

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2024**

## FALKLAND ISLANDS MEAT COMPANY LIMITED

### COMPANY INFORMATION

<b>Directors</b>	Teslyn Barkman John Ferguson (vice chair) Zachary Franklin (chair) Stephen Dent (appointed 29 February 2024) Andrea Clausen (appointed 29 February 2024) Stephen Fowmes (appointed 4 September 2024) Alex Gould (resigned 28 March 2024) Harold Nielson (resigned 31 October 2023) Rodney Lee (resigned 29 February 2024)
<b>Company secretary</b>	Waverley Law Limited
<b>Registered number</b>	12825
<b>Registered office</b>	Shackleton House West Hillside Stanley Falkland Islands
<b>Independent auditors</b>	Forvis Mazars LLP Chartered Accountants Bristol United Kingdom
<b>Bankers</b>	Standard Chartered Bank Stanley

# FALKLAND ISLANDS MEAT COMPANY LIMITED

## CONTENTS

	Page
<b>Directors' Report</b>	1 - 3
<b>Independent Auditors' Report</b>	4 - 6
<b>Profit and Loss Account</b>	7
<b>Balance Sheet</b>	8
<b>Notes to the Financial Statements</b>	9 - 16
The following pages do not form part of the statutory financial statements:	
<b>Detailed Profit and Loss Account and Summaries</b>	17 - 19

## FALKLAND ISLANDS MEAT COMPANY 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.

#### Principal activity

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.

#### Dividends paid

There were no dividends paid in the year under review (2023 - *£NIL*).

#### Results

The Profit and Loss Account for the year is set out on page 7.

#### Directors

The directors who served during the year and to date were:

Teslyn Barkman  
John Ferguson (vice chair)  
Zachary Franklin (chair)  
Stephen Dent (appointed 29 February 2024)  
Andrea Clausen (appointed 29 February 2024)  
Stephen Fowmes (appointed 4 September 2024)  
Alex Gould (resigned 28 March 2024)  
Harold Nielson (resigned 31 October 2023)  
Rodney Lee (resigned 29 February 2024)

#### Review of developments and future prospects

At the end of the 2022/23 export season and financial year, FIMCo had two full cold stores and an additional two reefer containers of product still in stock. This made undertaking the annual stocktake unsafe and with risk of error.

The Board decided to start the 2023/24 season in January 2024 rather than in November 2023 as a continuation of the low surge model.

Sales of 2022/2023 product increased from late September 2024 onwards. However, products sold into the UK were heavily discounted to secure the necessary sales, in order that:

- Cold store space was available to allow the 2023/24 export season to take place;
- A safe and accurate stocktake could be achieved;
- Essential maintenance in the cold stores could be undertaken

Sales during the 2023/24 season were stronger, however prices into the UK only rose slightly due to ongoing competition from New Zealand and Australian stock.

The EU market remained strong, with increased demand for shipments into the region. Due to the limited tariff-free quota available and the possibility of tariff charges, sales to the EU had to be curtailed.

One container of 6 way cut mutton was shipped into Qatar, utilising the new Halal and BRC accreditations. This was a test shipment for both the customer and FIMCo. It resulted in potential sales for the 2024/25 season, however the prices being offered were lower than those being offered in the UK.

Following an external consultant's review in November/December 2023, it became apparent that the agreed £1.5 million overdraft facility to FIMCo would be breached by April 2024. Several recommendations were made by the consultant, which included an improved reporting process by FIMCo to the FIMCo Board, shareholders and to the Falkland Islands Government. The FIMCo Board now receive a weekly update on finances, stock, and sales. FIG and MLAs are updated quarterly at the Standing Finance Committee meeting.

## FALKLAND ISLANDS MEAT COMPANY LIMITED

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

#### Review of developments and future prospects (continued)

There was also a change to the FIMCo Articles of Association, which updated the structure of the FIMCo Board, and allowed for two FIG Directors to become Board members.

Following the findings of the review, FIMCo received a £1 million cash injection from the Falkland Islands Government. This was an additional subvention payment and is not repayable.

The review highlighted the difficulties faced by FIMCo during the 2022/23 export season and recognised that FIMCo is a marginal business that has little control over the prices offered and paid in the export market.

The review set out several defined objectives which looked at:

- Financial position and information sharing;
- Sales & Pricing Strategy;
- Production & Processing;
- Stock Control;
- Governance, Systems and KPI's;
- Staff Training & Development

FIMCo shipped thirty nine container loads of export product prior to the end of the 2023/2024 financial year. FIMCo's export product stock levels were heavily reduced to the point where there was insufficient stock to ship a further twenty foot container load.

In November 2023, FIMCo achieved a Gulf State Organisation (GSO) Standard accreditation for Halal production, which allows for export into the Middle East. In April 2024, the team gained BRC Start! (Intermediate) certification, which opens opportunities for sales to BRC companies who sell directly to end consumers.

Looking ahead, FIMCo management are working towards achieving the BRC9 Standard, which would generate more buyer confidence, open further sales avenues, and achieve a potential price increase for our product.

FIMCo continue to actively seek market access into Saudi Arabia, which has a high demand for Halal mutton at a price potentially higher than that offered in the UK.

Quotas and tariffs remain the limiting factor for further sales into the EU, but we will continue to maximise shipments as best we can.

Offal production and sales are a revenue stream that FIMCo continues to explore, with potential sales to a pet food producer. The indicated prices are not high enough to make a large difference in the 'bottom line' but will more than recover the production costs and reduce the volumes of waste being disposed of into the sea.

Sand bay's refrigeration has been reviewed by UK based company and they are in the process of designing a CO<sub>2</sub> cooling, freezing and storage system to replace the R404A refrigeration plant due the age of the system and changes in legislation outlawing the use of this type of refrigerant. Power is also an area under review, being the second largest consumer and issues identified by both the eLink review and also the refrigeration engineers, FIMCo need to look at replacing the current distribution network and also reduce demand from the grid by investigating various renewable energy sources.

FIMCo are working with livestock suppliers to reverse the downward trend in beef cattle being bred and raised. Should this trend continue it will affect the financial return of Local Market sales, as beef is the main product demanded. Further work in this is planned to improve innovation, assurance and communication in the beef supply chain.

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

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

**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.

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.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Forvis Mazars LLP, will be proposed for reappointment in accordance with the applicable law.

**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.

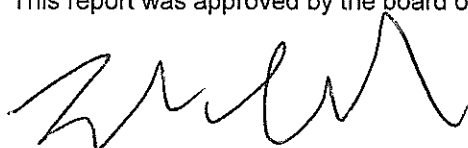
Falkland Islands company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare financial statements in accordance with the Companies Act 1948 and 1985, as it applies in the Falkland Islands, by the virtue of section 2(1)(c) 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 judgments 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 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.

This report was approved by the board on 03 March 2025 and signed on its behalf.



Director

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **Independent auditor's report to the Directors of The Falkland Islands Meat Company Limited**

#### **Opinion**

We have audited the financial statements of The Falkland Islands Meat Company (the 'company') for the year ended 30 June 2024 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 British 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 corporation's affairs as at 30 June 2024 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.

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **Independent auditor's report to the Directors of The Falkland Islands Meat Company Limited**

#### **Other information (continued)**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In light of the knowledge and understanding of the 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 3, 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:



## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

### **Independent auditor's report to the Directors of The Falkland Islands Meat Company Limited**

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

- 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 British 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.

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.

#### **Forvis Mazars LLP Chartered Accountants and Statutory Auditor**

90 Victoria Street, Bristol, BS1 6DP

Date

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 £	2023 £
Turnover	3	3,481,281	3,086,108
Cost of sales		(3,745,371)	(3,318,893)
<b>Gross loss</b>		<u>(264,090)</u>	<u>(232,785)</u>
Administrative expenses		(890,910)	(778,230)
Other operating income		1,519,682	452,000
<b>Operating profit/(loss)</b>	4	<u>364,682</u>	<u>(559,015)</u>
Interest payable and similar expenses		(1,962)	-
<b>Profit/(loss) before tax</b>		<u>362,720</u>	<u>(559,015)</u>
<b>Profit/(loss) after tax</b>		<u><u>362,720</u></u>	<u><u>(559,015)</u></u>
Retained earnings at the beginning of the year		176,146	735,161
		<u>176,146</u>	<u>735,161</u>
Profit/(loss) for the year		362,720	(559,015)
<b>Retained earnings at the end of the year</b>		<u><u>538,866</u></u>	<u><u>176,146</u></u>

There were no recognised gains and losses for 2024 or 2023 other than those included in the profit and loss account.

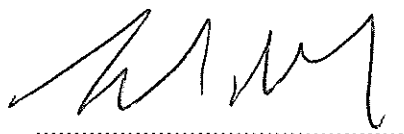
The notes on pages 9 to 16 form part of these financial statements.

FALKLAND ISLANDS MEAT COMPANY LIMITED

BALANCE SHEET  
AS AT 30 JUNE 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	6	3,033,978	3,170,173
		<u>3,033,978</u>	<u>3,170,173</u>
<b>Current assets</b>			
Stocks	7	269,466	685,366
Debtors: amounts falling due within one year	8	579,717	627,518
Cash at bank and in hand	9	101,502	33,430
		<u>950,685</u>	<u>1,346,314</u>
Creditors: amounts falling due within one year	10	(717,208)	(1,468,037)
<b>Net current assets/(liabilities)</b>		<u>233,477</u>	<u>(121,723)</u>
<b>Total assets less current liabilities</b>		<u>3,267,455</u>	<u>3,048,450</u>
Creditors: amounts falling due after more than one year	11	(2,678,589)	(2,822,304)
<b>Net assets</b>		<u><u>588,866</u></u>	<u><u>226,146</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	50,000	50,000
Profit and loss account		538,866	176,146
		<u><u>588,866</u></u>	<u><u>226,146</u></u>

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



Director

Date: 03/03/2025



Director

03/03/2025

The notes on pages 9 to 16 form part of these financial statements.

## **FALKLAND ISLANDS MEAT COMPANY LIMITED**

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

#### **1. General information**

Falkland Islands Meat Company Limited is a company limited by shares and registered in the Falkland Islands with its registered office at Shackleton House, West Hillside, Stanley, Falkland Islands.

#### **2. Accounting policies**

##### **2.1 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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' as it applies in the Falkland Islands. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

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.

##### **2.3 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 in the Islands.

##### **2.4 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation. 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.

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.

## FALKLAND ISLANDS MEAT COMPANY LIMITED

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

#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land	- Nil
Buildings	- 10 - 50 years
Plant and machinery	- 5 years
Motor vehicles	- 5 years
Fixtures and fittings	- 3 years

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

##### 2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

##### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

## FALKLAND ISLANDS MEAT COMPANY LIMITED

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

#### 2. Accounting policies (continued)

##### 2.10 Pensions

###### Defined contribution pension plan

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.

##### 2.11 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.

##### 2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment.

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.14 Creditors

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

#### 3. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2024 £	2023 £
Falkland Islands	1,191,897	1,107,685
Overseas	2,289,384	1,978,423
	<u>3,481,281</u>	<u>3,086,108</u>

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

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

**4. Operating profit/(loss)**

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

	<b>2024</b>	<b>2023</b>
	£	£
Government grants receivable	<b>(1,516,582)</b>	<b>(450,000)</b>
Depreciation	<b>295,577</b>	<b>303,958</b>
Auditors' remuneration - audit fees	<b>9,210</b>	<b>9,030</b>
	<u><b>          </b></u>	<u><b>          </b></u>

**5. Employees**

	<b>2024</b>	<b>2023</b>
	£	£
Wages and salaries	<b>1,058,411</b>	<b>1,095,584</b>
Pension cost	<b>108,654</b>	<b>101,764</b>
	<u><b>1,167,065</b></u>	<u><b>1,197,348</b></u>

	<b>2024</b>	<b>2023</b>
<b>Average number of persons employed</b>		
Labour	<b>22</b>	<b>38</b>
Administration	<b>8</b>	<b>7</b>
	<u><b>30</b></u>	<u><b>45</b></u>

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

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

**6. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 July 2023	6,482,770	1,723,340	78,237	21,849	8,306,196
Additions	15,543	143,839	-	-	159,382
Disposals	-	-	(9,868)	-	(9,868)
At 30 June 2024	<u>6,498,313</u>	<u>1,867,179</u>	<u>68,369</u>	<u>21,849</u>	<u>8,455,710</u>
<b>Depreciation</b>					
At 1 July 2023	3,503,230	1,578,487	41,280	13,026	5,136,023
Charge for the year on owned assets	211,258	69,655	10,932	3,732	295,577
Disposals	-	-	(9,868)	-	(9,868)
At 30 June 2024	<u>3,714,488</u>	<u>1,648,142</u>	<u>42,344</u>	<u>16,758</u>	<u>5,421,732</u>
<b>Net book value</b>					
At 30 June 2024	<u>2,783,825</u>	<u>219,037</u>	<u>26,025</u>	<u>5,091</u>	<u>3,033,978</u>
At 30 June 2023	<u>2,979,540</u>	<u>144,853</u>	<u>36,957</u>	<u>8,823</u>	<u>3,170,173</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 11).

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  
FOR THE YEAR ENDED 30 JUNE 2024**

**7. Stocks**

	2024 £	2023 £
Consumables	97,229	72,451
Goods for resale	172,237	612,915
	<u>269,466</u>	<u>685,366</u>

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

**8. Debtors: amounts due within one year**

	2024 £	2023 £
Trade debtors	507,683	482,826
Prepayments	72,034	139,633
Accrued income	-	4,683
Other debtors	-	376
	<u>579,717</u>	<u>627,518</u>

**9. Cash and cash equivalents**

	2024 £	2023 £
Cash at bank and in hand	101,502	33,430
Less: bank overdrafts	(330,707)	(807,681)
	<u>(229,205)</u>	<u>(774,251)</u>

**10. Creditors: Amounts falling due within one year**

	2024 £	2023 £
Bank overdraft	330,707	807,681
Deferred income - capital grant in respect of fixed assets transferred from parent undertaking (see note 11)	212,211	207,125
Accruals and other creditors	75,165	135,891
Trade creditors	68,712	276,012
Loan from FIG	15,275	41,328
Loan from FIDC for consultant	15,138	-
	<u>717,208</u>	<u>1,468,037</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  
FOR THE YEAR ENDED 30 JUNE 2024**

**11. Creditors: Amounts falling due after more than one year**

	2024 £	2023 £
Deferred income - capital grant in respect of fixed assets transferred from parent undertaking	2,627,127	2,772,455
Loan from FIDC	34,471	34,471
Loan from FIDC for consultant	16,991	-
Loan from FIG	-	15,378
	<u>2,678,589</u>	<u>2,822,304</u>

The capital grant of £2,839,338 (2023: £2,979,580) 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 6). 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 £212,211 (2023: £207,125) 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 2025.

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

Transfer of Road Asset - 2024: £34,471 (2023: £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 is able to make the repayments.

Hire of Consultant - 2024: £32,129 (2023: £nil). Loan from FIDC to assist with hiring a consultant to assist with the company's business plan and budgets was agreed in October 2023. The loan was for an amount of £40,000 and is repayable over 3 years. Interest is charged at a variable rate of 3.5% above the Bank of England Base Rate. The loan was drawn down in November 2023 and an amount of £1,003 was repaid in February 2024 as it was unused. Repayments have been made monthly in accordance with the agreement. The loan is unsecured.

Cabin Loan from FIG £15,275 (2023: £56,706) - Loan from FIG repayable in monthly instalments of £3,444 over 10 years. There is no interest charged on this loan. Included in amounts falling due within one year is £15,275 (2023: £41,328) representing the element payable in the financial year ending on 30 June 2025.

**12. Share capital**

	2024 £	2023 £
<b>Authorised, allotted, called up and fully paid</b>		
50,000 (2023 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

**13. Controlling party**

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  
FOR THE YEAR ENDED 30 JUNE 2024**

**14. Related party transactions**

During the year the company has undertaken a number of transactions with entities that are defined as a related party. The following are related to the company as either the parent or ultimate parent entity or by common control.

<b>30 June 2024</b>	<b>Income £</b>	<b>Expenses £</b>	<b>Debtor £</b>	<b>Creditor £</b>
<b>Parent entities</b>				
Falkland Islands Government	1,521,415	502,517	664	700
Falkland Islands Development Corporation	234	8,132	-	-
<b>Entities under common control</b>				
Falkland Farmers Limited	-	391	-	-
Falkland Landholdings Corporation	2,842	426,111	1,922	-
Falkland Islands Wool Company	-	-	-	-
Falkland Postal Service	-	-	-	-
A&D Gould Farming	-	-	-	-
Stanley Growers Limited	12,424	-	-	-
Stanley Services Limited	39,321	73,730	1,743	336
Stanley Support Services Limited	-	-	-	-
South American Atlantic Services	-	401,704	-	360
SJD Training Limited	-	-	-	-
White Rock Farm	-	-	-	-
<hr/>				
<b>30 June 2023</b>	<b>Income £</b>	<b>Expenses £</b>	<b>Debtor £</b>	<b>Creditor £</b>
<b>Parent entities</b>				
Falkland Islands Government	617,718	482,613	7,844	226,610
Falkland Islands Development Corporation	-	2,309	-	-
<b>Entities under common control</b>				
Falkland Farmers Limited	-	258	-	-
Falkland Landholdings Corporation	3,292	462,753	172	-
Falkland Islands Wool Company	-	-	-	-
A&D Gould Farming	-	27,629	-	-
White Rock Farm	-	9,148	-	-
South American Atlantic Services	-	290,598	-	-
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FALKLAND ISLANDS MEAT COMPANY LIMITED

DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2024

	2024 £	2023 £
Turnover	3,481,281	3,086,108
Cost of sales	(3,745,371)	(3,318,893)
<b>Gross loss</b>	<b>(264,090)</b>	<b>(232,785)</b>
Other operating income	1,519,682	452,000
<b>Less: overheads</b>		
Administration expenses	(890,910)	(778,230)
<b>Operating profit/(loss)</b>	<b>364,682</b>	<b>(559,015)</b>
Interest payable	(1,962)	-
Taxation	-	-
<b>Profit/(Loss) for the year</b>	<b>362,720</b>	<b>(559,015)</b>

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	2024 £	2023 £
<b>Turnover</b>		
Sales - Local Wholesale	671,789	591,420
Sales - Local Retail	469,359	491,263
Incinerator Fee Income	56,580	54,175
Sales Export Mutton	2,073,476	1,409,839
Sales Export Lamb	144,018	303,351
Sales Export Beef	33,738	183,521
Sales Export Sheep and Lamb Offals	38,152	81,662
Sales Export Beef Offals	-	49
Rental Income	58,081	30,726
Slaughter Fee Income	1,070	1,621
Other Income	11,073	10,000
Local Market Discounts	(76,061)	(73,950)
Credit Charges (Late Payments)	6	2,431
	<u>3,481,281</u>	<u>3,086,108</u>
	2024 £	2023 £
<b>Cost of sales</b>		
Opening stock	685,366	560,568
Livestock Purchases	1,091,423	1,177,354
Livestock transport	23,955	9,312
Freight to customer	361,882	257,799
Wages	809,873	880,106
Recruitment, travel and accommodation	245,802	391,065
Other processing costs	11,649	1,490
Commission on sales	69,251	54,633
Electricity	256,836	268,089
Fuel	45,417	36,566
Water	13,114	15,081
Consumables and packaging	269,835	239,837
Veterinary costs	60,650	72,637
Certification expenses	50,263	22,415
Laboratory costs	19,520	17,307
Closing stock	(269,465)	(685,366)
	<u>3,745,371</u>	<u>3,318,893</u>

**FALKLAND ISLANDS MEAT COMPANY LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024**

	2024 £	2023 £
<b>Other operating income</b>		
Government grants receivable	1,516,582	450,000
Profit on disposal of fixed assets	3,100	2,000
	<u>1,519,682</u>	<u>452,000</u>
	2024 £	2023 £
<b>Administration expenses</b>		
Admin employment costs	357,192	317,242
Staff training and travel	3,614	4,073
Motor running costs	29,315	29,244
Telephone, internet and IT support	25,546	36,851
Legal, professional and audit	35,810	33,787
Advertising and promotion	12,444	17,065
Entertainment	2,416	1,630
Repairs and maintenance	120,391	127,652
Clothing and general consumables	12,453	8,151
Pest control	22,087	26,789
Insurances	76,664	67,458
Trade subscriptions	1,181	2,164
Bank charges and foreign exchange movement	9,323	5,853
Depreciation	295,578	262,630
Amortisation	(210,625)	(211,496)
General office expenses	7,264	5,028
Consultancy fees	38,997	-
Bad debts	(1,329)	(685)
Loan interest	52,589	44,794
	<u>890,910</u>	<u>778,230</u>
	2024 £	2023 £
<b>Interest payable</b>		
Loan interest payable	1,962	-
	<u>1,962</u>	<u>-</u>