

**Company Registration No. 12825**

**FALKLAND ISLANDS MEAT  
COMPANY LIMITED**

**Report and Financial Statements**

**Year ended 30 June 2023**

# **FALKLAND ISLANDS MEAT COMPANY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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# **FALKLAND ISLANDS MEAT COMPANY LIMITED**

## **DIRECTORS' REPORT**

The directors present their report, together with the financial statements of the company for the year ended 30 June 2023.

This directors' report has been prepared in accordance with the special provisions relating to small sized companies under section 246(4)(a) of the United Kingdom Companies Act 1985, as it applies in the Falkland Islands, by Virtue of section 2(1)(c) of the Companies (Amendment) Ordinance 2006.

## **PRINCIPAL ACTIVITIES**

The principal activity of the Falkland Islands Meat Company Limited ('FIMCo') is the supply of meat products to overseas markets, principally in the European Community, and the Falkland Islands market.

## **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

Early indicators were that 2022/23 would be a good season, attracting priced 5-10% higher than those achieved during the 2021/22 financial period. Following an increase in utility and other household costs in the UK, the markets slumped at the start of the export season with the European customers attracting sales prices close to 2021/22. Several customers sought trading terms and longer payment periods due to the UK markets being depressed. The situation was made worse after the UK was flooded with product from Australia and New Zealand, which was accredited by recognised schemes such as farm assured and BRC plus heavily discounted, saturating the UK market. The costs of bringing in staff from South Africa were higher than anticipated due to a number of extended lay-overs and a shortage of direct flights from South Africa with the linking of internal flights through South America.

At the end of the export season and Financial Year 2022/23, FIMCO found itself with two full cold stores and two storage container loads of product, which made the stock take impossible to carry out safely or effectively. It was decided to start the 2023/24 season in January 2024 rather than in November as a continuation of the low surge model. Sales began to take place from late September onwards, with products being heavily discounted sold into the UK.

Sales into Europe do attract a higher price than the UK, FIMCo are limited as to what can be exported due to quota and tariff restrictions. At present there is a 178-tonne quota which is shared between all third country suppliers and anything above this is taxed based on product price and quantity above quota, which could be as high as £2.00 per kilogramme. The allocation of quota is on a first come first served basis and cannot be pre-allocated, which means that there is the risk when containers are on the water towards the end of the season.

Looking towards 2023/24 and onwards, FIMCo have undertaken a change in Halal certification body which will allow access into the Middle Eastern markets. Work towards gaining British Retail Consortium (BRC) accreditation is ongoing, with an audit planned in April 2024. This will allow FIMCo to place products with companies supplying to the end consumer, along with increasing the customer base. Forward orders have been received for 2023/24 product shipping into the UK and Europe, with further orders for 2024/25.

\*Note – Following a review by an external consultant In November and December 2023 the Falkland Islands Government made an additional cash injection of £1 Million to allow FIMCo to continue to operate solvently. A number of conditions were set by FIG, including reporting to Standing Finance Committee, the addition of two Government Directors and the changes in the Articles of Association which allows for this. As this occurred outside the financial year and prior to the signing of the accounts, this has been added as an indicative note to be further clarified in the 2023/24 annual accounts.

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **DIRECTORS**

Alex Gould	Removed 28 March 2024
Harold Nielson	Resigned 31 October 2023
Louise Ellis	Resigned 20 September 2022
Rodney Lee	Resigned 29 February 2024
Teslyn Barkman	
John Ferguson(vice chair)	
Zachary Franklin(chair)	Appointed 20 September 2022
Stephen Dent	Appointed 29 February 2024
Andrea Clausen	Appointed 29 February 2024

### **SECRETARY**

Waverley Law Limited

### **REGISTERED OFFICE**

Shackleton House  
West Hillside  
Stanley  
Falkland Islands

### **BANKERS**

Standard Chartered Bank  
Stanley

### **INDEPENDENT AUDITOR**

Mazars LLP  
Chartered Accountants  
Bristol  
United Kingdom

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **RESULTS AND DIVIDENDS**

The company incurred a gross loss of £122,785 (2022: profit £499,822) and a net loss of £449,015 (2022: profit £418,450).

The directors have not recommended a payment of a dividend for the current year (2022: £nil).

### **TAXATION**

As a wholly owned subsidiary of the Falkland Islands Development Corporation, the company is exempt from Falkland Islands' corporation taxation in accordance with Section 68(1) (k) of the Taxes Ordinance 1997.

### **DIRECTORS**

The following individuals served on the Board during the year and to the date of this report:

Alex Gould	Removed 28 March 2024
Harold Nielson	Resigned 31 October 2023
Louise Ellis	Resigned 20 September 2022
Rodney Lee	Resigned 29 February 2024
Teslyn Barkman	
John Ferguson	
Zachary Franklin	Appointed 20 September 2022
Stephen Dent	Appointed 29 February 2024
Andrea Clausen	Appointed 29 February 2024

### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
2. the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 234ZA of the UK Companies Act 1985, as it applies in the Falkland Islands, by virtue of section 2(1)(c) of the Companies (Amendment) Ordinance 2006.

Approved by the directors and signed by order of the board.

**Director**



Date: 19/4/24

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Falkland Islands 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 the Companies Act 1948 and 1985, as it applies in the Falkland Islands, by the virtue of the section 2(1)(c) of the Companies (Amendment) Ordinance 2006. The financial statements are required by law 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; and
- 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 which 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 United Kingdom Companies Acts 1948 and 1985, as it applies in the Falkland Islands, by virtue of section 2(1)(c) of 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.

# **FALKLAND ISLANDS MEAT COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **Opinion**

We have audited the financial statements of Falkland Islands Meat Company Limited (the 'company') for the year ended 30 June 2023 which comprise the Profit and Loss Account, the Balance Sheet, and notes to the financial statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is the Companies Act 1948 and 1985, as it applies in the Falkland Islands, by the virtue of the section 2(1)(c) of the Companies (Amendment) Ordinance 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its result for the year then ended; and
- have been properly prepared in accordance with applicable Falkland Islands law and International Standards on Auditing (UK and Ireland).
- comply with the United Kingdom Companies Acts 1948 and 1985, as it applies in the Falkland Islands, by virtue of section 2(1)(c) 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 in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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.

# **FALKLAND ISLANDS MEAT COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

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

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

### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

### **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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 1948 and 1985, as it applies in the Falkland Islands, by the virtue of the section 2(1)(c) of the Companies (Amendment) Ordinance 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of override of controls, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.



## FALKLAND ISLANDS MEAT COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

#### Use of the audit report

This report is made solely to the company's members as a body. 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.

  
Mazars LLP (Apr 22, 2024 17:25 GMT+1)

**Mazars LLP Chartered Accountants and Statutory Auditor**

90 Victoria Street, Bristol, BS1 6DP

Date Apr 22, 2024

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 30 June 2023

	Note	2023 £	2022 £
<b>TURNOVER</b>	2	3,086,108	3,707,009
Cost of sales		<u>(3,318,893)</u>	<u>(3,207,187)</u>
<b>GROSS (LOSS)/PROFIT</b>		(232,785)	499,822
Other operating income		450,000	464,420
Profit on sale of fixed assets		2,000	5,087
Administrative expenses		<u>(778,230)</u>	<u>(550,479)</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>	4,11	<u>(559,015)</u>	<u>418,850</u>

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the above result for the current and prior year, therefore no Statement of Total Recognised Gains and Losses is presented.

The accompanying notes form an integral part of this Profit and Loss account.

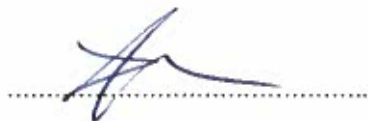
# FALKLAND ISLANDS MEAT COMPANY LIMITED

## BALANCE SHEET At 30 June 2023

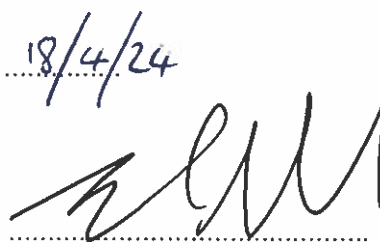
	Note	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	<u>3,170,173</u>	<u>3,314,848</u>
<b>CURRENT ASSETS</b>			
Stocks	6	685,366	560,568
Debtors	7	627,518	962,174
Cash at bank and in hand		<u>33,430</u>	<u>291,226</u>
		1,346,314	1,813,968
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(1,468,037)</u>	<u>(1,359,340)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(121,723)</u>	<u>454,628</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,048,450	3,769,476
<b>CREDITORS: amounts falling due after more than one year</b>	9	<u>(2,822,304)</u>	<u>(2,984,315)</u>
<b>NET ASSETS</b>		<u>226,146</u>	<u>785,161</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	50,000	50,000
Profit and loss account	11	<u>176,146</u>	<u>735,161</u>
<b>SHAREHOLDERS' RESERVES</b>	12	<u>226,146</u>	<u>785,161</u>

These financial statements were approved by the Directors on 18/4/24

Signed on behalf of the Board



Director



Director

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2023

### 1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below and have been applied consistently in the current and preceding year.

#### Accounting convention

The financial statements are prepared under the historic cost convention.

#### Basis of preparation

The financial statements have been prepared in accordance with United Kingdom accounting standards. The financial statements have been prepared on the going concern basis. This is based on the assumption that the company will continue to receive support from the Falkland Islands Government in the form of a subvention for the coming years.

#### Cash flow statement

The financial statements do not include a cash flow statement because the company, as a small entity, is exempt from the requirement to prepare such a statement under accounting standards applied on the Islands.

#### Pension costs

The company's employees participate in an independent defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any discounts given. All further costs to completion and all relevant marketing, selling and distribution costs are included in the accounts on an accruals basis. Adjustments are made for slow moving and obsolete stock.

#### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation. The directors do not consider that any consideration of potential impairment is required as any associated charge would be offset by an equal and opposite release of the related grant from deferred income.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Land	Nil
Buildings	33 - 50 years
Plant & machinery	5 - 10 years
Fixtures & fittings	3 years
Motor vehicles	4 - 5 years

#### Income

Sales made within a reasonable period of time of the year end are treated as sales and debtors in the previous year's accounts thus matching income with expenditure reflecting the seasonal nature of the activities of the business. Items remaining unsold beyond the agreed period of time are treated as stock at the year end.

#### Taxation

As a wholly owned subsidiary of the Falkland Islands Development Corporation the company is exempt from Falkland Islands' corporation taxation in accordance with Section 68(1)(k) of the Taxes Ordinance 1997.

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 June 2023

### ACCOUNTING POLICIES (CONTINUED)

#### Grants

Government grants in respect of revenue expenditure are credited to the profit and loss account in the period in which the related expenditure is incurred. Grants in respect of capital expenditure are recorded in the balance sheet as deferred income within creditors and released to the profit and loss account over the life of the related fixed assets.

### 2. TURNOVER

The turnover is wholly attributable to the principal activity of the company and originates solely within the Falkland Islands.

A geographical analysis of turnover by destination is:

	2023 £	2022 £
Falkland Islands	1,107,685	1,019,750
Overseas	1,978,423	2,687,259
	<u>3,086,108</u>	<u>3,707,009</u>

### 3. DIRECTORS AND EMPLOYEES

	2023 £	2022 £
<b>Staff costs including directors' emoluments</b>		
Wages and salaries	1,095,584	1,052,475
Pension cost	101,764	45,404
	<u>1,197,348</u>	<u>1,097,879</u>

	2023 No.	2022 No.
<b>Average number of persons employed</b>		
Labour	38	32
Administration	7	5
	<u>45</u>	<u>37</u>

	2023 £	2022 £
<b>Directors' emoluments</b>		
Aggregate emoluments	-	-
Pension costs	-	-
	<u>-</u>	<u>-</u>

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 June 2023

### 4. PROFIT/(LOSS) FOR THE YEAR

The profit/(loss) for the year is stated after charging/(crediting):

	2023 £	2022 £
Depreciation	303,958	250,994
Auditors' remuneration – audit fees	9,030	15,429
Government grants received in respect of the financial year	(450,000)	(450,000)
Coronavirus support grants received in respect of the financial year	-	(14,420)
	<u>          </u>	<u>          </u>

### 5. TANGIBLE FIXED ASSETS

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 July 2022	6,480,045	1,603,866	10,540	54,462	8,148,913
Additions	2,725	119,474	11,309	25,775	159,283
Disposals	-	-	-	(2,000)	(2,000)
At 30 June 2023	<u>6,482,770</u>	<u>1,723,340</u>	<u>21,849</u>	<u>78,237</u>	<u>8,306,196</u>
<b>Depreciation</b>					
At 1 July 2022	3,280,267	1,510,584	10,540	32,674	4,834,065
Charge for the year	222,963	67,903	2,486	10,606	303,958
Disposals	-	-	-	(2,000)	(2,000)
At 30 June 2023	<u>3,503,230</u>	<u>1,578,487</u>	<u>13,026</u>	<u>41,280</u>	<u>5,136,023</u>
<b>Net book value</b>					
At 30 June 2023	<u>2,979,540</u>	<u>144,853</u>	<u>8,823</u>	<u>36,957</u>	<u>3,170,173</u>
At 30 June 2022	<u>3,199,778</u>	<u>93,282</u>	<u>-</u>	<u>21,788</u>	<u>3,314,848</u>

Fixed assets with a net book value of £3,436,800 were transferred from the parent undertaking at 30 June 2009 by way of a capital grant from FIDC. These fixed assets were originally acquired by FIDC as part of its programme of supporting investment in FIMCo. The related capital grant is recorded as deferred income and will be amortised to the profit and loss account over the remaining life of the fixed assets (see note 9)

The Directors have not undertaken an impairment review of the asset transferred to them in 2009 as at the current year end. Such a review would be performed in order to confirm that the carrying value within the accounts is considered reasonable. However, should any such review have been undertaken, and a subsequent impairment considered necessary, this would also result in a similar impairment to the deferred income included with the accounts, and therefore the impact on the net asset position of the Balance Sheet and the results for the year is considered to be negligible.

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 June 2023

### 6. STOCKS

	2023 £	2022 £
Consumables	72,451	94,742
Goods for resale	612,915	465,826
	<u>685,366</u>	<u>560,568</u>

The Directors do not consider the replacement cost of stock to be materially different to the value in the balance sheet.

### 7. DEBTORS

	2023 £	2022 £
<b>Amounts due within one year:</b>		
Trade debtors	482,826	828,323
Accrued income	4,683	5,024
Prepayments	139,633	126,950
Other debtors	376	1,877
	<u>627,518</u>	<u>962,174</u>

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	276,012	135,190
Accruals and other creditors	135,891	172,836
Bank overdraft	807,681	795,678
Deferred income – capital grant in respect of fixed assets transferred from parent undertaking (see note 9)	207,125	204,801
Net Wages	0	(825)
Loan less than 1 year	41,328	51,660
	<u>1,468,037</u>	<u>1,359,340</u>

FIMCo has a £1,500,000 overdraft facility, which is guaranteed by the FIDC.

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 June 2023

### 9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Deferred income - capital grant in respect of fixed assets transferred from parent undertaking	2,772,455	2,903,470
Loan from FIDC	34,471	34,471
Loan from FIG	15,378	46,374
	<u>2,822,304</u>	<u>2,984,315</u>

The capital grant of £2,979,580 (2022: £3,108,271) relates primarily to fixed assets transferred from the parent undertaking on 30 June 2009 with a net book value of £3,436,800 (see note 5). The capital grant will be amortised to the profit and loss account over the remaining life of the fixed assets. Included in amounts falling due within one year is £207,125 (2022: £204,801) representing the element of the capital grant which is expected to be amortised to the profit and loss account in the financial year ending on 30 June 2024.

The amount shown in Loan from FIDC/FIG is composed of two loans:

Transfer of Road Asset - 2023: £34,471 (2022: £34,471) - Loan from FIDC is repayable in annual instalments of £6,000 until 2016. Interest is charged at a rate of 5.25% and the loan is unsecured. There is currently a moratorium on repayments and interest until the company's cash flow improves and it's able to make the repayments.

Cabins Loan from FIG 2023: £15,378 (2022: £46,374) - Loan from FIG repayable in monthly instalments of £3,444 (2022: £3,444) over 10 years. There is no interest charged on this loan.

### 10. CALLED UP SHARE CAPITAL

	2023 £	2022 £
<b>Authorised</b>		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Called up, allotted and fully paid</b>		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

### 11. PROFIT AND LOSS ACCOUNT

The movement on the profit and loss account during the year was as follows:

	£
At 1 July 2022	735,161
(Loss)/profit for the year	<u>(559,015)</u>
At 30 June 2023	<u>226,146</u>



## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**Year ended 30 June 2023**

#### **12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' RESERVES**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	(559,015)	418,850
Opening shareholders' reserves	785,161	366,311
	<hr/>	<hr/>
Closing shareholders' reserves	226,146	785,161
	<hr/>	<hr/>

#### **13. ULTIMATE PARENT UNDERTAKING**

The company is a subsidiary of the Falkland Islands Development Corporation. The ultimate parent undertaking at the balance sheet date was the Falkland Islands Government.

The financial statements of the Falkland Islands Development Corporation, which do not consolidate the results of Falkland Islands Meat Company Limited, can be obtained from the company's registered office.

The financial statements of the Falkland Islands Government, which do not consolidate the results of Falkland Islands Meat Company Limited, are available from The Treasury, Falkland Islands Government, Stanley.

## FALKLAND ISLANDS MEAT COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 June 2023

#### 14. RELATED PARTIES

During the year ended 30 June 2023, the company has undertaken a number of transactions with entities that are defined as a related party. The total income and expenditure attributable to these entities in the year ended 30 June 2023, as well as the balances due or receivable from the entities at 30 June 2023 is listed below.

	INCOME 2023	INCOME 2022	EXPENSES 2023	EXPENSES 2022	DEBTORS 2023	DEBTORS 2022	CREDITORS 2023	CREDITORS 2022
	£	£	£	£	£	£	£	£
Falkland Islands Government	617,718	493,839	482,613	313,828	7,844	650	226,610	10,900
FIDC	-	14,807	2,309	-	-	-	-	-
Falkland Landholdings Corporation	3,292	2,620	462,753	481,320	172	1,747	-	34,382
Falkland Farmers Limited	-	-	258	242	-	-	-	-
Falkland Islands Wool Company	-	-	-	73	-	-	-	-
A&D Gould Fanning	-	-	27,629	23,957	-	-	-	-
White Rock Farm	-	-	9,148	8,409	-	-	-	-
SAAS	-	-	290,598	270,493	-	-	-	18,348

## FALKLAND ISLANDS MEAT COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 June 2023

These entities are connected to FIMCo through the following relationships with the Directors (Harold Neilson does not hold any other directorships):

	Zachary Franklin	Alex Gould	John Ferguson	Louise Ellis	Rodney Lee	Teslyn Barkman
Dunnose Head Farm		x				
Falkland Farmers Limited	x			x		
FIDC	x			x		
FLH			x		x	x
Pebble Island Farm		x				
South American Atlantic Shipping Ltd						x
White Rock Farm					x	
Wool Co			x			

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **ADDITIONAL UNAUDITED INFORMATION**

The additional unaudited information on page 19 has been prepared from the accounting records of the company. While it does not form part of the statutory audited financial statements, it should be read in conjunction with them and the independent auditors' report thereon.

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## DETAILED PROFIT & LOSS ACCOUNT - UNAUDITED Year ended 30 June 2023

	2023 £	2022 £
<b>TURNOVER</b>	3,086,108	3,707,009
<b>Cost of sales</b>		
Opening stock	560,568	658,038
Livestock purchases	1,177,354	1,298,187
Livestock transport	9,312	9,162
Freight to customer	257,799	246,234
Wages	880,106	865,419
Recruitment, travel and accommodation	391,065	150,029
Other processing costs	1,490	1,373
Commission on sales	54,633	65,419
Electricity	268,089	166,546
Fuel	36,566	31,328
Water	15,081	12,657
Consumables and packaging	239,837	180,801
Veterinary costs	72,637	45,991
Certification expenses	22,415	19,775
Laboratory costs	17,307	16,795
Closing stock	(685,366)	(560,568)
	(3,318,893)	(3,207,186)
<b>GROSS (LOSS)/PROFIT</b>	(232,785)	499,823
Other operating income	450,000	464,420
Profit on sale of fixed assets	2,000	5,087
	219,215	969,330
<b>Administrative expenses</b>		
Admin employment costs	(317,242)	(233,724)
Staff training and travel	(4,073)	(1,156)
Motor running costs	(29,244)	(26,238)
Telephone, internet and IT Support	(36,851)	(15,593)
Legal, professional and audit	(33,787)	(54,429)
Marketing and advertising	(17,065)	(480)
Entertaining	(1,630)	(2,230)
Repairs and maintenance	(127,652)	(98,701)
Clothing and general consumables	(8,151)	0
Pest Control	(26,789)	(4,627)
Insurance	(67,458)	(65,257)
Subscriptions and donations	(2,164)	(750)
Interest paid	(44,794)	(17,085)
Bank charges and foreign exchange movements	(5,853)	(4,117)
Depreciation	(262,630)	(250,994)
Deferred income amortisation	211,496	219,325
Office and other general expenses	(5,028)	(1,904)
Bad debts recovered	685	7,463
	(778,230)	(550,479)
<b>(LOSS)/PROFIT FOR THE YEAR</b>	(559,015)	418,850

