

**FALKLAND ISLANDS DEVELOPMENT
CORPORATION**

Report and Financial Statements

30 June 2009

FALKLAND ISLANDS DEVELOPMENT CORPORATION

REPORT AND FINANCIAL STATEMENTS 2009

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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 2009 and to the date of this report:

Chair and first elected representative	Cllr R Cockwell (resigned 5 November 2009)
Chair and first elected representative	MLA W Luxton (appointed 5 November 2009)
Second elected representative	Cllr I Hansen (resigned 5 November 2009)
Second elected representative	MLA G Short (appointed 5 November 2009)
Executive Vice Chair and Chief Executive of the Falkland Islands Government	Dr T Thorogood
General Manager	Mr D Waugh (appointed 2 February 2009) Mr T Cosh (appointed 5 August 2008, resigned 2 February 2009)
Rural Business Association	Mr AT Blake
Fishing Vessel Owners' Association	Mr A Irvine
Falkland Islands Chamber of Commerce	Mr M Forrest
Falkland Islands Tourist Board	Mr J Downing

Basis of preparation

As at the date of signing the financial statements the Corporation is forecasting that in order to fund planned development operations it will require additional funding within the next 12 months from either the Falkland Islands Government or an external body. At this stage while the Board Members expect to receive such funding, therefore have prepared the financial statements on a going concern basis, the absence of confirmed funding during this period indicates the existence of a material uncertainty which may cast significant doubt as to whether the Corporation will be able to continue as a going concern.

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 14th April 2010.

Signed on behalf of the Falkland Islands Development Corporation board

Chairman

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 2009 which comprise the principal accounting policies, the general revenue account, the balance sheet, the cash flow statement and the related notes 1 to 15. 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 2009 and the deficit of the Corporation for the year then ended in accordance with the principal accounting policies detailed on pages 5 to 7 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 – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Corporation's ability to continue as a going concern. As at the date of signing the financial statements the Corporation is forecasting that in order to fund planned development operations it will require additional funding within the next 12 months from either the Falkland Islands Government or an external body. At this stage while the Board Members expect to receive such funding, therefore have prepared the financial statements on a going concern basis, the absence of confirmed funding during this period indicates the existence of a material uncertainty which may cast significant doubt as to whether the Corporation will be able to continue as a going concern. The financial statements do not include the adjustments that would result if the Corporation was unable to continue as a going concern.

Deloitte LLP
Chartered Accountants
Glasgow
United Kingdom

2010

FALKLAND ISLANDS DEVELOPMENT CORPORATION

PRINCIPAL ACCOUNTING POLICIES

Year ended 30 June 2009

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.

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) Basis of preparation

As at the date of signing the financial statements the Corporation is forecasting that in order to fund planned development operations it will require additional funding within the next 12 months from either the Falkland Islands Government or an external body. At this stage while the Board Members expect to receive such funding, therefore have prepared the financial statements on a going concern basis, the absence of confirmed funding during this period indicates the existence of a material uncertainty which may cast significant doubt as to whether the Corporation will be able to continue as a going concern.

(c) 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, rental income, 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.

(d) 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. Assets under the course of construction are not depreciated until they are brought into use. 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%

FALKLAND ISLANDS DEVELOPMENT CORPORATION

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Year ended 30 June 2009

(d) Fixed assets (continued)

Fixed assets operated by Falkland Islands Meat Company Limited, a subsidiary undertaking, with a net book value of £3,441,016 have been transferred from the Corporation on 30 June 2009 to this subsidiary as a grant for nil consideration.

(e) Investments and loans

Investments are stated at cost less any provision for impairment 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) Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price. Adjustments are made for slow moving and obsolete stock.

(g) Research and surveys

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

(h) 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.

(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.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Year ended 30 June 2009

(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 2009

	Note	2009 £	2008 £
INCOME			
Loan and hire purchase interest		151,554	160,992
Bank interest		23,267	52,109
Rent		114,567	59,233
Aquaculture income		12,500	9,999
Other income		40,016	18,913
		<u>341,904</u>	<u>301,246</u>
EXPENDITURE			
Grant assistance	1	(52,003)	(6,625)
Project costs:			
Rural development		(446,700)	(296,639)
Fisheries		(15,695)	(55,615)
Industry		(258,563)	(237,016)
Training and professional support		-	(1,125)
Tourism		(59,705)	(69,534)
Aquaculture		(168,134)	(198,708)
Falkland Islands Wool Company		(30,000)	(105,000)
Abattoir project		-	(593,231)
Dairy project		(30,891)	(90,244)
Administrative expenses (net)	2	(222,666)	(169,250)
Depreciation of own use assets	5	(42,458)	(37,139)
		<u>(1,326,815)</u>	<u>(1,860,126)</u>
Net operating costs		<u>(984,911)</u>	<u>(1,558,880)</u>
Operation of the Tamar			
FIG funding received		102,568	1,106,136
Revenue		8,701	86,249
Expenditure		(111,269)	(1,192,385)
Net operating costs for the operation of the Tamar		<u>-</u>	<u>-</u>
Grant of Fixed Assets to Falkland Islands Meat Company Limited	4	(3,441,016)	-
Net gain on disposal of fixed assets		7,957	33,323
Provisions against loans and investments		(1,954)	-
		<u>6,003</u>	<u>33,323</u>
DEFICIT FUNDED BY GRANT-IN-AID AND FUND RESERVES		<u>(4,419,924)</u>	<u>(1,525,557)</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

BALANCE SHEET

As at 30 June 2009

	Note	2009 £	2008 £
INVESTMENTS IN PROJECTS			
Shares and loans	3	2,318,775	2,378,258
Tangible fixed assets – projects	4	637,397	3,742,166
		<u>2,956,172</u>	<u>6,120,424</u>
FIXED ASSETS			
Tangible fixed assets – own use	5	594,897	616,581
		<u>3,551,069</u>	<u>6,737,005</u>
CURRENT ASSETS			
Stocks	6	2,750	-
Debtors	7	78,651	200,344
Cash at bank and in hand		1,247,782	1,844,178
		<u>1,329,183</u>	<u>2,044,522</u>
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	8	(158,121)	(154,480)
		<u>1,171,062</u>	<u>1,890,042</u>
NET CURRENT ASSETS			
		<u>4,722,131</u>	<u>8,627,047</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Deferred income account	9	(344,515)	(389,003)
		<u>4,377,616</u>	<u>8,238,044</u>
NET ASSETS			
FUNDS			
Grant-in-aid funding received during the year:			
Core funding		-	433,000
Port development reimbursement		-	(65,239)
Abattoir project - animal crates		89,800	115,000
Abattoir project – operating grant		-	593,231
Abattoir project – capital grant		301,789	627,429
Falkland Islands Wool Company		30,000	105,000
Aquaculture project		-	200,000
Loan advance subsidy		50,594	-
		<u>472,183</u>	<u>2,008,421</u>
Net funding received		472,183	2,008,421
Deferred income released	9	87,313	66,939
Excess of expenditure over income		(4,419,924)	(1,525,557)
Fund reserves brought forward		<u>8,238,044</u>	<u>7,688,241</u>
		<u>4,377,616</u>	<u>8,238,044</u>
Fund reserves carried forward	10	4,377,616	8,238,044

Approved by the Falkland Islands Development Corporation board on

2010.

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 2009

	2008 £	2008 £	
RECONCILIATION OF NET OPERATING CASH OUTFLOW			
Net operating deficit	(4,419,924)	(1,525,557)	
Depreciation and provisions for diminution in value of tangible fixed assets	318,673	305,048	
Decrease in debtors	121,693	8,712	
Grant of Fixed Assets to FIMCo	3,441,016	-	
Increase in stock	(2,750)	-	
Increase/(decrease) in creditors	3,641	(28,273)	
Movement in loans and investment provisions	1,954	-	
Net gain on disposal of fixed assets	(7,957)	(33,323)	
Other non-cash adjustments	-	1,250	
	<u>(543,654)</u>	<u>(1,272,143)</u>	
NET CASH OUTFLOW FROM OPERATING ACTIVITIES			
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Additions to tangible fixed assets	(665,389)	(700,656)	
Receipts from sales of tangible fixed assets	40,110	87,381	
Loans advanced during year	(327,892)	(520,322)	
Loan and hire purchase capital repayments received	385,421	627,569	
	<u>(567,750)</u>	<u>(506,028)</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
NET CASH OUTFLOW BEFORE FINANCING	<u>(1,111,404)</u>	<u>(1,778,171)</u>	
FINANCING			
Net funding received during year	515,008	2,008,421	
	<u>(596,396)</u>	<u>230,250</u>	
(DECREASE)/INCREASE IN CASH DURING THE YEAR			
	<u>(596,396)</u>	<u>230,250</u>	
ANALYSIS OF CHANGES IN NET FUNDS			
Net funds at 1 July 2008	1,844,178	1,613,928	
Net cash (outflow)/inflow	(596,396)	230,250	
	<u>1,247,782</u>	<u>1,844,178</u>	
Net funds at 30 June 2009	<u>1,247,782</u>	<u>1,844,178</u>	
ANALYSIS OF CASH AS SHOWN IN THE BALANCE SHEET			
	2009 £	2008 £	Change in year £
Cash at bank and in hand	<u>1,247,782</u>	<u>1,844,178</u>	<u>(596,396)</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

1. GRANT ASSISTANCE

	2009	2008
	£	£
Tourism	34,128	1,365
Enterprise grants	17,875	5,260
	<u>52,003</u>	<u>6,625</u>

2. ADMINISTRATIVE EXPENSES (NET)

	2009	2008
	£	£
Salaries and staff costs	481,633	323,687
Less: allocated to project costs	(356,408)	(238,557)
	<u>125,225</u>	<u>85,130</u>
Other admin costs		
Travelling and subsistence	23,615	12,856
General expenses	23,180	17,515
Heat, light and power	11,176	9,978
Repairs and maintenance	4,385	1,844
Insurance	8,839	11,212
Telephone, fax and postage	37,393	24,629
Printing and stationery	8,148	5,267
Audit fees	20,644	18,885
Accountancy and professional fees	5,343	2,835
Publicity and promotions	3,772	9,795
	<u>146,495</u>	<u>114,816</u>
Less: allocated to project costs	(49,054)	(30,696)
	<u>97,441</u>	<u>84,120</u>
	<u><u>222,666</u></u>	<u><u>169,250</u></u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

3. INVESTMENTS IN PROJECTS

SHARES AND LOANS

	Ordinary shares £	Loans £	Total £
At 1 July 2008			
Subsidiary companies	12,596	100,000	112,596
Associated companies	84,700	30,491	115,191
Land transfer loans	-	387,753	387,753
Others	-	1,762,718	1,762,718
	<u>97,296</u>	<u>2,280,962</u>	<u>2,378,258</u>
Net additions/(disposals) in year:			
Subsidiary companies	(257,000)	-	(257,000)
Associated companies	-	-	-
Land transfer loans	-	-	-
Others	-	327,892	327,892
	<u>(257,000)</u>	<u>327,892</u>	<u>70,892</u>
Provision (charged)/released in year:			
	257,000	(1,954)	255,046
Repayments/transfers in year:			
Subsidiary companies	-	(5,000)	(5,000)
Associated companies	-	(10,050)	(10,050)
Land transfer loans	-	(86,063)	(86,063)
Others	-	(284,308)	(284,308)
	<u>-</u>	<u>(385,421)</u>	<u>(385,421)</u>
At 30 June 2009	<u>97,296</u>	<u>2,221,479</u>	<u>2,318,775</u>
Comprising:			
Subsidiary companies	12,596	95,000	107,596
Associated companies	84,700	20,441	105,141
Land transfer loans	-	301,690	301,690
Others	-	1,804,348	1,804,348
	<u>97,296</u>	<u>2,221,479</u>	<u>2,318,775</u>
Analysis by sector:			
Rural development	12,596	1,374,478	1,387,074
Industry	84,700	845,698	930,398
Tourism	-	1,303	1,303
	<u>97,296</u>	<u>2,221,479</u>	<u>2,318,775</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

3. INVESTMENTS IN PROJECTS (CONTINUED)

Investments in ordinary shares

FIDC subsidiaries	2009	2008
Stanley Dairy Limited	100%	100%
Falkland Islands Meat Company Limited	100%	100%
Other significant FIDC associated companies	2009	2008
Shorty's Diner Limited	50%	50%
Falkland Farmers Limited (no voting control)	54%	54%

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 company law.

Repayment profile of loan investments

Loans are recoverable as follows:

	2009	2008
	£	£
Within 1 year	124,034	456,973
Within 2 to 5 years	911,642	944,963
After more than 5 years	1,185,803	879,026
	<u>2,221,479</u>	<u>2,280,962</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

4. TANGIBLE FIXED ASSETS – PROJECTS

	Land & buildings £	Furniture & fittings £	Shipping £	Plant & equipment £	Assets under course of construction £	Total £
Cost						
At 1 July 2008	4,557,486	24,122	1,593,423	1,473,710	612,020	8,260,761
Additions	-	-	-	201,155	443,460	644,615
Transfers between categories	1,051,254	-	-	-	(1,051,254)	-
Disposals	-	-	(1,507,206)	(500)	-	(1,507,706)
Transfers to subsidiary undertakings	(3,986,432)	-	-	(1,330,233)	(4,226)	(5,320,891)
At 30 June 2009	<u>1,622,308</u>	<u>24,122</u>	<u>86,217</u>	<u>344,132</u>	<u>-</u>	<u>2,076,779</u>
Depreciation						
At 1 July 2008	1,662,366	21,815	1,550,049	1,284,365	-	4,518,595
Charge for year	164,320	1,155	1,854	108,886	-	276,215
Disposals	-	-	(1,475,179)	(374)	-	(1,475,553)
Transfers to subsidiary undertakings	(747,004)	-	-	(1,132,871)	-	(1,879,875)
At 30 June 2009	<u>1,079,682</u>	<u>22,970</u>	<u>76,724</u>	<u>260,006</u>	<u>-</u>	<u>1,439,382</u>
Net book value						
At 30 June 2009	<u>542,626</u>	<u>1,152</u>	<u>9,493</u>	<u>84,126</u>	<u>-</u>	<u>637,397</u>
At 30 June 2008	<u>2,895,120</u>	<u>2,307</u>	<u>43,374</u>	<u>189,345</u>	<u>612,020</u>	<u>3,742,166</u>
Cost analysis by sector:						
Rural development	103,003	10,481	-	172,443	-	285,927
Fisheries	42,667	3,256	-	51,118	-	97,041
Industry	1,476,638	10,385	86,217	104,013	-	1,677,253
Energy	-	-	-	16,558	-	16,558
	<u>1,622,308</u>	<u>24,122</u>	<u>86,217</u>	<u>344,132</u>	<u>-</u>	<u>2,076,779</u>

Included within plant and equipment is motor vehicles and included within furniture & fittings is computer equipment.

At 30 June 2009, the fixed assets operated by Falkland Islands Meat Company Limited, a subsidiary undertaking, with a net book value of £3,441,016 which were owned by the Corporation, were transferred to that company by way of a grant to the subsidiary undertaking.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 June 2009

5. TANGIBLE FIXED ASSETS – OWN USE

	Land & buildings £	Motor vehicles £	Office furniture & fittings £	Plant & equipment £	Total £
Cost					
At 1 July 2008	858,178	48,471	138,554	7,411	1,052,614
Additions	-	16,995	3,779	-	20,774
Disposals	-	(14,850)	-	-	(14,850)
	<u>858,178</u>	<u>50,616</u>	<u>142,333</u>	<u>7,411</u>	<u>1,058,538</u>
At 30 June 2009	<u>858,178</u>	<u>50,616</u>	<u>142,333</u>	<u>7,411</u>	<u>1,058,538</u>
Depreciation					
At 1 July 2008	267,782	40,067	120,773	7,411	436,033
Charge for year	17,663	12,655	12,140	-	42,458
Disposals	-	(14,850)	-	-	(14,850)
	<u>267,782</u>	<u>40,067</u>	<u>120,773</u>	<u>7,411</u>	<u>436,033</u>
At 30 June 2009	<u>285,445</u>	<u>37,872</u>	<u>132,913</u>	<u>7,411</u>	<u>463,641</u>
Net book value					
At 30 June 2009	<u>572,733</u>	<u>12,744</u>	<u>9,420</u>	<u>-</u>	<u>594,897</u>
At 30 June 2008	<u>590,396</u>	<u>8,404</u>	<u>17,781</u>	<u>-</u>	<u>616,581</u>

Included in own use land and buildings cost is an amount of £170,927 (2008 - £170,927) for land which is not depreciated.

6. STOCK

	2009 £	2008 £
Finished goods	<u>2,750</u>	<u>-</u>

7. DEBTORS

	2009 £	2008 £
Trade debtors	29,229	51,713
Other debtors	641	20,953
Amount owed from subsidiaries	42,825	81,819
Accrued income	-	35,661
Prepayments	5,956	10,198
	<u>78,651</u>	<u>200,344</u>

All amounts are due within one year.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	23,741	72,825
Amounts due to subsidiaries	12,823	1,496
Other creditors	12,904	20,392
Accruals	108,653	59,767
	<u>158,121</u>	<u>154,480</u>

9. DEFERRED INCOME ACCOUNT

	Aqua- culture £	Land transfer loans £	FIMCo Funding re Phase 2	Total £
Total as at 1 July 2008	1,250	387,753	-	389,003
Released to the General Revenue Account	(1,250)	(86,063)	-	(87,313)
Addition during year	-	-	42,825	42,825
	<u>-</u>	<u>301,690</u>	<u>42,825</u>	<u>344,515</u>
Total as at 30 June 2009	<u>-</u>	<u>301,690</u>	<u>42,825</u>	<u>344,515</u>

10. FUND RESERVES

	2009 £	2008 £
General fund	4,341,572	8,111,743
House Building fund	14,829	12,263
Agricultural Incentive Scheme	-	51,194
Abattoir	21,215	62,844
	<u>4,377,616</u>	<u>8,238,044</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2009

11. BOARD MEMBERS' EMOLUMENTS

	2009 £	2008 £
Total emoluments (including pension contributions)	32,203	82,518

The Chairman's remuneration was £Nil (2008 - £Nil) and the remuneration of the highest paid member, excluding pension contributions, was £30,921 (2008 - £73,706). Pension contributions paid to the highest paid member during the year were £Nil (2008 - £Nil).

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

	2009 Number	2008 Number
£0 - £1,000	6	10
£1,000 - £55,000	1	1
£55,000 - £65,000	-	-
£65,000 - £90,000	-	1

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 £80,330 (2008 - £30,324).

13. GUARANTEES

At 30 June 2009, the Corporation had granted guarantees in relation to third party bank loans totalling £400,000 (2008 - £400,000).

14. COMMITMENTS

At 30 June 2009, monies approved but not yet expended in respect of grants, investments and the Corporation operations were:

	At 1 July 2008 £	Current Approvals £	Approvals Disbursed £	Transferred £	Released £	At 30 June 2009 £
Administration	505	661,900	(600,133)	-	(62,022)	250
Fisheries	83,689	49,869	(123,343)	5,135	-	15,350
Industry	220,471	79,480	(83,315)	(59,877)	(127,816)	28,943
Rural development	429,217	887,239	(1,102,464)	54,742	(1639)	267,095
Tourism	142,352	2,500	(48,801)	-	(308)	95,743
	<u>876,234</u>	<u>1,680,988</u>	<u>(1,958,056)</u>	<u>-</u>	<u>(191,785)</u>	<u>407,382</u>

15. SUBSEQUENT EVENTS

Stanley Dairy Limited, a subsidiary company, was closed subsequent to the year end and its land, buildings, plant and equipment are being disposed of. It is intended that the company will be wound down by 30 June 2010.