

Falkland Islands Tourist Board

Annual Report and Financial Statements

Year ended 30 June 2019

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## Chair's report

The 2018/19 Financial Year saw further achievement and progress in the tourism industry and by the Tourist Board and we continued to work towards the objectives laid out in the Development Strategy.

The Falkland Islands Government (through funding from the Foreign & Commonwealth Office) supported the sector with the creation of the post of Tourism Development Specialist in early 2018, to sit as a link between the Tourist Board and FIG and assist particularly with projects that require facilitation from FIG and the drawing together of several departments and organisations. This has provided valuable extra resource in moving some major projects forward.

Efforts to bring some cohesion to the tourism industry have been made in various guises. The Falkland Islands Tourism Association (FITA) is finding its feet and becoming the go to body to provide feedback from and to, and create discussion within, the industry. Additionally, the Tour Guides Course was taken out to Camp, and although uptake was not as high as hoped, it was great to see the option available outside of Stanley. I think there is still a long way to go before industry players start to consider each other as potential partners and work in tandem towards a better future for the Falklands tourism industry, but we now have a framework on which to build.

The uptake of the Tour Guides Course in Stanley never ceases to surprise ... hopefully a sign that industry players are seeing the benefit of value adding and setting quality standards. To this end work is still in progress on the results of Training Needs Analysis carried out by the Tourism Development Specialist, identifying gaps and a framework for future trainings wants and needs.

The initiative from the International Association of Antarctic Tour Operators (IAATO) to make the Falklands an Antarctic Gateway involved close interaction with FIG to identify the gaps we have in our offering, not just directly within the tourism sector but in periphery services such as waste management, bunkering, scientific research and the like. Visits from key people on the IAATO Gateway Committee were welcomed and really lent weight to this project. FITB will continue to lobby stakeholders to ensure we do not miss the opportunity.

As in the rest of the world, a sustainable and environmentally friendly product offering is recognised as key to a long future and demanded from the consumer, and increasingly recognised as the only way forward within the industry locally. The Tourist Board is hopeful that an initial slow take up of our in-house Green Seal Scheme will gain momentum. A number of suppliers are adopting good practises that embrace this movement starting with the reduction in usage of single use plastics.

On the negative side the delay in finalising the contract for the second commercial flight link created an air of uncertainty and a loss in potential sales for the 2019/20 season. We look forward to the opportunities this link will provide once up and running. Efforts then will concentrate on how we

market the Falklands for the minibreaks (3 – 4 nights) that the link will inevitably generate demand for – and how we ensure benefit it felt island wide.

Despite a welcome increase in our land-based visitor numbers (and of particular note that this growth was generated during our shoulder seasons), it was disappointing to see the drop in numbers from our core market of UK. This highlights the need for the Falkland Islands as whole to engage in some marketing work in UK and not be reliant on our history to engage visitors and support.

Again I would like to take this opportunity to thank the Falkland Islands Tourist Board staff without whom we would not be moving forward in many of the areas we are achieving in, and of course to the Directors and Committee of FITA who contribute their time and knowledge. There is much to feel positive about and we should feel proud of our industry.



Sally Ellis

Chair

### Executive Director's report

The Falkland Islands Tourist Board (FITB) has reported on the third year of the implementation of the Tourism Development Strategy (TDS).

The majority of KPIs set out in the TDS have been met including the highest cruise visitor numbers ever with an increase in passenger spend.

Land-based visitors saw a small increase in numbers which was particularly pleasing because it was the first time numbers hadn't decreased following a significant anniversary of 1982. Whilst numbers were down in October, November and January, we had the best April and September, our shoulder months, ever. Our core market numbers were not reached however we can see the "Others" growing when it comes to nationalities which indicates a broader spread of countries interested in the Falklands, so we are expanding more rapidly outside of our core markets. Visitor spend has also increased significantly.

Additional efforts have been made with our tactical market in preparation for the midweek flight from South America.

FITB continue our digital marketing efforts with over 25,000 visitors to our website. On social media we have 96,000 Facebook followers, 6,000 Twitter followers and 3,000 Instagram followers and we achieve engagement with around 30,000 consumers through these platforms.

FITB along with FIG are still working with IAATO and the Antarctic Gateway Committee to establish their requirements to make the Falklands a gateway to the Antarctic.

The Accommodation Investment Guide has now been completed and is available electronically on our website or hard copies are available at our office.

FITB produced leaflets for 16 trails in the Stanley area for the commencement of the tourism season which have been well received; work continues with Environmental Planning to set up way markers. Further trails are being developed outside of Stanley.

The exit surveys conducted by FITB suggest that hiking/walking is an important factor for visitors to the Islands.

Following a re-design to reduce costs for the Gypsy Cove Toilets and Shelter, materials have now been ordered.

Applications for our accommodation, cruise business and infrastructure grants continues to grow and are helping to improve the quality of our offerings in the Island and support the development of new tours that are greatly needed.

The first grading for the Green Seal Scheme took place in October, and whilst not all accommodation providers took part, the standard for those who did was high and this is something we will continue to build on.

Steph Middleton  
Executive Director  
Falkland Islands Tourist Board

## Board Members' report

### Objectives

The objectives of FITB are to:

- Facilitate and create a profitable and sustainable tourism industry
- Coordinate the FI tourism strategy
- Develop and implement programmes for achieving the TDS and improve tourism in the FI in general
- Carry out reviews of the TDS
- Advise on Tourism matters in the community including planning, promotion and marketing
- Provide tourist information
- Commission and undertake activities that will improve tourism operations and public amenities for tourists
- Promote all interests and new investment in tourism.

### Events in the year to 30 June 2019

#### Tourism Awards

Once again we had a fantastic range of submissions for the Tourism Awards, the industry turned out in all their finery to Government House in April 2019 to see the beautiful Tussac Bird sculptures created by Steve Massam. This year's well deserved CEO award for outstanding contribution went to Mike Rendell whose award was preceded by quite the list of achievements. Tour Guide of the year was snatched up by Nancy Jennings, whose evocative tours had captured the votes of her tourists. Pebble stormed the awards with best overall accommodation experience in Camp and their very own Josh Peck picking up driver of the year. In Stanley, both the Malvina House Hotel and the Waterfront Boutique Hotel were recognised with awards of their own.

#### Tourist Guide Course 2018

This year a record 27 people took part in the Tourist Guide Course, of which two completed the course in Fox Bay as part of our initiative to take the Tour Guide Course into Camp. Louise Taylor led a series of evening classes, following which the training centre supported with First Aid courses. The third edition of the "Tour Guide Handbook" was provided as the framework combining class led training and self-study. Participants visited some key attractions in Stanley to assist with their learning and watched accredited tour guides in action. The course concluded with the opportunity to undertake a practical assessment to receive FITB accreditation. This year practical assessments varied between walking tours and driving tours.

32 people qualified by April 2019 to receive their Falkland Islands Tourist Board Tour Guide Training badges and certificates. A presentation was held at Government House to present the awards and celebrate their success.

Of the 32, 8 opted to take a direct route to assessment. This is offered to individuals who already have extensive knowledge of the Islands and experience as a guide, as a fast-track option. However, it is worthy of note that whilst the training programme is mainly aimed at those without that prior experience, it does provides a great opportunity to re-affirm existing knowledge, research new areas, learn alongside others and meet people.

### Jetty Visitors Centre

In the 12 month period from July 2018 to June 2019 the JVC made sales of £181,000. Of the goods sold, 41% of sales were of local products that we showcase on behalf of local artisans, this is consistent with the previous year, we continue to make a concerted effort to increase the diversity of local products showcased. In February 2019 the demand for local produce far outstripped supply, to this end we have issued statements to all of our local suppliers to enable them to stock sufficiently for the coming tourist season. The Gross profit in the JVC remained strong at 39%, however due to increased staff requirements on large boat days, the net profit has decreased. As the cruise ship numbers increase we will need to continue to maintain both the shop and also our status as the local information and Tourist Board so it is likely that this will drop in order to maintain the service provided on days with cruise boats exceeding 500 passengers. Our pre-stamped postcards are still the highest selling products in the shop, with over 5,800 sold in this year, proving a very convenient product that customers can buy, write, and then post all within seconds.

### Research and statistics

Key facts from 2018

KPI	Actual	TDS Target
Leisure arrivals	1,903	1,753
Length of stay	10.4	10.3
Overnights	19,791	18,054
Leisure arrivals – Core markets	897	1,087
Leisure arrivals – Tactical markets	568	421
Leisure Tourists Oct & Mar %	23.4%	23.1
Leisure Tourists Sept & Apr %	9.7%	6.6
Leisure spend/night £	214.09	134
Cruise arrivals	62,505	56,400
Cruise spend/Day £	64.89	63

Key trends from 2018 noted from the statistics gathered include the following:

- Overnight leisure tourists increased from 2017/18 despite the previous year having been an “anniversary” year (of the 1982 conflict)
- Expenditure by overnight land tourists increased by 23%.
- Cruise tourism remained strong with an increase of 8.7% visitors in the year despite some poor weather cancellations.
- Cruise expenditure increased per passenger more than compensating for the dip in the previous year.

### Targeted media coverage

The Falkland Islands Tourist Board continues to grow its digital exposure, capturing hundreds of thousands on our website and reaching almost 10 million people through Facebook and Twitter. Anecdotal evidence tells us that the Tourist Board website also generates the greatest “click-through” traffic for some local websites.

More traditional media coverage was obtained through advertising in cruise magazines, trade publications and this year we had increased coverage in consumer adventure magazines.

#### Press trips and coverage

Following the success of hosting a blogger in 2018, this year we invited the travel blogger Adam Lukaewicz from Getting Stamped to the Falklands. He has created some fantastic videos and stories on Instagram and YouTube that have been widely shared and will continue to generate interest in the Falkland Islands.

As a result of a trip to Chile in 2018, we showcased the Falkland Islands to Christian Morrison from EcoChile, a tour operator that specialises in ecologically-minded holidays. He was particularly excited about the opportunities available here and has been working hard to get the Falklands on their itineraries for the 2019/20 season.

We have had two photographers here in the year who have been showcasing the Falklands and the fantastic opportunities for wildlife photography here. In addition to this, we have had the International travel writer, Marcel Theroux in the Falkland Islands writing for the Telegraph. We have also had articles in the Guardian and several birding magazines by Stephen Moss who we hosted following his presentation at Birdfair UK.

#### Trade fairs

The Falkland Islands Tourist Board attended a selection of traditional trade fairs in the year which have historically proven to be productive for marketing, networking and building strategic relationships. These included World Travel Market London, Birdfair UK, USTOA and Prado.

This year we attended ITB Berlin, the largest travel show in Europe which is proving to be a popular and successful trade show. As a result of amending our type of attendance at various events, we were able to increase the number of shows we attended and in anticipation of a second flight we had two additional trips to South America this year. One to a travel show in Uruguay and another to World Travel Market Latin America in Sao Paulo.

#### Finance

The Board approved a revised budget for 2018/19 of £882,500. This was with a view to utilising previous year's unspent subvention requests.

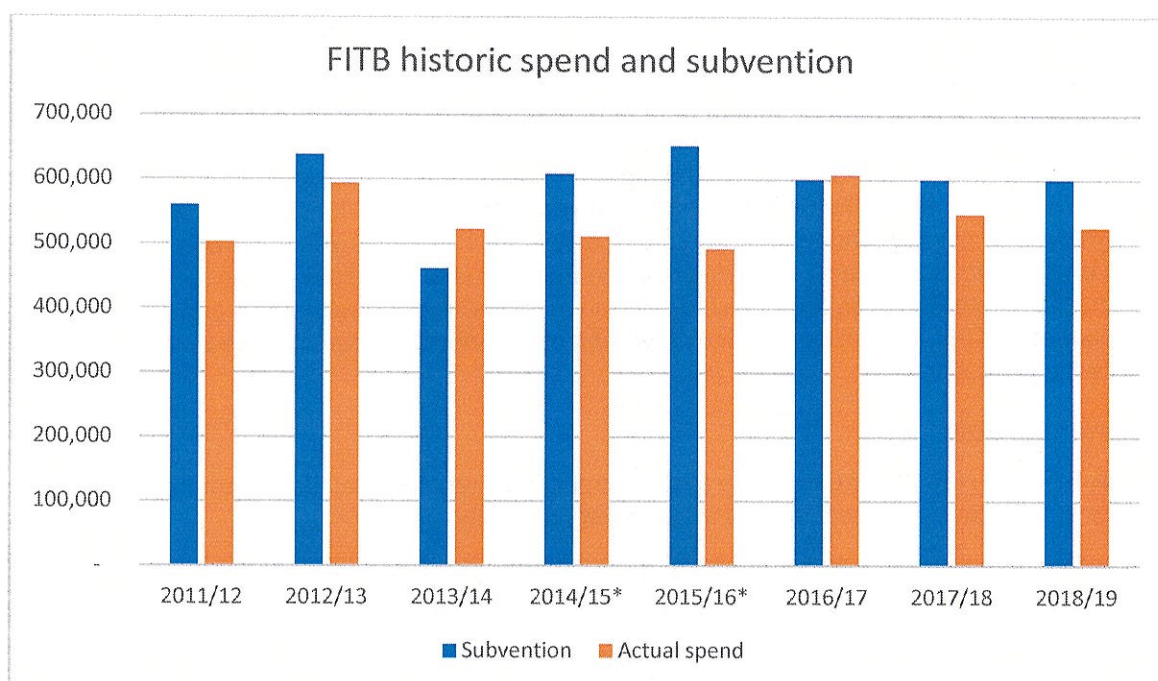
FITB has operated efficiently to ensure that expenditure does not exceed our funding allowance whilst ensuring that we are meeting our objectives.

#### Covid 19

The impact of covid 19 in the Falkland Islands is very unknown however, the financial impact on going concern on the Falkland Island Tourist Board is very minimal. The main revenue stream is from the Falkland Island Government and this has been awarded for the next twelve months.

There may be an impact on the KPI's moving forward in relation to the TDS. However, the role of marketing the Falklands as a tourism destination has become more challenging but not impossible and it is hoped that as the world adapts to the new way of operating the Falklands will return to being a popular tourist destination.





\*2014/15 and \*2015/16 have been smoothed to adjust for the different length accounting periods in those years.

During the period 34% of the FITB subvention funding has been spent directly on traditional promotional advertising, tours, trade fairs and research that has been shared with local businesses and used to promote both the Falkland Islands as a whole and also as a pedestal for local businesses to promote themselves. This is an increase on the previous year, and reflects additional proactive activities engaged prior to the announcement of the second commercial flight from South America due to commence in November 2019.

The TDS (Tourism Development Strategy) projects continue to be a significant proportion of expenditure, during the year £21,000 has been contributed to the construction of the Gypsy Cove Toilets, an eco-friendly building designed to have minimal impact on the surrounding environment.

Tourism Accommodation grants awarded in the year totalled £59k, showing a significant investment by the private sector also. The cruise business grant match funded local businesses to the tune of £29k and the infrastructure Improvement fund awarded £20k to enhance the facilities available to cruise and land visitors. Feedback from our recipients continues to be positive and reflects the impact that the grants have:

*"We have started a self-catering business . The help that we've had from the tourist board (and other agencies) has allowed us to start at a higher level of development and raised standards"*

*"We wouldn't have achieved our 4 star rating in our first year without the funding and support we received from the Tourist Board."*

*"We felt that given the number of visitors we receive with mobility issues on cruise ships, that the Falklands should be able to offer a service to make their short visit more enjoyable by enhancing their mobility on the day and FITT is very grateful to the tourist board for their support with this new service"*

The Jetty Visitors' Centre (J.V.C.) was successfully renovated in July 2018 and now provides a fresh and bright space for tourists to enjoy, complete with visual and interactive displays. During the year the J.V.C. generated a 40% profit, these funds were used to further invest in the non-retail activities of the Tourist Board.

Mazars were reappointed as auditors in the year and have issued an unqualified report. Their audit completion report has not identified any new risks in internal controls and concludes that any historical risks have been addressed.

AS at June 2019 FITB had net current assets of £411,511. The intention of FITB is to break even whilst developing and promoting tourism in the Falkland Islands. FITB is funded primarily through an annual subvention grant from the Falkland Islands Government, this year funding of £600,000 was received with the remaining funding taken from unspent funds in previous years. FITB is keen to capitalise on the potential expansion of tourism in the Falkland Islands resulting from the second commercial flight from South America, and with this in mind and the Tourist Board's consistent achievement of its KPIs, the Falkland Island Government awarded the Tourist Board £700,000 of funding for the year 2019/2020.

### Corporate Governance

Part 20 section 1(d) of the FITB Ordinance requires the annual report to include Corporate Governance and details of the assurance mechanisms in place throughout the period.

Corporate Governance is the process and systems in place to control and direct the management of an entity. In the case of FITB, this represents the composition and responsibilities of the Board of Directors.

In respect to the operation of FITB the abridged responsibilities of the Board of Directors to FITB are:

- Advising on changes or reviews of the Tourism Strategy
- Setting performance targets for FITB to facilitate the growth and development of the tourism industry
- To agree the annual budget and business plans
- To review the Human Resources and Financial controls and policies
- To monitor activities and maintain financial oversight
- To ensure that FITB exercises its powers in ways that are economical, efficient and effective.

The composition of the Board is as follows:

<b>Position</b> <i>Appointed in period</i>	<b>Appointment</b>
<b>Chair</b> <i>Sally Ellis</i> <b>Vice Chair</b> <i>Alex Olmedo</i>	Appointed by Government for 2 years
<b>Member of Legislative Assembly</b> <i>Mark Pollard</i>	Nominated by MLAs collectively
<b>FIG Head of Policy</b> <i>Diane Simsovic</i>	Automatically a member
<b>FITB Executive Director</b> <i>Steph Middleton</i>	Right to attend (Non-voting)
<b>Co-opted Member</b> <i>Riki Evans (Resigned 01 February 2019)</i> <b>Co-opted Member</b> <i>Samantha Marsh</i> <b>Co-opted Member</b> <i>Carli Sudder</i> <b>Co-opted Member</b> <i>Margaret Williams</i> <b>Co-opted Member</b> <i>John Clifford (Appointed 18 February 2019)</i>	As co-opted by the FITB Board. Two members for two years, two members for 30 months.

Appointments have been made for two years as a default, with two co-opted members having an extended contract of 30 months to ensure continuity throughout reappointment. The Member of Legislative Assembly and FIG Head of Policy hold their directorships for as long as they are in post.

#### External Assurance

As part of the Ordinance FITB has appointed Mazars LLP as its external auditors.

The auditors have reviewed the Financial Statements of FITB for the year ended 30 June 2019 to ensure that they give a true and fair view and that the financial controls and processes in place are sufficient.

One control recommendation was identified in the year as part of the audit completion report, the Board has immediately implemented controls in order to address this potential weakness.

The detailed findings will be reported to the PAC (Public Accounts Committee) along with a copy of the Audit Completion Report and these financial statements for their scrutiny.

#### Internal Assurance

The Jetty Visitors Centre undertook a stock take as at the 30 June 2019 in order to assess the value of stock held. A full stock take of all items held was made and where necessary revalued at the realisable value.

Management accounts have been prepared on a quarterly basis for the Board to review. These have been prepared with reference to the budgeted spend and give the Board a clear indication of the financial performance of the entity alongside the operational reporting.

A revised policies and procedures manual for the finance team and operations was prepared by the Financial Controller in the year.



Falkland Islands Tourist Board  
Annual Report and Financial Statements  
Year ended 30 June 2019  
Statement of Board Members' responsibilities

The Falkland Islands Tourist Board Ordinance 2014 requires the organisation to prepare financial statements for each financial year. In preparing those financial statements, the Falkland Islands Tourist Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume FITB will continue in business.

The Falkland Islands Tourist Board members are responsible for financial oversight and monitoring of FITB activities generally, and for ensuring FITB exercises its powers in ways that are economical, efficient and effective. Board Members must also ensure that the Financial Controller keeps proper financial records and must ensure that arrangements are in place for FITB's financial records and statements to be audited in respect of each financial year.

Approved by the Falkland Islands Tourist Board Governing Board on

2020

Signed on behalf of the Falkland Islands Tourist Board

 SALLY EUIS  
CHAIR

## **Opinion**

We have audited the financial statements of the Falkland Islands Tourist Board (the 'entity') for the year ended 30 June 2019 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 Falkland Island Falkland Islands Tourist Board Ordinance 2014.

In our opinion, the financial statements:

- give a true and fair view of the state of the entity's affairs as at 30 June 2019 and of its results for the year then ended;
- have been prepared in accordance with the requirements of the Falkland Islands Tourist Board Ordinance 2014.

## **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 entity 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the entity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Going concern and the impact of the COVID -19 outbreak on the financial statements**

In forming our opinion on the Falkland Island Tourist Board financial statements, which is not modified, we draw your attention to the Board's view on the impact of the COVID-19 as disclosed on page 6, and the consideration in the going concern basis of preparation on page 15.

Post year end, there has been a global pandemic from the outbreak of COVID -19. The potential impact of COVID -19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The impact of COVID -19 is still evolving and, based on the information available at this point in time, the Board have assessed the impact of COVID -19 on the business and reflected the Board's conclusion that adopting the going concern basis for preparation of the financial statements is appropriate.

## **Other information**

The board members are responsible for the other information. The other information comprises the information included in the board members report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**Independent Auditors report to the members' of Falkland Islands Tourist Board**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

**Responsibilities of Board members**

As explained more fully in the board members' responsibilities statement set out on page 9, the board members 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 entity'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 entity 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 these financial statements.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. Our audit work has been undertaken so that we might state to the entity'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 entity and the board's members as a body for our audit work, for this report, or for the opinions we have formed.

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.

Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Falkland Islands Tourist Board  
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Year ended 30 June 2019  
Profit and Loss Account

	<u>Notes</u>	<u>Year ended</u> <u>30 June 2019</u>	<u>Year ended</u> <u>30 June 2018</u> £
TURNOVER	2	202,199	183,531
COST OF SALES		(108,368)	(101,587)
GROSS PROFIT		93,831	81,944
ADMINISTRATIVE EXPENSES		(731,806)	(627,747)
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(637,975)	(545,803)
OTHER OPERATING INCOME	3	637,975	545,803
TAX ON ORDINARY ACTIVITIES		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	9	-	-

All amounts relate to the operations of the organisation during the period. All operations are continuing operations.

The notes on pages 14 to 17 form part of these financial statements.

Falkland Islands Tourist Board  
Annual Report and Financial Statements  
Year ended 30 June 2019  
Balance Sheet

	<u>Notes</u>	<b>30<sup>th</sup> June 2019</b>		<b>30<sup>th</sup> June 2018</b>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4	169,907		165,183	
<b>CURRENT ASSETS</b>					
Stock	5	79,926		76,353	
Debtors	6	80,825		61,727	
Cash at bank and in hand		368,957		408,646	
			<hr/>		<hr/>
			529,708		546,726
<b>Creditors -</b>					
due within one year	7	(107,539)		(101,858)	
			<hr/>		<hr/>
<b>NET CURRENT ASSETS</b>		422,169		444,868	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<hr/>	592,076	<hr/>	610,051
Deferred Income	8	(521,225)		(539,200)	
			<hr/>		<hr/>
<b>NET ASSETS</b>		<hr/>	70,851	<hr/>	70,851
<b>CAPITAL AND RESERVES</b>					
Non-distributable capital reserve	9	70,851		70,851	
Profit and Loss account	9	-		-	
			<hr/>		<hr/>
<b>SHAREHOLDERS' FUNDS</b>	10	<hr/>	70,851	<hr/>	70,851

Approved and authorised for issue by the Falkland Islands Tourist Board on

Signed on behalf of the Falkland Islands Tourist Board



Board Member

Board Member

The notes on pages 14 to 17 form part of these financial statements.



## 1. Accounting policies

### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention. The presentation of the financial statements is in a form considered by the Falkland Islands Tourist Board members appropriate to the activities of the Board and complies with the requirements of the Falkland Islands Tourist Board Ordinance 2014.

### 1.2 Basis of preparation

The accounts have been prepared on a going concern basis.

### 1.3 Pension

The organisation's employees participate in an independent defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Land and buildings	10-33 years
Plant and Machinery	4 years
Motor vehicles	4 years
Fixtures and Fittings	4 years

### 1.5 Stock

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Adjustments are made for slow moving and obsolete stock.

### 1.6 Taxation

As a Statutory Corporation FITB is not subject to Falkland Islands tax.

### 1.7 Deferred Income

Revenue grants received from the Falkland Islands Government (FIG) are released to the profit and loss account when the relevant expenditure is incurred. Capital grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the asset concerned.

### 1.8 Grants

Grants awarded by the Tourist Board are accrued and treated as an expense from the date they are awarded. As the grant is redeemed, the accrual is reduced. As at 26<sup>th</sup> September 2018 a 12 month validity period is applied to each grant.

### 1.9 Post balance sheet events

At the time that these financial statements are authorised there is currently a worldwide pandemic due to the COVID-19 outbreak. This is a rapidly changing situation whose eventual impact on the local and worldwide economy cannot be accurately predicted at this time. Therefore no estimate can be made of the financial impact this could have on FITB, however, the main source of income is secure.

There is a possibility that due to the impact of a prolonged pandemic that the company activities may be significantly affected and therefore the underlying value of the net assets of the company may be reduced. COVID-19 has been treated as a non-adjusting post balance sheet event.

Falkland Islands Tourist Board  
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2. Turnover

The company engages in only one class of business in one location. Turnover represents primarily the sale of merchandise from the gift shop, rental income and advertising.

3. Operating profit on ordinary activities before taxation

The operating profit on ordinary activities before taxation is stated after charging/(crediting):

	Year ended 30 June 2019	Year ended 30 June 2018
	£	£
Auditors remuneration: audit	4,930	2,630
Depreciation of tangible fixed assets	21,988	15,175
Other operating income – grants released to profit and loss	(637,975)	(545,803)

4. Tangible fixed assets

	Land and Buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
B/fwd 1 July 2018	199,650	60,638	56,073	-	316,361
Additions	-	-	2,498	24,214	26,712
Disposals	-	(6,000)	-	-	(6,000)
<b>At 30 June 2019</b>	<b>199,650</b>	<b>54,638</b>	<b>58,571</b>	<b>24,214</b>	<b>337,073</b>
<b>Depreciation</b>					
B/fwd 1 July 2018	65,109	54,233	31,836	-	151,178
Charge for year	5,990	2,515	9,000	4,483	21,988
Disposals	-	(6,000)	-	-	(6,000)
<b>At 30 June 2019</b>	<b>71,099</b>	<b>50,748</b>	<b>40,836</b>	<b>4,483</b>	<b>167,166</b>
<b>NET BOOK VALUE:</b>					
At 30 June 2019	128,551	3,890	17,734	19,731	169,907
At 30 June 2018	134,541	6,405	24,237	-	165,183

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5. Stock

	2019 £	2018 £
Goods for resale	79,926	76,353

6. Debtors

	2019 £	2018 £
Amounts due within 12 months:		
Trade debtors	2,370	720
Other debtors	148	389
Prepayments	78,307	60,618
	<u>80,825</u>	<u>61,727</u>

7. Creditors – Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	81
Accruals	107,539	101,777
	<u>107,539</u>	<u>101,858</u>

8. Deferred income

	2019 £	2018 £
Brought forward balance	539,200	485,003
Funding received during the period	620,000	600,000
Released to the profit and loss account in the period	(637,975)	(545,803)
	<u>521,225</u>	<u>539,200</u>

9. Reserves

	Non-distributable capital reserves £	Profit and Loss Account £	Total £
Brought forward 1 July 2018	70,851	-	70,851
Profit for the period	-	-	-
	<u>70,851</u>	<u>-</u>	<u>70,851</u>

10. Reconciliation of movements in total funds

	£
Brought forward 1 July 2018	70,851
Profit for the financial period	-
Balance sheet as at 30 <sup>th</sup> June 2019	<u>70,851</u>

11. Related party transactions

The following are related parties of the Falkland Islands Tourist Board:

<u>Related party</u>	<u>Relationship</u>
Falkland Islands Government	Controlling party
International Tours and Travel Limited	Sally Ellis – Director of FITB and ITT
John Clifford	Director of FITB and self-employed tour guide (Appointed 18 February 2019)
Pebble lodge	Ricky Evans – Director of FITB and manager of Pebble Lodge (Resigned 01 February 2019)
Waterfront Hotel	Alex Olmedo – Director of FITB and owner of the Waterfront

During the period, sales were made to the following related parties:

	2019 £	2018 £
Falkland Islands Government	-	-
John Clifford	40	-
Pebble lodge	30	-
Waterfront Hotel	500	500

During the year purchases were made from the following related parties:

	2019	2018
Falkland Islands Government	8,845	8,672
International Tours and Travel	19,633	21,599
Pebble Lodge - Grants	12,647	-
Pebble lodge purchases from the lodge	500	835
Waterfront Hotel	3,921	3,341
Bleaker Island	-	1,809

As at the year end there were no creditor or debtor balances with related parties.  
During the year expenses of £0 were paid to one director (2018: £320).

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UNAUDITED DETAILED PROFIT AND LOSS

	2019 £	2018 £
<b>Turnover</b>		
Retail Sales	181,182	175,888
Other	21,017	7,643
	<u>202,199</u>	<u>183,531</u>
<b>Cost of Sales</b>		
Goods for resale	(108,368)	(101,587)
<b>Gross Profit</b>	<u>93,831</u>	<u>81,944</u>
<b>Other operating income</b>		
Funding from FIG	637,975	545,803
<b>Administrative expenses</b>		
Staff costs	(247,538)	(200,452)
Trade fairs	(57,688)	(44,091)
Tourism Development strategy	(132,679)	(135,154)
Other promotional expenses	(151,478)	(115,018)
Establishment expenses	(77,625)	(67,268)
General expenses	(46,566)	(50,589)
Depreciation	(18,232)	(15,175)
	<u>(731,806)</u>	<u>(627,747)</u>
<b>Net profit/(loss)</b>	<u>-</u>	<u>-</u>

