

FALKLAND ISLANDS
DEVELOPMENT CORPORATION



energy



finance



innovation



people



advice

2015/16 Annual Report

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2015/16 ANNUAL REPORT

Vision

FIDC desires that the Falkland Islands has a highly successful, diverse and sustainable economy, which is based on a dynamic private sector and reflects the island's culture, identity and environment.

& Mission

In order to achieve our Vision of developing a highly successful, diverse and sustainable economy for the Falkland Islands, the Corporation's Mission is as follows;

- i. To advise on and implement the economic strategies of the Falkland Islands Government;
- ii. To play a key role in enabling the private sector to successfully secure and maximise new and existing business opportunities;
- iii. To encourage a dynamic private sector and promote joint public and private sector initiatives;
- iv. Add value across all sectors of the economy, both in existing and traditional businesses, as well as emerging ones;
- v. Coordinate the engagement between the public sector and private sector.

Foreword

BY THE CHAIR



This is the first Annual Report to be delivered by the recently restructured Board of the Corporation. It covers the first twelve months of our operation under the new FIDC Ordinance.

“All necessary governance and structural changes have now been implemented and I am confident that we now have in place an organisation that is capable of delivering a first class service to our customers.”

The introduction of a new Ordinance and Board were the culmination of over 18 months close work between the FIG Policy Unit, FIG Internal Audit and FIDC. This has enabled FIDC to take on a more strategic relationship with the Falkland Islands Government and focus on fulfilling its economic development role.

All necessary governance and structural changes have now been implemented and I am confident that we now have in place an organisation that is capable of delivering a first class service to our customers.

During these first 12 months we have continued to deliver on the business plan prepared and adopted by the previous Board. The business plan is very much driven by the Islands Plan and the three key economic development strategies adopted by FIG. These strategies are due for review, which will be updated and the Corporation Board will be very much involved in contributing towards that process. The Corporation has during the year been hampered by the familiar challenges of recruiting staff. However, I am pleased to report that most of our key positions are now filled by professional and experienced personnel.

Our grateful thanks go to Rob Granger who has ably completed the task of overhauling and systemising our financial administration.

The Board and I would also like to recognise here the enormous contribution that Martin Slater has made during his time in post. He and his team have an exciting and challenging year ahead, and we look forward to supporting them in achieving their objectives in the coming year.

Hamish Wylie

CHAIR OF THE FIDC BOARD

Board Members



Hamish Wylie

Chair of the FIDC Board of Directors

Hamish Wylie has been active in most sectors of the Islands' economy during the past 30 plus years. He has been an active member of the Islands' Chamber of Commerce for over 20 years, and sat on the FIDC Board during the 90's and again more recently before taking up the position of Chair. Hamish has always been a strong advocate for the need to have an effective Falkland Islands Development Corporation to facilitate and support private sector growth, and to identify and remove barriers to that growth.



Steve Dent

Vice-Chair

Steve Dent has only recently made the move to the private sector following a long stint at various levels within the Falkland Islands Government. Following the move into the private sector, Steve has been an active member of the Falkland Islands Chamber of Commerce, serving on the Chamber Board for the

last two years. Steve is an active entrepreneur, and has involvement at Director Level with a number of small businesses both locally and overseas.

Steve has been a strong advocate for small businesses in the Falklands and is known for his enthusiasm for getting small businesses to grow, develop and actively participate in new markets. Steve has been strong supporter of FIDC for many years and serves as Vice-Chair, working alongside others to strive to keep FIDC at the forefront of economic development in the Falkland Islands.



Andrew Pollard

Appointed Member

Andrew Pollard has over 20 years' experience working within the primary industries of agriculture and fisheries. Whilst the majority of his employment has been spent working for the Falkland Islands Government, in recent years he was employed as the Executive Secretary for the Falkland Island Fishing Companies Association and now as General Manager for Falkland Landholdings Corporation. Andrew is also a Director of the Falkland Islands Meat Company and the Falkland Islands Wool Company. Whilst Andrew welcomes the development of a hydrocarbons industry, the opportunities and optimism to enhance the sustainable economic benefits from its primary industries, make it exciting times for these Islands.



Dr Andrea Clausen

Co-opted Member

Dr Andrea Clausen is relatively new to the private sector, becoming a business owner/operator in 2010. However since then Andrea has also successfully bid for and been awarded one of the Government's outsourced services, the Post Office. Since joining the private sector Andrea has been an active member of the Chamber of Commerce and has recently taken up the position of Vice-Chair of the Chamber of Commerce. During her term as a Member of the Legislative Assembly (2005-09) Andrea served as Chair of the Development Board for two years. Andrea advocates a capable and competent Development Corporation that will promote and support both new and not so new businesses in order that they reach their full potential.



Eugene Hurley

Co-opted Member

Eugene Hurley has been active in shipping for over 25 years, in the development of new markets, the establishment of effective supply chains and the sustainability of services.

Since arriving in the Falkland Islands over four years ago, and with his involvement in the shipping sector here, Eugene sees the need for integration of key sectors in ensuring that we utilise available resources, convert opportunities and provide a means of supporting business into the future, for which FIDC is an ideal platform.



Eva Jaffray

Co-opted Member

Eva Jaffray is a Falkland Islander who has been educated in the Islands and went on to study A-Level Science and Engineering in the United Kingdom. Upon completion of her studies she spent some time living in Manchester, England. In 1999 Eva returned to the Islands and has spent most of her working career in the private sector as a Senior Manager for the Falkland Islands Company. In 2015 Eva was appointed as a Justice of the Peace. Eva has a keen interest in the social and economic development of the Islands and is highly supportive of young entrepreneurs and their business development.



Andrew Newman

Co-opted Member

The majority of Andrew's career to date has been with the Falkland Islands Government, with 23 years in a number of aviation roles and finally as Director of Civil Aviation and Head of Regulatory Services. Andrew, now a Director in the private sector for Argos Ltd and Argos Developments, carrying out various functions ranging from vessel management and logistics to Oil and Gas support and private property development. Andrew offers his experience to the Board and would look forward to seeing certain initiatives through to fruition, such as alternative air access which he assisted within his Government role.



Jan Cheek

Portfolio Holder MLA

As the Assembly trade and industry portfolio holder, Jan Cheek has chaired the Development Board through its transition to a more autonomous role. Dedicated to seeing sustainable development, she has been heavily involved on the FIG side of our potential oil industry. A Member of Legislative Assembly for more than fourteen years, Jan's background in education and more recently as a director of several boards in fishing, tourism and retail business means she brings a breadth of useful experience and knowledge.



Nic Granger

FIG Financial Secretary

As Financial Secretary, Nic sits on the Board in an ex-officio role. As the senior finance officer for the Falkland Islands Government and Member of the Legislative Assembly, as well as the Commissioner of Taxation, she is well placed to understand the importance of economic development for the Falklands economy, and uses her nine years' experience with FIG, as well as her professional accountancy qualification and MBA, to provide expert advice and support to the Board.



Keith Padgett

FIG Chief Executive

Keith arrived in the Falkland Islands in 2001 to take up a position in the Falkland Islands Government Treasury. He has over 40 years' experience in the public service culminating in his present appointment as Chief Executive of the Government in 2012. He has advised the Board throughout his time in the Islands and was the Executive Vice-Chair for over three years. Keith was instrumental in driving the modernisation of the Falkland Islands Development Corporation in recent years and guided the implementation of the Ordinance which established the current Corporation.

Foreword

BY THE MANAGING DIRECTOR

The enactment of the FIDC Ordinance on 1st July 2015 marked the beginning of a new era for the Corporation. The transition to the Corporation's new independent operating status went smoothly and, having carefully followed the prescribed process for appointing and co-opting our new Board Members, the first meeting of the FIDC Board took place on the 23rd of July 2015.

Whilst the Corporation continues to work on improving its operational management, with these important changes now fully embedded, FIDC has been able to take a more outwardly focused approach in support of economic development in the islands.

Delivering against the aims and objectives set out in our Business Plan has proved both challenging and rewarding for FIDC, with some significant achievements over the past 12 months.

Notable successes include;

- The development of a loan strategy that meets the needs of borrowers and contributes to the economic development of the Falkland Islands; subsequently FIDC has provided eight business owners with access to the finance they need to start or grow their business, securing approval for loans to the value of £402,902.
- In addition to the provision of loan funding, the Corporation has provided over £48,000 in grant funding across 12 local firms. These funds were used to help with the costs of professional legal advice, training opportunities for staff and other support needed to start or grow a business.
- Working in partnership with the Chamber of Commerce and

the Rural Business Association, the sixth biennial Business Climate Survey was completed in June 2016. A total of 239 businesses were asked to complete the survey and the 43% rate of return is the highest yet. The full report has been published and the Corporation will be carefully reviewing the results to monitor the impact its having and ensure it continues to improve the service and support provided to local businesses.

“ FIDC has been able to take a more outwardly focused approach in support of economic development in the islands ”

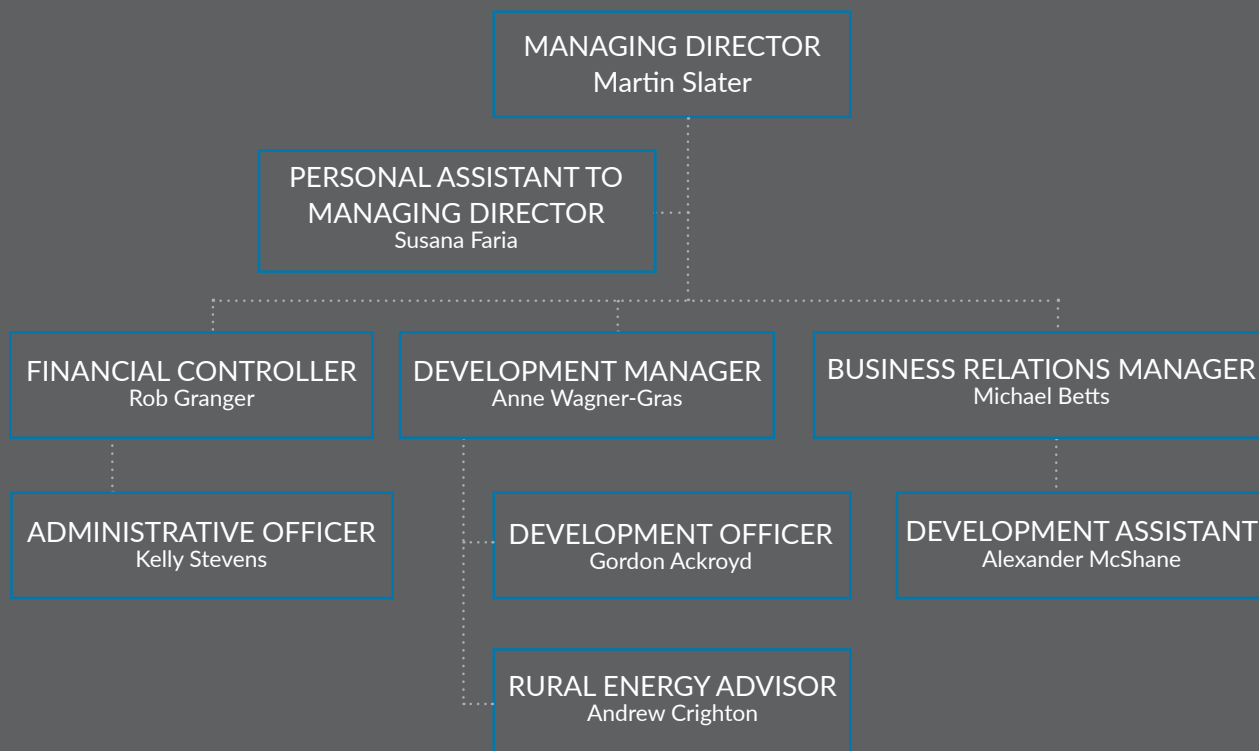
- As part of an on-going commitment to the delivery of the Rural Development Strategy a number of key projects have been progressed. Working with the RDS Steering Group, FIDC has helped secure Executive Council approval for the refurbishment of the Old Manager's House and supported the adoption of the Fox Bay Masterplan, which will provide a framework for future physical development in the Settlement.

- Alongside the work carried out in support of the Rural Enterprise Zone at Fox Bay, there have been a number of initiatives progressed across Camp. Working in partnership with RDS Steering Group Members and Camp residents, FIDC has delivered water system improvements, introduced new energy schemes, and established Rural Energy partnerships across the Islands to trial a range of renewable energy technologies. In addition, six RDS Capital Development grants, totalling £28,515, have been approved during the period.

You will find full details of these and many other initiatives within this year's annual report including details of our work on innovation and the submission of a pilot project application to the Association of Overseas Countries and Territories (OCTA) which, if successful, will provide EU funding to help implement the strategy recently approved by Executive Council.

In closing, I would like to thank everyone at FIDC for their commitment and our Board Members for their guidance and support.

Martin Slater
MANAGING DIRECTOR



Martin Slater
Managing Director

Martin started his career with the Royal Air Force serving for 12 years, including five years in Northern Germany and a short but memorable time at Lookout Camp in the Falkland Islands in the mid-1980s.

Returning to Norfolk in the mid-1990's he joined the County Council and within four years became Catering Operations Manager, directing commercial catering operations across the county.

One of his achievements during his time there included setting up the catering and conferencing operations at the University of East Anglia (UEA) Sportspark, an £18 million sports

and conferencing facility. The day Her Royal Highness the Princess Royal opened the facility is one he is very proud of.

Martin studied in his spare time for a Diploma in Management Studies at City College Norwich and then went on to successfully complete a Master's degree in Business Administration at the University of East Anglia, passing with a Distinction in 2005.

Prior to his arrival in the Falkland Islands in October 2013, Martin worked as Programme Manager for the Borough Council of King's Lynn and West Norfolk, developing the area's Local Strategic Partnership and working with colleagues to deliver quality of life improvements for people living in West Norfolk.

Accompanying his partner to the Islands, Martin secured employment locally with FIDC in October 2013, and was appointed interim General Manager in December 2013. He became the substantive post holder on the 1st

July 2014. With the introduction of FIDC's new Ordinance on 1st July 2015, he is now the Development Corporation's Managing Director.

Martin considers himself fortunate to have been able to meet and learn from people working in tourism, farming and other industries and hear first-hand about the opportunities for people living in the Falklands. Outside of work he has been able to visit settlements on both East and West Falkland and a number of the outer Islands including Beaver and New Island.

Amongst his personal achievements he includes; catching a sail fish off the coast of Kenya, trekking the Inca Trail to Machu Picchu, and working with a school in West Norfolk as Chair of Governors where, in recognition of the effort that everyone had put in, the school achieved a 'Good' rating from Ofsted following their October 2013 inspection.



Susana Faria

Personal Assistant to the Managing Director

Susana (Sue) is the Personal Assistant to the Managing Director providing executive-level assistance. Sue's responsibilities include management of appointments and meetings for the Managing Director and human resource duties, which includes recruitment administration and maintenance of personnel records.

Sue started work for the Corporation in 2007 as a Bookkeeper, before seizing the opportunity to advance her career within the organisation in 2012, where she transferred roles to become the Personal Assistant. Sue is proficient in Microsoft Office Software Packages (Outlook, Word, Power Point and Excel).



Rob Granger

Financial Controller

Prior to arriving in the Falklands Rob trained with RSM Robson Rhodes (now part of Grant Thornton) working in internal and external audit in the public and private sectors. He then spent two years working for Swindon Borough Council and a further two at North Wiltshire District Council before arriving in the

Islands in 2007 to take up the role of Chief Internal Auditor with FIG.

In December 2013 Rob was asked to cover the vacant position of Financial Controller at FIDC while a permanent replacement could be found, and finding he enjoyed the job, Rob applied for the role in June 2014 and started substantively in post in October 2014.

A qualified accountant and auditor, as well as project and programme manager, Rob oversees the finance function and helps support the other members of the Senior Management Team towards, or in achieving the organisation's objectives.



Kelly Stevens

Administrative Officer

Kelly Stevens was born in the Islands. After leaving school in 2010, she worked at Stanley Kids Zone for two years and thoroughly enjoyed looking after children aged between 3 and 13 months. After she turned 18 she went to FIC for 3 months to gain some office based experience before becoming FIDC's Bookkeeper in February 2013. She has recently started an ACCA accounting course and has a clear plan of where she wants her career to go, with no intentions of leaving anytime soon.



Anne Wagner-Gras

Development Manager

Anne joined the Corporation in March 2015 as the new Development Manager, after working on the Business Plan in January on a consultancy basis. She passed a Master's Degree in Applied Economics and a Diploma in International Trade from the Institute of Political Sciences of Paris – Science PO. She has a solid experience of ten years working on the design and implementation of policies and projects to promote economic growth and business development, particularly in the agriculture and food processing sectors.

Through her experience in the non-governmental sector and in public administration in Europe and in developing countries, she has acquired a great ability to work with a range of stakeholders from the public and the private sectors and to adapt to very different contexts.

She considers the Development Manager position as a strategic one, given its close relationship with a wide range of stakeholders in both public and private sectors. As line manager of both the Rural Energy Advisor and Development Officers she is able to fully realise FIDC's commitment towards the promotion of a highly successful and diverse economy.



Gordon Ackroyd

Development Officer

Gordon Ackroyd has just moved to the Islands, from social and economic development work in Cornwall, UK.

Originally an entrepreneur in creative advertising and marketing, where he started one of the first advertising agencies specialising in the charity sector, Gordon went on to a career focusing on business development for cooperative, community and social enterprises.

Following a recent return to university in Bristol, taking the second of his first-class degrees in Politics and International Relations, Gordon has worked on projects as diverse as defence sector training, improving profitability and customer service in catering businesses, start-up advice programmes for micro and small enterprises and local democratic reform in South America.

Outside of work, Gordon is keen to introduce his eight-year old daughter to the nature of the Falkland Islands, and is wondering if his wife will join him to catch some waves at Surf Bay.



Andrew Crighton

Rural Energy Advisor

Andrew was born and raised in the Scottish Borders, educated

in Earlston before moving to Aberdeen in 2000 to Study Mechanical Engineering at The Robert Gordon University. After graduation, Andrew worked in a number of engineering positions before returning to University in 2009 to study for a Masters in Renewable Energy Engineering at Heriot Watt University in Edinburgh.

Since 2010 Andrew has worked as both a Renewable Energy Consultant and Renewable Energy Project Manager working in a variety of Renewable Energy Technologies. This means he has excellent knowledge and understanding of the whole process from technology selection, design, planning, survey, installation and operation and maintenance.

Andrew hopes he has passed on this knowledge and understanding of the sector to the population of the Falkland Islands since arriving in April 2015.

Andrew likes to keep active and is a keen rugby player and coach.



Michael Betts

Business Relation Manager

Michael Betts is an Islander who has been at FIDC for seven years and is currently the Business Relations Manager. This involves an eclectic mix of work involving project management, public and industry relations and strategy work. He has been involved in a number of projects including international air and shipping links, hotel and lodge development, credit unions, waterfront development and innovation. He earned a BA in Business Studies from Nottingham Trent University

and aims to begin an MBA in the near future.

Michael's passion outside of work is football and he plays an active role in the sport in the Islands. His proudest moment was being part of a team that took the Falkland Islands Under 12s boys team to Chile for a tournament in 2014.



Alexander McShane

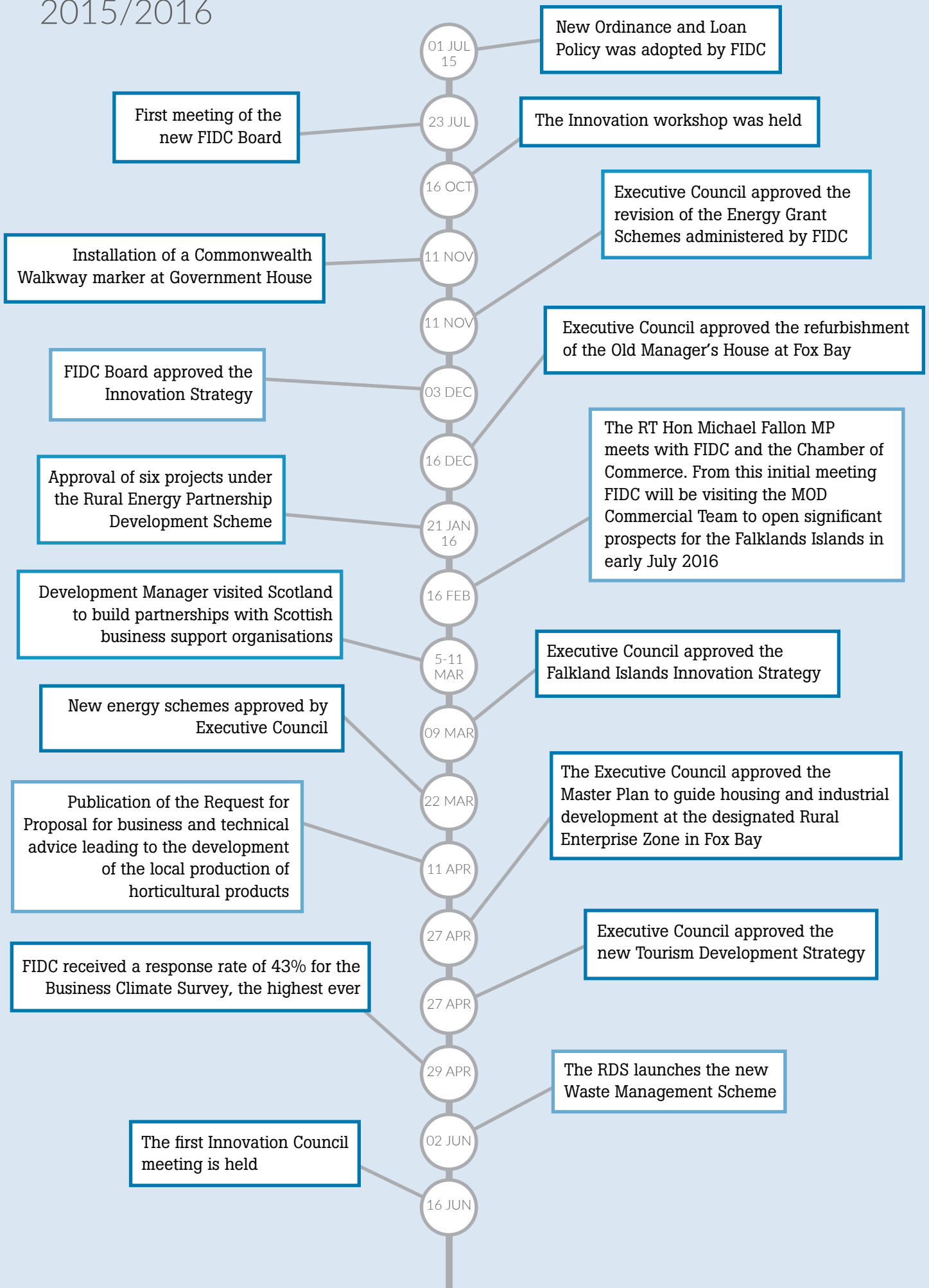
Development Assistant

Alex joined the Corporation in February 2016 as the new Development Assistant. Alex has a degree in Business Studies from Huddersfield University, which he completed in late 2013. Upon finishing university, he spent a few years in IT recruitment and hospitality businesses before deciding that he wanted his work to focus on economics - one of his one of his favourite subjects. He found an opportunity at FIDC, and decided to move to the Falklands to live and work. Alex is now running the Youth Entrepreneurship Scheme (YES) and he is working with the Business Relation Manager on a number of other projects.

Since arriving, Alex has been getting up to lots of driving in Camp, peat cutting, and building a new house, all of these he would never of dreamed he would be able to do in the UK.

MILESTONES REACHED

2015/2016



KEY FIGURES

2015/16

Number of approved loans **8**

Total value of approved loans **£402,902**

Average loan value **£50,363**

Number FIDC grants **12**

Value FIDC grants **£48,437**

Average FIDC grant **£4,036**

Number RDS grants **6**

Value RDS grants **£28,515**

Average RDS grant **£4,752**

Number of Energy grants **20**

Value of energy grants **£26,860**

Average energy grant **£1,343**

Key Performance Indicator	Baseline	Target for 2015/16	Actual for 2015/16	Percentage Completion
1 Number of clients who seek business advice from FIDC increases.	27 (Sept-Dec 2014)	90	91	101%
2 Percentage of clients who are satisfied with the business advice provided by FIDC.	Not collected (New)	75%+ satisfied	NA	NA
3 Ensure the process of loan and grant applications, from submission of application to Credit Committee approval, is completed within six weeks.	Not collected (New)	100%	94%	94%
4 Ensure project Monthly Reports are submitted to the Development Assistant within the first five working days of each month.	75%	100%	10/12	83.3%
5 Submit (at least) one Monthly Summary Project Progress Report to each FIDC Board Meeting.	0%	100%	0/12	0%
6 Percentage of Business Climate Survey respondents that select 'Access to Finance' as a barrier to business growth decreases.	5.4%	3.5%	3.8%	+0.3%
7 A percentage of the RDS budget is spent against the RDS actions.	27% (2013/14)	75%	68%	91%
8 Annual accounts prepared to statutory deadlines and signed off.	Dec 2014	Dec 2015	Dec 2015	NA
9 Annual subvention request completed, approved by FIDC Board and submitted to FIG within agreed timeframe.	Jan 2014	Dec 2015	Dec 2015	NA
10 Monthly management accounts compiled, checked by Financial Controller and distributed to staff within 5 working days of start of the month.	Not collected (New)	90%	91.5%	NA
11 Loan arrears as a percentage of loan income receivable does not exceed 5%.	2.28%	<2.5%	2.74%	NA
12 Undisputed invoices paid within 5 days of receipt.	Not collected (New)	95%	50%	NA

KEY PERFORMANCE INDICATORS

1 Number of clients who seek business advice from FIDC increases

A total of 91 clients have sought business advice from FIDC, with 49 of them specifically looking for finance and 42 seeking business advice only. It is worth noting that throughout the year, an increasing number of clients referred purely for focused follow-up business advice, which is an encouraging trend that FIDC will look at reinforcing in the future.

2 Percentage of clients who are satisfied with the business advice provided by FIDC

A Customer Satisfaction Survey has been sent to 44 clients who have sought business advice in the 2014/15 financial year. Based on the 11 surveys that were returned, 10 respondents indicated that they were satisfied (5) or very satisfied (5) with the advice provided by FIDC.

3 Ensure the process of loan and grant applications, from submission of application to Credit Committee approval, is completed within six weeks

Eight Credit Committee meetings have taken place for the 2015/16 financial year, with a total of 16 applications submitted and approved. In 15 cases, the process from the submission of the application to approval was completed within a maximum of 6 weeks. Only in one case, the process took 6 weeks and 2 working days, which is just over the limit agreed for the corresponding KPI.

4 Ensure project Monthly Reports are submitted to the Development Assistant within the first five working days of each month

The FIDC project management system requires each Project Manager to complete a progress report for their project on the previous month and submit it to the individual managing the process within the first five working days of the month. The Project Managers have failed to produce the progress reports within the agreed time limit on two occasions.

5 Submit (at least) one Monthly Summary Project Progress Report to each FIDC Board Meeting

The 'Monthly Summary Project Progress Reports' are not submitted to FIDC Board in full, however, the content has been used to fully brief the Board on the progress on all FIDC projects.

6 Percentage of Business Climate Survey respondents that select 'Access to Finance' as a barrier to business growth decreases

In the 2014 edition of the Business Climate Survey, respondents, when answering the question 'What do you believe are the five main barriers to growth for your business?', 'Access to Finance' received 5.4% of the selections. In the 2016 survey, a total of 3.8% of the selections were for 'Access to Finance', representing a 1.6% decrease.

7 A percentage of the RDS budget is spent against the RDS actions

A total of 67% of the RDS budget has been spent against the RDS actions. This figure is based on the revised RDS budget for 2015/16 which is significantly higher than the original as it includes underspends from the 2014/15 budget and other, re-prioritised, funds. Most of the underspends are linked to several grant schemes which have been undersubscribed so far, as opposed to projects for which funds have been mostly spent.

8 Annual accounts prepared to statutory deadlines and signed off

The accounts were prepared in time for audit and were signed off by the Board on 3rd December and by the external auditors on 4th December 2015.

9 Annual subvention request completed, approved by FIDC Board and submitted to FIG within agreed timeframe

The annual subvention request was approved by the Board at its December meeting and all necessary paperwork was completed at that time by FIDC. FIG extended the deadline for submission to 29th January 2016 and the unchanged documents were submitted in advance of that deadline.

10 Monthly management accounts compiled, checked by Financial Controller and distributed to staff within 5 working days of start of the month

Due to a computer issue which required the assistance of our IT provider the accounts for the first month of the financial year were delayed by one day. Since then accounts have been sent out within the required timeframe.

11 Loan arrears as a percentage of loan income receivable does not exceed 5%

This KPI was running at 1.4%, with arrears relating to payment gaps for two clients who had since resumed payments. Two days prior to the end of the year, a borrower missed the repayment of a working capital loan which increased the arrears above the target. The borrower had been contacted in advance of the repayment date to remind them however no payment was received.

12 Undisputed invoices paid within 5 days of receipt

Monitoring of this KPI has identified changes to be made to the operations within the organisation. Though only 50% of invoices were paid within the target of five days, the average for all invoices is six days. Issues have been identified with certain routine suppliers where officers are not raising purchase orders at the point of commitment delaying the payment process.

JULY	1	Implementation of the new FIDC Ordinance and adoption of a new FIDC Loan Policy
	17	Energy Survey completed
	23	FIDC Board Meeting
	28	FIMCo Board Meeting
	30	RDS Steering Group Meeting
AUGUST	7	Review of Ferry and Coastal Shipping Service completed
	12	Joint FIG-FIDC workshop in Goose Green to discuss energy and management issues
	17	Merchant Banking Survey
	24	Credit Committee Meeting
SEPTEMBER	28	FIDC Board Meeting
OCTOBER	15	Credit Committee Meeting
	16	Innovation Workshop was held
	20 - 21	Rural Energy Advisor presented at OCTA's Information Day on behalf of the Falkland Islands
	29	RDS Steering Group Meeting
	29	Launch of the Rural Energy Partnership Development Scheme
NOVEMBER	3	Waterfront Working Group Meeting
	11	Executive Council approved Energy Strategy
	11	Executive Council approved the revision of the Energy Grant Schemes administered by FIDC
	11	A Commonwealth Walkway Marker was installed at Government House
	16	Credit Committee Meeting
	16	FIDC submits Pilot Project Concept Note to OCTA
	20	FIMCo Board Meeting
DECEMBER	3	FIDC Board Meeting
	3	FIDC Board approves the Falkland Islands Innovation Strategy
	3 - 4	Joint FIG-FIDC workshops in Fox Bay, Port Howard and Hill Cove to discuss energy and waste management issues and the new building regulations
	7	Waterfront Working Group Meeting
	16	Executive Council approved the refurbishment of the Old Manager's House at Fox Bay

Falkland Islands Development Board
[Rural Development Strategy](#)
 Innovation
[Falkland Islands Meat Company](#)

2016

JANUARY	12	Commonwealth Walkway unveiled by the Princess Royal
	13	Falkland Islands Innovation Strategy submitted to OCTA
	14	Falkland Islands Innovation Pilot Project Application submitted to OCTA
	14	FIMCo Board Meeting
	21	RDS Steering Group Meeting
	21	Approval of six projects under the Rural Energy Partnership Development Scheme
FEBRUARY	1	Alexander McShane joins FIDC as Development Assistant
	1	Immigration Medical Form Survey is launched
	4	FIDC Board Meeting
	16	The RT Hon Michael Fallon MP meets with FIDC and the Chamber of Commerce
	26	Credit Committee Meeting
	MARCH	5 - 11
9		Executive Council approve the Falkland Islands Innovation Strategy
22		New energy schemes approved by Executive Council
30		FIMCo Board Meeting
APRIL	1	Business Climate Survey 2016 is launched
	7	FIDC Board Meeting
	11	Publication of the Request for Proposal for business and technical advice leading to the development of the local production of horticultural products
	19	Credit Committee Meeting
	19	The Chair of the Chamber of Commerce receives letter from the RT Hon Michael Fallon MP that expresses his wishes for more business between MPC and Stanley
	27	Executive Council approved the Master Plan to help guide housing and industrial development at the designated Rural Enterprise Zone in Fox Bay
	27	Executive Council approved the new Tourism Development Strategy
	28	RDS Steering Group Meeting
MAY	18	FIDC meets with four members of the Joint Forces Command Commercial team
	19	The Chamber of Commerce holds an MPC Procurement Workshop attended by the four members of the Joint Forces Command Commercial team
	20	Launch of the new Energy Grant Schemes
	26	FIMCo Board Meeting
	27	Gordon Ackroyd joins FIDC as Development Officer
JUNE	2	Launch of the new RDS Waste Management Scheme
	9	FIDC Board Meeting
	9	FIDC organised a web based Marketing Workshop attended by 9 representatives of the local business community
	14 - 16	Rural Energy Advisor attends the second Sustainable Energy Ministers summit hosted by OCTA
	16	Innovation Council holds its inaugural meeting
	23	FIDC Rural Energy Advisor hosted an Energy Talk

FOCUS ON ENERGY

PROJECT LED BY FIDC

BY THE RENEWABLE ENERGY ADVISOR

Within the last financial year, FIDC has led a review of the current renewable energy schemes and coordinated work with partners and stakeholders to explore, trial, and promote different cost-effective renewable energy sources. To manage this project, Andrew Crighton was appointed as the Rural Energy Advisor at FIDC in April 2015. This Energy Project forms a key component of the RDS Action Plan 2014 – 2017. The Rural Energy Advisor has progressed the following actions since his appointment.

Energy Advice

The Rural Energy Advisor has visited many rural businesses around the Falkland Islands, helping them understand their current energy systems and advising them on ways to upgrade and improve system efficiencies. The advice has not been restricted to rural businesses, as the Rural Energy Advisor has also been available to Stanley based businesses seeking advice to review their energy systems. The Rural Energy Advisor has also completed, on behalf of FIG, a full energy survey of Fox Bay Village. The survey concluded with recommendations to improve the cost-efficiency of the electricity generation equipment in place, which FIG is considering taking forward.

Energy Grants

The Rural Energy Advisor has conducted a full review of the Energy Grant Schemes administered by FIDC. The review started with a familiarisation tour of the rural community, discussing with residents and businesses the current schemes and getting their suggestions to improve their relevance. This led to the RDS Energy Survey for residents and businesses of the Falkland Islands to provide feedback on their energy systems and the different energy grant schemes available. The RDS Energy Survey closed in July 2015, with 75 responses being received. Based on the results of the survey, a full review of the energy grant schemes was carried out with the following revisions being approved by Executive Council on 11th November 2015. The major revisions to the different schemes are;



Battery bank - Johnson's Harbour





Wind Turbines - Goose Green

Rural Energy Grant Scheme

The scheme now includes any renewable energy technology and is no longer restricted to wind power.

Domestic Electricity Safety Check and Improvement Grant Scheme

The scheme includes updates on the eligible costs, in particular covering the travel expenses of the electrician in the cost of the safety check in order to ensure more rural properties benefit from this scheme.

Thermally Efficient Homes Grant Scheme

The scheme has changed from covering just insulation and now also includes any material that will improve the thermal efficiency of a domestic property. It allows an applicant to reapply every 12 months, in order to gradually improve the thermal efficiency of their home.

Based on the outcome of the survey, the Rural Energy Advisor has proposed two new grant schemes which were agreed by Executive Council in March 2016.



Rural Energy Additional Generation Grant scheme

As part of the RDS Energy Survey, a number of respondents had stated the size of their energy system was limiting the development of their business. This scheme offers assistance to businesses that have already received the Rural Energy Grant to install additional generation capacity where it is beneficial to their development.

Thermal Energy Grant Scheme

The aim of this scheme is to aid domestic property owners to install a renewable energy technology as a secondary source of heating. The reason for the introduction of this scheme is because the average household in the Falkland Islands spends approximately twice as much on heating their home as on electricity for lighting. This scheme is designed to reduce this spend.

Energy Loans

The final stage of the review was for the Rural Energy Advisor to propose the introduction of Energy Loans within FIDC loan portfolio. The Energy Loans enable any business within the Falkland Islands to have access to funding to purchase part or a full energy system. Urban businesses are however limited on electrical systems to backup systems only. The loan scheme has been designed so the application process is streamlined and less onerous for applicants.

Andrew Crighton

RENEWABLE ENERGY ADVISOR

Rural Energy Partnership Development Scheme

BY THE RENEWABLE ENERGY ADVISOR

An objective of the RDS Action Plan 2014 to 2017 is to explore, trial, and promote different cost-effective renewable energy sources. The Rural Energy Partnership Development was designed to trial different cost-effective renewable energy technology in partnership with the rural community. The projects that have been approved under this scheme are: Solar Photovoltaic Installations at Harps Farm, Saunders Island, and Teal Inlet, and a Solar Thermal installation at North Arm and an efficient study of a wind turbine at Fitzroy.

The cost of installation and output data from these projects will be made available to the public for two years after installation.

Energy Policies

The Rural Energy Advisor has worked with FIG stakeholders to draft a number of policy documents, such as Falkland Islands Energy Strategy approved in November 2015. The Rural Energy Advisor has on behalf of FIG worked with the OCTA Renewable Energy working group to produce the “Sustainable Energy Roadmap for OCTs” and the “EU-OCT Joint Energy Declaration”. After attending the OCTA Energy Ministers Summit, the Rural Energy Advisor coordinated, in partnership with FIG, an initiative to engage with the Small Island Developing States Lighthouses Initiative from the International Renewable Energy Agency (IRENA).

Andrew Crighton

RENEWABLE ENERGY ADVISOR



Saunders Island - Solar Panels and power storage shed



Dr Bernadette Paver MB. BS, MRCGP, DPD, DOccMed

Last year I applied for a grant from FIDC through the Oil and Gas Grant Scheme. I had identified the training need, with a specific course that I thought would be relevant not only to the work that I was doing with the oil industry but also could be applied to other areas of work.

The process was unbelievably straightforward. I had a short meeting with FIDC staff to establish whether my proposal would be acceptable, was told it probably would be, and then launched into the application. It was clear from the start what the

terms and conditions of the grant would be up to 50% of costs incurred for training, including a return flight and necessary accommodation. Once I had submitted my application and had it approved I paid for the course and then submitted all receipts to FIDC. Payment of the grant was swift.

On my return from the course I was invited by FIDC to a feedback meeting and asked to fulfil my part of the terms and conditions (modest and easily achievable).

Overall, I would thoroughly recommend the FIDC grant scheme to anyone who has identified a training need within their organisation that they need financial help with. The process is simple and straightforward, with clear guidelines. Providing you have 'done your homework' adequately the process is also very swift. In addition and somewhat surprisingly, I also felt valued during the whole process as FIDC staff seemed to take a genuine interest in what I had achieved and whether it had been helpful.

“ I would thoroughly recommend the FIDC grant scheme to anyone who has identified a training need within their organisation ”



JayTec, from the beginning of the latest oil round, was contracted to provide 24/7 year-round IT support to the oil rigs. Needing appropriately trained staff with offshore safety qualifications, JayTec put their first team member through the training process with oil industry support. FIDC provided the grant aid enabling JayTec to train new team

member Alex Howe as back up for those unforeseen circumstances.

Intensive classroom sessions and the rigours of simulated fires and ditching in the South Atlantic followed as Alex and JayTec gained the fully FIDC-backed certification.

Working on the rig required Jaytec's staff to have the appropriate training



FIDC UPDATE: The Oil and Gas Training and Certification Scheme has been altered to include training and certification applications from businesses of any local industry. The scheme is now called the Business Development Grant Scheme and if you would like more information please contact Michael Betts (t: +500 27211 or e: mbetts@fidc.co.fk).



Innovation: A new priority for FIDC

BY THE BUSINESS RELATIONS MANAGER

Smoking Seatrout at The Falkland Islands Fish Company – Innovation in action in the Falklands – an idea originating from the FIDC’s aquaculture project.

Confused?

Innovation can sometimes be seen to be a bit of an ambiguous buzzword. It’s regularly used in adverts to impress potential customers and give the impression that a business is always working tirelessly to improve their product. In some ways it is a buzzword, but if you think about its meaning and apply it to the Falklands, there is incredible potential to grow our economy and improve life on our islands.

What is innovation?

There is a misconception that innovation is the progress and development of new technology, like driverless cars or virtual reality. But according to the book ‘Ten Types of Innovation’ by Larry Keeley, “innovation is the creation of a viable new offering”. Still confused? Innovation can be the creation or improvement to any part of a business. For example, it can be a new product or service, an improvement to a business structure or process, a new way to engage with customers, selling to a new market or a change in how you make money from your product. What all types of innovation share is the ability to make a return on investment for the business. Innovation doesn’t even have to be a new idea, it can be an old idea applied to a new market.

What are the benefits of Innovation?

From a business’s point of view, innovation can create efficiencies or add value to products. It can make a business stand out from the competition or allow a business to enter a new market. Overall, successful innovation will make a business more profitable.

From a customer’s perspective, innovation can lead to products/services being cheaper, improvements to existing products/services, the development of new products/services, improvements to customer interaction or create an easier or better way to buy a product/service. In a market place, innovation encourages competition and forces businesses to keep striving to improve which will always benefit the customers in one way or another.

How can the Falklands innovate?

The Falklands’ business community and economy consistently punches above its weight. For our size, environment and distance from the UK and Europe we have overcome a number of challenges to create a prosperous economy and a high-standard of living in the Falklands. However, as the world continues to progress and develop, the Falklands cannot be left behind. We must continue to remain competitive on the international stage in all of our key industries.



Adding Value in the Falklands – smoked Seatrout ready for market.

We should always be looking to constantly evolve and improve. What worked 5, 10 or 20 years ago may not work so well now. What works this year may not even work so well next year. Can we find a way to sell our export products for a higher price? Can we market the islands and what we sell better? Can we find efficiencies in how we do things? Can we increase collaboration across the islands and internationally? These are some of the kinds of questions we should be regularly asking ourselves.

What can be done to encourage more innovation?

Innovation is not new to the Falklands. It is happening in the private sector and even within Government, but we want to create an environment to encourage it to happen more often. To create this environment FIDC produced an Innovation Strategy that was approved by Executive Council on the 9th March 2016 after a phase of a stakeholder consultation held in October 2015. The strategy aims to instil a mentality of innovation throughout the Falkland Islands public and private sectors.

This is to be achieved by making innovation a national priority, increasing collaboration, increasing research and development, improving the long-term development of people, sharing risk and regular reviews of the strategy.

In parallel, FIDC have been working with OCTA to develop a grant application for a Falkland Islands Innovation Pilot Project. If the application is successful, FIDC will have access to significant funds to deliver a project titled 'Adding Value to Falkland Islands Products and Services'. The aim of the project is to provide information to Falkland wool, meat and fish businesses regarding the value-adding options, the identification of new and niche markets and the investigation into the logistical challenges of exporting to the new and niche markets. The project also aims to create a new marketing strategy for the Falklands that promotes our values and ideals.

The delivery of the strategy will take time, however the hope that the Falkland Islands will become more competitive, develop new skills and increase collaboration across the economy for the mutual benefit of all Falkland businesses and sectors.

Michael Betts

BUSINESS RELATIONS MANAGER

GOVERNANCE STATEMENT

BY ROB GRANGER

Introduction

Part 7 Section 23 of the 2013 FIDC Ordinance requires the organisation to produce a report on the corporate governance of FIDC during the financial year. Corporate governance is the system by which organisations are directed and controlled, and the Board of FIDC is responsible for its governance. The production of corporate governance statements has become common in recent years to reassure stakeholders of the steps taken by organisations to act in a responsible and ethical manner.

The FIDC Board has a duty to ensure its financial affairs are carried out in such a way as to exercise economy, efficiency and effectiveness and to ensure good governance. It does so by maintaining a

governance framework to ensure FIDC officers work within the parameters set out by the Board.

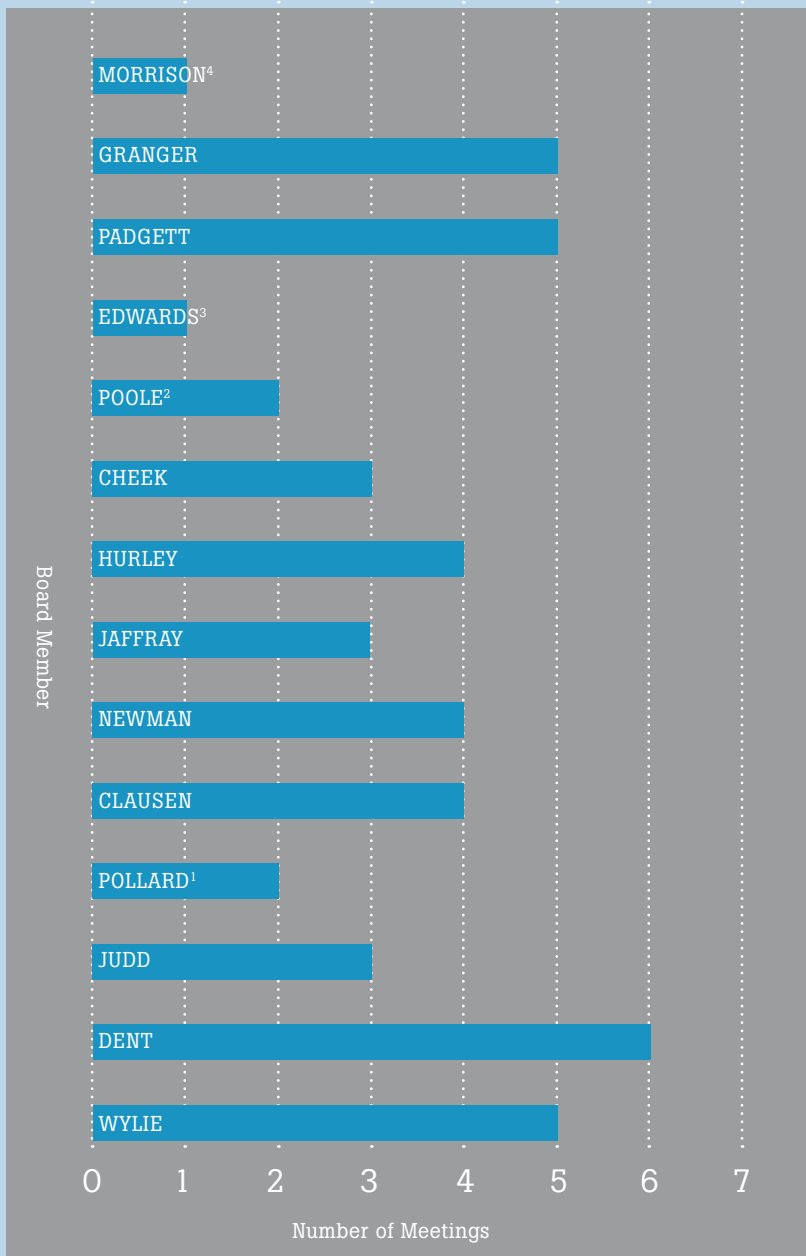
That governance framework consists of policies and procedures, control systems and external validation to ensure the organisation is fulfilling its obligations. All business contains an element of risk and while the framework exists to manage risk to a reasonable level it cannot eliminate all risk of failure to achieve aims and objectives.

The FIDC Board

Following the introduction of the 2013 FIDC Ordinance in 2015 the governing Board was reconstituted. The composition of the Board is now:

Position	Appointment
Chair	Appointed by Government following a fair, objective and transparent process
Vice-Chair	
Appointed Member	
Member of Legislative Assembly	Nominated by MLAs collectively
FIG Chief Executive	Automatically a member
Co-opted Member	Co-opted by the FIDC Board
Co-opted Member	
Co-opted Member	
Co-opted Member	
Managing Director	Right to attend and speak but not vote
FIG Financial Secretary	
Financial Controller	

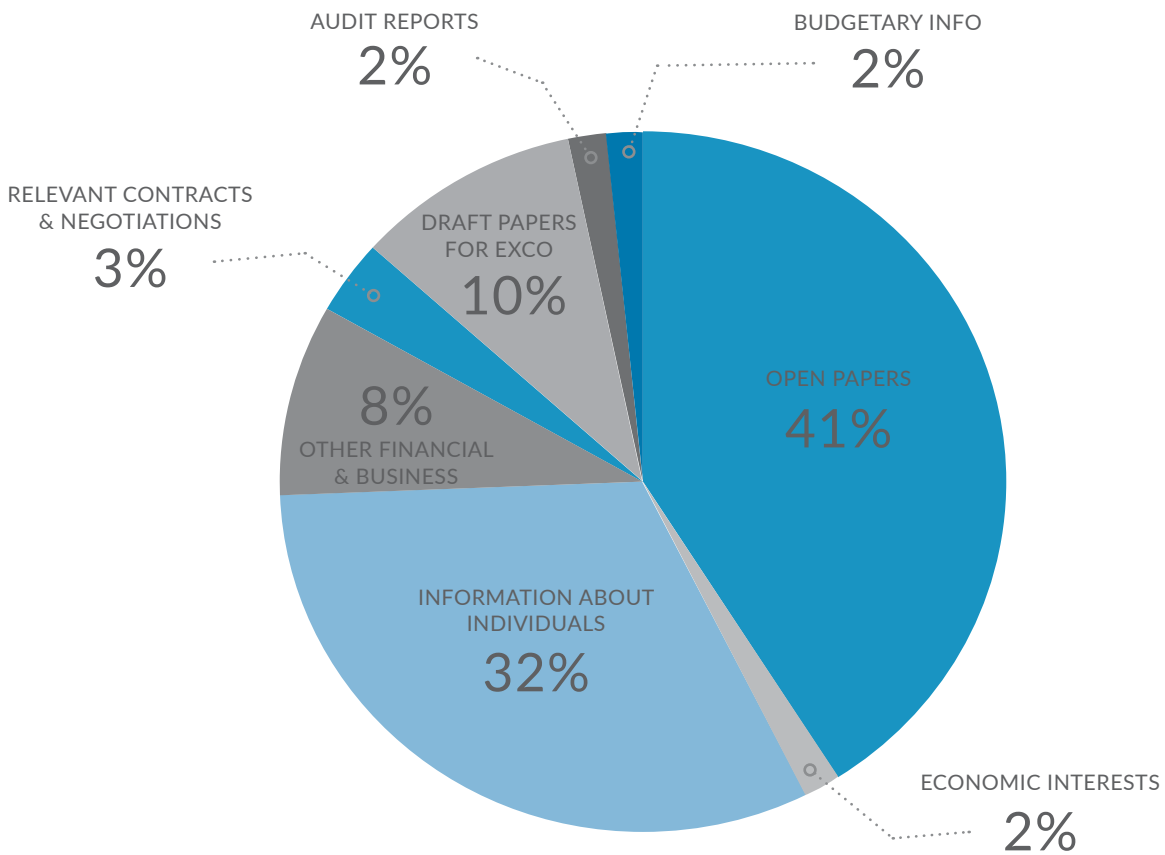
The roles and responsibilities of the Board and its individual Members, along with the procedures for appointing Members to the Board, are set out in the Ordinance and in the FIDC Policies and Procedures Manual. A Code of Conduct for Board Members which sets out the governance arrangements which impact directly on them has also been introduced. Whilst the frequency of Board meetings is not defined in the Ordinance, experience has shown that meetings every two months allows for sufficient business to be considered and to provide for timely decision making on operational activities.



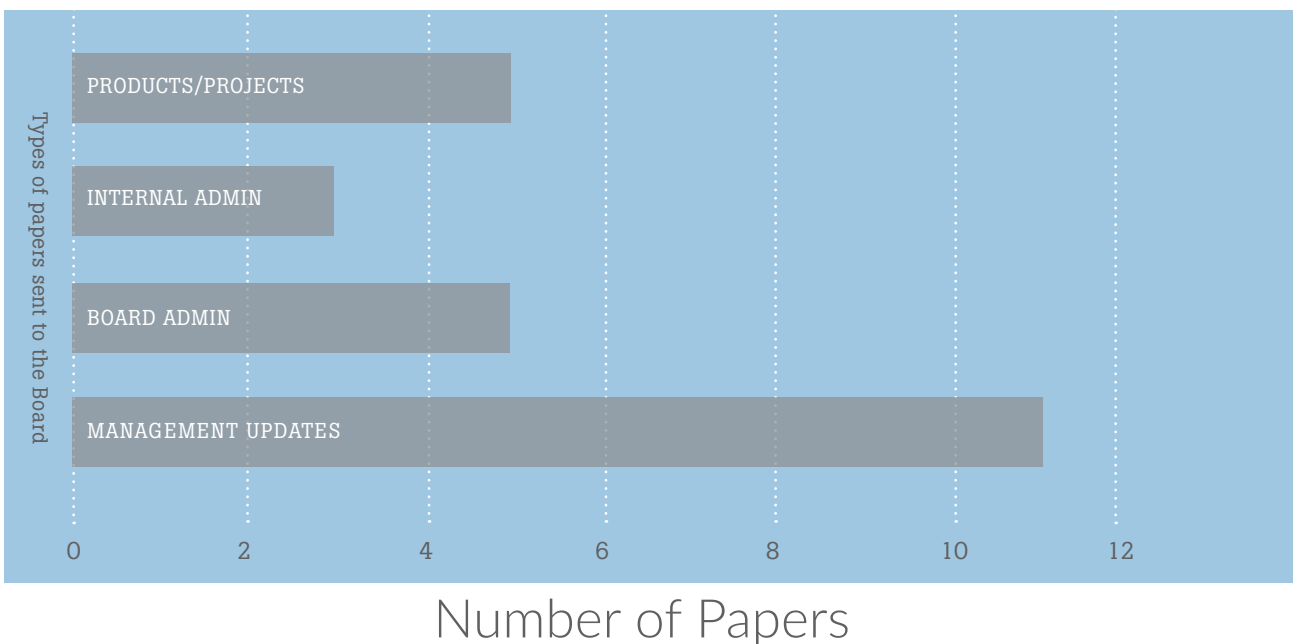
1 – Replaced Judd from April 2016 2 – MLA Stand in for Cheek 3 – MLA Stand in for Cheek 4 – Stand in for Granger

Meetings Attended

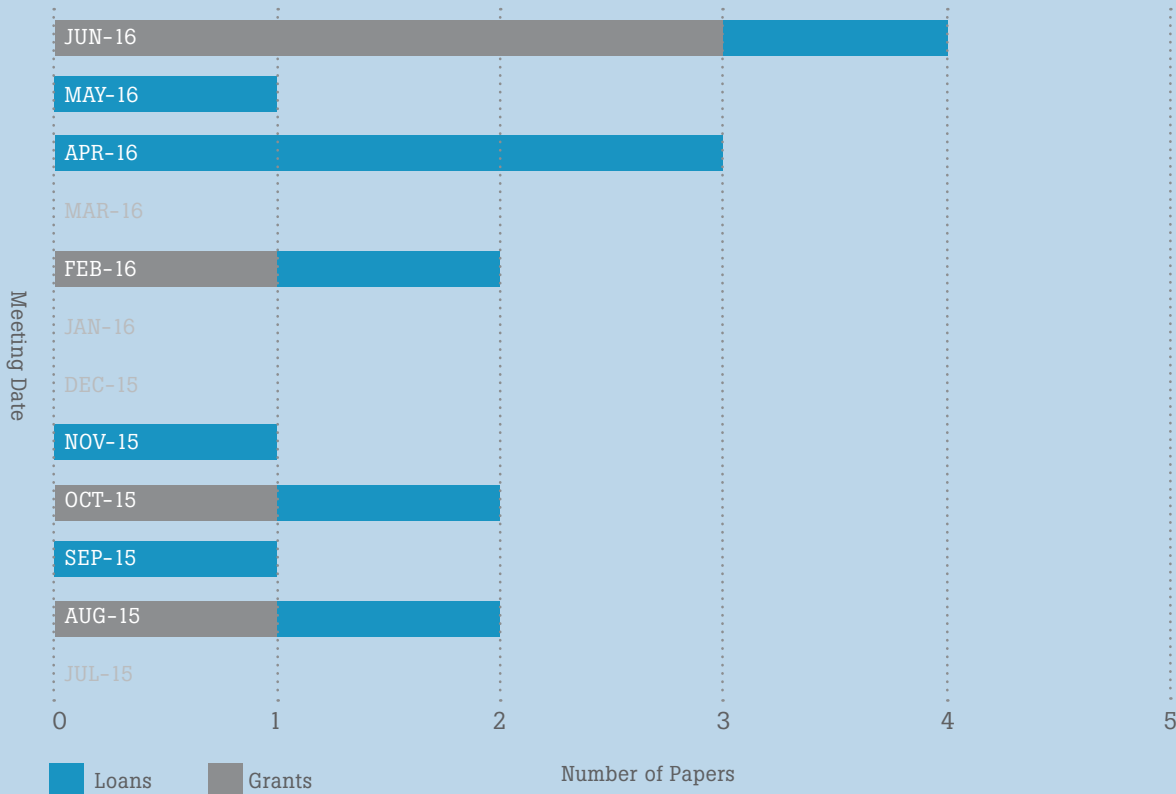
The Board consider papers from Officers which fall either in the open or closed section of the meeting. The Committees (Access to Information) Ordinance of 2012 is used to determine which papers fall into which section, and wherever possible papers are taken in the open section to allow for transparency. Inevitably, given the nature of some of FIDC's business, there are papers which have to be taken in the closed section to protect the confidentiality of our clients.



In addition to the Board, decisions are also taken by a Credit Committee, which meets monthly as required. This committee consists of the Chair or Vice-Chair and one Board Member, and is advised by the Managing Director and the Financial Controller. The Credit Committee considers those matters within its delegated authority, usually the approval of loans or grants below the threshold for reporting to the full Board, who receive an update on all matters considered by the Credit Committee.



Types of Papers Submitted to Credit Committee



FIDC Staff

Answerable to the Board is the Senior Management Team of FIDC, which consists of the Managing Director, Development Manager, Business Relations Manager and the Financial Controller. The Managing Director and Financial Controller are appointed by the Board, and have specific responsibilities under the Ordinance. The Managing Director also has additional powers delegated by the Board to allow for the efficient running of the organisation, which are set out in the Policies and Procedures Manual, which is reviewed annually and is approved by the Board. The Senior Management Team meet weekly to ensure they and their staff are up to date with important issues impacting on the organisation and drive the delivery of the organisations agreed objectives. An organisational structure is shown on page 10.

External Scrutiny

Section 80 of the Constitution requires the Governor, acting in his or her discretion, to make appropriate arrangements for the audit of the public accounts. FIDC's financial arrangements are externally audited by an independent firm, currently Mazars LLP. On an annual basis the organisation produces financial statements which detail the financial position of the organisation which are reviewed by

the auditors, along with the control environment in which they are produced. An opinion on the accuracy of the information and the appropriateness of the control environment is made. Their findings are made public, and detailed comments on the organisations control environment are reported directly to the Board by the auditors to ensure they are fully aware of their findings.

The 2014/15 financial statements for FIDC received a clean audit opinion, and the auditors identified one low priority recommendation, which was agreed by Management and action is being taken to address this.

The detailed findings, contained in the Audit Completion Report, along with the audited financial statements are also provided to the Public Accounts Committee (PAC) for their scrutiny. The PAC's review of the accounts and audit report did not raise any issues, and the committee congratulated the FIDC finance team for their hard work.

Risk Management

Everything we do contains an element of risk, and it is the responsibility of the organisation, from the Board down to individual officers, to attempt to mitigate those risks. As part of its business plan FIDC identified the four strategic and five operational

Risk

Mitigation

Failure to improve the credibility of FIDC leads to an inability to drive forward FIDC's agenda and achieve its objectives.

Increase promotion of FIDC and its activities, and engagement with the private sector and public. Workshops with business associations and businesses could be hosted to foster closer links and public meetings could be held to better inform the public of the Corporation's progress.

The effectiveness of the RDS Steering Group reduces significantly, leading to a failure to deliver the agreed work plan.

Regular meetings to involve RDS Steering Group Members on key decisions.
Briefing notes and minutes submitted on time.

The FIDC loan and grant schemes are not fit for purpose and do not meet the needs of stakeholders or generate budgeted revenues for FIDC.

A wholesale review is conducted to understand why the financial schemes are not fit for purpose. Garner feedback from the business community and adjust schemes accordingly.

FIDC fail to generate partner organisation's support, impacting on the ability to deliver stated objectives.

FIDC to be proactive in involving key partner organisations in working groups
FIDC to consult and inform partner organisations on key decisions.
FIDC to be transparent in its functioning.

FIDC strategies do not effectively support FIG's wider strategy framework.

FIDC to work with FIG and other bodies to ensure strategies are designed to achieve stated aims of wider strategies. All strategies to be approved by the FIDC Board to ensure they accurately reflect stakeholder needs.

risks that it felt posed the greatest risk to achieving its objectives. However, risk management is not embedded in the organisation and FIDC would be best described as "Risk Aware¹." The further development of risk management is a priority for the organisation in the coming financial year.

Corporate Policies

FIDC maintains a suite of corporate policies to define its operations and ensure that staff works in the interests of FIDC and its stakeholders.

The 2013 Ordinance requires FIDC to maintain a Policies and Procedures Manual, and this was approved by the Board and introduced from 1st July 2015. This document sets out the roles and responsibilities of the Board and officers, lists delegated authorities and all of the financial policies and procedures which must be followed to ensure effective governance. This document is reviewed and updated annually, and brought to the Board for their approval.

In addition to the Policies and Procedures Manual FIDC maintains an Employee Handbook. This document contains policies for Whistle-blowing, reporting grievances and complaints and

accepting gifts and hospitality. Given the size of the organisation a separate anti-fraud and anti-corruption policy is not maintained, however all staff are encouraged to contact FIG's Internal Audit department if they have any suspicions of fraud or financial irregularity as they are better equipped to investigate. A copy of FIG's policy is held by FIDC for staff to refer to.

What Does FIDC plan to do to improve its Corporate Governance in 2016/17?

As identified above, FIDC will continue to develop its approach to risk in an attempt to progress through the levels of maturity. All key policies and procedures were reviewed for the start of the 2016/17 year, and work to address a number of issues identified will be undertaken throughout the period. In addition the Corporation will be working to capture the corporate knowledge of a number of key Board Members and Officers who are leaving the organisation during the year to ensure institutional memory is retained.

1. Using the IIA categories of risk maturity, with Risk Naïve as the lowest through Risk Aware, Risk Defined, Risk Managed to Risk Enabled, which is the highest level of maturity.

FIDC would like to thank everyone who helped with the production of this Annual Report. With special thanks to Stuart Wallace and Fortuna, Mike and Phyl Rendell, Lee and Martha Molkenbuhr, David and Suzan Paul-Evans, Andy Pollard General Manager of FLH, and Martin Emmett, for providing some of the photographic images. We would also like to thank Bernadette Paver and Jason Lewis for providing articles on their enterprises. Finally we would like to thank Julie Halliday at Studio 52 for the new design of the Annual Report.

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