

Falkland Islands Tourist Board

Annual Report and Financial Statements

Year ended 30 June 2021

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## Chair's Report

It goes without saying that the success story for 2020/21 was the Government's Tourism Recovery Incentive Programme (TRIP) that was introduced in October 2020 to divert funds and encourage expenditure across the breadth of the tourism sector from accommodation to experiences, eateries to souvenir shops. It of course largely succeeded in its endeavour, and without a doubt kept the wolf from the door for a number of businesses, but we are very aware that one size does not fit all and that it was more successful in some areas than others, and that a second season of much reduced activity and income will take its toll. On a very positive note was what we hope will be the long lasting impact on the residents of the Falklands, awakening a desire to learn more about our surroundings, life outside the environs of Stanley, an awareness of what makes the Falklands attractive as a tourist destination, an increased respect for our environment and wildlife, and the positives of purchasing locally. We sincerely hope that FIG will follow through with a second season of TRIP, as well as an enhanced BFSAI TRIP scheme encouraging the population of Mount Pleasant out to explore and enjoy the Falklands – making them all potential Falklands ambassadors.

A further positive effect of TRIP was a reminder to FITB of the importance of domestic marketing efforts. The staff did a wonderful job of coming up with creative ways to promote and inspire people to make the most of TRIP.

All of the above also encouraged businesses to ensure that their product offering was kept up to standard, and the number of grant applications FITB approved was testament to the buoyancy of the Falklands tourism industry, and the willingness to still invest despite uncertain times. Not only were there many applications for renovations but also some for new builds increasing bed spaces in the Falklands.

Behind the scenes work continued on marketing the Falklands internationally and pressing upon FIG the importance of not letting up so that we remain at the forefront of operators' and the market's mind when borders to reopen. This work included a tough year of negotiation over cruise ships protocol and operations for the 2021/22 summer. Unfortunately, there is some negativity and frustration in this area with the lack of action in relation to the landing area/pontoons at the Public Jetty. Despite many attempts by FITB to move this project forward whilst there was no cruise activity, our enthusiasm was not matched by FIG. This served to highlight the fact that tourism, although touted as one of the Islands' three main industries, unlike agriculture and fishing, lacks a voice within the heart of FIG, with little input/consultation on the impact of Covid regulations being sought from the industry.

We remain hopeful that late 2021 will see a timeline released by FIG on the reopening of our borders and resumption of commercial flights. The Falklands are an ideal destination for post Covid consumer habits – uncrowded and working towards increased sustainability – so let's grasp that opportunity, indeed a lifeline, and give it all we've got.

As always, thank you to the staff of FITB and everyone in the industry for the hard work and perseverance.

S Ellis

Chair

11 November 2021

### Executive Director's report

With the COVID-19 pandemic this has been a year like no other since tourism began in the Islands.

Whilst our statistics tables and charts are not particularly interesting, some of the data, in particular accommodation occupancy and ferry passengers clearly tell a story of domestic tourism being one of the few things to celebrate over the period.

Fortunately, the tourism sector had almost completed the 2019/2020 season before COVID-19 restrictions came into place and there was optimism that things might return to some sort of normal before the 2020/2021 season commenced, however this was not to be a reality.

In September 2020 the Falkland Islands Government announced support schemes designed to specifically mitigate the effects of the global pandemic on the tourism industry in the Islands. There were three main components across eleven schemes.

The eleven schemes comprise:

1. Business Grant Scheme
2. Self-Employed Income Supplement Scheme
3. Job Retention (Furlough) Scheme
4. Unemployment Subsidy Scheme
5. Tourism Recovery Incentive Programme (TRIP)
6. Bounce Back Grant Scheme
7. Deferred Repayment Loan Scheme
8. Leisure visitation feasibility study
9. Business visitation feasibility study
10. Feasibility and scoping study for the Cape Pembroke Lighthouse
11. Feasibility and scoping study for improving the utility of the pontoons at the Public Jetty

The Tourism Recovery Incentive Programme (TRIP) was part of F.I.G.'s solution to supporting both the tourism sector and residents of the Islands during the COVID-19 lockdown season. Over 75% of the population registered for the scheme, which was open to everyone who was ordinarily resident in the Falklands and provided eligible adults with a £500 Digital voucher and eligible children with a £250 Digital voucher to be spent on accommodation, hospitality, and experiences, provided by registered businesses. It also incorporated the BFSAI Trip scheme that provided eligible military personnel with a voucher worth up to £100 and each child between the ages of 2-16 with a voucher worth £50.

The TRIP Scheme came to an end on 31 May 2021 and FITB undertook a survey to try establishing the impact. The results showed:

92.3% of all those who had registered for TRIP and had used their Digital Voucher took at least one accommodation trip.

The average length of each trip was 4.5 nights.

Respondents estimate that TRIP *added* an average of 2.9 nights to their leisure trips.

Therefore, TRIP made the length of leisure trips almost 3 times longer than they otherwise would have been (1.6 nights).

Over one-half (55.6%) said that TRIP should only be operated again if the Islands are closed to foreign visitors, with over one-quarter (27.6%) suggesting a new scheme merging Holiday Credit and TRIP would be beneficial.

Nearly two-thirds (61%) said that they would take a holiday in the Falklands even without the TRIP scheme. This indicates that the scheme has invigorated interest in travelling domestically. Almost one-quarter (24%) said that they would only travel if the TRIP scheme was available.

To support the TRIP Scheme, FITB launched into greater domestic marketing with the local newspaper, radios, and TV Station; prizes offered by the radio stations were for mid-week breaks knowing it businesses might only get weekend bookings.

Whilst FIG is working on the Leisure and Business visitation feasibility studies, FITB have also been working with FIG with IAATO Gateway Committee. Much of this work has been trying to establish protocol that might allow expedition vessels to operate the 2021/2022 season.

FITB also worked alongside FIG to identify ways in which it could assist with helping position the sector to take advantage of demand in 2021/2022 and beyond. To this end FITB reallocated existing budgets to allow:

- An increased level of accommodation grants
- The establishment of special COVID-19 grants aimed at capacity building
- An increased allocation of infrastructure improvement grants
- A new allocation for domestic tourism marketing
- Design, supply, and installation of a set of publicly accessible tourism projects

The public accessible tourism projects were aimed at improving the visitor experiences for visitors to the Islands. Projects included interpretive signage, a new 'Welcome to Stanley' sign, boardwalk extension and new viewing platforms at Gypsy Cove, picnic tables and improvements related to enhancing accessibility.

In previous years goods supplied by local suppliers has been purchased on a sale or return basis. However, to support our local suppliers, FITB are now purchasing the stock outright to stockpile for when we return to some sort of normal season. This will reduce the amount we have to order from overseas and enables the suppliers to continue producing goods that historically sell out a few weeks into a season because of demand for locally produced goods.

Our international marketing efforts continue despite COVID-19 both through traditional and digital methods. At the end of this financial year all trade shows had been held virtually which has proved to be challenging at times. It is likely that the first 'normal' trade show will be WTM London in November 2021.

Our joint publication with Falklands Conservation, A Visitor Guide to the Falkland Islands has now been completed and is available to buy through the Jetty Visitor Centre.

The Tour Guide handbook has also been completed and can be purchased through the Jetty Visitor Centre. This handbook will support the Tour Guide Training course run by Louise Taylor. During this year we ran a weeklong day course as well as our 8-week evening classes. There was excellent take up again and there is already interest for the coming courses later this year.

Work and demand for new trails to be established continues with brochures being completed this year for Darwin, Goose Green and Fox Bay East; brochures for Fitzroy, Port Howard and additional ones around the Stanley area are with the designer.

The COVID pandemic has highlighted consumer awareness in where they are staying and how business operate, and destinations themselves must prove they take sustainability seriously, so we are pursuing Green Destination status. To start this process, we applied to take part in the Top 100 Sustainability Stories Competition for 2021 with Green Destinations. The first step in this process was to have a sustainability assessment to try and get us into the top 100 destinations that entered the competition; to pass the assessment we had to achieve 60% and whilst this does not mean the Falklands ticked every box, it shows that steps are being taken to make us a greener destination. We were successful in getting into the Top 100 and the next step is supplying a Good Practice Story to try and get into the top 10. This must be submitted by 31 July 2021.

FITB has launched *Excellence in Tourism*, its new scheme that incorporates the Accommodation Accreditation Scheme and Green Seal under one umbrella. *Excellence in Tourism* will enable tour operators and food and beverage businesses to join the scheme, which was previously only open to accommodation providers. Basically, the time had come to look at our quality and sustainability schemes and update them. We launched the Accommodation Accreditation Scheme in 2014 and then introduced the Green Seal Scheme in 2018. We haven't had to make too many changes to the accommodation accreditation, however after 3 years of Green Seal inspections it was decided that this assessment framework need work on it to bring it more in line with international standards.

It is very hard to make predictions for international tourist arrivals for the next 12 months due to the uncertain nature of the COVID-19 pandemic. However, at present FITB is expecting a contraction of the leisure tourist market in 2021, with a strong growth bounce-back in 2022, partly driven by the 40<sup>th</sup> Anniversary events. Our assumptions are currently based on FIG opening the borders in early 2022, albeit with continued restrictions. It is anticipated that the Airbridge will be the main mode used by leisure visitors.

At present a total of 25,000 cruise visitors are forecast to visit the Falklands in the 2021/22 season, with very strong growth in 2022/23 because of COVID-19 mainly brought under control and pent-up demand for cruising being unleashed. It has been assumed that in 2021/22 will consist of visits from expedition vessels.

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

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- 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 2021

Overview

For the year ending 30 June 2021 the Falklands, like the rest of the world, has been heavily impacted from the pandemic. We had a season with no international tourists, very few business trips, no flights from South America. This situation has continued to date, and we hope that very soon we will be able to welcome back visitors to enjoy our spectacular islands.

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 2022/23. 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 and we hope 2021/22, has happened for most operators at some level.

Tourism Awards

The tourism awards this year were based solely on the inputs from local residents and were awarded electronically. Once again Steve Massam sculpted an award for us all to be proud of, this year depicting a Striated Caracara. The outstanding contribution of the industry against some of the hardest times ever seen, saw some close run awards. Pebble Island Lodge won two of the coveted awards for Outstanding customer service, and best overall experience from a camp accommodation, and then Riki Evans of Pebble Island Lodge won a further two for Driver and Tour guide of the year, and after an exceptionally busy season for FIGAS, as a result of the TRIP scheme, the award for outstanding contribution went to FIGAS. Sullivan Shipping won the visitor experience award for whale watching, and the Taste of the Falklands went to the Waterfront Kitchen Café. The Stanley accommodation offering the best overall experience award went to Malvina House Hotel.

Tourist Guide Course 2020

Despite a lack of tourists, the course continued to prove popular with both the week long course, and the evening course being heavily subscribed. This saw 20 more tour guides qualified.

Trade fairs

The Falkland Islands Tourist Board attended a selection trade fairs in the however for the first time all of them were virtual attendance. The WTM in London is scheduled for November 21 and this will be the first actual show since the pandemic started. The interest in the Falklands continues to grow.

Finance

## Falkland Islands Tourist Board

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The Board approved a revised budget for 2021/22 of £826,800. This was with a view to utilising previous year's unspent subvention requests and profits from the JVC.

Tourism Accommodation grants awarded in the year totalled £331,463, this is 47% of the annual subvention. The amount invested by the industry was even higher and this confidence is acknowledged and welcomed by FITB.

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 2021 FITB had net current assets of £70,851. 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.

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 Completed term on 17<sup>th</sup> October 21</i> <b>Vice Chair</b> <i>Alex Olmedo</i>	Appointed by Government for 2 years
<b>Member of Legislative Assembly</b> <i>Mark Pollard replaced by Gavin Short 9<sup>th</sup> November 2021</i>	Nominated by MLAs collectively
<b>FIG Head of Policy</b> <i>Andrew Gaule replaced by David Jeffrey</i>	Automatically a member
<b>FITB Executive Director</b> <i>Steph Middleton</i>	Right to attend (Non-voting)



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**Co-opted Member**

*Carli Sudder*

**Co-opted Member**

*Tim Miller (Appointed 18<sup>th</sup> February 2021)*

**Co-opted Member**

*Andrea Barlow (Appointed 8<sup>th</sup> February 2021)*

**Co-opted Member**

*Morgan Goss*

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 2021 to ensure that they give a true and fair view and that the financial controls and processes in place are sufficient.

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 2021 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.

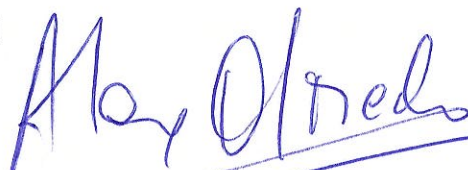
The Falkland Islands Tourist Board Ordinance 2014 requires the organisation to prepare financial statements for each financial year. In preparing those financial statements, the Falkland Islands Tourist Board members are required to:

- 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 9<sup>th</sup> December 2021

Signed on behalf of the Falkland Islands Tourist Board



## **Opinion**

We have audited the financial statements The Falkland Islands Tourist Board (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, balance sheet and 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 Falkland Islands Tourist Board Ordinance 2014.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its result for the year then ended; and
- have been prepared in accordance with 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

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

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

## **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that



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

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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

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

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

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

### **Use of the audit report**

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

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

90 Victoria Street, Bristol, BS1 6DP

Date 22 December 2021



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Profit and Loss account

	<u>Notes</u>	<u>Year ended</u> <u>30 June 2021</u>	<u>Year ended</u> <u>30 June 2020</u> £
TURNOVER		26,454	192,878
COST OF SALES		(10,975)	(108,584)
GROSS PROFIT		15,479	84,294
ADMINISTRATIVE EXPENSES		(871,245)	(602,161)
OPERATING LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(855,766)	(517,867)
OTHER OPERATING INCOME	3	855,766	517,867
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.

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Balance sheet

	<u>Notes</u>	30 <sup>th</sup> June 2021		30 <sup>th</sup> June 2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4	141,408		153,822	
<b>CURRENT ASSETS</b>					
Stock	5		97,400		78,613
Debtors	6		30,243		41,881
Cash at bank and in hand			620,490		593,396
			<hr/>		<hr/>
			748,133		713,890
<b>Creditors -</b>					
due within one year	7		(271,098)		(93,503)
			<hr/>		<hr/>
<b>NET CURRENT ASSETS</b>			477,035		620,387
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<hr/>		<hr/>
			618,443		774,209
Deferred Income	8		(547,592)		(703,358)
<b>NET ASSETS</b>			<hr/>		<hr/>
			70,851		70,851
<b>CAPITAL AND RESERVES</b>					
Non-distributable capital reserve	9		70,851		70,851
Profit and Loss account	9		-		-
<b>SHAREHOLDERS' FUNDS</b>	10		<hr/>		<hr/>
			70,851		70,851

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

9<sup>th</sup> December 2021

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 26<sup>th</sup> 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 2021	Year ended 30 June 2020
	£	£
Auditors remuneration: audit	6,900	2,920
Depreciation of tangible fixed assets	21,037	23,256
Other operating income – grants released to profit and loss	(855,766)	(517,867)

## 4. Tangible fixed assets

	Land and Buildings £	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
B/fwd 1 July 2020	199,650	34,865	64,912	24,214	323,641
Additions	3,784	3,742	1,097	-	8,623
Transfers	5,325	1,017	(6,342)	-	-
Disposals	-	-	-	-	-
<b>At 30 June 2021</b>	<b>208,759</b>	<b>39,624</b>	<b>59,667</b>	<b>24,214</b>	<b>332,264</b>
<b>Depreciation</b>					
B/fwd 1 July 2020	77,087	32,561	49,634	10,537	169,819
Charge for year	6,263	2,734	5,986	6,054	21,037
Disposals	-	-	-	-	-
<b>At 30 June 2021</b>	<b>83,350</b>	<b>35,295</b>	<b>55,620</b>	<b>16,591</b>	<b>190,856</b>
<b>NET BOOK VALUE:</b>					
At 30 June 2021	125,409	4,329	4,047	7,623	141,408
At 30 June 2020	122,563	2,304	15,278	13,677	153,822



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5. Stock

	2021 £	2020 £
Goods for resale	97,400	78,613

6. Debtors

	2021 £	2020 £
Amounts due within 12 months:		
Trade debtors	3,475	1,815
Other debtors	-	622
Prepayments	26,768	39,444
	<u>30,242</u>	<u>41,881</u>

7. Creditors – Amounts falling due within one year

	2021 £	2020 £
Trade creditors	26,181	40,915
Accruals	244,917	50,803
Other creditors	-	1,785
	<u>271,098</u>	<u>93,503</u>

8. Deferred income

	2021 £	2020 £
Brought forward balance	703,358	521,225
Funding received during the period	700,000	700,000
Released to the profit and loss account in the period	(855,766)	(517,867)
	<u>547,592</u>	<u>703,358</u>

9. Reserves

	Non-distributable capital reserves £	Profit and Loss Account £	Total £
Brought forward 1 July 2020	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 2020	70,851
Profit for the financial period	-
Balance sheet as at 30 <sup>th</sup> June 2021	<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
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:

	2021 £	2019 £
Falkland Islands Government	-	25
International Tours and Travel Limited	-	-
Waterfront Hotel	-	-

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

Falkland Islands Government	8,833	8,992
International Tours and Travel	1,146	13,647
Waterfront Hotel	298	2,160

As at the year end there were no debtor balances with related parties. However FITB owed Falkland Island government £456.

During the year expenses of £0 were paid to one director (2019: £0).

#### 12. Liabilities

As at 30 June 2021 there is a liability for the lease of the building and car park of £120 per annum.

Less than 1 year	120
2 – 5 years	600



