



FALKLAND ISLANDS GOVERNMENT
AUDITED FINANCIAL STATEMENTS

for the year ended 30th June 2025

The Treasury
Stanley
Falkland Islands

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

CONTENTS	Page
Introduction	
Introduction	2
Statement of Treasurer’s Responsibilities	6
Financial Statements	
Operating Cost Statement	7
Statement of Cashflows	8
Balance Sheet	9
Notes to the Financial Statements	10
Comparative Statement of Revenue (note 2) (Required by Ordinance)	17
Comparative Statement of Expenditure (note 3) (Required by Ordinance)	18
Statement of Contingent Liabilities (note 27) (Required by Ordinance)	31
Additional Statements Required by the Finance and Audit Ordinance 1988	
Statement of Expenditure in Excess	33
Statement of Advances	33
Statement of Investments	33
Statement of Outstanding Loans	34
Statement of Losses	34
Statement of Arrears of Revenue by subhead	35
Statement of Fund Balances	35
Statement of Ex-Gratia Payments	36
Statement of Unretired Imprests	36
Statement of Unallotted Stores	36
Other Statements	36
Audit Reports	
Independent Auditors’ Report	37

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

Introduction

Section 55(1) of the Finance and Audit Ordinance 1988 requires that within a period of six months after the end of each financial year, the Treasurer shall prepare financial statements showing fully the financial position of the Falkland Islands Government at the end of the year. Section 55 also specifies the financial schedules and statements that are required to be prepared. These schedules and statements form an integral part of the annual financial statements.

The Independent Auditors are required by Section 56(1) of the Finance and Audit Ordinance 1988 to report to the Treasurer on the examination and audit of the financial statements.

Section 57(1) of the Finance and Audit Ordinance 1988 requires that the document be laid before the Legislative Assembly at the next meeting of the Legislative Assembly following the receipt of the audit reports by the Treasurer.

The Independent Auditors also produce a non-statutory Management Report, which is an internal management document.

The Consolidated Fund established under the provisions of Section 68 of the Constitution is the general fund into which all revenues are paid and from which all expenditure is met.

A Contingencies Fund of £4.7m has been established in accordance with Section 26 of the Finance and Audit Ordinance 1988 equivalent to five per cent of the total sums appropriated by appropriation legislation enacted in the previous financial year to meet, immediately, urgent and unforeseen expenditure which has not been appropriated. The fund is maintained by Supplementary Appropriation Ordinances throughout the year as required.

The Finance and Audit Ordinance 1988 also makes provision for the financial statements and audit of any special funds, currently the Insurance Fund, the Capital Equalisation Fund and the Pensions (Old Scheme) Fund. These are published separately. The Currency Ordinance 1987 and the Retirement Pensions Ordinance 1996 provide for the accounting and audit of the Currency Fund and the Retirement Pensions Fund respectively. Again, the financial statements and audit reports are published separately for these Special Funds.

The Falkland Islands Development Corporation (FIDC), and Falklands Landholdings Corporation (FLH), are statutory corporations and publish their own financial statements and are audited under the provisions of Section 60 of the Finance and Audit Ordinance 1988.

Various other comprehensive statements and reconciliations are completed at the end of each financial year, however it is considered inappropriate to publish all of these in this document. Information regarding these statements and reconciliations can be provided by the Treasury.

One of the principal aims of these statements is to demonstrate the stewardship of public funds. For ease of reference in achieving this, statements have, in the main, been published with figures rounded to the nearest thousand pounds and it should be noted that some arithmetic accuracy will be lost as a result of this. Precise figures are shown in accounting documents held in the Treasury.

For the purpose of legislation and the Constitution, the Treasurer is referred to as Director of Finance. The Head of Finance exercises the functions of the Treasurer.

Basis of Accounting

The basis of accounting is fully disclosed in note 1 to the financial statements.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

Entities Included Within the Financial Statements

The Falkland Islands Government is included within these financial statements, along with the Fund account balances for which it is responsible: Currency Fund, Retirement Pensions Fund, Pensions (Old Scheme) Fund, Insurance Fund, Capital Equalisation Fund and Contingencies Fund.

Entities Excluded From the Financial Statements

The financial statements have been prepared on a single entity basis. Consolidated financial statements have not been prepared. There are separate entity financial statements for Falkland Islands Development Corporation, Falklands Landholdings Corporation, and Stanley Growers Ltd.

Members of Legislative Assembly

The Members who had responsibility for the Government during the year ended 30th June 2025 were:

<hr/>	
Camp Constituency	
<hr/>	
The Honourable Jack Ford	
The Honourable John Birmingham	
The Honourable Teslyn Barkman	
<hr/>	
Stanley Constituency	
<hr/>	
The Honourable Mark John Pollard	
The Honourable Lucila Leona Vidal Roberts (Leona Roberts)	
The Honourable Roger Kenneth Spink	
The Honourable Gavin Short	
The Honourable Peter Biggs	
<hr/>	

Corporate Management Team

The members of the Corporate Management Team during the year ended 30th June 2025 were:

Chief Executive	Andrew Keeling to 31.03.25
Chief Executive	Dr Andrea Clausen from 01.04.25
Financial Secretary	Pat Clunie
Attorney General	Simon Young
Director of Public Works	Colin Summers
Director of Natural Resources	Dr Andrea Clausen to 16.03.25
Director of Natural Resources	James Wilson from 17.03.25
Director of Health and Social Services	John Woollacott
Director of Education	Sarah Stannard
Director of Emergency Services	Justin McPhee
Director of Central Services	Becky Clark
Director of Policy & Economic Development	Amanda Curry Brown to 17.02.25
Director of Policy & Economic Development	Maeve Daly-Llamasa from 1.02.25

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

Estimates

The 2024/2025 Estimates were approved by Legislative Council on 5th June 2024.

Appropriation Ordinances

The Appropriation Ordinance 2024 was assented to by Her Excellency The Governor on 18th June 2024.

Two Supplementary Appropriation Ordinances were submitted to the Legislature during the year. Details are set out below.

Date Assented to	Description	Value £000
10/10/2024	Supplementary Appropriation (2024-2025) Ordinance 2024 (No 11 of 2024)	1,898
21/07/2025	Supplementary Appropriation (2024-2025) Ordinance 2025	4,967
	TOTAL	6,865

Warrants

A General Warrant was not necessary because authority for 2024/25 expenditure had been sanctioned by the issue of the Appropriation Ordinance 2024 before the commencement of the financial year.

No Supplementary Warrants were issued, these were not required as authority has been sanctioned under the issuance of the Supplementary Appropriations listed above.

There were no Contingency Warrants issued during the year.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

Out-turn

Revenue was £15.30m (including special fund transfers) less than the total estimated, and expenditure (including special fund transfers) was £36.92m more than the total estimated, resulting in a net negative variance of £52.22m against budget.

The Decrease on estimated revenue of £15.30m is attributable to the following:

Revenue Increases	£'000	£'000
Natural Resources	1,383	
Public Works	631	
Education	97	
Island Plan Investments	<u>8</u>	
		2,119
Net Revenue Decreases		
Treasury	(16,134)	
Emergency Services	(766)	
Executive Management	(387)	
Health and Social Services	(72)	
Development & Commercial Services	(36)	
Law & Regulation	(31)	
		(17,426)
Net Revenue Decreases		<u>(15,307)</u>

The Increase on estimated expenditure of £36.92m is attributable to the following:

Expenditure Increases	£'000	£'000
Social Investments	36,128	
Development & Commercial Services	2,596	
Health and Social Services	2,316	
Treasury	2,108	
Emergency Services	328	
Law & Regulation	<u>152</u>	
		43,628
Offset by Expenditure Decreases		
Island Plan Investments	(3,417)	
Executive Management	(1,604)	
Public Works	(872)	
Natural Resources	(469)	
Policy, Economy & Corporate Services	(235)	
Education	<u>(109)</u>	
		(6,706)
Net Expenditure Increases		<u>36,922</u>

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

STATEMENT OF TREASURER'S RESPONSIBILITIES

The Treasurer is responsible for:

- the preparation of the financial statements in accordance with:
 - the Finance and Audit Ordinance 1988;
 - the Public Funds Ordinance 1990;
 - the Special Funds Ordinance 1993;
 - the Currency Ordinance 1987;
 - the Pensions (Old Scheme) Fund Ordinance 1999;
 - the Retirement Pensions Ordinance 1996; and
 - the Finance Ordinance 2004, reflecting the provisions of the Capital Equalisation Fund Order 2005
- ensuring the regularity of financial transactions;
- ensuring that all monies received and paid by Government are brought promptly and properly to account;
- reporting to the Financial Secretary in writing any apparent defect in controls of revenue, expenditure, cash, stores and other property of the Government;
- reporting to the Financial Secretary in writing any breach or non-observance of Financial Instructions; and
- ensuring that adequate provisions exist for the safe custody of public monies and securities.

Approved by:

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)
S Cannon
Treasurer
29th January 2026

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

OPERATING COST STATEMENT FOR THE YEAR ENDED 30th JUNE 2025

2024		Notes	2025
£000s			£000s
Operating Revenue			
160,635	Departmental Revenue	3	113,710
86	Island Plan Investments Revenue	3	106
<u>160,721</u>	Total Operating Revenue		<u>113,816</u>
Operating Costs			
(38,500)	Staff Costs		(41,514)
(56,161)	Other Departmental Costs		(53,749)
(7,762)	Island Plan Investment Costs		(7,182)
<u>(102,423)</u>	Total Operating Costs	4	<u>(102,445)</u>
<u>58,298</u>	Net Operating Surplus before transfers & capital charges		<u>11,371</u>
Social & Oil Investments			
-	- Transfers to Special Funds	4	(36,128)
-	- Transfers from Special Funds	3	-
Island Plan Investments			
-	- Transfers to Special Funds	4	-
-	- Transfers from Special Funds	3	-
<u>58,298</u>	Increase/(Decrease) in Net Liquid Assets for Operating purposes	24	<u>(24,757)</u>
(9,131)	Depreciation	4	(10,873)
<u>49,167</u>	NET OPERATING SURPLUS/(DEFICIT)		<u>(35,630)</u>

Steven Cannon

Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2025

	Note	2024 £000s	2025 £000s
Net Cash Inflow from Operating Activities	26	23,414	(9,125)
Returns on Investment and Servicing of Finance			
Interest Paid		-	-
Interest Received on Investments Held Locally		392	553
Net Cash Inflow from Returns on Investment and Servicing of Finance		392	553
Capital Expenditure			
Tangible Fixed Assets payments		(38,479)	(35,968)
(Payments)/Receipts for other Financial Assets		16,717	36,000
Proceeds from Disposal of Tangible Fixed Assets		356	523
Net Cash Outflow from Capital Expenditure		(21,406)	555
Financing			
Private Placement		-	8,431
Mortgage Receipts		(752)	43
Other Loans Repaid		-	-
Capital Grants		86	-
Net Cash Inflow from Financing		(666)	8,474
Net (Decrease)/Increase in Cash		1,734	457
Cash at Beginning of Period		9,966	11,700
Net (Decrease)/Increase in Cash		1,734	457
Cash at End of Period		11,700	12,157

The above cash flows do not include financial transactions processed by financial institutions on behalf of FIG, for example those processed by Investment Fund Managers, the proceeds of which are retained within the individual funds.

Steven Cannon

Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

BALANCE SHEET AS AT 30th JUNE 2025

2024 All Funds £000s	2024 General Fund £000s	Notes	2025 All Funds £000s	2025 General Fund £000s
Fixed Assets				
236,651	236,651	Tangible Fixed Assets	265,100	265,100
212,927	-	Investments – Special Funds	246,288	-
200,526	200,526	Investments – Consolidated Fund	299,080	299,080
650,104	437,177	Total Fixed Assets and Investments	810,468	564,180
1,215	1,215	Debtors falling due after more than 1 year	1,172	1,172
Current Assets				
14,302	14,302	Stocks	16,091	16,091
9,511	55,053	Debtors falling due within 1 year	6,400	82,330
11,700	11,700	Cash at bank and in hand	12,157	12,157
35,513	81,055	Total Current Assets	34,648	110,578
(8,480)	(10,003)	Creditors due within 1 year	(11,078)	(11,355)
27,033	71,052	Net Current Assets	23,570	99,223
678,352	509,444	Total Assets Less Current Liabilities	835,210	664,575
-	-	Creditors falling due after more than 1 year	(150,000)	(150,000)
(1,789)	(1,789)	Provisions for liabilities	(1,850)	(1,850)
676,563	507,655	Net Assets	683,360	512,725
Financed by Taxpayers' Equity:				
168,908	-	Special Funds	170,635	-
507,655	507,655	General Fund	512,725	512,725
676,563	507,655	Total Reserves	683,360	512,725
RECONCILIATION TO NET LIQUID ASSETS				
676,563	507,655	Total Reserves	683,360	512,725
(236,651)	(236,651)	Less Tangible Fixed Assets	(265,100)	(265,100)
439,912	271,004	Net Liquid Assets	418,260	247,625

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

These financial statements are prepared and published in accordance with the provisions of the Finance and Audit Ordinance 1988. The financial statements generally follow UK Generally Accepted Accounting Practice (UK GAAP) to the extent it is meaningful and appropriate to the Falkland Islands Government. Where there is a choice of accounting policies available, the accounting policy judged to be the most appropriate to the particular circumstances of the Falkland Islands Government has been selected. The Government's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements. Where relevant, principles outlined in the Resource Accounting Manual issued by HM Treasury have been followed. The financial statements are not required to comply fully with statements issued by the financial reporting and accounting standards setting bodies in the United Kingdom.

As at 30 June 2025 the Government has net current assets of £23.6m (2024 - £27.0m) of which £12.2m (2024 - £11.7m) is held in cash. In addition, as at the year end the Government has a further £545.4m (2024 - £413.45m) held with external investment managers.

The Treasurer believes that the Government is in a financially strong position and will continue to be so, and accordingly the financial statements have been prepared on a going concern basis.

1.2 Accounting Convention

These financial statements have been prepared under the accruals concept of accounting and the historical cost convention for the measurement of fixed assets, as modified for the revaluation of listed fixed asset investments. Differences to the historical cost method of valuation for tangible fixed assets and stocks have been referred to in notes 1.10 and 1.17d.

1.3 Basis of consolidation

These financial statements comprise of a consolidation of all departments within the Falkland Islands Government, including the balances on Special Funds managed by the Government. Separate financial statements further detailing the activity on Special Funds are also produced. These financial statements do not consolidate the Falkland Islands Development Corporation, Falklands Landholdings Corporation, Stanley Growers Ltd or any other subsidiaries of the Falkland Islands Government.

1.4 Recognition of Income

Income is recognised on an accruals basis, accruing into the financial statements where late invoicing has occurred, and deferring income not relating to the period of account. Operating income relates directly to the operating activities of the department. It principally comprises fees and charges for services provided on a full-cost basis to external customers. Fees cross-charged internally across departments are also included, as explained in note 1.8.

With regards to taxation income, income from personal tax is recognised when an assessment is issued by the Taxation Department for tax which is due and paid. Income from corporation tax and payments on account of tax (POAT) are recognised at the time payments are due and payable according to taxation legislation.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.4 Recognition of Income (continued)

The exception to this is in relation to those cases of corporation tax that are covered by Extra Statutory Concession 16. In such cases the tax due on any part of the consideration is deferred to a period the earliest of:

- Receipt of the cash amount;
- First oil production from the licence interest disposed of; or
- Five years from the date of the disposal contract.

The date the Taxation Office will instigate collection of tax in respect of such considerations, and the associated point of income recognition, will be eight months and one day after the end of the relevant company's accounting period.

All penalties accruing for late payment of tax as at 30th June form part of revenue.

Road Fund licenses are recognised in the year of receipt. Capital revenue has been recognised through the Capital Equalisation Fund, disclosed in separate financial statements.

1.5 Notional and Other Non-Cash Charges

The Operating Cost Statement includes depreciation charged to the various Government departments.

1.6 Recognition of Expenditure

Expenditure is recognised on an accruals basis, matching costs incurred to the period of account. Costs relating to a future accounting period are recognised as prepayments. Costs cross-charged internally between departments are also included, as explained in note 1.8. Other expenditure is incurred by Fund Transfers and Transfer Payments. Capital expenditure has been recognised through the Capital Equalisation Fund, the details of this fund are disclosed in separate financial statements.

1.7 Foreign Currency Transactions

The financial statements are maintained and reported in Falkland Islands pounds, which are on par with the pound sterling, in accordance with the provisions of Section 4 of the Currency Ordinance 1987. Expenditure and revenue in other currencies are converted to Falkland Islands pounds at the foreign exchange rate on the date the transactions take place. Balances and investments held are converted at the closing mid-point foreign exchange rate at the 30th June.

1.8 Interdepartmental Transactions

Certain transactions are included in these financial statements as expenditure by one department and revenue in another in order to reflect more fully the true cost of services to Government. These include electricity, postal charges, rent rebates, photocopier contract, FIGAS flights & aerial surveillance costs, plant hire, asphalt and quarry products.

1.9 Intangible Fixed Assets

Mineral, oil and fishing rights are not capitalised. It is not possible to ascertain their value without incurring considerable cost. Purchased software licences are put through the Operating Cost Statement as the majority of licences are renewed annually, and values of longer-term licences are considered immaterial. As such, there are no intangible fixed assets accounted for within FIG.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.10 Tangible Fixed Assets

With the exceptions stated below concerning non-operational heritage assets, tangible fixed assets are stated at historical cost including any costs such as delivery and installation directly attributable to bringing them into working condition. There are some fixed assets for which it has not been possible to identify historic cost. In these cases, an estimate of replacement cost has been made. As at 30th June 2025, the split of assets (excluding biological assets and accrued additions) disclosed in this way was:

	Cost £000s	% of cost	Net Book Value £000s	% of NBV
Historical Cost	364,801	92%	258,587	98%
Estimated Values	32,600	8%	6,513	2%
Total Fixed Assets	397,401		265,100	

All fixed assets with a cost or estimated value over £5,000 are capitalised, with the exception of IT, which is capitalised at a level of £200. Non-operational heritage assets have not been capitalised, either because it is impossible to obtain a reliable valuation, or because the cost of obtaining a reliable valuation would be greater than the benefit arising.

1.11 Assets Under the Course of Construction

Assets under the course of construction are included in the fixed assets figure in the Balance Sheet and detailed in note 8 to the financial statements. Capital retentions are accrued into the Capital Equalisation Fund, in a consistent manner to all other capital payments.

As a project is completed and the asset is brought into use, the asset is transferred out of the Assets Under Construction asset category and into the relevant asset category.

1.12 Donated Assets

Donated tangible fixed assets are capitalised at their current value on receipt, this value being credited to the Donated Asset Reserve. Each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Operating Cost Statement.

1.13 Depreciation Policy

Tangible Fixed Assets are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful economic lives. Assets under the course of construction are not depreciated until the asset is brought into use and transferred out of that category. Leased assets are depreciated over the shorter of the lease term and their estimated useful economic lives. No depreciation is provided on freehold land since it has an unlimited useful life.

The initial cost of capital infrastructure is depreciated up to 100 years, being management's current estimated maximum useful life. All repairs expenditure in relation to such infrastructure is charged to the Operating Cost Statement. In addition, annual condition reviews are performed by management in order to consider any further material consumption or deterioration of the infrastructure network during the year which is required to be charged to the Operating Cost Statement as excess depreciation.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.13 Depreciation Policy (continued)

The asset categories and their normal useful economic lives are as determined by a suitably qualified officer, but are generally:

Infrastructure (roads, etc.)	10-100 years
Buildings	50-100 years
Plant & Machinery	10-50 years
Air and Sea Craft	5-20 years
Furniture & Fittings	10 years
Vehicles	10 years
Equipment	5-10 years
Information Technology	3 years
Leasehold Land and Buildings	remaining life of lease

1.14 Biological Assets

Biological assets relate to the National Beef Herd and Sheep Flock and are valued on the basis of the average price in the local market. It is the intention of FIG to maintain these assets as breeding stock and they are therefore classified as fixed assets.

1.15 Investments

Listed investments are valued at mid-market value, including accrued interest.

For investments in support of the Consolidated Fund, realised gains or losses arising from in-year trading activities of listed investments are recorded within the Operating Cost Statement. Unrealised gains and losses arising from the year-end revaluation of listed investments are recorded in the Balance Sheet through the Investments Revaluation Reserve.

For investments in support of the Special Funds, all transactions are recorded through the Balance Sheet. Separate statements are produced to provide support for each of the Special Funds.

Within the Insurance Fund, some transactions, which are denominated in a foreign currency, are covered by open forward exchange contracts. The value of these contracts is included in the closing market valuation, off-set by the cost of the transactions, leaving the resulting unrealised gain / loss within the valuation.

Unlisted investments are valued based on the historic cost of the shares held less any provision for impairment.

1.16 Debtors

The sum of debtors shown in the Balance Sheet is made up of accrued income, advances, prepayments, trade debtors and loans advanced by FIG. Long-term debtors disclosed refer to mortgages. More details of the sums advanced can be found in the Statement of Outstanding Loans.

Provision has also been made for debtors which are considered to be irrecoverable, or where the recovery of the debt is unlikely. This has been done by reference to each debt, on the advice of each Head of Department. All increases and decreases to this provision have been taken through the Operating Cost Statement.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.17 Stock

Government stock is included in the financial statements using the following policy guidelines.

- a. Total stock held by a department / section is excluded if less than £20,000 in value.
- b. Minor assets held, which are below the fixed asset threshold, and which are of an inventory nature rather than consumable items, are not included within the stock figure.
- c. The initial recognition of stock has been created and a corresponding entry in the General Fund represents the increase to the balance sheet value of Taxpayers' Equity.
- d. Stock is valued at the lower of cost or net realisable value with the exception of quarry stone stock which is always valued at net realisable value.
- e. Stock has been measured by way of an annual stock take, with the material departments being subject to verification testing.
- f. Stock recognised for the first time is accounted for as described in note 1.17(c). All other movements in stock are accounted for under stock consumption in the Operating Cost Statement. Negative stock consumption arises when in-year purchases exceed usage.
- g. The production costs and materials of unissued currency held in FIG vaults have been specifically excluded from the stock valuation.

1.18 Leases

Where substantially all the risks and rewards of ownership of a leased asset are borne by the department, leased assets are recorded as a tangible fixed asset and a liability is recorded to the lesser of the minimum lease payments discounted by the rate implicit in the lease. Currently FIG does not have any finance leases (2024 – nil). Those leases not meeting the above definition are treated as operating leases and as such are charged to the Operating Cost Statement on a straight-line basis over the lease term. In the Falkland Islands Government Office (FIGO), London, one operating lease is held for items of office equipment (2024 – one).

1.19 Provisions for Liabilities

The Falkland Islands Government provides for legal and constructive obligations, which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Further details of the sums provided for can be found in note 17.

1.20 Contingent Assets and Liabilities

A Contingent Liability is disclosed when either a possible but uncertain obligation or a present obligation that is not recognised because either it is not a) probable that the entity will be required to transfer economic benefits in the settlement, or b) the amount of the obligation cannot be reliably estimated. A Contingent Asset shall only be disclosed when an inflow of economic benefits is probable.

Falkland Islands Government will not disclose information pertaining to Contingent Assets and Liabilities where disclosure could be considered prejudicial to the position of either party involved.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

1.21 Reserves

Reserves have been reclassified into the categories of Special Funds and General Fund. The General Fund consists of the Contingencies Fund, the Investments Revaluation Reserve, the Fixed Assets Revaluation Reserve, the Donated Assets Reserve and the Consolidated Fund, which is the historic accumulation of cash resources, as adjusted for resource accounting. As a result of these adjustments, the fund has increased and represents the change in value of Taxpayers' Equity following the introduction of Balance Sheet assets and liabilities and other operational adjustments. Notes 19 to 23 disclose this in more detail.

1.22 Pensions

Pensions (Old Scheme) Fund

The Pensions (Old Scheme) Fund was established to underwrite the liability to pay Government service pensions to pensioners and officers who remain subject to the old defined benefit scheme arrangements. However, the scope of the Fund has been extended to include payments due under the Falkland Landholdings (FLH) pension scheme, Overseas Service Aid Scheme (OSAS) pensions, the Voluntary Severance Scheme/redundancy uplifts, ill-health and disability benefits, the No Worse Off Guarantee and death-in-service benefit provisions of the Falkland Islands Pension Scheme (FIPS), and as annuity provider of last resort. In FIG's financial statements, three types of contributions are paid into this scheme.

- (1) Over the 7 year period 1999/00 to 2005/06, annual transfer payments were made into the fund to "top-up" a previously reported imbalance in respect of past service.
- (2) With effect from 2004/05 onwards, an additional sum is paid into the scheme from FIG to cover Death-In-Service benefits which may become payable to FIG employee members of the FIPS.
- (3) In addition, amounts have been paid as necessary as contributions towards future pension benefits in respect of the employees who opted to remain on the "old" defined benefits pension conditions.

Non-compliance with the UK Financial Reporting Standard 17 'Retirement Benefits' (FRS17)

The provisions of FRS17 have not been adopted. Note 27 provides an explanation of the latest triennial actuarial review on the old scheme balance as provided by XPS. A full actuarial valuation is undertaken once every 3 years.

Retirement Pensions Fund

The Retirement Pensions Fund supports the state pension scheme. A full actuarial valuation by independent actuaries is undertaken once every 5 years. The latest actuarial review was performed by Callund Consulting Ltd and completed for the Retirement Pension Fund accounts as at 31st December 2024.

In the FIG financial statements, three types of contributions are paid into this scheme.

- (1) FIG makes employer pension contributions, in the same manner as all other employers in the Falkland Islands.
- (2) In special circumstances, FIG makes contributions on behalf of contributors who meet the criteria for assisted contributions.
- (3) A further annual payment is made to subsidise the difference between contribution rates charged across all active contributors and the rates that would need to be charged to meet all liabilities.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

1.23 Grants

Grants payable are recorded as expenditure in the period that the entitlement to the grant occurs.

1.24 Research and development

Expenditure on research and development is charged through the operating cost statement when it is incurred.

1.25 Related Party Transactions

The Government is required to disclose material transactions with related parties. In this context parties are considered to be related if they have the potential to influence or control the Government or be influenced and controlled by Government. For accounting purposes these parties include Members of the Legislative Assembly, the Chief Executive, the Treasurer, the Attorney General and Departmental Directors.

2. EVENTS AFTER THE REPORTING PERIOD

In October 2025, the Falkland Islands Government reached an agreement to allow Sure South Atlantic Ltd to continue to discharge its universal service obligation under its telecommunications licence, alongside the more permissive VSAT licencing scheme approved by Executive Council in June 2025.

Over the remainder of the exclusive licence, Falkland Island Government is liable to reimburse Sure up to £6.167m on evidenced losses against a pre-Starlink baseline as a result of the June 2025 Executive Council decision.

This represents a Contingent Liability arising after the reporting period, however in line with relevant accounting standards is deemed a non-adjusting event.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

3. COMPARATIVE STATEMENT OF REVENUE

The Finance and Audit Ordinance 1988 requires a comparative statement of estimated and actual revenue by subhead; the following Annual Abstract Account satisfies that requirement. A detailed comparative statement of estimated and actual revenue by subhead is not published in these financial statements; however it can be made available by the Treasury.

Actual 2024 £000s	Departmental Ledger Codes		Estimate 2025 Unaudited £000s	Actual 2025 £000s
1,729	110	Development & Commercial Services	1,805	1,947
761	200	Health and Social Services	923	808
193	250	Education	183	247
16,673	350	Public Works	17,360	17,443
36,365	410	Natural Resources	38,643	39,054
278	450	Law & Regulation	470	186
4,808	550	Emergency Services	6,398	4,911
4,300	600	Executive Management	4,009	3,622
-	615	Policy, Economy & Corporate Services	-	-
95,528	700	Treasury	50,053	45,492
160,635		TOTAL DEPT REVENUE (exc. Oil development)	119,844	113,710
86	999	Island Plan Investments	102	106
160,721		TOTAL OPERATING REVENUE	119,946	113,816
-	998	Social Investments	-	-
-	997	Oil Development	-	-
160,721		TOTAL REVENUE RECEIVED	119,946	113,816

Steven Cannon

Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

4. COMPARATIVE STATEMENT OF EXPENDITURE

The Finance and Audit Ordinance 1988 requires a comparative statement of estimated and actual expenditure by subhead. The following Annual Abstract Account satisfies that requirement. A detailed comparative statement of estimated and actual expenditure by subhead is not published in these financial statements; however, it can be made available by the Treasury.

Actual 2024 Operating £000s	Actual 2024 Depreciation £000s	Actual 2024 Total £000s		Estimate 2025 Unaudited £000s	Actual 2025 Operating £000s	Actual 2025 Depreciation £000s	Actual 2025 Total £000s	
10,594	996	11,590	110	Development & Commercial Services	9,632	11,276	1,219	12,495
717	1	718	120	Human Resources	-	-	-	-
20,222	704	20,926	200	Health and Social Services	19,381	20,677	1,129	21,806
9,756	451	10,207	250	Education	12,034	10,793	462	11,255
16,678	6,451	23,129	350	Public Works	25,966	16,850	7,338	24,189
8,157	57	8,214	410	Natural Resources	11,655	11,250	78	11,328
1,868	4	1,872	450	Law & Regulation	1,945	2,061	4	2,066
5,251	214	5,465	550	Emergency Services	5,511	5,344	380	5,724
7,210	178	7,388	600	Executive Management	9,009	7,002	177	7,179
1,133	70	1,203	615	Policy, Economy & Corporate Services	2,413	2,075	81	2,155
890	-	890	620	Mineral Resources	-	-	-	-
12,165	5	12,170	700	Treasury	14,871	7,935	5	7,939
7,762	-	7,762	999	Island Plan Investments	11,345	7,182	-	7,182
102,403	9,131	111,534		TOTAL EXPENDITURE	123,762	102,445	10,873	113,318
-	-	-	998	Social Investments	-	36,128	-	36,128
-	-	-	997	Oil Development	-	-	-	-
102,403	9,131	111,534		TOTAL FUNDS EXPENDED	123,762	138,573	10,873	149,446

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)
S Cannon
Treasurer
29th January 2026

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

5. DIRECTORS REMUNERATION

2024-2025

	Gross Salary	Gratuity Accrued in Year	Benefits in Kind and other contractual payments	Employer's OPC	Employer's RPC
	(bands of £5,000)	(bands of £5,000)	(rounded to the nearest £000)	(bands of £5,000)	(rounded to the nearest £000)
	£000s	£000s	£000s	£000s	£000s
Andrew Keeling - Chief Executive to 31.03.25	135 - 140	40 - 45	10 - 15	-	0 - 5
Dr Andrea Clausen - Chief Executive from 01.04.25	50 - 55	-	1 - 5	1 - 5	0 - 5
Patrick Clunie - Financial Secretary	105 - 110	-	-	5 - 10	0 - 5
Simon Young - Attorney General	125 - 130	-	-	5 - 10	0 - 5
Dr Andrea Clausen - Director of Natural Resources to 16.03.25	80 - 85	-	-	1 - 5	0 - 5
James Wilson - Director of Natural Resources 17.03.25	35 - 40	15 - 20	-	-	0 - 5
Colin Summers - Director of Public Works	125 - 130	-	-	5 - 10	0 - 5
Sarah Stannard - Director of Education	100 - 105	-	-	-	0 - 5
Justin McPhee- Director of Emergency Services	115 - 120	-	-	5 - 10	0 - 5
John Woollacott - Director of Health and Social Services	90 - 95	20 - 25	-	-	0 - 5
Amanda Curry Brown - Policy, Economy & Corporate Services to 17.02.25	80 - 85	15 - 20	-	-	0 - 5
Maeve Daly - Policy, Economy & Corporate Services from 01.02.25	45 - 50	-	-	1 - 5	0 - 5
Becky Clark - Director of Development & Commercial Services	100 - 105	25 - 30	-	-	0 - 5

Posts vacated in year included: Chief Executive – Andy Keeling, Director of Policy, Economy & Corporate Services – Amanda Curry-Brown and Director of Natural Resources – Dr Andrea Clausen.

Posts filled during the year include: Chief Executive – Dr Andrea Clausen, Director of Policy, Economy & Corporate Services – Maeve Daly-Llamasa and Director of Natural Resources – James Wilson.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

5. DIRECTORS REMUNERATION (continued)

2023-2024

	Gross Salary	Gratuity Accrued in Year	Benefits in Kind and other contractual payments	Employer's OPC	Employer's RPC
	(bands of £5,000)	(bands of £5,000)	(rounded to the nearest £000)	(bands of £5,000)	(rounded to the nearest £000)
	£000s	£000s	£000s	£000s	£000s
Andrew Keeling - Chief Executive	150 - 155	35 - 40	-	-	0 - 5
Tracey Prior - Financial Secretary (to 31/01/24)	60 - 65	15 - 20	-	-	0 - 5
Patrick Clunie - Financial Secretary (from 01/02/24)	40 - 45	-	-	0 - 5	0 - 5
Simon Young - Attorney General (transferred to local terms Dec 23)	120 - 125	15 - 20	-	5 - 10	0 - 5
Carol Hever - Director of Human Resources (to 31/10/23)	30 - 35	5 - 10	-	-	0 - 5
Dr Andrea Clausen - Director of Natural Resources	110 - 115	-	-	10 - 15	0 - 5
Colin Summers - Director of Public Works	120 - 125	-	-	10 - 15	0 - 5
Sarah Stannard - Director of Education	90 - 95	20 - 25	-	-	0 - 5
Alan Horberry - Director of Emergency Services (To April 24)	90 - 95	20 - 25	-	-	0 - 5
Justin Mcphee- Director of Emergency Services (From April 24)	25 - 30	-	-	0 - 5	0 - 5
Thomas Bale - Director of Health and Social Services (To 24/11/23)	40 - 45	10 - 15	-	-	0 - 5
John Woollacott - Director of Health and Social Services (From October 23)	65 - 70	15 - 20	-	-	0 - 5
Amanda Curry Brown - Policy, Economy & Corporate Services	90 - 95	20 - 25	-	-	0 - 5
Becky Clark - Director of Development & Commercial Services	90 - 95	20 - 25	-	-	0 - 5

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

6. EMPLOYEE REMUNERATION

	Number of Employees	
	2023/24	2024/25
£50,000 - £54,999	22	45
£55,000 - £59,999	23	10
£60,000 - £64,999	20	24
£65,000 - £69,999	12	3
£70,000 - £74,999	12	7
£75,000 - £79,999	3	1
£80,000 - £84,999	5	5
£85,000 - £89,999	6	9
£90,000 - £94,999	2	3
£95,000 - £99,999	3	3
£100,000 - £104,999	1	6
£105,000 - £109,999	3	3
£110,000 - £114,999	2	-
£115,000 - £119,999	-	2
£120,000 - £124,999	1	1
£125,000 +	5	5
Total	120	127

This note shows the number of employees whose remuneration was greater than £50,000 set out in bands of £5,000. Remuneration is defined as amounts paid to or receivable by an employee, including gross salary plus gratuity. The Directors disclosed in note 5 are excluded from this note.

7. MEMBERS ALLOWANCES

During the year the Government incurred expenditure of £360,000 in relation to Members' Salaries and Allowances (2024: £354,798).

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

8. TANGIBLE FIXED ASSETS

	Land	Buildings	Infrastructure	Furniture & Fittings	Equipment	Plant & Machinery	IT	Vehicles	Air and Seacraft	Under Construction	Biological Assets	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or valuation												
At 1 July 2024	1,522	104,667	126,229	607	12,487	36,140	2,557	14,919	5,527	54,427	49	359,131
Additions	-	674	10,720	7	1,382	1,513	771	954	32	23,299	7	39,359
Disposals	-	(34)	-	-	(276)	(62)	(3)	(714)	-	-	-	(1,089)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	20,597	(52)	-	65	3,027	140	162	-	(23,939)	-	-
At 30 June 2025	1,522	125,904	136,897	614	13,658	40,618	3,465	15,321	5,559	53,787	56	397,401
Depreciation												
At 1 July 2024	-	(46,204)	(27,163)	(485)	(9,208)	(23,087)	(2,124)	(10,868)	(3,341)	-	-	(122,480)
Charged in year	-	(2,058)	(3,362)	(27)	(1,228)	(2,702)	(451)	(869)	(176)	-	-	(10,873)
Disposals	-	34	-	-	261	61	2	694	-	-	-	1,052
Transfers between categories	-	4	-	-	1	(5)	-	-	-	-	-	-
At 30 June 2025.	-	(48,224)	(30,525)	(512)	(10,174)	(25,733)	(2,573)	(11,043)	(3,517)	-	-	(132,301)
Net Book value at 30 June 2025	1,522	77,680	106,372	102	3,484	14,885	892	4,278	2,042	53,787	56	265,100
Net Book value at 30 June 2024	1,522	58,463	99,066	122	3,279	13,053	433	4,051	2,186	54,427	49	236,651

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

9. INVESTMENT PORTFOLIOS SUPPORTING SPECIAL FUNDS MANAGED BY THE TREASURY

2024		2025	2025
£000s		£000s	£000s
Market Value		Book Cost	Market Value
6,821	Currency Fund	5,362	7,082
103,654	Retirement Pensions Fund	103,821	105,875
28,354	Pensions (Old Scheme) Fund	29,258	26,539
22,432	Insurance Fund	22,945	23,483
51,666	Capital Equalisation Fund	81,740	83,309
212,927		243,126	246,288

10. INVESTMENT PORTFOLIOS SUPPORTING THE CONSOLIDATED FUND

2024		2025	2025
£000s		£000s	£000s
Market Value		Book Cost	Market Value
190,049	Growth Fund	153,667	156,713
10,252	Income Fund	-	-
225	Share Capital Investments (unlisted) *	225	225
-	Private Placement**	142,142	142,142
200,526		296,034	299,080

* Unlisted investments are shares in Stanley Services Ltd, of which FIG has a 44.9% shareholding, and Stanley Growers Ltd of which FIG has a 100% shareholding.

** Private Placement represents the associated Investment of the £150m Private Placement Loan Notes, further detail at Note 15.

11. DEBTORS FALLING DUE AFTER MORE THAN 1 YEAR

2024			2025
£000s		Note	£000s
1,215	Loans made by FIG	11.1	1,172

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

11.1 ANALYSIS OF LOAN MATURITY PROFILE

2024		2025
£000s		£000s
506	Due within 2 to 5 years	471
243	Due within 6 to 10 years	235
233	Due within 11 to 15 years	233
233	Due within 16 to 20 years	233
1,215		1,172

12. ANALYSIS OF STOCKS HELD BY DEPARTMENT

2024		2025
£000s		£000s
1,310	100 Development & Commercial services	1,951
1,268	200 Health and Social Services	1,403
11,313	350 Public Works	12,241
138	410 Natural Resources	152
226	550 Emergency Services	299
16	251 Education	6
31	800 Legislature	-
-	400 Treasury	39
14,302		16,091

13. ANALYSIS OF DEBTORS FALLING DUE WITHIN 1 YEAR

2024	2024		2025	2025
All Funds	General Fund		All Funds	General Fund
£000s	£000s		£000s	£000s
1,295	1,295	Accrued Income	1,500	1,500
23	23	Advances	19	19
1,174	1,174	Prepayments	491	491
6,984	6,984	Trade Debtors	4,365	4,365
36	36	Loans made by FIG	25	25
-	45,541	Owed by Special Funds	-	75,930
9,512	55,053		6,400	82,330

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

14. CASH IN HAND AND AT BANK

2024		2025
£000s		£000s
388	Cash in Hand	348
11,225	Cash at Banks	11,792
87	Remittances in Transit	17
11,700		12,157

15. ANALYSIS OF CREDITORS

2024	2024		2025	2025
All Funds	General Funds	Note	All Funds	General Funds
£000s	£000s		£000s	£000s
AMOUNTS FALLING DUE WITHIN 1 YEAR				
54	54		173	173
1,287	1,287		1,414	1,414
7,139	7,139		9,491	9,491
-	-	16	-	-
-	1,523		-	277
8,480	10,003		11,078	11,355
AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR				
-	-	16	150,000	150,000
8,480	10,003		161,078	161,355

15.1 During April 2025, Falkland Islands Government entered agreements with Aberdeen Investment Management Ltd and Legal and General Investment Management Ltd to borrow £150m via four loan notes of £25m and one loan note of £50m. Loan Note interest rates range from 5.84% - 6.14% and repayment maturities range from 15 - 25 years.

15.2 Interest is due on the Loan Notes bi-annually in October and April. Accrued interest (£1.6m) on the Loan Notes is included in Accruals within Creditors falling due within one year.

16. LOANS TO FIG

2024		2025
£000s		£000s
Loans to FIG		
-	Payable within 1 year	-
-	Payable within 2 to 5 years	-
-	Payable after more than 5 years	150,000
-		150,000

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

17. PROVISIONS FOR LIABILITIES

2024	Holiday Credit Scheme	2025
£000s		£000s
2,196	Opening Provision	1,789
(406)	Provision for New travel Credit scheme - accrued	61
(1)	Less: Amounts forfeit due to closure of scheme	-
1,789		1,850

18. BALANCE OF INDIVIDUAL SPECIAL FUNDS MANAGED BY THE TREASURY AS PROVIDED FOR BY THE FINANCE AND AUDIT ORDINANCE 1988

2024		2025
£000s		£000s
7,748	Currency Fund	7,359
104,150	Retirement Pensions Fund	105,568
22,530	Insurance Fund	22,399
26,750	Pensions (Old Scheme) Fund	22,755
7,730	Capital Equalisation Fund	12,554
168,908		170,635

19. GENERAL FUND

2024		Note	2025
£000s			£000s
4,751	Contingencies Fund		4,679
27,149	Investments Revaluation Reserve	20	3,046
37,002	Fixed Assets Revaluation Reserve	21	35,196
56	Donated Asset Reserve	22	56
438,697	Consolidated Fund	23	469,748
507,655			512,725

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

20. INVESTMENTS REVALUATION RESERVE

2024		2025
£000s	Note	£000s
36,203	Opening brought forward	27,149
(7,708)	Revaluation of investments above market value	1,342
(1,346)	Realised Element of the Investments Revaluation Reserve	(25,445)
27,149	20.1	3,046

20.1 Reconciliation of Investments Revaluation Reserve Balance

2024			2025
£000s			£000s
173,377	Book Value of Consolidated Fund investments	10	296,034
200,526	Market Value of Consolidated Fund investments	10	299,080
27,149			3,046

21. FIXED ASSETS REVALUATION RESERVE

2024		2025
£000s	Note	£000s
38,805	Opening brought forward	37,002
(2)	Movement in Livestock	6
(1,801)	Realised Element of the Fixed Assets Revaluation Reserve	(1,812)
37,002	21.1	35,196

21.1 The realised element relates to the depreciation and disposal of revalued assets.

22. DONATED ASSETS RESERVE

2024		2025
£000s		£000s
56	Balance 1 July, brought forward	56
-	- Depreciation	-
-	- Additions in year	-
56		56

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

23. CONSOLIDATED FUND

2024			2025		
£000s	£000s		Note	£000s	£000s
Cash and Operating Cost Statement Resource					
Accounting Adjustments					
	82,095	Balance 1 July			131,263
	49,168	(Deficit)/Surplus for the year			(35,630)
	<u>131,263</u>	Balance 30 June			<u>95,633</u>
Other Realisations and Transfers					
(Balance Sheet Resource Accounting Adjustments)					
	270,090	Balance 1 July			307,434
		Release of over provision			
(514)		Increase/(Decrease) to contingencies fund		71	
1,801		Realised Element of Fixed Assets Revaluation Reserve	21	1,812	
1,346		Realised Element of Investments Revaluation Reserve	20	25,445	
<u>34,711</u>		Fixed Assets purchased from Capital Equalisation Fund		<u>39,353</u>	
	37,344				66,681
	<u>438,697</u>				<u>469,748</u>

Steven Cannon

Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

26. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

Note	2024 £000s	2025 £000s
Net Operating Surplus/(Deficit) Before Interest	44,349	(37,485)
Depreciation and Amortisation	9,131	10,873
Transfers to Special Funds	-	36,128
Net Cash (Outflow)/Inflow to the Pension Old Scheme Fund	(3,485)	1,228
Net Cash (Outflow)/Inflow from the Retirement Pension Fund	(311)	(215)
Net Cash (Outflow)/Inflow from the Insurance Fund	(869)	(66)
Net Cash (Outflow)/Inflow to the Currency Fund	(170)	(471)
Investment Manager Accrual Adjustment	21	-
Consolidated Fund Investment Manager Fees	161	216
(Profit)/Loss on sale of Consolidated Fund Investments	(23,804)	(14,316)
(Profit)/Loss on Sale of Tangible Fixed Assets	1,844	34
Capital Payments Transferred to the Capital Equalisation Fund	(2,504)	(9,033)
Interest Paid	-	-
(Increase)/Decrease in Stock	(237)	(1,789)
(Increase)/Decrease in Trade and Other Receivables	(379)	3,112
Increase/(Decrease) in Trade and Other Payables	74	2,598
(Decrease)/Increase in Provisions	(407)	61
Net Cash Inflow from Operating Activities	23,414	(9,125)

The special fund cash movement adjustments relate to the Pensions (Old Scheme) Fund, Retirement Pension Fund, Insurance Fund and the Currency Fund. The net figure includes actual receipts and payments with external individuals, for example payments to pensioners, receipts from pensioners, payment of insurance premiums and the issue and destruction of currency. However these do not include the financial transactions processed by Financial Institutions on behalf of FIG, for example those processed by Investment Fund Managers, the proceeds of which are retained within the individual funds.

27. PENSIONS (OLD SCHEME)

The balance of the Fund at 30 June 2025 is £22.75m (2024 - £26.75m), a decrease of £4.00m (2024 – decrease £3.47m) from the closing balance for the previous financial year.

Under the provisions of section 5 of the Ordinance the adequacy of the Fund is required to be reviewed by an independent actuary once every 3 years.

The last full valuation undertaken by XPS reported a surplus of £3.05m as at 30 June 2024 (fair value of assets £26.75m less present value of scheme liabilities of £23.70m (2021 - £3.75m)). XPS reported that the fund was 112% funded. The surplus and improvement in the funding position since the last valuation in 2021 is mainly due to; FIG contribution of £1.2m to prefund guarantees expected to arise over the three years to 2024 against which actual liabilities were only £0.8m; and a rise in gilt yields reducing the value of liabilities offsetting lower than expected investment returns.

Due to limited value against cost, the provisions of FRS 102(28) have not been adopted.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

28. STATEMENT OF CONTINGENT LIABILITIES

Mortgages

At 30 June 2025 FIG was guarantor for 237 (2024 – 206) personal (housing) mortgages with guaranteed balances totalling £2.4m (2024 - £2.3m) under the Joint General Mortgage Scheme with Standard Chartered Bank. Each mortgage has an individual repayment date within the period 2026-2050.

Clinical Negligence Claims

Health and Social Services Directorate are responsible for health care provision across the Falkland Islands and can be subject to claims of clinical negligence in its duty of care. There is an inherent risk Health and Social Services could be subject to a clinical negligence claim in any given year, and therefore, Falkland Islands Government consider it prudent to recognise a general Contingent Liability. Clinical Negligence claims are directed through the Attorney General's Office as appropriate. In agreement with the Attorney General, the detail of clinical negligence claims, and financial implications, are excluded to ensure disclosures are not prejudicial to any individuals, or parties, involved.

29. STATEMENT OF CONTINGENT ASSETS

Corporation Tax

It is not practicable to estimate the potential tax due to Government as at the 30th June for inclusion in the accounts in those cases where company accounts have not been filed.

Other

In 2025 FIG has agreed to enter negotiations to enter a new Deed of Settlement with a company for the deferred tax liability and continue to not recognise the potential asset as a long-term debtor given its realisation and amount remain reliant on the production of oil and gas.

30. RELATED PARTIES

With the exception of some company fishing licences, which were undertaken on an arms-length basis and in the normal course of business, there were no related party transactions that were individually material during the year. This is consistent with the prior year.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**



FALKLAND ISLANDS GOVERNMENT

ADDITIONAL STATEMENTS REQUIRED

BY THE

FINANCE AND AUDIT ORDINANCE 1988

for the year ended 30th June 2025

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

STATEMENT OF EXPENDITURE IN EXCESS

2024		2025
Nil	Expenditure in excess	Nil

This statement is required to ensure expenditure does not exceed the authorised appropriation and therefore is prepared on a cash basis.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

STATEMENT OF ADVANCES

	2024	2025
	£000s	£000s
Other Administrations	3	3
Other	20	20
	23	23

The Statement of Advances is analysed in accordance with Section 25 of the Finance and Audit Ordinance 1988.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

STATEMENT OF INVESTMENTS

	2024		2025
	£000s	GROWTH FUND	£000s
Cash	9,943		2,064
Other (including equity and property)	145,919		112,347
Fixed Interest	34,187		40,385
	190,049		154,796
	INCOME FUND		
Fixed Interest	10,252		1,917
	10,252		1,917
	PRIVATE PLACEMENT		
Fixed Interest	-		142,142
	-		142,142
	200,302	Total Investments of the Consolidated Fund	298,855

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

STATEMENT OF OUTSTANDING LOANS

2024		2025
£000s		£000s
512	Balance outstanding at 1 July	1,250
796	Additions during the year - Applied Interest	1
1,308		1,251
(57)	Receipts during the year - Repayments	(53)
1,250	Balance outstanding at 30 June	1,197

Notes:

1. This statement agrees to the Balance Sheet, as shown in notes 11 and 13 to the financial statements.

	£000s
Note 11 Debtors (Loans) Falling Due after more than 1 year	1,172
Note 13 Debtors (Loans) Falling Due within 1 year	25
Total	1,197

2. Details of individual loans are set out in the Financial Statements.

3. The balance outstanding at 30 June can be analysed as below: -

STATEMENT OF OUTSTANDING LOANS - Analysis

Number of Advances 2024	Balance Outstanding 2024 £000s	Type of Advance	Number of Advances 2025	Balance Outstanding 2025 £000s
1	181	Hillside	1	181
1	932	Woolshed	1	932
62	137	Dwellings	41	84
64	1,250	TOTAL	43	1,197

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

STATEMENT OF LOSSES

2024		2025
NIL	Material Losses	NIL

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

STATEMENT OF ARREARS OF REVENUE BY SUBHEAD AS AT 30 JUNE

2024			2025	
Arrears	Total Due		Arrears	Total Due
£000s	£000s		£000s	£000s
43	293	Development and Commercial Services	20	148
61	77	Health and Social Services	80	124
43	46	Education and Training	6	14
3,217	3,749	Public Works	744	1,259
15	47	Natural Resources	7	(225)
32	49	Law & Regulation	2	43
130	430	Emergency Services	87	250
-	-	Executive Management	-	859
32	33	Policy, Economy & Corporate Services	34	36
3,584	4,241	The Treasury	4,126	4,146
7,157	8,965	TOTAL	5,106	6,654
	(680)	Bad Debt Provisions		(789)
	53	Loans & Advances		44
	1,174	Prepayments		491
	-	Owed from Special Funds		-
	9,512	Total per Note 12		6,400

Arrears are defined as amounts unpaid after the 30-day credit period except for Fishing Licences, which are treated as those licences remaining unpaid from fishing seasons up to and including the 1st fishing season of 2024, for which entitlement to fish ended before 30 June 2025. Education loans are repayable over a longer period, and are therefore not treated as arrears. Also, for Taxation debtors, these are payable as follows:

- POAT – amounts due 14th day of following month.
- Personal Tax – for assessments to 31 December 2024, tax payable is due by 30 September 2025.
- Corporation tax – payable 8 months and 1 day following end of accounting period.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

STATEMENT OF FUND BALANCES

The Balance Sheet includes the Special Fund Balances and note 18 to the financial statements analyses the balances between the Funds. Separate financial statements are published for each of the Special Funds.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2025**

STATEMENT OF EX-GRATIA PAYMENTS

2024			2025	
No of Pensioners	Amount £000s		No of Pensioners	Amount £000s
3	6	Retirement Pensions	1	1

Ex-gratia retirement pensions under the Retirement Pensions Ordinance 1996 are a charge on the Consolidated Fund. Funding for these pensions was provided in the Approved Estimates and appropriated accordingly.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

STATEMENT OF UNRETIRED IMPRESTS

Petty cash imprests continue to be issued on a trial basis.

2024		2025
Nil	Unretired Imprests	Nil

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

STATEMENT OF UNALLOTTED STORES

2024		2025
Nil	Unallotted Stores	Nil

Note: Unallotted stores are defined as those not allocated to Departments.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

OTHER STATEMENTS

There are no other statements required by Legislative Assembly.

Steven Cannon
Steven Cannon (Jan 30, 2026 10:46:38 GMT-3)

**S Cannon
Treasurer
29th January 2026**

Independent auditor's report to those charged with governance of the Falkland Islands Government

Opinion

We have audited the financial statements of the Falkland Islands Government (the 'government') for the year ended 30 June 2025 which comprise the Operating Cost Statement, the Statement of Cashflows, Balance Sheet and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is the Finance and Audit Ordinance 1988, the Public Funds Ordinance 1990, the Special Funds Ordinance 1993, the Currency Ordinance 1987, the Pensions (Old Scheme) Fund Ordinance 1999, the Retirement Pensions Ordinance 1996 and the Finance Ordinance 2004, reflecting the provisions of the Capital Equalisation Fund Order 2005.

In our opinion, the financial statements:

- give a true and fair view of the state of the corporation's affairs as at 30 June 2025 and of its deficit for the year then ended and;
- have been prepared in accordance with the requirements of the Finance and Audit Ordinance 1988, the Public Funds Ordinance 1990, the Special Funds Ordinance 1993, the Currency Ordinance 1987, the Pensions (Old Scheme) Fund Ordinance 1999, the Retirement Pensions Ordinance 1996 and the Finance Ordinance 2004, reflecting the provisions of the Capital Equalisation Fund Order 2005

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 government 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 treasurers' 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 government'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 treasurer 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 introduction, other than the financial statements and our auditor's report thereon. Those charged with governance 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 this gives rise to a material misstatement in the financial statements themselves. 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 government and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements

Responsibilities of Treasurer

As explained more fully in the Statement of Treasurer's responsibilities statement set out on page 6, the treasurer is responsible for the preparation of the financial statements in accordance with applicable law, managing the financial statements of the Government, ensuring the regularity of financial transactions, ensuring that all monies received and paid by Government are brought promptly and properly to account, reporting to the Financial Secretary in writing any apparent defect in departmental controls of revenue, expenditure, cash, stamps, stores and other property of the Government and any breach or non-observance of Financial instructions and ensuring that adequate provisions exist for safe custody of public monies and securities and for being satisfied that they give a true and fair view, and for such internal control as they determine 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 treasurer is responsible for assessing the government'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 they either intend to liquidate the government 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 government 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 government 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 government which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Falkland Islands Tourist Board Ordinance 2014.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks 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. This description forms part of our auditor's report.

Use of the audit report

Our audit work has been undertaken so that we might state to the corporation'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 corporation and the corporation's members as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars LLP

[Forvis Mazars LLP \(Jan 30, 2026 14:56:06 GMT\)](#)

Forvis Mazars LLP Chartered Accountants and Statutory Auditor

8th Floor Assembly Building C, Cheese Lane, Bristol, BS2 0JJ

Date 30/01/2026