

FALKLAND ISLANDS DEVELOPMENT CORPORATION

Report and Financial Statements

For the year ended 30 June 2010

FALKLAND ISLANDS DEVELOPMENT CORPORATION

REPORT AND FINANCIAL STATEMENTS 2010

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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 Legislated 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 Falklands 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 appointed 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 2010 and to the date of this report:

Chair and first elected representative	MLA W Luxton
Second elected representative	MLA G Short
Executive Vice Chair and Chief Executive of the Falkland Islands Government	Dr T Thorogood
General Manager	Mr D Waugh
Rural Business Association	Mr AT Blake
Fishing Vessel Owners' Association	Mr D Irvine
Falkland Islands Chamber of Commerce	MR M Forrest
Falkland Islands Tourist Board	Mr J Downing (resigned 5 April 2010) Mr P Trowell (appointed 5 April 2010)

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 ~~date 2010~~ 5 APR 2011

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 Falkland Islands Development Corporation for the year ended 30 June 2010 which comprise the Principal Accounting Policies, the General Revenue Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the board members of the Corporation, as a body. Our audit work has been undertaken so that we might state to the Corporation those matters we are required to state to it 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of board members and auditors

As described in the Board Members' Report, the Board are responsible for the preparation of the financial statements in accordance with applicable Falkland Islands law.

Our responsibility is to audit 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 give a true and fair view, whether the financial statements are properly prepared in accordance with the Falkland Islands Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988, and whether the information given in the Board Members' Report is consistent with the financial statements.

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.

We read the Board Members' Report and consider the implications of 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 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 give a true and fair view of the state of the Corporation's affairs as at 30 June 2010 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Falkland Island Development Corporation Ordinance 1983 (as amended) and the Finance and Audit Ordinance 1988;
- the information given in the Board Members' Report is consistent with the financial statements.

Meyar

Mazars LLP
Chartered Accountants and Registered Auditors
Clifton Down,
Beaufort Buildings,
Clifton
Bristol
BS8 4AN

Date: 17/6/10

FALKLAND ISLANDS DEVELOPMENT CORPORATION

PRINCIPAL ACCOUNTING POLICIES

Year ended 30 June 2010

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

The accounts have been prepared on a going concern basis.

(c) Funding

The corporations 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 is credited to the general fund, and the excess of expenditure over income 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	10-12.5%
Computer equipment	33%

(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 which it is incurred.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Year ended 30 June 2010

(h) Deferred income

Amount 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 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 Investment 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 2010

	Note	2010 £	2009 £
INCOME			
Loan and hire purchase interest		147,191	151,554
Bank interest		1,484	23,267
Rent		100,280	114,567
Aquaculture income		7,500	12,500
Other income		107,094	40,016
		<u>363,549</u>	<u>341,904</u>
EXPENDITURE			
Grant assistance	1	(62,100)	(52,003)
Project costs:			
Rural development		(305,841)	(446,700)
Fisheries		-	(15,695)
Industry		(199,432)	(258,563)
Training and professional support		-	-
Tourism		(55,640)	(59,705)
Aquaculture		(111,611)	(168,134)
Falkland Islands Wool Company		-	(30,000)
New Industries		(1,407)	-
Dairy project		-	(30,891)
Administrative expenses (net)	2	(191,265)	(222,666)
Depreciation of own use assets	5	(28,699)	(42,458)
		<u>(955,995)</u>	<u>(1,326,815)</u>
Net operating costs		<u>(592,446)</u>	<u>(984,911)</u>
Operation of the Tamar			
FIG funding received		-	102,568
Revenue		-	8,701
Expenditure		-	(111,269)
Net operating costs for the operation of the Tamar		<u>-</u>	<u>-</u>
Grant of Fixed Assets to Falkland Islands Meat Company Limited			
		-	(3,441,016)
Net gain on disposal of fixed assets		<u>(19,846)</u>	<u>7,957</u>
Provisions against loans and investments		<u>-</u>	<u>(1,954)</u>
		<u>(19,846)</u>	<u>6,003</u>
DEFICIT FUNDED BY GRANT-IN-AID AND FUND RESERVES		<u>(612,292)</u>	<u>(4,419,924)</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

BALANCE SHEET

As at 30 June 2010

	Note	2010 £	2009 £
INVESTMENT PROJECTS			
Shares and loans	3	2,194,909	2,318,775
Tangible fixed assets – projects	4	513,232	637,397
		<u>2,708,141</u>	<u>2,956,172</u>
FIXED ASSETS			
Tangible fixed assets – own use	5	494,293	594,897
		<u>3,202,434</u>	<u>3,551,069</u>
CURRENT ASSETS			
Assets held for sale at the year end		220,715	-
Stocks	6	6,762	2,750
Debtors	7	41,121	78,651
Cash at bank and in hand		793,134	1,247,782
		<u>1,061,732</u>	<u>1,329,183</u>
CURRENT LIABILITIES			
Creditors : Amounts falling due within one year	8	(70,378)	(158,121)
NET CURRENT ASSETS			
		<u>991,354</u>	<u>1,171,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Deferred income account	9	4,193,788	4,722,131
		<u>(254,681)</u>	<u>(344,515)</u>
NET ASSETS			
		<u>3,939,107</u>	<u>4,377,616</u>
FUNDS			
Grant-in-aid funding received during the year:			
Core funding			
Falkland Islands Government – Sea Trucks		53,000	-
Falkland Islands Government – Livestock & Wool		5,100	-
Abattoir project – animal crates		25,849	-
Abattoir project – FIMCo Funding Phase 2		-	89,800
Abattoir project – capital grant		42,825	-
Falkland Islands Wool Company		-	301,789
Loan advance subsidy		-	30,000
		<u>-</u>	<u>50,594</u>
Net funding received		126,774	472,183
Deferred income released	9	47,009	87,313
Excess of expenditure over income		(612,292)	(4,419,924)
Fund reserves brought forward		4,377,616	8,238,044
Fund reserves carried forward	10	<u>3,939,107</u>	<u>4,377,616</u>

Approved by the Falkland Islands Development Corporation board on 5 April 2011

Signed on behalf of the Falkland Islands Development Corporation board

W. R. L. G.

Board Member



Board Member

FALKLAND ISLANDS DEVELOPMENT CORPORATION

CASH FLOW STATEMENT
As at 30 June 2010

	2010	2009	
	£	£	
RECONCILIATION OF NET OPERATING CASH OUTFLOW			
Net operating deficit	(612,292)	(4,419,924)	
Depreciation and provisions for diminution in value of tangible fixed assets	162,710	318,673	
Decrease in debtors	37,529	121,693	
Grant of Fixed Assets to FIMCo	-	3,441,016	
Increase in stock	(4,012)	(2,750)	
Increase/(decrease) in creditors	(87,743)	3,641	
Movements in loans and investment provisions	(1,954)	1,954	
Net gain on disposal of fixed assets	(2,756)	(7,957)	
Net income from Stanley Dairy Limited for transfer of assets and write off of investments	(60,782)	-	
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	<u>(569,300)</u>	<u>(543,654)</u>	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Additions to tangible fixed assets	(10,125)	(665,389)	
Receipts from sales of tangible assets	-	40,110	
Proceeds from sales of investments	71,004	-	
Loans advanced during year	(735,740)	(327,892)	
Loan and hire purchase capital repayments received	<u>705,564</u>	<u>385,421</u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS	<u>30,703</u>	<u>(567,750)</u>	
NET CASH OUTFLOW BEFORE FINANCING	(538,597)	(1,111,404)	
FINANCING			
Net funding received during the year	<u>83,949</u>	<u>515,008</u>	
(DECREASE)/INCREASE IN CASH DURING THE YEAR	<u>(454,648)</u>	<u>(596,396)</u>	
ANALYSIS OF CHANGING IN NET FUNDS			
Net funds at 1 July 2009	1,247,782	1,844,178	
Net cash (outflow)/inflow	(454,648)	(596,396)	
Net funds at 30 June 2010	<u>793,134</u>	<u>1,247,782</u>	
 ANALYSIS OF CASH AS SHOWN IN THE BALANCE SHEET			
	2010	2009	Change in year
	£	£	£
Cash at bank and in hand	<u>793,134</u>	<u>1,247,782</u>	<u>(454,648)</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

	2010	2009
	£	£
1. GRANT ASSISTANCE		
Tourism	8,620	34,128
Enterprise grants	1,415	17,875
Abattoir upgrade	19,140	-
Wool & livestock transport	32,925	-
	<u>62,100</u>	<u>52,003</u>
2. ADMINISTRATIVE EXPENSES (NET)		
Salaries and staff costs	421,925	481,633
Less: allocated to project costs	<u>(312,225)</u>	<u>(356,408)</u>
	109,700	125,225
Other admin costs		
Travelling and subsistence	28,902	23,615
General expenses	26,480	23,180
Heat, light and power	5,318	11,176
Repairs and maintenance	7,297	4,385
Insurance	11,596	8,839
Telephone, fax and postage	20,845	37,393
Printing and stationery	4,247	8,148
Audit fees	16,274	20,644
Accountancy and professional fees	1,486	5,343
Publicity and promotions	1,277	3,772
	<u>123,722</u>	<u>146,495</u>
Less: allocated to project costs	<u>(42,157)</u>	<u>(49,054)</u>
	81,565	97,441
	<u>191,265</u>	<u>222,666</u>
3. INVESTMENTS IN PROJECTS		
SHARES AND LOANS		
	Ordinary shares	Loans
	£	£
Subsidiary companies – restated loan balance	12,596	141,471
Associated companies – restated loan balance	84,700	40,132
Land Transfer loans	-	301,690
Others – restated loan balance	-	1,738,186
At 1 July 2009	<u>97,296</u>	<u>2,221,479</u>
Net additions/(disposals) in year:		
Subsidiary companies	(126,668)	-
Associated companies	(48,400)	2,371
Land Transfer loans	-	19,029
Others	-	714,340
	<u>(175,068)</u>	<u>735,740</u>
Provision (charged)/released in year:	<u>114,072</u>	<u>1,954</u>
Repayments/transfers in year:		
Subsidiary companies	-	(95,000)
Associated companies	-	(26,583)
Land Transfer loans	-	(66,037)
Others	-	(612,944)
	<u>-</u>	<u>(800,564)</u>
At 30 June 2010	<u>36,300</u>	<u>2,158,609</u>
Comprising:		
Subsidiary companies	-	46,471
Associated companies	36,300	15,920
Land Transfer loans	-	254,682
Others	-	1,841,536
	<u>36,300</u>	<u>2,158,609</u>
Analysis by sector:		
Rural development	-	1,307,639
Industry	36,300	530,229
Tourism	-	320,741
	<u>36,300</u>	<u>2,158,609</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

3. INVESTMENTS IN PROJECTS (CONTINUED)

Investments in ordinary shares

	2010	2009
FIDC subsidiaries		
Stanley Dairy Limited	-	100%
Falkland Islands Meat Company Limited	100%	100%
Other significant FIDC associated companies	2010	2009
Shorty's Diner Limited	0%	50%
Falkland Farmers Limited (no voting control)	50%	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:	2010	2009
Within 1 year	89,287	124,034
Within 1 to 5 years	693,199	911,642
After more than 5 years	<u>1,376,123</u>	<u>1,185,803</u>
	<u>2,158,609</u>	<u>2,221,479</u>

The loan balances as stated above have been reallocated between subsidiary companies, associated companies and Other as the split in the 2009 accounts was incorrect. This has not impacted on the overall balance.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

4. TANGIBLE FIXED ASSETS - PROJECTS

Cost	Land & Buildings £	Furniture & fittings £	Shipping £	Plant & equipment £	Total £
At 1 July 2009	1,622,308	24,122	86,217	344,132	2,076,779
Transfers from subsidiary undertakings	165,699	915	-	143,871	310,485
Additions	9,178	200	-	-	9,378
Disposals	(22,944)	(12,309)	(28,280)	(620)	(64,153)
Transfers to current assets	(1,003,792)	-	-	(30,777)	(1,034,569)
At 30 June 2010	770,449	12,928	57,937	456,606	1,297,920
Depreciation					
At 1 July 2009	1,079,682	22,970	76,724	260,006	1,439,382
Transfers from subsidiary undertakings	52,563	743	-	88,800	142,106
Charge for year	62,980	660	820	69,551	134,011
Disposals	(6,194)	(12,309)	(25,182)	(620)	(44,305)
Transfers to current assets	(855,729)	-	-	(30,777)	(886,506)
At 30 June 2010	333,302	12,064	52,362	386,960	784,688
Net book value					
At 30 June 2010	437,147	864	5,575	69,646	513,232
At 30 June 2009	542,626	1,152	9,493	84,126	637,397
Cost analysis by sector:					
Rural development	197,826	4,287	-	315,693	517,806
Fisheries	42,666	3,256	-	51,118	97,040
Industry	529,957	5,385	57,937	73,236	666,515
Energy	-	-	-	16,559	16,559
	770,449	12,928	57,937	456,606	1,297,920

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

During the year assets owned by Stanley Dairy Limited, a former subsidiary, were transferred to Falkland Islands Development Corporation as the company was wound down. The cost and accumulated depreciation of the assets as included in the accounts of Stanley Dairy Limited have been transferred to reflect the true value of the assets.

The cost and accumulated depreciation of a number of fixed assets have been transferred to current assets as these assets are held for sale at the year end.

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

5. TANGIBLE FIXED ASSETS – OWN USE

	Land & Buildings	Motor vehicles	Office furniture & fittings	Plant & equipment	Total
Cost	£	£	£	£	£
At 1 July 2009	858,178	50,616	142,333	7,411	1,058,538
Additions	-	-	747	-	747
Disposals	-	-	-	(1,439)	(1,439)
Transfer to current assets	(95,595)	-	-	-	(95,595)
At 30 June 2010	<u>762,583</u>	<u>50,616</u>	<u>143,080</u>	<u>5,972</u>	<u>962,251</u>
Depreciation					
At 1 July 2009	285,445	37,872	132,913	7,411	463,641
Charge for year	17,662	4,246	6,791	-	28,699
Disposals	-	-	-	(1,439)	(1,439)
Transfer to current assets	(22,943)	-	-	-	(22,943)
At 30 June 2010	<u>280,164</u>	<u>42,118</u>	<u>139,704</u>	<u>5,972</u>	<u>467,958</u>
Net book value					
At 30 June 2010	<u>482,419</u>	<u>8,498</u>	<u>3,376</u>	-	<u>494,293</u>
At 30 June 2009	<u>572,733</u>	<u>12,744</u>	<u>9,420</u>	-	<u>594,897</u>

Included in own use land and buildings cost is an amount of £170,927 (2009 - £170,927) for land which is not depreciated.

6. STOCK	2010	2009
	£	£
Finished goods	<u>6,762</u>	<u>2,750</u>
7. DEBTORS	2010	2009
	£	£
Trade debtors	29,183	29,229
Other debtors	-	641
Accrued income	-	42,825
Prepayments	11,938	5,956
	<u>41,121</u>	<u>78,651</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2010	2009
	£	£
Trade creditors	5,464	23,741
Amounts due to subsidiaries	-	12,823
Other creditors	8,525	12,904
Accruals	56,389	108,653
	<u>70,378</u>	<u>158,121</u>

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

9. DEFERRED INCOME ACCOUNT	Land transfer loans	FIMCo Funding re Phase 2	Total
	£	£	£
Total as at 1 July 2009	301,690	42,825	344,515
Released to Grant-in-aid funding	-	(42,825)	(42,825)
Released to the General Revenue Account	(47,009)	-	(47,009)
Additional during year	-	-	-
Total as at 30 June 2010	254,681	-	254,681

10. FUND RESERVES	2010	2009
	£	£
General fund	3,923,791	4,341,572
House Building fund	15,100	14,829
Agricultural Incentive Scheme	-	-
Abattoir	216	21,215
	<u>3,939,107</u>	<u>4,377,616</u>

11. BOARD MEMBERS' EMOLUMENTS	2010	2009
	£	£
Total emoluments (including pension contributions)	<u>103,044</u>	<u>32,203</u>

The Chairman's remuneration was £nil (2009 - £Nil) and the remuneration of the highest paid member, excluding pension contributions, was £103,044 (2009 - £30,921). Pension contributions paid to the highest paid member during the year were £Nil (2009 - £Nil).

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

	2010	2009
	Number	Number
£0 - £1,000	-	6
£1,000 - £55,000	-	1
£55,000 - £65,000	-	-
£65,000 - £90,000	-	-
£90,000 - £100,000	-	-
£100,000 - £110,000	<u>1</u>	<u>-</u>

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 (£1,713) (2009 - £80,330).

13. GUARANTEES

At 30 June 2010, the Corporation had granted guarantees in relation to third party bank loans totalling £400,000 (2009 - £400,000).

FALKLAND ISLANDS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2010

14. COMMITMENTS

At 30 June 2010, monies approved but not yet expended in respect of grants, investments and the Corporation operations were:

	At 1 July 2009	Current Approvals	Approvals Disbursed	Transferred	Released	At 30 June 2010
	£	£	£	£	£	£
Administration & Fisheries	15,600	608,660	(630,676)	17,542	-	11,126
Industry	28,943	761,437	(493,857)	(35,074)	(182,500)	78,949
Rural development	267,095	229,982	(253,446)	14,182	(139,608)	118,205
Tourism	95,743	38,000	(5,697)	3,350	(30,000)	101,396
	<u>407,381</u>	<u>1,638,079</u>	<u>(1,383,676)</u>	<u>-</u>	<u>(352,108)</u>	<u>309,676</u>

15. RELATED PARTIES

During the year ended 30 June 2010, the Corporation has undertaken a number of transaction with entities that are defined as a related party, either through direct ownership by the Corporation, or through other directorships of Falkland Islands Development Board (FIDB) members. The total income and expenditure attributable to these entities in the year ended 30 June 2010, as well as the balances due or receivable from the entities at 30 June 2010 is listed below.

	Income	Expenditure	Debtors	Creditors
	£	£	£	
<i>Subsidiaries & Associated Companies</i>				
Falkland Islands Meat Company Limited	3,000	61	-	-
Stanley Dairy Limited	70,050	10	-	-
Falkland Farmers Limited	811	355	203	-
Shorty's Diner Limited	1,830	31	-	-
<i>Related by Directorship</i>				
Falkland Islands Government	174,005	35,927	-	5
Falkland Islands Tourist Board	-	3,373	-	-
Falkland Landholdings Corporation	1,780	5,977	244	-
Consolidated Fisheries Limited	181	-	-	-
Falkland Islands Chamber of Commerce Limited	750	398	403	130
International Tours & Travel Limited	-	18,927	-	-
	<u>252,407</u>	<u>65,059</u>	<u>850</u>	<u>135</u>

At the year end, Falkland Islands Meat Company Limited owed £46,471 (2009: £46,471) and Falkland Farmers Limited owed £15,920 (2009: £19,876) to the Corporation in respect of loans made by the Corporation and included within Investment Projects in the balance sheet.

Directorships of FIDB members are as follows:

Director	Directorships
David Waugh	Falkland Islands Development Corporation Falkland Islands Meat Company Limited Falkland Islands Tourist Board
Tim Thorogood	Falkland Islands Development Corporation Falkland Landholdings Corporation
Gavin Short	Falkland Islands Development Corporation
Bill Luxton	Falkland Islands Development Corporation Chartres Sheep Farming Company Limited Chartres River Properties Limited Falkland Landholdings Corporation Consolidated Fisheries Limited

FALKLAND ISLANDS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2010****15. RELATED PARTIES (CONTINUED)**

Directors	Directorships
Mike Forrest	Falkland Islands Development Corporation International Tours & Travel Limited Falkland Islands Chamber of Commerce Limited International Fishing Limited International Air Limited Marsur Limited
Drew Irvine	Falkland Islands Development Corporation Argos Resources Limited Argos Exploration Limited Argos Group Limited Falkland Islands Fishing Companies Association Falkland Islands Chamber of Commerce Limited Falkland Islands Pension Scheme
Paul Trowell	Falkland Islands Development Corporation Falkland Islands Tourist Board
Tony Blake	Falkland Islands Development Corporation Eurofishing Limited Ferralsmes Limited Galfishing Limited Kalamar Limited Somio Limited Falkland Islands Meat Company Limited