

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2024

STANLEY SERVICES
LIMITED

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STANLEY SERVICES LIMITED

COMPANY INFORMATION

Directors	R S Robertson F M Bain S F J Fletcher G K Goodwin R K Spink J E Jaffray P Laskaridis A Keeling
Company secretary	Waverley Corporate Services Limited
Registered number	8257
Registered office	Stanley Services Limited Airport Road Stanley Falkland Islands FIQQ 1ZZ
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

STANLEY SERVICES LIMITED

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STANLEY SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Directors present their report and the financial statements for the year ended 30 June 2024.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and generally accepted accounting practice.

Company law applicable to companies in the Falkland Islands requires the Directors to prepare financial statements for each financial year which 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 for the Company's financial statements 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the applicable law. 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.

Principal activity

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

Business review

The turnover for the year decreased by 10.55% the same period last year due, in the main to a reduction in the bunkering and royalty revenue streams. Profitability on ordinary activities before taxation was down from last year by 15.64%. The profit for the year after taxation amounted to £1,944,467 (2023 - £2,304,989) from which dividends of £800,080 (2023 - £1,100,110) were paid.

Dividends paid

Dividends paid in the year amount to £800,080 (2023 - £1,100,110).

Results

The Profit and loss account for the year is set out on page 7.

STANLEY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Directors

The Directors who served during the year were:

R S Robertson
F M Bain
S F J Fletcher
G K Goodwin
R K Spink
J E Jaffray
P Laskaridis
A Keeling

Charitable contributions

During the year the company made charitable donations totalling £55,508 (2023 - £3,292).

Principal risks and uncertainties

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.

Disclosure 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 the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

STANLEY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Post balance sheet events

Due to conservation measures, the second half of the Loligo season has been cancelled and therefore has a direct impact on the bunkering revenue stream within Stanley Services Limited. The cancellation means the bunkering revenues and related royalties earned will reduce for the Financial Year to 30 June 2025 in turn, having an impact on the profitability of Stanley Services Limited as a whole.

Auditors

Under the applicable law, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



for Waverley Corporate Services Limited
Secretary

Date: 27 November 2024

STANLEY SERVICES LIMITED

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INDEPENDENT AUDITORS' 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 2024, which comprise the Statement of income and retained earnings, the Balance sheet, the Cash flow statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards 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 assets, liabilities and financial position of the Company's affairs as at 30 June 2024 and of its profit for the year then ended;
- the financial statements have been prepared in accordance with the applicable law; and
- the information given in the Directors' report is consistent with the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) issued by the Financial Reporting Council. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the applicable law 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.

STANLEY SERVICES LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY SERVICES LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the Directors are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing. Those standards require us to comply with the Financial Reporting Council's Ethical Standard.

Auditors' 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 Auditors' 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. There are no industry specific laws and regulations which would be deemed to have a significant impact on the financial statements. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - Posting of unusual journals and complex transactions.
 - Misappropriation of funds through fraudulent purchase ledger and payroll activity.
 - Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' report.

STANLEY SERVICES LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANLEY
SERVICES LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with the applicable law. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

James Hadfield

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James Hadfield FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

3000a Parkway
Whiteley
Hampshire
PO15 7FX

Date: 02-Dec-2024

STANLEY SERVICES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £	2023 £
Turnover	2	33,520,318	37,473,282
Cost of sales		(24,905,930)	(29,055,235)
Gross profit		8,614,388	8,418,047
Administrative expenses		(6,133,530)	(5,634,608)
Operating profit	3	2,480,858	2,783,439
Interest receivable and similar income	7	52,530	13,477
Profit before tax		2,533,388	2,796,916
Tax on profit	8	(588,921)	(491,927)
Profit after tax		1,944,467	2,304,989
Retained earnings at the beginning of the year		18,547,985	17,343,106
		18,547,985	17,343,106
Profit for the year		1,944,467	2,304,989
Dividends declared and paid		(800,080)	(1,100,110)
Retained earnings at the end of the year		19,692,372	18,547,985
The notes on pages 11 to 29 form part of these financial statements.			

STANLEY SERVICES LIMITED

BALANCE SHEET AS AT 30 JUNE 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	13,684,076	13,179,938
Investments	12	9,647	9,647
Investment property	13	977,946	977,946
		<u>14,671,669</u>	<u>14,167,531</u>
Current assets			
Stocks	14	4,806,798	4,757,073
Debtors: amounts falling due after more than one year	15	236,781	251,606
Debtors: amounts falling due within one year	15	2,617,293	2,115,807
Cash at bank and in hand	16	4,864,696	2,556,498
		<u>12,525,568</u>	<u>9,680,984</u>
Creditors: amounts falling due within one year	17	(4,407,556)	(2,266,518)
Net current assets		<u>8,118,012</u>	<u>7,414,466</u>
Total assets less current liabilities		<u>22,789,681</u>	<u>21,581,997</u>
Provisions for liabilities			
Deferred tax	18	(2,097,209)	(2,033,912)
		<u>(2,097,209)</u>	<u>(2,033,912)</u>
Net assets		<u>20,692,472</u>	<u>19,548,085</u>
Capital and reserves			
Called up share capital	19	1,000,100	1,000,100
Profit and loss account	20	19,692,372	18,547,985
		<u>20,692,472</u>	<u>19,548,085</u>

The financial statements were approved and authorised for issue by the Directors and were signed on their behalf by:

F M Bain
Director

Date:

F M Bain
27/11/2024

S F J Fletcher
Director

Date:

S F J Fletcher
27/11/2024

The notes on pages 11 to 29 form part of these financial statements.

STANLEY SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	2024 £	2023 £
Cash flows from operating activities		
Profit for the financial year	2,480,858	2,783,439
Adjustments for:		
Depreciation of tangible assets	732,351	701,183
Loss on disposal of tangible assets	(12,800)	3,464
(Increase) in stocks	(49,725)	(230,262)
(Increase)/decrease in debtors	(486,661)	333,866
Increase/(decrease) in creditors	2,152,192	(1,246,629)
Corporation tax (paid)	(536,778)	(26,899)
Net cash generated from operating activities	4,279,437	2,318,162
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,290,638)	(1,759,488)
Sale of tangible fixed assets	66,949	1,500
Interest received	52,530	13,477
Net cash from investing activities	(1,171,159)	(1,744,511)
Cash flows from financing activities		
Dividends paid	(800,080)	(1,100,110)
Net cash used in financing activities	(800,080)	(1,100,110)
Net increase/(decrease) in cash and cash equivalents	2,308,198	(526,459)
Cash and cash equivalents at beginning of year	2,556,498	3,082,957
Cash and cash equivalents at the end of year	4,864,696	2,556,498
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,864,696	2,556,498
	4,864,696	2,556,498

The notes on pages 11 to 29 form part of these financial statements.

STANLEY SERVICES LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 JUNE 2024

	At 1 July 2023 £	Cash flows £	At 30 June 2024 £
Cash at bank and in hand	2,556,498	2,308,198	4,864,696
	<u>2,556,498</u>	<u>2,308,198</u>	<u>4,864,696</u>

The notes on pages 11 to 29 form part of these financial statements.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the applicable law.

1.2 Going concern

The directors have continued to prepare the financial statements on a going concern basis.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

The company made a profit before tax for the year of £2,533,388 (2023 - £2,796,916) and is in a strong financial position, with cash balances at the year end of £4,864,696 (2023 - £2,556,498). The company had net assets as at 30 June 2024 of £20,692,472 (2023 - £19,548,085) and net current assets of £8,118,012 (2023 - £7,414,466).

In preparing the financial statements, the directors have considered the ability of the company to continue as a going concern and have prepared cash flow forecasts covering a period including 12 months from the date of approval of these financial statements to inform their decisions. These forecasts show that in the opinion of the directors the company can continue to operate through the period of the cash flows without the need for third party borrowing.

Following a detailed review of the 12 month cash flow forecasts, including sensitivity analysis and a reverse stress test, the directors have concluded that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern.

1.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 operating profit.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.4 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 2022 ("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 the transaction takes place.

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.

1.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.6 Pensions

Defined contribution and governmental pension schemes

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 on 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 rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

1.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.10 Investment property

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 directors, necessary 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 depreciation historical cost at the date of transfer, as the basis for their valuation.

1.11 Valuation of investments

Investments are measured at cost less accumulated impairment.

1.12 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.

1.13 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.

1.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

1.15 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.16 Domestic fuel provision

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.17 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due within the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. Accounting policies (continued)

1.17 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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 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 2024

3. Operating profit

The operating profit is stated after charging:

	2024 £	2023 £
Exchange differences	5,350	(17,945)

4. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Company's auditors and its associates in respect of:		
The audit of the Company's annual financial statements	25,850	24,850
All other non-audit services not included above	2,350	2,250

5. Employees

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

	2024 £	2023 £
Wages and salaries	2,778,108	2,673,554
Social security costs	7,298	13,355
Cost of defined contribution scheme	156,904	148,786
	2,942,310	2,835,695

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

	2024 No.	2023 No.
Average number of persons employed	81	82

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

6. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	264,178	275,699
Company contributions to defined contribution pension schemes	21,630	21,000
	<u>285,808</u>	<u>296,699</u>

During the year retirement benefits were accruing to 2 Directors (2023 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £152,417 (2023 - £139,306).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £12,360 (2023 - £12,000).

7. Interest receivable

	2024 £	2023 £
Other interest receivable	52,530	13,477
	<u>52,530</u>	<u>13,477</u>

8. Taxation

	2024 £	2023 £
Corporation tax		
Current tax on profits for the year	525,625	536,778
	<u>525,625</u>	<u>536,778</u>
Total current tax	<u>525,625</u>	<u>536,778</u>
Deferred tax		
Origination and reversal of timing differences	63,296	(44,851)
Total deferred tax	<u>63,296</u>	<u>(44,851)</u>
Taxation on profit on ordinary activities	<u>588,921</u>	<u>491,927</u>

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - *lower than*) the standard rate of corporation tax of 26% (2023 - 26%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	2,533,388	2,796,916
Profit on ordinary activities multiplied by standard rate of corporation tax of 26% (2023 - 26%)	658,681	727,198
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	641	37
Capital allowances for year in excess of depreciation	(114,737)	(89,855)
Short-term timing difference leading to an increase (decrease) in taxation	63,296	(44,851)
Non-taxable income	(8,490)	(430)
Other differences leading to increase (decrease) in tax charge	(4,070)	(2,492)
Lower tax rate payable	(25,000)	(25,000)
Movements in domestic fuel provision	18,600	(72,680)
Total tax charge for the year	588,921	491,927

9. Dividends

	2024 £	2023 £
Dividends paid on equity capital	800,080	1,100,110
	800,080	1,100,110

Dividends declared and paid during the year total 80 pence per share (2023 - 110 pence per share).

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

10. Intangible assets

	Goodwill £	Total £
Cost		
At 1 July 2023	100,000	100,000
At 30 June 2024	100,000	100,000
Amortisation		
At 1 July 2023	100,000	100,000
At 30 June 2024	100,000	100,000
Net book value		
At 30 June 2024	-	-
At 30 June 2023	-	-

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

11. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures, fittings and equipment £	Assets under construction £	Total £
Cost or valuation					
At 1 July 2023	22,383,828	1,526,533	2,842,896	520,105	27,273,362
Additions	358,705	317,960	120,435	493,538	1,290,638
Disposals	-	(246,280)	(10,710)	(54,149)	(311,139)
Transfers between classes	372,443	-	69,998	(442,441)	-
At 30 June 2024	23,114,976	1,598,213	3,022,619	517,053	28,252,861
Depreciation					
At 1 July 2023	10,413,439	1,250,344	2,429,641	-	14,093,424
Charge for the year on owned assets	399,037	148,272	185,042	-	732,351
Disposals	-	(246,280)	(10,710)	-	(256,990)
At 30 June 2024	10,812,476	1,152,336	2,603,973	-	14,568,785
Net book value					
At 30 June 2024	12,302,500	445,877	418,646	517,053	13,684,076
At 30 June 2023	11,970,389	276,189	413,255	520,105	13,179,938

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

12. Fixed asset investments

	Fixed asset investments £	Total £
Cost or valuation		
At 1 July 2023	9,647	9,647
At 30 June 2024	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 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.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

13. Investment property

	Freehold investment property £	Total £
Valuation		
At 1 July 2023	977,946	977,946
At 30 June 2024	977,946	977,946

The 2024 valuations were made by Ajax Engineering Limited, on an open market value for existing use basis.

The directors have reviewed the carrying value of the investment properties by reference to a market valuation performed by an Independent valuer, which indicates that the open market values of the investment properties do not materially differ to their carrying value in the financial statements at the balance sheet date.

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

	2024 £	2023 £
Historic cost	1,151,013	1,151,013
Accumulated depreciation and impairments	(466,021)	(427,671)
	684,992	723,342

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

14. Stocks

	2024 £	2023 £
Raw materials and consumables	41,263	39,180
Work in progress (goods to be sold)	4,189,840	3,827,537
Finished goods and goods for resale	575,695	890,356
	<u>4,806,798</u>	<u>4,757,073</u>

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

15. Debtors

	2024 £	2023 £
Due after more than one year		
Hire purchase debtors	236,781	251,606
	<u>236,781</u>	<u>251,606</u>

	2024 £	2023 £
Due within one year		
Trade debtors	1,377,968	1,016,733
Hire purchase debtors	143,962	118,777
Other debtors	113,754	104,064
Prepayments and accrued income	981,609	876,233
	<u>2,617,293</u>	<u>2,115,807</u>

	2024 £	2023 £
Rentals receivable as lessor		
Rentals receivable under operating leases	228,725	216,399
Rentals receivable under finance leases	380,744	370,383
	<u>609,469</u>	<u>586,782</u>

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

16. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	4,864,696	2,556,498
	<u>4,864,696</u>	<u>2,556,498</u>

17. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	3,264,654	784,405
Corporation tax	525,625	536,778
Other taxation and social security	41,589	49,381
Other creditors	344,507	511,487
Accruals and deferred income	231,181	384,467
	<u>4,407,556</u>	<u>2,266,518</u>

18. Deferred taxation

	2024 £	2023 £
At beginning of year	2,033,913	2,078,764
Charged to profit or loss	63,296	(44,851)
At end of year	<u>2,097,209</u>	<u>2,033,913</u>

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	2,110,477	1,993,100
Other timing differences	(13,268)	40,813
	<u>2,097,209</u>	<u>2,033,913</u>

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

19. Share capital

	2024 £	2023 £
Authorised		
3,000,000 (2023 - 3,000,000) Ordinary shares of £1.00 each	3,000,000	3,000,000
Allotted, called up and fully paid		
1,000,100 (2023 - 1,000,100) Ordinary shares of £1.00 each	1,000,100	1,000,100
Each ordinary share carries equal voting and dividend rights.		

20. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

	Profit and loss account £
Profit and loss account - b/fwd	18,547,985
Income Statement	1,944,467
Dividends paid	(800,080)
	19,692,372

21. Capital commitments

At 30 June 2024 the Company had capital commitments as follows:

	2024 £	2023 £
Contracted for but not provided in these financial statements	366,738	-
	366,738	-

22. Pension commitments

The company participates in two defined contribution pensions schemes which are open to certain employees. The pension charges represent contributions payable by the company to the fund and amounted to £156,904 (2023 - £148,786). Contributions totalling £Nil (2023 - £144) were payable to the fund at the balance sheet date.

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

23. Commitments under forward exchange contracts

During the year the Company entered into forward contracts to acquire foreign currency at predetermined exchange rates to hedge the Company's risk against currency fluctuations and create certainty on entering into transactions with businesses that operate in those currencies.

As such, at the balance sheet date the Company had entered into the following contracts on which it had a commitment to complete:

An agreement to purchase 394,057 Dollars by the 2 July 2024 at a cost of £311,562.
 An agreement to purchase 324,915 Dollars by the 18 July 2024 at a cost of £257,243.
 An agreement to purchase 32,952 Dollars by the 11 July 2024 at a cost of £26,088.
 An agreement to purchase 100,723 Dollars by the 11 July 2024 at a cost of £79,794.
 An agreement to purchase 434,815 Dollars by the 23 July 2024 at a cost of £345,575.
 An agreement to purchase 210,165 Dollars by the 26 July 2024 at a cost of £166,617.

24. Related party transactions

The beneficial ownership in Stanley Services Limited is held by;

Falkland Islands Government (44.9%)
 S & J D Robertson Group Limited (30.0%)
 Lavinia Enterprises Limited (25.1%)

Falkland Island Television Limited, Lavinia Bunkering Limited, Lavinia Enterprises Limited and Lavinia Corporation have common ultimate shareholders

Below are the transactions throughout the year and balances at year end with these related parties;

	2024 £	2023 £
Dividends paid to related parties;		
Falkland Islands Government	359,236	493,949
Lavinia Enterprises Limited	200,820	276,128
S & J D Robertson Group Limited	240,024	330,033
	800,080	1,100,110

Sales to related parties;

	2024 £	2023 £
Falkland Island Government	7,418,895	7,393,255
Lavinia Corporation	427,851	378,925
Lavinia Bunkering Limited	1,942,229	2,766,022
Falkland Island Television Limited	15,745	16,084
	9,804,720	10,554,286

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

24. Related party transactions (continued)

	2024 £	2023 £
Purchases from related parties;		
Falkland Islands Government	993,697	1,102,281
Lavinia Bunkering Limited	16,154,982	21,586,949
Falkland Islands Television Limited	93,850	93,350
	<u>17,242,529</u>	<u>22,782,580</u>
	2024 £	2023 £
Debtors - trade debtors as at 30 June;		
Falkland Islands Government	233,190	161
Lavinia Corporation	304,778	29,486
Lavinia Bunkering Limited	80,927	39,301
Falkland Islands Television Limited	67,577	79,138
	<u>686,472</u>	<u>148,086</u>
	2024 £	2023 £
Debtors - other debtors as at 30 June;		
Lavinia Corporation	5,903	13,867
	<u>5,903</u>	<u>13,867</u>
	2024 £	2023 £
Creditors - trade creditors as at 30 June;		
Falkland Islands Government	80,816	14,099
Lavinia Bunkering Limited	1,020,262	180,864
Falkland Islands Television Limited	7,800	7,550
	<u>1,108,878</u>	<u>202,513</u>

In 2020 a motor vehicle was sold to the General Manager at the time, at its market value on standard commercial terms. There is a hire purchase loan outstanding on this at the year end totalling £nil (2023 - £421) included in the hire purchase debtors. The maximum amount outstanding during the year was £421 (2023 - £4,979).

STANLEY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

25. Post balance sheet events

Due to conservation measures, the second half of the Loligo season has been cancelled and therefore has a direct impact on the bunkering revenue stream within Stanley Services Limited. The cancellation means the bunkering revenues and related royalties earned will reduce for the Financial Year to 30 June 2025 in turn, having an impact on the profitability of Stanley Services Limited as a whole.

26. Controlling party

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