

Falkland Islands Tourist Board

Annual Report and Financial Statements

Year ended 30 June 2020

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Chair's report

In reflecting on the 2019/2020 Financial Year it would be so easy to dwell on COVID-19 and the abrupt end it brought to our 19/20 tourist season, but it would be wrong, as there were some huge successes prior to that, and even with the pandemic there are some really "good" factor stories that the Falklands tourism industry should be proud of.

There were also some long running issues finalised which we were delighted to have finally brought to a close after many years of hard work, sweat and probably in some cases tears. Firstly, the lease from the Falkland Islands Government of the Jetty Visitor Centre and carpark was finally signed giving FITB more control over management of the area which is key for the efficient and maximised use of the area on busy cruise ship days. And secondly the new toilet block at Gypsy Cove was constructed and open for business. It has taken an unbelievable amount of effort to get this basic infrastructure in place at a key site popular with visitors and locals alike. With the mine clearance of Yorke Bay almost at an end it is only going to get busier in this area. The demining programme had reached its end by the close of 2020, opening up some beauty spots that have been inaccessible for close to 40 years. Thank you to the brave and hardy souls who dedicate their lives to mine clearance.

On the international stage we finally saw the inauguration on 20 November 2019 of the long awaited second commercial flight link with LATAM flying from Sao Paulo, Brazil every Wednesday. This link was growing in stature as the summer season progressed and we hope to see the return of this and its "sister" route from Chile once COVID related restrictions are lifted and the appetite for travel returns.

The statistics from the quarterly and annual report are testament to the growing success of the airlinks and FITB's targeted marketing, as well as the efforts of the many tourism businesses in the Falklands who promote and present themselves so well. Leisure arrivals and domestic tourism numbers, accommodation occupancy, the number of passengers on FIGAS, visitor spend and visitor satisfaction were all up compared to the previous year.

Work continued on the review of the Tourism Development Strategy with the aim to produce a document that sets our objects and aims as far as 2035 always with sustainability being at the forefront of our minds and actions. Unfortunately, COVID-19 derailed the completion of that work and we will be back to the drawing board to some degree once we have a clearer picture of recovery and growth over the next 5 years.

Due to a ban on social gatherings we didn't have the pleasure of the 2020 Tourism Awards reflecting on all the votes cast over the 2019/20 season, but it goes without saying that we know the many businesses, individuals and destinations that are the tourism family put in a huge amount of effort in selling our little corner of the world and making us the success that we are. The staff of the Tourist Board are part of that family so I take this opportunity to thank them for all their input.

And finally, I can't finish without mentioning the recognition and positive PR the Falklands rightly received following their involvement in the repatriation of the guests of 6 cruise ships in March 2020 when COVID-19 hit this area. It was a cross party operation and really showed the can-do attitude of the Falklands and our people.

Sally Ellis

Chair

Executive Director's report

Executive Director's Report

Despite being cut short by the COVID-19 pandemic, 2019/2020 proved to be a record-breaking year for Falklands tourism.

A record-breaking 72,836 cruise passengers arrived in the Islands, up 16.5% on the previous season. This was all against a background of considerable disruption with 29 cancellations which could have added over 9,000 more passengers. Eight of the cancelled calls were due to the pandemic, with the others being a mix of operator problems and weather conditions. Whilst the number of arrivals on non-expedition cruise vessels was up 13% to 55,905, it was the expedition market that grew significantly, up 30% to 16,931. The Cruise Visitor Survey to measure expenditure saw the average spend per cruise visitor drop slightly from £64.89 to £60.03, however due to the increase in visitors, total cruise spends hit a record £4.4 million, up from £4.1 million the previous season.

There were 1,648 leisure tourist arrivals in the Falkland Islands during the 2019/2020 season, up almost 6.7% on the previous season. All the main markets performed well with the exception of Argentina from which arrivals have almost halved in the last two seasons. The last time visitor numbers surpassed this was in 2007/2008 when we celebrated the 25th anniversary of the Falklands Conflict. The Air Visitor Survey shows that total expenditure grew by over 12% in 2019 to £4.8 million, serviced room occupancy rates hit almost 50% over the year for the first time and FIGAS flew a record 3,255 leisure passenger trips.

FITB's annual assessment of TripAdvisor ratings shows that overall satisfaction of visitors to the Islands increased in 2019.

Domestic tourism trips have grown by 20% in 2019 to almost 12,500. Whilst lower spending than international visitors with an average spend per trip of £56, the volume of trips taken by these tourists and the number of nights spent away means that they contribute almost £700,000 to the Falklands economy.

With travel restrictions in place all around the world due to COVID-19 the period of April to June 2020 means we have experienced the highest number of people visiting our website in a single month (63,000) and the highest number of pages viewed (112,000). There was also significant growth in activity on our Facebook (up 47%) and Twitter (up 13%) pages. This is good to see and it is important. Over 90% of all consumers plan long haul trips online, so we need to be increasingly visible.

The commencement of the second flight from Sao Paulo, Brazil in November 2019 is an exciting development for tourism in the Falkland Islands. Whilst we don't have any significant statistics to report on due to COVID-19 and the suspension of all flights from South America, early indications are that this flight will be well utilised as it gives easier access from North America and Europe.

Our international marketing efforts continue despite COVID-19; with many trade shows being cancelled or re-scheduled a greater emphasis has been put on our digital marketing and virtual platforms to ensure we position ourselves in the best place when travel eventually returns to some sort of normality.

FITB and FIG continue to work with IAATO to establish the Falklands as a preferred gateway to the Antarctic. This was particularly evident at the end of the cruise season when charter flights were permitted to allow passengers to be flown home following the COVID-19 outbreak.

FITB in conjunction with Falklands Conservation have been preparing an updated 'Visitor Guide to the Falkland Islands'. This will arrive in the Falklands towards the end of 2021.

FITB have also been working on updating the Tour Guide Handbook which will also be available towards the end of 2021. Interest in the Tour Guide Course has continued to grow with a further 33 either taking part in the course or being assessed.

With little or no tourism expected for the 2020/2021 season FITB will continue their efforts in promoting to the international market however there will also be a greater emphasis on stimulating the domestic market. FITB have worked with FIG on support for the sector during very difficult times but also encouraging industry to continue to develop their product in preparation for the return of more normal times. The TRIP scheme was devised and implemented and considered to be a success.

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 2020

Overview

For the year ending 30 June 2020, several exciting developments occurred, with the most noticeable being the introduction of the second regular Latam flight from South America. A large amount of interest ensued and the flight was starting to be used by more passengers for both business and leisure. It was

noted by the Executive Director of FITB, Stephanie Middleton said, "Having averaged around 16 leisure visitors a year from Brazil over the period 2010-2018, numbers increased to 38 in 2019 and 83 in 2020, even with our borders closing in late March."

2020 is unlikely to be remembered as an outstanding year for international land-based tourism in the Falklands, however the overall season was the best ever for land based tourism as well as cruise ship passengers.

COVID 19

The impact of COVID 19 in the Falkland Islands is huge as Tourism is the second largest income stream of our economy, 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 and it is continuing into 2021/22. The Falkland Island Government has supported the industry participants in a number of ways but most noticeably with the Tourism Recovery Incentive Programme (TRIP) which has given residents access to funds for short stays or tours, as well as purchases of local gifts. This has been hugely popular with the residents, including MPA residents, and has meant that the season for 2020/21 has happened for most operators at some level.

Jetty Visitors Centre

In the 12 month period from July 2019 to June 2020 the JVC made sales of nearly £193,000. Of the goods sold, Local products that we showcase on behalf of local artisans continue to be popular, and we did not re-order from overseas for the supply of goods for the 2020/21 season which has given us great opportunities for local providers into the future.

The Gross profit in the JVC remained strong at 43, which is higher than the 39% achieved in 2019. We had hoped for the 2020/21 season to be even stronger, however, COVID has prevented this, but the signals for the future remain strong.

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 to see the beautiful albatross sculptures created by Steve Massam. This year's well deserved CEO award for outstanding contribution went to Tony Smith whose award was preceded by quite the list of achievements. Tour Guide of the year was awarded to Nancy Jennings again. Sealion island was awarded with best overall accommodation experience in Camp and tour driver of the year went to Leon Mitchell.

Tourist Guide Course 2019

This year a further 25 people took part in the Tourist Guide Course. Louise Taylor led a series of evening classes, following which the training centre supported with First Aid courses.

20 people qualified and received 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. A further 12 did assessment only due to prior experience and therefore showing the demand for the course.

Research and statistics

Key facts from 2019

KPI	Actual	TDS Target
Leisure arrivals	1,939	1,753
Length of stay	10.7	10.3
Overnights	19,791	18,054
Leisure arrivals – Core markets	897	1,087
Leisure arrivals – Tactical markets	432	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	72,836	56,400
Cruise spend/Day £	60.03	63

Key trends from 2020 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

Press trips and coverage

Following the success of hosting a blogger we have continued to have two further bloggers visit producing high quality images and videos on their sites, and thus large amounts of interest.

We have had three tour operators visit from Australia, Uruguay and Brazil as well as a free-lance writer who has since written a book about fly fishing in the Falklands. We also had Alan Hinkes visit as renowned walker who was incredibly impressed by our offering.

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. We attended ITB Berlin, the largest travel show in Europe which is proving to be a popular and successful trade show again this year.

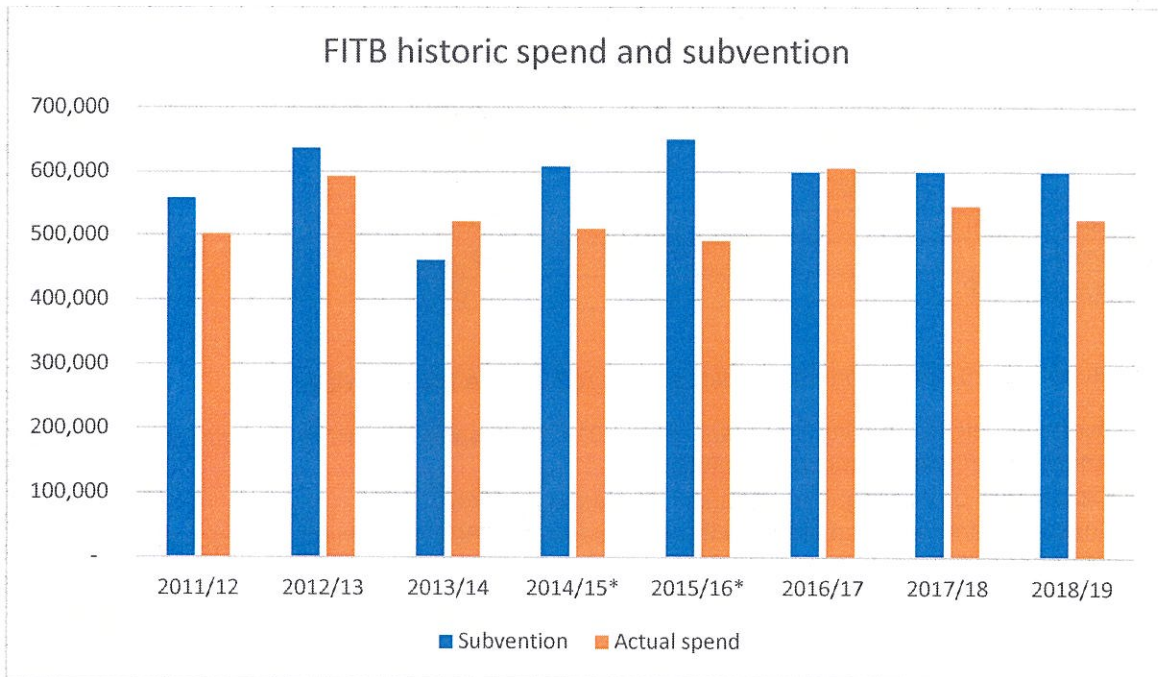
Finance

The Board approved a revised budget for 2019/20 of £700,000. 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

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 46% 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 introduction of the second commercial flight from South America due to commence in November 2019.

Tourism Accommodation grants awarded in the year totalled £18k, showing a significant investment by the private sector also.

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 2020 FITB had net current assets of £620,487. 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 £700,000 was received with the remaining funding taken from unspent funds in previous years.

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.

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Year ended 30 June 2020
Annual report

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:

Position <i>Appointed in period</i>	Appointment
Chair <i>Sally Ellis</i> Vice Chair <i>Alex Olmedo</i>	Appointed by Government for 2 years
Member of Legislative Assembly <i>Mark Pollard</i>	Nominated by MLAs collectively
FIG Head of Policy <i>Diane Simsovic and replaced by Andrew Gaule</i>	Automatically a member
FITB Executive Director <i>Steph Middleton</i>	Right to attend (Non-voting)
Co-opted Member <i>Samantha Marsh (Resigned 2021)</i> Co-opted Member <i>Carli Sudder</i> Co-opted Member <i>Margaret Williams (Resigned 21 February 2020)</i> Co-opted Member <i>John Clifford (Resigned 2021)</i> Co-opted Member <i>Morgan Goss (Appointed 21 February 2020)</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 2020 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 2020 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
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Year ended 30 June 2020
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 15 July 2021

Signed on behalf of the Falkland Islands Tourist Board



Opinion

We have audited the financial statements of the Falkland Islands Tourist Board (the 'entity') for the year ended 30 June 2020 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 2020 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.

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.

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.

Falkland Islands Tourist Board

Annual Report and Financial Statements

Year ended 30 June 2020

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

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. This description forms part of our auditor's report.

This report is made solely to the company's members as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Mazars LLP Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Falkland Islands Tourist Board
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Year ended 30 June 2020
Profit and Loss Account

	<u>Notes</u>	<u>Year ended 30 June 2020</u>	<u>Year ended 30 June 2019</u> £
TURNOVER	2	192,878	202,199
COST OF SALES		(108,584)	(108,368)
GROSS PROFIT		84,294	93,831
ADMINISTRATIVE EXPENSES		(602,161)	(731,806)
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(517,867)	(637,975)
OTHER OPERATING INCOME	3	517,867	637,975
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 15 to 19 form part of these financial statements.

Falkland Islands Tourist Board
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Year ended 30 June 2020
Balance Sheet

	<u>Notes</u>	<u>30th June 2020</u>		<u>30th June 2019</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4	153,822		169,907	
CURRENT ASSETS					
Stock	5	78,613		79,926	
Debtors	6	41,881		80,825	
Cash at bank and in hand		593,396		368,957	
			713,890		529,708
Creditors -					
due within one year	7	(93,503)		(107,539)	
NET CURRENT ASSETS		620,387		422,169	
TOTAL ASSETS LESS CURRENT LIABILITIES		774,209		592,076	
Deferred Income	8	(703,358)		(521,225)	
NET ASSETS		70,851		70,851	
CAPITAL AND RESERVES					
Non-distributable capital reserve	9	70,851		70,851	
Profit and Loss account	9	-		-	
SHAREHOLDERS' FUNDS	10	70,851		70,851	

Approved and authorised for issue by the Falkland Islands Tourist Board on 15th July 2021
Signed on behalf of the Falkland Islands Tourist Board



Board Member



Board Member

The notes on pages 15 to 19 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

At the time that these financial statements are authorised there is currently a worldwide pandemic due to the COVID-19 outbreak which is limiting the ability for Tourists to visit the Islands. The Tourist Board consider that, despite this pandemic, they are well placed to continue in operation due to the Government funding that is received annually and the cash reserves held.

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 26th September 2018 a 12 month validity period was applied to each grant.

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 2020	Year ended 30 June 2019
	£	£
Auditors remuneration: audit	2,920	4,930
Depreciation of tangible fixed assets	23,256	21,988
Other operating income – grants released to profit and loss	(517,867)	(637,975)

4. Tangible fixed assets

	Land and Buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost					
B/fwd 1 July 2019	199,650	54,638	58,571	24,214	337,073
Additions	-	827	6,341	-	7,168
Disposals	-	(20,600)	-	-	(20,600)
At 30 June 2020	199,650	34,865	64,912	24,214	323,641
Depreciation					
B/fwd 1 July 2019	71,099	50,748	40,836	4,483	167,166
Charge for year	5,988	2,413	8,798	6,054	23,253
Disposals	-	(20,600)	-	-	(20,600)
At 30 June 2020	77,087	32,561	49,634	10,537	169,819
NET BOOK VALUE:					
At 30 June 2020	122,563	2,304	15,278	13,677	153,822
At 30 June 2019	128,551	3,890	17,734	19,731	169,907

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5. Stock

	2020 £	2019 £
Goods for resale	78,613	79,926

6. Debtors

	2020 £	2019 £
Amounts due within 12 months:		
Trade debtors	1,815	2,370
Other debtors	622	148
Prepayments	39,444	78,307
	<u>41,881</u>	<u>80,825</u>

7. Creditors – Amounts falling due within one year

	2020 £	2019 £
Trade creditors	40,915	-
Accruals	50,803	107,539
Other creditors	1,785	-
	<u>93,503</u>	<u>107,539</u>

8. Deferred income

	2020 £	2019 £
Brought forward balance	521,225	539,200
Funding received during the period	700,000	620,000
Released to the profit and loss account in the period	(517,867)	(637,975)
	<u>703,358</u>	<u>521,225</u>

9. Reserves

	Non-distributable capital reserves £	Profit and Loss Account £	Total £
Brought forward 1 July 2019	70,851	-	70,851
Profit for the period	-	-	-
	<u>70,851</u>	<u>-</u>	<u>70,851</u>

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10. Reconciliation of movements in total funds

	£
Brought forward 1 July 2019	70,851
Profit for the financial period	-
Balance sheet as at 30 th June 2020	<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)
Waterfront Hotel	Alex Olmedo – Director of FITB and owner of the Waterfront
Mark Pollard	Stanley Services director as an MLA but not a controlling personal interest

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

	2020 £	2019 £
Falkland Islands Government	25	-
John Clifford	-	40
Waterfront Hotel	-	500

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

Falkland Islands Government	8,992	8,845
International Tours and Travel	13,647	19,633
Waterfront Hotel	2,160	3,921

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 (2019: £0).