

**FALKLAND ISLANDS DEVELOPMENT  
CORPORATION**

**Report and Financial Statements**

**30 June 2007**

# **FALKLAND ISLANDS DEVELOPMENT CORPORATION**

## **REPORT AND FINANCIAL STATEMENTS 2007**

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# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## BOARD MEMBERS' REPORT

### FALKLAND ISLANDS DEVELOPMENT CORPORATION BOARD MEMBERS

The Falkland Islands Development Corporation Ordinance 1983 (As amended) provides for the Corporation to have a governing board, known as The Falkland Islands Development Board, consisting of the following persons:

- (a) two members of the Legislative Council, nominated by the elected members of the Legislative Council from among their number, appointed by the Governor, one of which two members shall be appointed by the Governor, on the nomination of the elected members of the Legislative Council, to be the Chairman of the Corporation;
- (b) the Chief Executive of the Falkland Islands Government, who shall be the Executive Vice Chairman of the Corporation;
- (c) the General Manager of the Corporation;
- (d) one person nominated by the Rural Business Association and appointed by the Governor;
- (e) one person nominated by the Fishing Vessel Owners' Association and appointed by the Governor;
- (f) one person nominated by the Falkland Islands Chamber of Commerce and appointed by the Governor; and
- (g) one person nominated by the Falkland Islands Tourist Board and appointed by the Governor.

In addition to the above, The Financial Secretary of the Falkland Islands Government (or his representative) and the Financial Controller of the Corporation may attend meetings of the Board and may speak to any matter before the Board, but may not vote.

The Ordinance additionally provides for an employee of the Corporation to be nominated as Secretary.

The following individuals served on the Board during the year ended 30 June 2007 and to the date of this report:

Chair and first elected representative	Cllr A Clausen (resigned 23 November 2007) Cllr R Cockwell (appointed 23 November 2007)
Second elected representative	Cllr R Davies (resigned 28 November 2007) Cllr I Hansen (appointed 4 February 2008)
Executive Vice Chair and Chief Executive of the Falkland Islands Government	Mr C Simpkins (resigned 7 August 2007) Dr D Blanch (appointed 9 October 2007 resigned 23 November 2007) Dr T Thorogood (appointed 4 February 2008)
General Manager	Mr J Morris (resigned 15 August 2006) Mr M Brunet (appointed 6 February 2007, resigned 20 March 2008) Mr T Cosh (Interim General Manager) (appointed 5 August 2008)
Rural Business Association	Mr R Binnie (resigned 5 December 2006) Mr AT Blake (appointed 6 February 2007)
Fishing Vessel Owners' Association	Mr S Wallace (resigned 5 December 2006) Mr D Irvine (appointed 6 February 2007)
Falkland Islands Chamber of Commerce	Mr M Forrest
Falkland Islands Tourist Board	Mr I Hansen (resigned 17 October 2006) Mr J Fowler (appointed 17 October 2006, resigned 6 February 2007) Mrs L Dimmlich (appointed 12 June 2007, resigned 9 October 2007) Mr J Downing (appointed 23 November 2007)

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## BOARD MEMBERS' REPORT (CONTINUED)

### STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

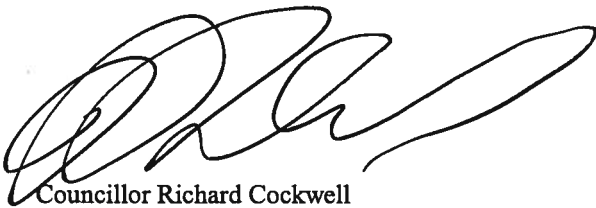
The Falkland Islands Development Corporation Ordinance 1983 (as amended) requires the Falkland Islands Development Corporation Board Members to prepare financial statements for each financial year. In preparing those financial statements, the Falkland Islands Development Corporation board members are 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 that the Corporation will continue in business.

The Falkland Islands Development Corporation board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Corporation and enable them to ensure that the financial statements comply with the Falkland Islands Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988. They are also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Falkland Islands Development Corporation board on 26 Oct 2008.

Signed on behalf of the Falkland Islands Development Corporation board



Councillor Richard Cockwell  
Chair

## **INDEPENDENT AUDITORS' REPORT TO THE BOARD MEMBERS OF THE FALKLAND ISLANDS DEVELOPMENT CORPORATION**

We have audited the financial statements of the Falklands Islands Development Corporation for the year ended 30 June 2007 which comprise the principal accounting policies, the general revenue account, the balance sheet, the cash flow statement and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

### **Respective responsibilities of board members and auditors**

The board members' responsibilities for preparing the financial statements in accordance with applicable Falkland Islands law are set out in the statement of Board Members' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant Falkland Islands legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements are properly prepared in accordance with the Falklands Islands Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988.

In addition, we report to you if, in our opinion the Corporation has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding board members' remuneration and other transactions is not disclosed.

We read the board members' report and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Corporation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements properly present the state of affairs of the Corporation as at 30 June 2007 and the deficit of the Corporation for the year then ended in accordance with the principal accounting policies detailed on pages 5 and 6 of the financial statements and have been properly prepared in accordance with the Falkland Islands Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988.

**INDEPENDENT AUDITORS' REPORT TO THE BOARD MEMBERS OF THE  
FALKLAND ISLANDS DEVELOPMENT CORPORATION (CONTINUED)**

**Emphasis of matter – accounting policies**

In order to provide a proper understanding of the basis of our opinion, without qualifying our opinion, we draw attention to the principal accounting policies adopted by the Corporation, as detailed on pages 5 and 6, in particular the policy for the abattoir fixed assets to be recorded at depreciated historic cost, with no further consideration of potential impairment in recoverable amount or value in use of these assets being incorporated in these financial statements.

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**  
Chartered Accountants  
Glasgow  
United Kingdom

*24<sup>th</sup> October* 2008

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## PRINCIPAL ACCOUNTING POLICIES

Year ended 30 June 2007

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Corporation's financial statements:

**(a) Basis of accounting**

The financial statements are prepared under the historical cost accounting convention, as modified by the revaluation of livestock fixed assets.

The presentation of the financial statements is in a form considered by the Falkland Islands Development Corporation board members appropriate to the activities of the Corporation and complies with the requirements of the Falkland Islands Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988.

**(b) Funding**

The Corporation's mainstream activities during the year were principally funded by grant-in-aid from the Falkland Islands Government, repayment of loans advanced in previous periods, loan interest and other income. This funding financed both capital expenditure, including investments and loans, and the excess of revenue expenditure over income. Grant-in-aid received is credited to the general fund, and the excess of expenditure over income is deducted from the general fund. Funding repaid to the Falkland Islands Government is deducted from the general fund. In certain circumstances, where the Corporation is acting purely in an administrative capacity in the application of funding received, the funding is credited to deferred income and released to the general fund to match actual expenditure. If expenditure is in excess of funding received and the Corporation has recourse to recover the excess, then the difference is accounted for as accrued income

**(c) Fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. No depreciation is charged in respect of freehold land. Depreciation on other categories of fixed assets is calculated to write off the cost of fixed assets by equal annual instalments over their estimated useful lives at the following rates:

Land	Nil
Buildings – freehold	3%
Buildings – leasehold	Over life of lease
Buildings – portacabins	20%
Shipping	10%
Motor vehicles	25%
Plant & equipment	10-20%
Office furniture & fittings	10-12.5%
Computer equipment	33%

The Abattoir has been recorded at depreciated historic cost. No consideration of potential impairment in its recoverable amount or value in use has been incorporated in these financial statements, as the board members consider that attempting to make a reliable assessment would be impractical.

**(d) Valuation of livestock**

Livestock are valued at their estimated current market value. The livestock herd is not depreciated, but is revalued annually at the balance sheet date with any revaluation surplus being posted to the revaluation reserve account and any deficit in excess of previous revaluations being charged to the General Revenue Account in the period. Any deficit less than the revaluation reserve is firstly offset against the revaluation reserve.

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## PRINCIPAL ACCOUNTING POLICIES (continued)

Year ended 30 June 2007

**(e) Investments and loans**

Investments are stated at cost less any provision for permanent diminution in value considered necessary by the Falkland Islands Development Corporation board members. Loans are stated after deduction of any provisions for losses considered necessary in cases where it is anticipated that loans will not be recovered in full.

**(f) Research and surveys**

Expenditure on research and surveys is charged to the General Revenue Account in the year in which it is incurred.

**(g) Deferred income**

Amounts received in prior periods from the Falkland Islands Government to fund land transfer loans made by the Corporation have been recorded as deferred income and are released to the General Fund as the farm loan repayment income is received or written off by the Corporation.

**(h) Stock**

Stock is valued at the lower of cost and net realisable value.

**(i) Operating leases**

Assets owned by the Corporation for use under operating leases by lessees are included in Tangible Fixed Assets - Projects. Income derived from operating leases is recognised in the General Revenue Account as it falls due.

**(j) Loans and interest**

Outstanding amounts in relation to Loans are shown within Investments in Projects - Shares and Loans, and are reduced to nil over the period of the loan by the capital element of loan repayment.

Interest earned on loans is credited to the General Revenue Account upon receipt. No account is taken of interest in respect of which a moratorium has been granted.

**(k) Foreign currency**

The financial statements are maintained and reported in Falkland Islands pounds. Transactions denominated in other currencies are converted to Falkland Islands pounds at the foreign exchange rate ruling on the date the transactions take place. Foreign currency bank balances held at the year end are retranslated into Falkland Islands pounds at the exchange rate ruling at the year end. Gains and losses on translation are taken to the general revenue account.

**(l) Taxation**

The Corporation is not subject to taxation.

**(m) Pension costs**

The pension cost charge in the financial statements represents contributions paid by the Corporation to defined contribution pension funds during the year.

**(n) Consolidation**

Consolidated financial statements including the results of subsidiaries and associates have not been prepared. There is no requirement to prepare consolidated financial statements under applicable Falkland Islands legislation.



# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## GENERAL REVENUE ACCOUNT

Year ended 30 June 2007

	Note	2007 £	2006 £
<b>INCOME</b>			
Loan and hire purchase interest		173,214	136,135
Bank interest		29,856	49,423
Rent		70,941	72,457
Income from dairy project		-	30,386
Other income		40,771	43,014
		<u>314,782</u>	<u>331,415</u>
<b>EXPENDITURE</b>			
Grant assistance	1	(24,859)	(59,622)
Project costs:			
Rural development		(351,154)	(467,745)
Fisheries		(41,668)	(88,396)
Industry		(212,274)	(203,245)
Training and professional support		(3,915)	(806)
Tourism		(53,047)	(66,134)
Aquaculture		(132,716)	-
Falkland Islands Wool Company		(120,000)	-
Abattoir project		(594,553)	(541,277)
Dairy project		(208,012)	(37,834)
Administrative expenses (net)	2	(194,711)	(162,166)
Depreciation of own use assets	5	(42,117)	(53,836)
		<u>(1,979,026)</u>	<u>(1,681,061)</u>
<b>Net operating costs</b>		<u>(1,664,244)</u>	<u>(1,349,646)</u>
<b>Operation of the Tamar</b>			
FIG funding received		869,524	-
Revenue		86,944	-
Expenditure		(956,468)	-
		<u>-</u>	<u>-</u>
Net loss on disposal of fixed assets and investments		(14,783)	(7,547)
(Increased)/decreased provision against investments, loans and project fixed assets (net)	3	(164,071)	15,000
<b>DEFICIT FUNDED BY GRANT-IN-AID AND FUND RESERVES</b>		<u>(1,843,098)</u>	<u>(1,342,193)</u>

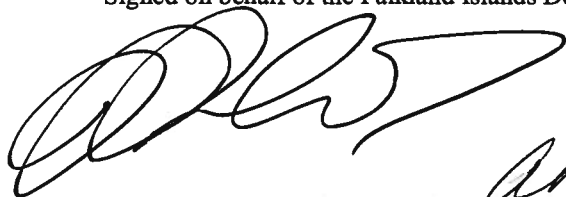
# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## BALANCE SHEET As at 30 June 2007

	Note	2007 £	2006 £
<b>INVESTMENTS IN PROJECTS</b>			
Shares and loans	3	2,485,506	3,274,209
Tangible fixed assets – projects	4	3,325,159	3,608,177
		<u>5,810,665</u>	<u>6,882,386</u>
<b>FIXED ASSETS</b>			
Tangible fixed assets – own use	5	692,037	721,615
		<u>6,502,702</u>	<u>7,604,001</u>
<b>CURRENT ASSETS</b>			
Stock	6	-	32,679
Debtors	7	209,056	229,981
Cash at bank and in hand		1,613,928	1,099,818
		<u>1,822,984</u>	<u>1,362,478</u>
<b>CURRENT LIABILITIES</b>			
Creditors : Amounts falling due within one year	8	(182,753)	(356,313)
		<u>1,640,231</u>	<u>1,006,165</u>
<b>NET CURRENT ASSETS</b>			
		<u>1,640,231</u>	<u>1,006,165</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Deferred income account	9	8,142,933 (454,692)	8,610,166 (493,346)
		<u>7,688,241</u>	<u>8,116,820</u>
<b>NET ASSETS</b>			
		<u>7,688,241</u>	<u>8,116,820</u>
<b>FUNDS</b>			
Grant-in-aid funding received during the year:			
Core funding		458,865	329,000
Abattoir project – operating grant		594,553	590,000
Abattoir project – capital grant		122,447	-
Aquaculture project		200,000	-
		<u>1,375,865</u>	<u>919,000</u>
Net funding received		1,375,865	919,000
Deferred income released	9	38,654	66,086
Excess of expenditure over income		(1,843,098)	(1,342,193)
Fund reserves brought forward		8,116,820	8,473,927
		<u>8,116,820</u>	<u>8,473,927</u>
Fund reserves carried forward	10	7,688,241	8,116,820
		<u>7,688,241</u>	<u>8,116,820</u>

Approved by the Falkland Islands Development Corporation board on *24<sup>th</sup> Oct 2008*.

Signed on behalf of the Falkland Islands Development Corporation board



Board Member



Board Member

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## CASH FLOW STATEMENT

Year ended 30 June 2007

	2007	2006	
	£	£	
<b>RECONCILIATION OF NET OPERATING CASH OUTFLOW</b>			
Net operating deficit	(1,843,098)	(1,342,193)	
Depreciation and provisions for diminution in value:			
Tangible fixed assets	343,184	459,001	
Decrease/(increase) in stock	32,679	(32,679)	
Decrease/(increase) in debtors	30,449	(149,635)	
(Decrease)/increase in creditors	(173,560)	219,720	
Movement in loans and investment provisions	164,071	(15,000)	
Loss on disposal of fixed assets	14,783	7,547	
Other non-cash adjustments	(9,224)	5,911	
	<u>(1,440,716)</u>	<u>(847,328)</u>	
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>			
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Additions to tangible fixed assets	(183,817)	(171,679)	
Receipts from sales of tangible fixed assets	138,446	52,933	
Loans advanced during year	(353,207)	(1,011,605)	
Loan and hire purchase capital repayments received	977,539	470,853	
	<u>578,961</u>	<u>(659,498)</u>	
<b>NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
	<u>(861,755)</u>	<u>(1,506,826)</u>	
<b>NET CASH OUTFLOW BEFORE FINANCING</b>			
<b>FINANCING</b>			
Net funding received during year	1,375,865	919,000	
	<u>514,110</u>	<u>(587,826)</u>	
<b>INCREASE/(DECREASE) IN CASH DURING THE YEAR</b>			
	<u>514,110</u>	<u>(587,826)</u>	
<b>ANALYSIS OF CHANGES IN NET FUNDS</b>			
Net funds at 1 July 2006	1,099,818	1,687,644	
Net cash inflow/(outflow)	514,110	(587,826)	
	<u>1,613,928</u>	<u>1,099,818</u>	
Net funds at 30 June 2007	<u>1,613,928</u>	<u>1,099,818</u>	
<b>ANALYSIS OF CASH AS SHOWN IN THE BALANCE SHEET</b>			
	<b>2007</b>	<b>2006</b>	<b>Change in</b>
	<b>£</b>	<b>£</b>	<b>year</b>
			<b>£</b>
Cash at bank and in hand	<u>1,613,928</u>	<u>1,099,818</u>	<u>514,110</u>

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

### 1. GRANT ASSISTANCE

	2007 £	2006 £
Rural development	-	5,359
Tourism	9,071	14,881
Enterprise grants	9,305	32,968
Fisheries	6,483	6,414
	<u>24,859</u>	<u>59,622</u>

### 2. ADMINISTRATIVE EXPENSES (NET)

	2007 £	2006 £
<b>Salaries and staff costs</b>	318,320	262,406
Less: allocated to project costs	(213,362)	(193,038)
	<u>104,958</u>	<u>69,368</u>
<b>Other admin costs</b>		
Travelling and subsistence	7,679	24,161
General expenses	11,167	16,675
Heat, light and power	6,895	6,620
Repairs and maintenance	6,150	4,655
Insurance	10,275	9,432
Telephone, fax and postage	20,586	16,412
Printing and stationery	11,288	4,035
Audit fees	15,100	14,000
Accountancy and professional fees	20,429	18,249
Bad debt expense	217	5,759
Publicity and promotions	5,284	3,449
	<u>115,070</u>	<u>123,447</u>
Less: allocated to project costs	(25,317)	(30,649)
	<u>89,753</u>	<u>92,798</u>
	<u>194,711</u>	<u>162,166</u>

**FALKLAND ISLANDS DEVELOPMENT CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 30 June 2007**

**3. INVESTMENTS IN PROJECTS**

**SHARES AND LOANS**

	<b>Ordinary shares £</b>	<b>Loans £</b>	<b>Total £</b>
<b>At 1 July 2006</b>			
Subsidiary companies	176,967	655,000	831,967
Associated companies	84,700	47,508	132,208
Land transfer loans	-	493,346	493,346
Others	-	1,816,688	1,816,688
	<u>261,667</u>	<u>3,012,542</u>	<u>3,274,209</u>
<b>Net additions/(disposals) in year:</b>			
Subsidiary companies	(300)	20,000	19,700
Associated companies	-	-	-
Land transfer loans	-	-	-
Others	-	333,207	333,207
	<u>(300)</u>	<u>353,207</u>	<u>352,907</u>
<b>Provision (charged)/released in year:</b>	<u>(164,071)</u>	<u>-</u>	<u>(164,071)</u>
<b>Repayments/transfers in year:</b>			
Subsidiary companies	-	(655,000)	(655,000)
Associated companies	-	(8,297)	(8,297)
Land transfer loans	-	(38,654)	(38,654)
Others	-	(275,588)	(275,588)
	<u>-</u>	<u>(977,539)</u>	<u>(977,539)</u>
<b>At 30 June 2007</b>	<u>97,296</u>	<u>2,388,210</u>	<u>2,485,506</u>
<b>Comprising:</b>			
Subsidiary companies	12,596	20,000	32,596
Associated companies	84,700	39,211	123,911
Land transfer loans	-	454,692	454,692
Others	-	1,874,307	1,874,307
	<u>97,296</u>	<u>2,388,210</u>	<u>2,485,506</u>
<b>Analysis by sector:</b>			
Rural development	12,596	1,183,193	1,195,789
Industry	84,700	1,197,181	1,281,881
Tourism	-	7,836	7,836
	<u>97,296</u>	<u>2,388,210</u>	<u>2,485,506</u>

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2007

### 3. INVESTMENTS IN PROJECTS (CONTINUED)

#### Investments in ordinary shares

<b>FIDC subsidiaries</b>	<b>2007</b>	<b>2006</b>
Stanley Dairy Limited	100%	100%
Falkland Islands Meat Company Limited	100%	100%
Pebble Island Hotel Limited	-	100%

The Corporation disposed of its interest in Pebble Island Hotel during the year. No consideration was received for the disposal but as part of the transaction, loans due to the Corporation totalling £30,000 were repaid.

<b>Other significant FIDC associated companies</b>	<b>2007</b>	<b>2006</b>
Shorty's Diner Limited	50%	50%
Falkland Farmers Limited (no voting control)	54%	54%
Falklands Fresh Limited	40%	40%

Consolidated financial statements including the results of the above subsidiaries and associates have not been prepared. There is no requirement to prepare consolidated financial statements under applicable Falkland Islands legislation.

#### Repayment profile of loan investments

Loans are recoverable as follows:

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Within 1 year	415,426	1,007,286
Within 2 to 5 years	1,083,046	1,027,536
After more than 5 years	889,738	977,720
	<u>2,388,210</u>	<u>3,012,542</u>

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

### 4. TANGIBLE FIXED ASSETS – PROJECTS

	Land & buildings £	Furniture & fittings £	Shipping £	Plant & equipment £	Livestock £	Total £
<b>Cost or valuation</b>						
At 1 July 2006	4,757,207	36,736	1,582,862	1,429,151	14,182	7,820,138
Additions	36,662	1,500	4,110	129,003	-	171,275
Disposals	(243,884)	(13,670)	-	(125,785)	(14,182)	(397,521)
At 30 June 2007	<u>4,549,985</u>	<u>24,566</u>	<u>1,586,972</u>	<u>1,432,369</u>	<u>-</u>	<u>7,593,892</u>
<b>Depreciation</b>						
At 1 July 2006	1,448,582	29,639	1,531,033	1,202,707	-	4,211,961
Charge for year	179,797	1,694	10,811	108,765	-	301,067
Eliminated on disposals	(114,606)	(8,391)	-	(121,298)	-	(244,295)
At 30 June 2007	<u>1,513,773</u>	<u>22,942</u>	<u>1,541,844</u>	<u>1,190,174</u>	<u>-</u>	<u>4,268,733</u>
<b>Net book value</b>						
At 30 June 2007	<u>3,036,212</u>	<u>1,624</u>	<u>45,128</u>	<u>242,195</u>	<u>-</u>	<u>3,325,159</u>
At 30 June 2006	<u>3,308,625</u>	<u>7,097</u>	<u>51,829</u>	<u>226,444</u>	<u>14,182</u>	<u>3,608,177</u>
<b>Cost analysis by sector:</b>						
Rural development	3,038,181	12,681	-	1,272,000	-	4,322,862
Fisheries	35,165	1,500	-	34,419	-	71,084
Industry	1,476,639	10,385	1,586,972	109,391	-	3,183,387
Energy	-	-	-	16,559	-	16,559
	<u>4,549,985</u>	<u>24,566</u>	<u>1,586,972</u>	<u>1,432,369</u>	<u>-</u>	<u>7,593,892</u>

Included within plant and equipment is motor vehicles and computer equipment.

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

### 4. TANGIBLE FIXED ASSETS – PROJECTS (continued)

Included within accumulated depreciation for Land and Buildings is a £93,345 (2006 - £114,816) provision for diminution in value of assets. Included in accumulated depreciation for Plant and Equipment is a £1,380 (2006 - £1,380) provision for diminution in value of assets. Included in accumulated depreciation for Shipping is a £151,000 (2006 - £151,000) provision for diminution in value of assets.

Included within Land and Buildings and Plant and Equipment above are amounts which relate to the Abattoir Project as follows:

	Abattoir Land & buildings £	Abattoir Plant & equipment £	Total £
<b>Cost</b>			
At 1 July 2006	2,933,681	1,083,555	4,017,236
Additions	1,496	12,566	14,062
	<u>2,935,177</u>	<u>1,096,121</u>	<u>4,031,298</u>
At 30 June 2007	<u>2,935,177</u>	<u>1,096,121</u>	<u>4,031,298</u>
<b>Depreciation</b>			
At 1 July 2006	414,574	933,678	1,348,252
Charge for year	140,550	61,177	201,727
	<u>555,124</u>	<u>994,855</u>	<u>1,549,979</u>
At 30 June 2007	<u>555,124</u>	<u>994,855</u>	<u>1,549,979</u>
<b>Net book value</b>			
At 30 June 2007	<u>2,380,053</u>	<u>101,266</u>	<u>2,481,319</u>
At 30 June 2006	<u>2,519,107</u>	<u>149,877</u>	<u>2,668,984</u>

The Abattoir assets above have been recorded at depreciated historic cost. No consideration of potential impairment in their recoverable amount or value in use has been incorporated in these financial statements.



# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

### 5. TANGIBLE FIXED ASSETS – OWN USE

	Land & buildings £	Motor vehicles £	Office furniture & fittings £	Plant & equipment £	Total £
<b>Cost</b>					
At 1 July 2006	925,394	82,903	227,492	15,077	1,250,866
Additions	-	-	12,542	-	12,542
Disposals	-	(8,000)	(31,718)	(7,666)	(47,384)
At 30 June 2007	<u>925,394</u>	<u>74,903</u>	<u>208,316</u>	<u>7,411</u>	<u>1,216,024</u>
<b>Depreciation</b>					
At 1 July 2006	246,573	57,689	210,713	14,276	529,251
Charge for year	19,679	8,405	13,232	801	42,117
Eliminated on disposals	-	(8,000)	(31,715)	(7,666)	(47,381)
At 30 June 2007	<u>266,252</u>	<u>58,094</u>	<u>192,230</u>	<u>7,411</u>	<u>523,987</u>
<b>Net book value</b>					
At 30 June 2007	<u>659,142</u>	<u>16,809</u>	<u>16,086</u>	<u>-</u>	<u>692,037</u>
At 30 June 2006	<u>678,821</u>	<u>25,214</u>	<u>16,779</u>	<u>801</u>	<u>721,615</u>

Included in own use land and buildings cost is an amount of £170,927 (2006 - £170,927) for land which is not depreciated.

### 6. STOCK

	2007 £	2006 £
Raw materials and other consumables	-	32,679

### 7. DEBTORS

	2007 £	2006 £
Trade debtors	54,009	46,466
Other debtors	11,816	176,680
Amount owed from subsidiaries	122,447	-
Accrued income	9,524	-
Prepayments	11,260	6,835
	<u>209,056</u>	<u>229,981</u>

All amounts are due within one year.

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	22,413	15,395
Amounts due to subsidiaries	19,374	-
Other creditors	54,578	241,431
Accruals	86,388	99,487
	<u>182,753</u>	<u>356,313</u>

### 9. DEFERRED INCOME ACCOUNT

	Land transfer loans £	Operation of the Tamar £	Total £
Total as at 1 July 2006	493,346	-	493,346
Received in the year	-	860,000	860,000
Released to General Fund	(38,654)	-	(38,654)
Released to the General Revenue Account	-	(869,524)	(869,524)
Transferred to debtors	-	9,524	9,524
	<u>454,692</u>	<u>-</u>	<u>454,692</u>

### 10. FUND RESERVES

	2007 £	2006 £
General fund	7,620,617	8,000,221
House Building fund	7,081	11,832
Agricultural Incentive Scheme	50,609	41,171
Abattoir	9,934	8,632
Dairy	-	54,964
	<u>7,688,241</u>	<u>8,116,820</u>

# FALKLAND ISLANDS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2007

### 11. BOARD MEMBERS' EMOLUMENTS

	2007 £	2006 £
Total emoluments (including pension contributions)	<u>62,528</u>	<u>81,626</u>

The Chairman's remuneration was £Nil (2006 - £Nil) and the remuneration of the highest paid member, excluding pension contributions, was £36,620 (2006 - £63,945). Pension contributions paid to the highest paid member during the year were £Nil (2006 - £16,493).

Full time and part time board members received emoluments, excluding pension contributions, in the following ranges:

	2007 Number	2006 Number
£0 - £1,000	10	7
£1,000 - £55,000	2	-
£55,000 - £65,000	-	1
£85,000 - £95,000	-	-

### 12. PENSION COSTS

The Corporation participates in the Falkland Islands Pension Scheme, which is a defined contribution scheme. Contributions to the scheme during the year in respect of Corporation employees totalled £28,230 (2006 - £22,399).

### 13. GUARANTEES

At 30 June 2007, the Corporation had granted guarantees in relation to third party bank loans totalling £400,000 (2006 - £740,000).

### 14. COMMITMENTS

At 30 June 2007, monies approved but not yet expended in respect of grants, investments and the Corporation operations were:

	At 1 July 2006 £	Current Approvals £	Approvals Disbursed £	Adjustment £	At 30 June 2007 £
Administration	6,149	427,500	(389,615)	9,189	53,223
Fisheries	70,062	285,000	(226,227)	1,175	130,010
Industry	186,445	1,067,750	(913,783)	(43,290)	297,122
Rural development	121,366	576,306	(616,918)	75,700	156,454
Tourism	93,629	40,875	(33,177)	(4,426)	96,901
Training	6,707	-	(3,915)	197	2,989
	<u>484,358</u>	<u>2,397,431</u>	<u>(2,183,635)</u>	<u>38,545</u>	<u>736,699</u>