Wages and salaries	1,923,995	1,906,122
Social security costs	100,472	95,238
Other pension costs	123,776	120,956
	2,148,243	2,122,316

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Average number of persons employed	70	73



# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 6. Directors' remuneration

	2017 £	2016 £
Emoluments	<u>370,734</u>	<u>382,716</u>
Company pension contributions to defined contribution pension schemes	<u>38,924</u>	<u>37,953</u>

During the year retirement benefits were accruing to 2 directors (2016 - 2 directors) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £158,766 (2016 - £165,865).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2016 - £Nil).

### 7. Taxation

	2017 £	2016 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
FI corporation tax charge on profit for the year	116,577	323,047
Adjustments in respect of prior periods	41,357	7,526
<b>Total current tax</b>	<u>157,934</u>	<u>330,573</u>
<b>Deferred tax</b> (see note 15)		
Origination and reversal of timing differences	12,883	63,394
<b>Tax on profit on ordinary activities</b>	<u>170,817</u>	<u>393,967</u>

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 7. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the FI of 26% (2016 - 26%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>952,572</u>	<u>1,468,150</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the FI of 26% (2016 - 26%)	247,669	381,719
<b>Effects of:</b>		
Lower rate tax payable	(25,000)	(50,000)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,985	10,022
Capital allowances for year in excess of depreciation	(49,150)	(37,223)
Adjustments to tax charge in respect of prior periods	41,357	7,526
Movement in domestic fuel provision	(43,734)	22,576
Other differences leading to an increase (decrease) in the tax charge	(18,896)	(4,047)
Non taxable income	(297)	-
<b>Current tax charge for the year (see note above)</b>	<u><u>157,934</u></u>	<u><u>330,573</u></u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

### 8. Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 July 2016 and 30 June 2017	<u>100,000</u>
<b>Amortisation</b>	
At 1 July 2016	62,500
Charge for the year	5,000
At 30 June 2017	<u>67,500</u>
<b>Net book value</b>	
At 30 June 2017	<u><u>32,500</u></u>
At 30 June 2016	<u><u>37,500</u></u>

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 9. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Assets under construction £	Total £
<b>Cost</b>					
At 1 July 2016	15,433,607	1,054,266	1,755,542	2,002,270	20,245,685
Additions	191,772	16,800	60,809	788,061	1,057,442
Disposals	-	(165,740)	(459)	-	(166,199)
Transfers between classes	256,902	-	101,140	(358,042)	-
At 30 June 2017	<u>15,882,281</u>	<u>905,326</u>	<u>1,917,032</u>	<u>2,432,289</u>	<u>21,136,928</u>
<b>Depreciation</b>					
At 1 July 2016	6,715,835	734,384	1,209,401	-	8,659,620
Charge for the year	468,307	105,616	157,208	-	731,131
On disposals	-	(139,534)	(38)	-	(139,572)
At 30 June 2017	<u>7,184,142</u>	<u>700,466</u>	<u>1,366,571</u>	<u>-</u>	<u>9,251,179</u>
<b>Net book value</b>					
At 30 June 2017	<u>8,698,139</u>	<u>204,860</u>	<u>550,461</u>	<u>2,432,289</u>	<u>11,885,749</u>
At 30 June 2016	<u>8,717,772</u>	<u>319,882</u>	<u>546,141</u>	<u>2,002,270</u>	<u>11,586,065</u>

### 10. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 July 2016 and 30 June 2017	<u>803,953</u>
<b>Comprising</b>	
Valuation	<u>803,953</u>
At 30 June 2017	<u>803,953</u>

The directors consider these valuations accurately reflect the open market value at the year end, which are equal to their original purchase price.

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 11. Fixed asset investments

	Investments in subsidiary undertakings £	Fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 July 2016 and 30 June 2017	25,500	9,647	35,147
<b>Impairment</b>			
At 1 July 2016 and 30 June 2017	25,500	-	25,500
<b>Net book value</b>			
At 30 June 2017	-	9,647	9,647
At 30 June 2016	-	9,647	9,647

Fixed asset investments represent:

4,350 £1 ordinary shares being a 2% holding in Solomon & Company (St Helena) plc, a company registered in England and Wales;

£100 being unlisted investments being a 0.14% holding in Falkland Farmers Limited at cost; and

50 £1 ordinary shares, being a 50% holding, in Falkland Islands Television Limited, a company registered and trading in the Falkland Islands in television production.

The company holds 50,000 ordinary £1 shares, being 100% of the issued share capital of Stanley Support Services Limited, a company registered in the Falkland Islands. Stanley Support Services Limited is dormant and has not traded during the year. The carrying value of these shares is £Nil. At 30 June 2017 the capital and reserves of the Company were £50,000 (2016 - £50,000).

### 12. Stocks

	2017 £	2016 £
Consumables	55,253	63,440
Stock in transit	437,465	427,399
Goods for resale	1,959,951	2,728,113
	<u>2,452,669</u>	<u>3,218,952</u>

The difference between purchase price of stocks and their replacement cost is not material.

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 13. Debtors

	2017 £	2016 £
<b>Due after more than one year</b>		
Hire purchase debtors	30,829	42,086
<b>Due within one year</b>		
Trade debtors	826,341	845,306
Other debtors	277,347	98,384
Prepayments and accrued income	588,987	452,644
Hire purchase debtors	40,217	25,589
	<u>1,763,721</u>	<u>1,464,009</u>

### Rentals receivable as lessor

	2017 £	2016 £
Rentals receivable under operating leases	142,652	104,337
Rentals receivable under finance leases	71,046	67,675
	<u>213,698</u>	<u>172,012</u>

### 14. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	736,544	949,910
Corporation tax	118,608	330,573
Social security and other taxes	40,444	36,100
Other creditors	274,354	502,021
Accruals and deferred income	138,701	143,448
	<u>1,308,651</u>	<u>1,962,052</u>

### 15. Deferred taxation

	2017 £	2016 £
At beginning of year	1,810,502	1,747,108
Charge for year	12,883	63,394
	<u>1,823,385</u>	<u>1,810,502</u>

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 15. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	1,809,811	1,840,662
Other timing differences	13,574	(30,160)
	<u>1,823,385</u>	<u>1,810,502</u>

### 16. Share capital

	2017 £	2016 £
<b>Authorised</b>		
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>
<b>Allotted, called up and partly paid (50p)</b>		
1,000,100 Ordinary shares of £1 each	<u>500,050</u>	<u>500,050</u>

### 17. Reserves

	Profit and loss account £
At 1 July 2016	15,161,573
Profit for the year	781,755
Dividends: Equity capital	(350,035)
At 30 June 2017	<u>15,593,293</u>

### 18. Reconciliation of movement in shareholders' funds

	2017 £	2016 £
Opening shareholders' funds	15,661,623	15,147,496
Profit for the year	781,755	1,074,183
Dividends (Note 19)	(350,035)	(560,056)
Closing shareholders' funds	<u>16,093,343</u>	<u>15,661,623</u>

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 19. Dividends

	2017 £	2016 £
Dividends paid on equity capital	<u>350,035</u>	<u>560,056</u>

Dividends declared and paid during the year total 35 pence per share (2016 - 56 pence per share).

### 20. Net cash flow from operating activities

	2017 £	2016 £
Operating profit	946,136	1,461,717
Amortisation of intangible fixed assets	5,000	5,000
Depreciation of tangible fixed assets	731,131	738,174
Loss/(profit) on disposal of tangible fixed assets	(52,018)	1,959
Decrease in stocks	766,283	34
(Increase)/decrease in debtors	(299,712)	2,803,870
Decrease in creditors	(441,436)	(2,531,186)
<b>Net cash inflow from operating activities</b>	<u><b>1,655,384</b></u>	<u><b>2,479,568</b></u>

### 21. Analysis of cash flows for headings netted in cash flow statement

	2017 £	2016 £
<b>Returns on investments and servicing of finance</b>		
Interest received	6,436	6,832
Interest paid	-	(399)
<b>Net cash inflow from returns on investments and servicing of finance</b>	<u><b>6,436</b></u>	<u><b>6,433</b></u>
	2017 £	2016 £
Corporation tax	(369,899)	(466,809)
	2017 £	2016 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,057,442)	(1,317,029)
Sale of tangible fixed assets	78,645	90,681
Purchase of investment properties	-	(185,000)
<b>Net cash outflow from capital expenditure</b>	<u><b>(978,797)</b></u>	<u><b>(1,411,348)</b></u>

# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 21. Analysis of cash flows for headings netted in cash flow statement (continued)

	2017 £	2016 £
<b>Financing</b>		
Repayment of loans	-	(66,729)

### 22. Analysis of changes in net debt

	1 July 2016 £	Cash flow £	Other non-cash changes £	30 June 2017 £
Cash at bank and in hand	2,314,051	(36,911)	-	2,277,140
<b>Net funds</b>	<b>2,314,051</b>	<b>(36,911)</b>	<b>-</b>	<b>2,277,140</b>

### 23. Capital commitments

At 30 June 2017 the company had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	81,324	-

### 24. Pension commitments

The company participates in a voluntary defined contribution pension scheme which is open to certain of its employees. The pension cost charges represents contributions payable by the company to the fund and amounted to £123,776 (2016 - £120,956). Contributions totalling £Nil (2016 - £Nil) were payable to the fund at the balance sheet date.

From 1 April 2017 the two members of staff employed in the United Kingdom were automatically enrolled in The People's Pension occupational pension scheme (Employer pension scheme reference: 190348) & (Pension scheme registry number: 12005993). As at 30 June 2017 one member has elected to not participate in the scheme.



# Stanley Services Limited

## Notes to the financial statements for the year ended 30 June 2017

### 25. Related party transactions

	2017 £	2016 £
<b>Turnover</b>		
Falkland Island Government - domestic fuel and retail sales	4,935,470	3,745,220
Lavinia Corporation - rentals and administration charges	487,437	822,709
Falkland Islands Television Limited	17,340	22,329
Stanley Bunkering Limited	133,939	287,652
<b>Costs</b>		
Falkland Islands Government - overheads and ships agency costs	1,207,655	1,204,956
Falkland Islands Television Limited - advertising	59,348	66,620
Stanley Bunkering Limited	5,465,215	12,112,865
<b>Debtors: trade debtors</b>		
The balances owed by related parties at 30 June were:		
Falkland Islands Government	230,051	142,659
Lavinia Corporation	166,095	118,976
Falklands Islands Television Limited	716	4,436
Stanley Bunkering Limited	8,542	66,763
<b>Debtors: other debtors</b>		
Falkland Islands Television Limited	42,265	30,950
Lavinia Corporation	148,500	-
Stanley Bunkering Limited	149,109	-
<b>Creditors: amounts falling due within one year - trade creditors</b>		
The balances owed to related parties at 30 June were:		
Falkland Islands Government	59,609	24,671
Falkland Islands Television Limited	5,300	6,200
Stanley Bunkering Limited	251,207	576,811

The Falkland Islands Government, the Lavinia Corporation and S & J D Robertson Group Limited are shareholders in Stanley Services Limited. Stanley Bunkering Limited is a 100% subsidiary of the Lavinia Corporation.

Dividends paid to the Falkland Islands Government were £157,166 (2016 - £251,465).

Dividends paid to the Lavinia Corporation were £87,859 (2016 - £140,574).

Dividends paid to the S & J D Robertson Group Limited were £105,105 (2016 - £168,017).

In the prior year a motor vehicle was sold to the Financial Director, at its market value on standard commercial terms. There is a hire purchase loan outstanding on this sale at the year end totalling £9,621 (2016 - £17,063), included in purchase debtors. The maximum amount outstanding during the year was £17,063 (2016 - £22,500).

### 26. Controlling party

In the opinion of the directors, there is no controlling party.