

Stanley Services Limited

Directors' Report and Financial Statements

Year Ended

30 June 2019

Company Number 8257

Stanley Services Limited

Company Information

Directors

M J Pollard
B A Rowland
R S Robertson
F M Bain
P R George
S F J Fletcher
B T Swales Managing Director
G K Goodwin 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 auditor

BDO LLP
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 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

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, motor vehicles and rental income from both commercial and residential property letting.

Business review

The turnover for the year has increased by a little in excess of 31% over the same period last year due, in the main to increasing world fuel prices and the increased special projects. Profitability on ordinary activities before taxation was almost flat with last year. The profit for the year after taxation amounted to £983,297 (2018 - £808,162) from which dividends of £450,045 (2018 - £400,040) were paid.

Results and dividends

The profit for the year, after taxation, amounted to £983,297 (2018 - £808,162).

The directors proposed and paid dividends totalling 45 pence per share (2018 - 40 pence) during the year.

Directors

The directors who served during the year were:

M J Pollard
B A Rowland
D S M Robertson (resigned 8 November 2018)
R S Robertson
F M Bain (appointed 15 November 2018)
P R George
S F J Fletcher
B T Swales
G K Goodwin
S R Fowmes

None of the directors had any direct beneficial interest in the shares of the company at either 1 July 2018 or 30 June 2019.

Charitable contributions

During the year the company made charitable donations totalling £10,450 (2018 - £12,351).

Stanley Services Limited

Directors' report for the year ended 30 June 2019

Financial risk management

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

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 up to a maximum of 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.

Stanley Services Limited

Directors' report for the year ended 30 June 2019

Provision of information to auditor

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 auditor is 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 auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

BDO LLP have expressed their willingness to continue in office. BDO LLP will be proposed for reappointment as auditors of the company in accordance with section 159 of the Companies Act 1948 as applied in the Falkland Islands and amended by the Companies Act (Amendment) Ordinance 2006.

This report was approved by the Board of Directors on 17th January 2020 and signed on its behalf.


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Pinsent Masons Nominee Company (Falklands) Limited
Secretary

Stanley Services Limited

Directors' responsibilities statement for the year ended 30 June 2019

The directors are responsible for preparing the directors' 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 accounting 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 1985 as applied by the Companies (Amendment) Ordinance 2006. 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 2019 which comprise the profit and loss account, the balance sheet, the cash flow statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards as applied in accordance with company law 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards as applied in accordance with company law in the Falkland Islands; and
- have been prepared in accordance with the requirements of the Companies Act 1985 as it applies in the Falkland Islands by virtue of the Companies (Amendment) Ordinance 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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 Directors' 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 where company law 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 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 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 as it applies in the Falkland Islands by virtue of the Companies (Amendment) Ordinance 2006. 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.



BDO LLP,
Registered auditor
Reading
United Kingdom

17 January 2020

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 2019

	Note	2019 £	2018 £
Turnover	1,2,2	24,115,828	18,383,610
Cost of sales		<u>(17,864,181)</u>	<u>(12,440,812)</u>
Gross profit	3	6,251,647	5,942,798
Administrative expenses		<u>(5,021,476)</u>	<u>(4,688,563)</u>
Operating profit	3	1,230,171	1,254,235
Interest receivable and similar income		<u>12,656</u>	<u>5,653</u>
Profit on ordinary activities before taxation		1,242,827	1,259,888
Tax on profit on ordinary activities	7	<u>(259,530)</u>	<u>(451,726)</u>
Profit for the financial year		<u>983,297</u>	<u>808,162</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2019 or 2018 other than those included in the profit and loss account.

The notes on pages 11 to 23 form part of these financial statements.

Stanley Services Limited

Registered number: 8257

Balance sheet as at 30 June 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	8		22,500		27,500
Tangible assets	9		12,549,462		12,279,082
Investment property	10		1,151,013		803,953
Investments	11		9,647		9,647
			<u>13,732,622</u>		<u>13,120,182</u>
Current assets					
Stocks	12	3,545,619		3,269,197	
Debtors	13	2,292,059		1,597,283	
Cash at bank and in hand		2,011,387		2,680,085	
		<u>7,849,065</u>		<u>7,546,565</u>	
Creditors: amounts falling due within one year	14	<u>(2,565,957)</u>		<u>(2,163,387)</u>	
Net current assets			<u>5,283,108</u>		<u>5,383,178</u>
Total assets less current liabilities			<u>19,015,730</u>		<u>18,503,360</u>
Provisions for liabilities					
Deferred tax	15		<u>(1,981,013)</u>		<u>(2,001,895)</u>
Net assets			<u>17,034,717</u>		<u>16,501,465</u>
Capital and reserves					
Called up share capital	16		500,050		500,050
Profit and loss account	17		16,534,667		16,001,415
Shareholders' funds	18		<u>17,034,717</u>		<u>16,501,465</u>

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



B T Swales
Director



R S Robertson
Director

The notes on pages 11 to 23 form part of these financial statements.

Stanley Services Limited

Cash flow statement for the year ended 30 June 2019

	Note	2019 £	2018 £
Net cash flow from operating activities	20	1,591,227	2,182,318
Returns on investments and servicing of finance	21	12,656	5,653
Taxation	21	(273,216)	(118,608)
Capital expenditure and financial investment	21	(1,549,320)	(1,266,378)
Equity dividends paid		(450,045)	(400,040)
(Decrease)/increase in cash in the year		(668,698)	402,945

Reconciliation of net cash flow to movement in net funds/debt for the year ended 30 June 2019

	2019 £	2018 £
(Decrease)/increase in cash in the year	(668,698)	402,945
Movement in net debt in the year	(668,698)	402,945
Net funds at 1 July 2018	2,680,085	2,277,140
Net funds at 30 June 2019	2,011,387	2,680,085

The notes on pages 11 to 23 form part of these financial statements.

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared in accordance with applicable 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.

1.2 Going concern

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 that apply in the Falkland Islands.

1.3 Turnover

Turnover includes sales of domestic fuel, bitumen, royalties received under a bunkering contract, retail sales, vehicle sales, vehicle hire sales, vehicle service revenue, revenue from hotel room sales, tourism sales and rental from domestic and commercial property, 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 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.

Rental income from domestic and commercial property is recognised over the period to which the rentals relate.

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

1.4 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 2019

1. Accounting policies (continued)

1.5 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 - 50 years
Motor vehicles	-	3 - 10 years
Fixtures, fittings and equipment	-	2 - 10 years
Land	-	Not depreciated
Assets under construction	-	Not depreciated

1.6 Investments

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

1.7 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 1985 as applied 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.

In the absence of an active local market, as long as there are no indicators of impairment or significant unrealised gains, the directors use original cost, or in the case of properties transferred from tangible fixed assets their depreciated historical cost at the date of transfer, as the basis for their valuation.

1.8 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.

1.9 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 last in first out basis.

1.10 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.

1.11 Pensions

The company operates defined contribution pension schemes, 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 2019

1. Accounting policies (continued)

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 or payable 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 2019

3. Operating profit

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

	2019	2018
	£	£
Amortisation - intangible fixed assets	5,000	5,000
Depreciation of tangible fixed assets:		
- owned by the company	939,194	864,648
Difference on foreign exchange	7,686	(10,468)
	7,686	(10,468)

4. Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	20,500	22,500
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	-	1,500
All other non-audit services not included above	9,296	718
	9,296	718

5. Staff costs

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

	2019	2018
	£	£
Wages and salaries	2,145,126	2,061,707
Social security costs	76,982	86,444
Other pension costs	105,111	126,510
	2,327,219	2,274,661

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

	2019	2018
	No.	No.
Average number of persons employed	75	72
	75	72

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

6. Directors' remuneration

	2019 £	2018 £
Emoluments	<u>374,081</u>	<u>413,498</u>
Company pension contributions to defined contribution pension schemes	<u>17,109</u>	<u>44,507</u>

During the year retirement benefits were accruing to 2 directors (2018 - 3 directors) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £169,740 (2018 - £159,733).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

7. Taxation

	2019 £	2018 £
Analysis of tax charge in the year		
Current tax (see note below)		
Falkland Islands corporation tax charge on profit for the year	280,412	275,432
Adjustments in respect of prior periods	-	(2,216)
Total current tax	<u>280,412</u>	<u>273,216</u>
Deferred tax (see note 15)		
Origination and reversal of timing differences	(20,882)	178,510
Tax on profit on ordinary activities	<u>259,530</u>	<u>451,726</u>

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the FI of 26% (2018 - 26%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,242,827</u>	<u>1,259,888</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the FI of 26% (2018 - 26%)	323,135	327,571
Effects of:		
Lower rate tax payable	(25,000)	(25,000)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,364	8,562
Capital allowances for year in excess of depreciation	(42,993)	(13,621)
Adjustments to tax charge in respect of prior periods	-	(2,216)
Movement in domestic fuel provision	27,038	962
Other differences leading to an increase/(decrease) in the tax charge	(2,882)	(22,783)
Non taxable income	(250)	(259)
Current tax charge for the year (see note above)	<u>280,412</u>	<u>273,216</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2018 and 30 June 2019	<u>100,000</u>
Amortisation	
At 1 July 2018	72,500
Charge for the year	5,000
At 30 June 2019	<u>77,500</u>
Net book value	
At 30 June 2019	<u>22,500</u>
At 30 June 2018	<u>27,500</u>

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

9. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 July 2018	18,388,818	986,334	2,263,115	617,575	22,255,842
Additions	8,194	140,718	110,643	1,327,478	1,587,033
Transfers to investment properties	(436,270)	-	-	-	(436,270)
Disposals	(24,684)	(94,623)	-	-	(119,307)
Transfers between classes	1,303,155	-	268,296	(1,571,451)	-
At 30 June 2019	19,239,213	1,032,429	2,642,054	373,602	23,287,298
Depreciation					
At 1 July 2018	7,708,658	685,868	1,582,234	-	9,976,760
Charge for the year	604,344	104,882	229,968	-	939,194
Transfer to investment properties	(89,210)	-	-	-	(89,210)
On disposals	(7,899)	(81,009)	-	-	(88,908)
At 30 June 2019	8,215,893	709,741	1,812,202	-	10,737,836
Net book value					
At 30 June 2019	11,023,320	322,688	829,852	373,602	12,549,462
At 30 June 2018	10,680,160	300,466	680,881	617,575	12,279,082

10. Investment property

	Freehold investment property £
Valuation	
At 1 July 2018	803,953
Additions at cost	347,060
At 30 June 2019	1,151,013
Comprising	
Valuation	1,151,013
At 30 June 2019	1,151,013

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

10. Investment property (continued)

The directors consider that the valuations attributed to the investment properties reflect their best estimate of their open market values at the year end. These are equal to their original purchase price, or in the case of properties transferred from tangible fixed assets, their depreciated historical cost at the date of transfer.

If investment property had been accounted for under the historic cost accounting rules, the property would have been measured as follows:

	2019 £	2018 £
Historic cost	1,151,012	803,953
Accumulated depreciation and impairments	(203,291)	(165,308)
	<u>947,721</u>	<u>638,645</u>

11. Fixed asset investments

	Investments in subsidiary undertakings £	Fixed asset investments £	Total £
Cost			
At 1 July 2018 and 30 June 2019	<u>25,500</u>	<u>9,647</u>	<u>35,147</u>
Impairment			
At 1 July 2018 and 30 June 2019	<u>25,500</u>	<u>-</u>	<u>25,500</u>
Net book value			
At 30 June 2019	<u>-</u>	<u>9,647</u>	<u>9,647</u>
At 30 June 2018	<u>-</u>	<u>9,647</u>	<u>9,647</u>

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 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 2019 the capital and reserves of the Company were £50,000 (2018 - £50,000).

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

12. Stocks

	2019 £	2018 £
Consumables	27,916	15,821
Stock in transit	582,525	372,441
Goods for resale	2,935,178	2,880,935
	<u>3,545,619</u>	<u>3,269,197</u>

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

13. Debtors

	2019 £	2018 £
Due after more than one year		
Hire purchase debtors	62,373	9,289
Due within one year		
Trade debtors	1,240,313	852,784
Other debtors	209,217	193,496
Prepayments and accrued income	741,937	515,678
Hire purchase debtors	38,219	26,036
	<u>2,292,059</u>	<u>1,597,283</u>

Rentals receivable as lessor

	2019 £	2018 £
Rentals receivable under operating leases	208,144	199,058
Rentals receivable under finance leases	100,592	35,325
	<u>308,736</u>	<u>234,383</u>

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,664,305	1,441,008
Corporation tax	280,412	273,216
Social security and other taxes	41,081	33,760
Other creditors	431,388	293,923
Accruals and deferred income	148,771	121,480
	<u>2,565,957</u>	<u>2,163,387</u>

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

15. Deferred taxation

	2019 £	2018 £
At beginning of year	2,001,895	1,823,385
(Released during)/charge for the year	(20,882)	178,510
	<u>1,981,013</u>	<u>2,001,895</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	1,995,440	1,989,283
Other timing differences	(14,427)	12,612
	<u>1,981,013</u>	<u>2,001,895</u>

16. Share capital

	2019 £	2018 £
Authorised		
3,000,000 Ordinary shares of £1 each	<u>3,000,000</u>	<u>3,000,000</u>
Allotted, called up and partly paid (50p)		
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 2018	16,001,415
Profit for the year	983,297
Dividends: Equity capital	(450,045)
	<u>16,534,667</u>
At 30 June 2019	<u>16,534,667</u>

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

18. Reconciliation of movement in shareholders' funds

	2019 £	2018 £
Opening shareholders' funds	16,501,465	16,093,343
Profit for the year	983,297	808,162
Dividends (Note 19)	(450,045)	(400,040)
	<u>17,034,717</u>	<u>16,501,465</u>
Closing shareholders' funds	<u>17,034,717</u>	<u>16,501,465</u>

19. Dividends

	2019 £	2018 £
Dividends paid on equity capital	<u>450,045</u>	<u>400,040</u>

Dividends declared and paid during the year total 45 pence per share (2018 - 40 pence per share).

20. Net cash flow from operating activities

	2019 £	2018 £
Operating profit	1,230,171	1,254,235
Amortisation of intangible fixed assets	5,000	5,000
Depreciation of tangible fixed assets	939,194	864,648
(Profit)/loss on disposal of tangible fixed assets	(7,314)	8,397
Increase in stocks	(276,422)	(816,528)
(Increase)/decrease in debtors	(694,776)	166,438
Increase in creditors	395,374	700,128
	<u>1,591,227</u>	<u>2,182,318</u>
Net cash inflow from operating activities	<u>1,591,227</u>	<u>2,182,318</u>

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

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

	2019 £	2018 £
Returns on investments and servicing of finance		
Interest received	12,656	5,653
	<u>12,656</u>	<u>5,653</u>
	2019 £	2018 £
Taxation		
Corporation tax	(273,216)	(118,608)
	<u>(273,216)</u>	<u>(118,608)</u>
	2019 £	2018 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,587,033)	(1,306,828)
Sale of tangible fixed assets	37,713	40,450
	<u>(1,549,320)</u>	<u>(1,266,378)</u>
Net cash outflow from capital expenditure	(1,549,320)	(1,266,378)

22. Analysis of changes in net debt

	1 July 2018 £	Cash flow £	Other non-cash changes £	30 June 2019 £
Cash at bank and in hand	2,680,085	(668,698)	-	2,011,387
Net funds	2,680,085	(668,698)	-	2,011,387

23. Pension commitments

The company participates in two defined contribution pension schemes which are open to certain of its employees. The pension cost charges represents contributions payable by the company to the fund and amounted to £105,111 (2018 - £126,510). Contributions totalling £256 (2018 - £Nil) were payable to the fund at the balance sheet date.

Stanley Services Limited

Notes to the financial statements for the year ended 30 June 2019

24. Related party transactions

	2019 £	2018 £
Turnover		
Falkland Islands Government	5,584,005	3,889,331
Lavinia Corporation	792,323	624,333
Falkland Islands Television Limited	20,197	16,188
Stanley Bunkering Limited	1,213,389	1,175,046
Costs		
Falkland Islands Government	739,686	848,966
Falkland Islands Television Limited	76,895	61,765
Stanley Bunkering Limited	10,911,331	7,720,445
Debtors: trade debtors		
The balances owed by related parties at 30 June were:		
Falkland Islands Government	258,412	267,422
Lavinia Corporation	277,491	85,163
Falklands Islands Television Limited	2,437	661
Stanley Bunkering Limited	237,006	131,410
Debtors: other debtors		
Falkland Islands Television Limited	41,795	29,359
Lavinia Corporation	22,226	55,086
Stanley Bunkering Limited	193,166	103,639
Creditors: amounts falling due within one year - trade creditors		
The balances owed to related parties at 30 June were:		
Falkland Islands Government	74,855	66,844
Falkland Islands Television Limited	7,150	3,950
Stanley Bunkering Limited	271,853	732,265

The beneficial ownership in Stanley Services Limited is held by Falkland Islands Government (44.9%), S & J D Robertson Group Limited (30.0%) and Lavinia Enterprises Limited (25.1%). Lavinia Enterprises Limited's interest in Stanley Services Limited is held, as nominee, by P R George, a director of the company. Stanley Bunkering Limited, Lavinia Enterprises Limited and Lavinia Corporation have common ultimate shareholders.

Dividends paid to the Falkland Islands Government were £202,070 (2018 - £179,618).

Dividends paid to Lavinia Enterprises Limited were £112,961 (2018 - £100,410).

Dividends paid to S & J D Robertson Group Limited were £135,014 (2018 - £120,012).

25. Controlling party

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