



FALKLAND ISLANDS GOVERNMENT

FINANCIAL STATEMENTS

for the year ended 30th June 2024

The Treasury
Stanley
Falkland Islands

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

CONTENTS	Page
Introduction	
Introduction	2
Statement of Treasurer's Responsibilities	6
Financial Statements	
Operating Cost Statement	7
Statement of Cashflows	8
Balance Sheet	9
Notes to the Financial Statements	10
Comparative Statement of Revenue (note 2) (Required by Ordinance)	17
Comparative Statement of Expenditure (note 3) (Required by Ordinance)	18
Statement of Contingent Liabilities (note 27) (Required by Ordinance)	31
Additional Statements Required by the Finance and Audit Ordinance 1988	
Statement of Expenditure in Excess	33
Statement of Advances	33
Statement of Investments	33
Statement of Outstanding Loans	34
Statement of Losses	34
Statement of Arrears of Revenue by subhead	35
Statement of Fund Balances	35
Statement of Ex-Gratia Payments	36
Statement of Unretired Imprests	36
Statement of Unallotted Stores	36
Other Statements	36
Audit reports	
Independent Auditors' Report	37

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

Introduction

Section 55(1) of the Finance and Audit Ordinance 1988 requires that within a period of six months after the end of each financial year, the Treasurer shall prepare financial statements showing fully the financial position of the Falkland Islands Government at the end of the year. Section 55 also specifies the financial schedules and statements that are required to be prepared. These schedules and statements form an integral part of the annual financial statements.

The Independent Auditors are required by Section 56(1) of the Finance and Audit Ordinance 1988 to report to the Treasurer on the examination and audit of the financial statements.

Section 57(1) of the Finance and Audit Ordinance 1988 requires that the document be laid before the Legislative Assembly at the next meeting of the Legislative Assembly following the receipt of the audit reports by the Treasurer.

The Independent Auditors also produce a non-statutory Management Report, which is an internal management document.

The Consolidated Fund established under the provisions of Section 68 of the Constitution is the general fund into which all revenues are paid and from which all expenditure is met.

A Contingencies Fund of £1.0m has been established in accordance with Section 26 of the Finance and Audit Ordinance 1988 to meet, immediately, urgent and unforeseen expenditure which has not been appropriated. The fund is maintained by Supplementary Appropriation Ordinances throughout the year as required.

The Finance and Audit Ordinance 1988 also makes provision for the financial statements and audit of any special funds, currently the Insurance Fund, the Capital Equalisation Fund and the Pensions (Old Scheme) Fund. These are published separately. The Currency Ordinance 1987 and the Retirement Pensions Ordinance 1996 provide for the accounting and audit of the Currency Fund and the Retirement Pensions Fund respectively. Again, the financial statements and audit reports are published separately for these Special Funds.

The Falkland Islands Development Corporation (FIDC), and Falklands Landholdings Corporation (FLH), are statutory corporations and publish their own financial statements and are audited under the provisions of Section 60 of the Finance and Audit Ordinance 1988.

Various other comprehensive statements and reconciliations are completed at the end of each financial year, however it is considered inappropriate to publish all of these in this document. Information regarding these statements and reconciliations can be provided by the Treasury.

One of the principal aims of these statements is to demonstrate the stewardship of public funds. For ease of reference in achieving this, statements have, in the main, been published with figures rounded to the nearest thousand pounds and it should be noted that some arithmetic accuracy will be lost as a result of this. Precise figures are shown in accounting documents held in the Treasury.

For the purpose of legislation and the Constitution, the Treasurer is referred to as Director of Finance. The Head of Finance exercises the functions of the Treasurer.

Basis of Accounting

The basis of accounting is fully disclosed in note 1 to the financial statements.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

Entities Included Within the Financial Statements

The Falkland Islands Government is included within these financial statements, along with the Fund account balances for which it is responsible: Currency Fund, Retirement Pensions Fund, Pensions (Old Scheme) Fund, Insurance Fund, Capital Equalisation Fund and Contingencies Fund.

Entities Excluded From the Financial Statements

The financial statements have been prepared on a single entity basis. Consolidated financial statements have not been prepared. There are separate entity financial statements for Falkland Islands Development Corporation, Falklands Landholdings Corporation, and Stanley Growers Ltd.

Members of Legislative Assembly

The Members who had responsibility for the Government during the year ended 30th June 2024 were:

Camp Constituency

The Honourable Ian Hansen to 21/09/2023

The Honourable Jack Ford from 22/09/2023

The Honourable John Birmingham

The Honourable Teslyn Barkman

Stanley Constituency

The Honourable Mark John Pollard

The Honourable Lucila Leona Vidal Roberts (Leona Roberts)

The Honourable Roger Kenneth Spink

The Honourable Gavin Short

The Honourable Peter Biggs

Corporate Management Team

The members of the Corporate Management Team during the year ended 30th June 2024 were:

Chief Executive	Andrew Keeling
Financial Secretary	Tracey Prior to 31st January 2024
Financial Secretary	Pat Clunie from 1st February 2024
Attorney General	Simon Young
Director of Public Works	Colin Summers
Director of Natural Resources	Dr Andrea Clausen
Director of Health and Social Services	Thomas Bale to November 2023
Director of Health and Social Services	John Woollacott from November 2023
Director of Education	Sarah Stannard
Director of Emergency Services	Alan Horberry to April 2024
Director of Emergency Services	Justin McPhee from April 2024
Director of Central Services	Becky Clark
Director of Policy & Economic Development	Amanda Curry Brown

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

Estimates

The 2023/2024 Estimates were approved by Legislative Council on 31 May 2023.

Appropriation Ordinances

The Appropriation Ordinance 2023 was assented to by Her Excellency The Governor on 23 June 2023.

Three Supplementary Appropriation Ordinances were submitted to the Legislature during the year. Details are set out below.

Date Assented to	Description	Value £000
26/09/23	Supplementary Appropriation (2023-2024) Ordinance 2023 (No 9 of 2023)	2,318
15/12/23	Supplementary Appropriation (2023-2024) (No2) Ordinance 2023 (No 10 of 2023)	1,000
	Supplementary Appropriation (2023-2024) Ordinance 2024 (No 9 of 2024)	11,000
	TOTAL	14,318

Warrants

A General Warrant was not necessary because authority for 2023/24 expenditure had been sanctioned by the issue of the Appropriation Ordinance 2023 before the commencement of the financial year.

No Supplementary Warrants were issued, these were not required as authority has been sanctioned under the issuance of the Supplementary Appropriations listed above.

There were no Contingency Warrants issued during the year.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

Out-turn

Revenue was £38.33m (including special fund transfers) more than the total estimated, and expenditure (including special fund transfers) was £4.85m less than the total estimated, resulting in a net positive variance of £33.48m against budget.

The Increase on estimate in revenue of £38.33m is attributable to the following:

Revenue Increases	£'000	£'000
Public Works	(915)	
Development & Commercial Services	(215)	
Education	51	
Policy & Economic Development	0	
Island Plan Investments	(37)	
Law & Regulation	61	
Mineral Resources	241	
Treasury	38,653	
		37,839
Offset by Revenue Decreases		
Health and Social Services	168	
Emergency Services	(3)	
Executive Management	291	
Natural Resources	30	
		486
Net Revenue Increases		38,325

The decrease on estimate in expenditure of £4.85m is attributable to the following:

Expenditure Decreases	£'000	£'000
Natural Resources	99	
Emergency Services	262	
Policy & Economic Development	63	
Mineral Resources	21	
Law & Regulation	9	
Treasury	6,586	
Social Investments	(600)	
Oil Development	0	
		6,440
Offset by Expenditure Increases		
Human Resources	718	
Education	(834)	
Health and Social Services	3,101	
Executive Management	(1,357)	
Central Services	1,980	
Public Works	(2,819)	
Island Plan Investments	(2,379)	
		(1,590)
Net Expenditure Increases		4,850

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

STATEMENT OF TREASURER'S RESPONSIBILITIES

The Treasurer is responsible for:

- the preparation of the financial statements in accordance with:
 - the Finance and Audit Ordinance 1988;
 - the Public Funds Ordinance 1990;
 - the Special Funds Ordinance 1993;
 - the Currency Ordinance 1987;
 - the Pensions (Old Scheme) Fund Ordinance 1999;
 - the Retirement Pensions Ordinance 1996; and
 - the Finance Ordinance 2004, reflecting the provisions of the Capital Equalisation Fund Order 2005
- ensuring the regularity of financial transactions;
- ensuring that all monies received and paid by Government are brought promptly and properly to account;
- reporting to the Financial Secretary in writing any apparent defect in controls of revenue, expenditure, cash, stores and other property of the Government;
- reporting to the Financial Secretary in writing any breach or non-observance of Financial Instructions; and
- ensuring that adequate provisions exist for the safe custody of public monies and securities.

Approved by:



**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

OPERATING COST STATEMENT FOR THE YEAR ENDED 30th JUNE 2024

2023 £000s	Notes	2024 £000s
Operating Revenue		
120,966 Departmental Revenue	2	160,636
70 Island Plan Investments Revenue	2	85
121,036 Total Operating Revenue		160,721
Operating Costs		
(33,327) Staff Costs		(38,500)
(47,620) Other Departmental Costs		(56,161)
(7,545) Island Plan Investment Costs		(7,762)
(88,492) Total Operating Costs	3	(102,423)
32,544 Net Operating Surplus before transfers & capital charges		58,298
Social & Oil Investments		
(61,885) Transfers to Special Funds	3	-
- Transfers from Special Funds	2	-
Island Plan Investments		
- Transfers to Special Funds	3	-
- Transfers from Special Funds	2	-
(29,341) Increase/(Decrease) in Net Liquid Assets for Operating purposes	23	58,298
(8,587) Depreciation	3	(9,131)
(37,928) NET OPERATING SURPLUS/(DEFICIT)		49,167


S Cannon
Treasurer

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30th JUNE 2024

	Note	2023 £000s	2024 £000s
Net Cash Inflow from Operating Activities	25	15,073	23,414
Returns on Investment and Servicing of Finance			
Interest Paid		-	-
Interest Received on Investments Held Locally		323	392
Net Cash Inflow from Returns on Investment and Servicing of Finance		323	392
Capital Expenditure			
Tangible Fixed Assets payments		(34,735)	(38,479)
(Payments)/Receipts for other Financial Assets		22,000	16,717
Proceeds from Disposal of Tangible Fixed Assets		86	356
Net Cash Outflow from Capital Expenditure		(12,649)	(21,406)
Financing			
Mortgage Receipts		(263)	(752)
Other Loans Repaid		-	-
Capital Grants		70	86
Net Cash Inflow from Financing		(193)	(666)
Net (Decrease)/Increase in Cash		<u>2,554</u>	<u>1,734</u>
Cash at Beginning of Period		7,412	9,966
Net (Decrease)/Increase in Cash		2,554	1,734
Cash at End of Period		<u>9,966</u>	<u>11,700</u>

The above cash flows do not include financial transactions processed by financial institutions on behalf of FIG, for example those processed by Investment Fund Managers, the proceeds of which are retained within the individual funds.


**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

BALANCE SHEET AS AT 30th JUNE 2024

2023	2023		2024	2024
All Funds	General Fund	Notes	All Funds	General Fund
£000s	£000s		£000s	£000s
Fixed Assets				
212,865	212,865	Tangible Fixed Assets	7	236,651
131,868	-	Investments – Special Funds	8	212,927
263,846	263,846	Investments – Consolidated Fund	9	200,526
608,579	476,711	Total Fixed Assets and Investments	650,104	437,177
463	463	Debtors falling due after more than 1 year	10	1,215
Current Assets				
14,065	14,065	Stocks	11	14,302
9,133	9,133	Debtors falling due within 1 year	12	9,511
9,966	9,966	Cash at bank and in hand	13	11,700
33,164	33,164	Total Current Assets	35,513	81,055
(8,406)	(76,656)	Creditors due within 1 year	14	(8,480)
24,758	(43,492)	Net Current Assets	27,033	71,052
633,800	433,682	Total Assets Less Current Liabilities	678,352	509,444
-	-	- Creditors falling due after more than 1 year	14	-
(2,196)	(2,196)	Provisions for liabilities	16	(1,789)
631,604	431,486	Net Assets	676,563	507,655
Financed by Taxpayers' Equity:				
200,118	-	Special Funds	17	168,909
431,486	431,486	General Fund	18	507,654
631,604	431,486	Total Reserves	676,563	507,655

RECONCILIATION TO NET LIQUID ASSETS

631,604	431,486	Total Reserves	676,563	507,654
(212,865)	(212,865)	Less Tangible Fixed Assets	(236,651)	(236,651)
418,739	218,621	Net Liquid Assets	439,912	271,003



**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Basis of Accounting

These financial statements are prepared and published in accordance with the provisions of the Finance and Audit Ordinance 1988. The financial statements generally follow UK Generally Accepted Accounting Practice (UK GAAP) to the extent it is meaningful and appropriate to the Falkland Islands Government. Where there is a choice of accounting policies available, the accounting policy judged to be the most appropriate to the particular circumstances of the Falkland Islands Government has been selected. The Government's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements. Where relevant, principles outlined in the Resource Accounting Manual issued by HM Treasury have been followed. The financial statements are not required to comply fully with statements issued by the financial reporting and accounting standards setting bodies in the United Kingdom.

As at 30 June 2024 the Government has net current assets of £27.03m (2023 - £24.8m) of which £11.7m (2023 - £9.97m) is held in cash. In addition, as at the year end the Government has a further £413.45m (2023 - £395.71m) held with external investment managers accounting for more than four years' worth of operating costs.

The Treasurer believes that the Government is in a financially strong position and will continue to be so, and accordingly the financial statements have been prepared on a going concern basis.

1.2 Accounting Convention

These financial statements have been prepared under the accruals concept of accounting and the historical cost convention for the measurement of fixed assets, as modified for the revaluation of listed fixed asset investments. Differences to the historical cost method of valuation for tangible fixed assets and stocks have been referred to in notes 1.10 and 1.17d.

1.3 Basis of consolidation

These financial statements comprise of a consolidation of all departments within the Falkland Islands Government, including the balances on Special Funds managed by the Government. Separate financial statements further detailing the activity on Special Funds are also produced. These financial statements do not consolidate the Falkland Islands Development Corporation, Falklands Landholdings Corporation, Stanley Growers Ltd or any other subsidiaries of the Falkland Islands Government.

1.4 Recognition of Income

Income is recognised on an accrual's basis, accruing into the financial statements where late invoicing has occurred, and deferring income not relating to the period of account. Operating income relates directly to the operating activities of the department. It principally comprises fees and charges for services provided on a full-cost basis to external customers. Fees cross-charged internally across departments are also included, as explained in note 1.8.

With regards to taxation income, income from personal tax is recognised when an assessment is issued by the Taxation Department for tax which is due and paid. Income from corporation tax and payments on account of tax (POAT) are recognised at the time payments are due and payable according to taxation legislation.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.4 Recognition of Income (continued)

The exception to this is in relation to those cases of corporation tax that are covered by Extra Statutory Concession 16. In such cases the tax due on any part of the consideration is deferred to a period the earliest of:

- Receipt of the cash amount;
- First oil production from the licence interest disposed of; or
- Five years from the date of the disposal contract.

The date the Taxation Office will instigate collection of tax in respect of such considerations, and the associated point of income recognition, will be eight months and one day after the end of the relevant company's accounting period.

All penalties accruing for late payment of tax as at 30th June form part of revenue.

Road Fund licenses are recognised in the year of receipt. Capital revenue has been recognised through the Capital Equalisation Fund, disclosed in separate financial statements.

1.5 Notional and Other Non-Cash Charges

The Operating Cost Statement includes depreciation charged to the various Government departments.

1.6 Recognition of Expenditure

Expenditure is recognised on an accruals basis, matching costs incurred to the period of account. Costs relating to a future accounting period are recognised as prepayments. Costs cross-charged internally between departments are also included, as explained in note 1.8. Other expenditure is incurred by Fund Transfers and Transfer Payments. Capital expenditure has been recognised through the Capital Equalisation Fund, the details of this fund are disclosed in separate financial statements.

1.7 Foreign Currency Transactions

The financial statements are maintained and reported in Falkland Islands pounds, which are on par with the pound sterling, in accordance with the provisions of Section 4 of the Currency Ordinance 1987. Expenditure and revenue in other currencies are converted to Falkland Islands pounds at the foreign exchange rate on the date the transactions take place. Balances and investments held are converted at the closing mid-point foreign exchange rate at the 30th June.

1.8 Interdepartmental Transactions

Certain transactions are included in these financial statements as expenditure by one department and revenue in another in order to reflect more fully the true cost of services to Government. These include electricity, postal charges, rent rebates, photocopier contract, FIGAS flights & aerial surveillance costs, plant hire, asphalt and quarry products.

1.9 Intangible Fixed Assets

Mineral, oil and fishing rights are not capitalised. It is not possible to ascertain their value without incurring considerable cost. Purchased software licences are put through the Operating Cost Statement as the majority of licences are renewed annually, and values of longer term licences are considered immaterial. As such, there are no intangible fixed assets accounted for within FIG.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.10 Tangible Fixed Assets

With the exceptions stated below concerning non-operational heritage assets, tangible fixed assets are stated at historical cost including any costs such as delivery and installation directly attributable to bringing them into working condition. There are some fixed assets for which it has not been possible to identify historic cost. In these cases, an estimate of replacement cost has been made. As at 30th June 2024, the split of assets (excluding biological assets and accrued additions) disclosed in this way was:

	Cost £000s	% of cost	Net Book Value £000s	% of NBV
Historical Cost	326,448	91%	236,651	97%
Estimated Values	32,634	9%	6,925	3%
Total Fixed Assets	359,082		243,576	

All fixed assets with a cost or estimated value over £5,000 are capitalised, with the exception of IT, which is capitalised at a level of £200. Non-operational heritage assets have not been capitalised, either because it is impossible to obtain a reliable valuation, or because the cost of obtaining a reliable valuation would be greater than the benefit arising.

1.11 Assets Under the Course of Construction

Assets under the course of construction are included in the fixed assets figure in the Balance Sheet and detailed in note 7 to the financial statements. Capital retentions are accrued into the Capital Equalisation Fund, in a consistent manner to all other capital payments.

As a project is completed and the asset is brought into use, the asset is transferred out of the Assets Under Construction asset category and into the relevant asset category.

1.12 Donated Assets

Donated tangible fixed assets are capitalised at their current value on receipt, this value being credited to the Donated Asset Reserve. Each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Operating Cost Statement.

1.13 Depreciation Policy

Tangible Fixed Assets are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful economic lives. Assets under the course of construction are not depreciated until the asset is brought into use and transferred out of that category. Leased assets are depreciated over the shorter of the lease term and their estimated useful economic lives. No depreciation is provided on freehold land since it has an unlimited useful life.

The initial cost of capital infrastructure is depreciated over 100 years, being management's current estimated useful life. All repairs expenditure in relation to such infrastructure is charged to the Operating Cost Statement. In addition, annual condition reviews are performed by management in order to consider any further material consumption or deterioration of the infrastructure network during the year which is required to be charged to the Operating Cost Statement as excess depreciation.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.13 Depreciation Policy (continued)

The asset categories and their normal useful economic lives are as determined by a suitably qualified officer, but are generally:

Infrastructure (roads, etc.)	10-100 years
Buildings	50-100 years
Plant & Machinery	10-50 years
Air and Sea Craft	5-20 years
Furniture & Fittings	10 years
Vehicles	10 years
Equipment	5-10 years
Information Technology	3 years
Leasehold Land and Buildings	remaining life of lease

1.14 Biological Assets

Biological assets relate to the National Beef Herd and Sheep Flock and are valued on the basis of the average price of a live bullock in the local market. It is the intention of FIG to maintain these assets as breeding stock and they are therefore classified as fixed assets.

1.15 Investments

Listed investments are valued at mid-market value, including accrued interest.

For investments in support of the Consolidated Fund, realised gains or losses arising from in-year trading activities of listed investments are recorded within the Operating Cost Statement. Unrealised gains and losses arising from the year-end revaluation of listed investments are recorded in the Balance Sheet through the Investments Revaluation Reserve.

For investments in support of the Special Funds, all transactions are recorded through the Balance Sheet. Separate statements are produced to provide support for each of the Special Funds.

Within the Insurance Fund, some transactions, which are denominated in a foreign currency, are covered by open forward exchange contracts. The value of these contracts is included in the closing market valuation, off-set by the cost of the transactions, leaving the resulting unrealised gain / loss within the valuation.

Unlisted investments are valued based on the historic cost of the shares held less any provision for impairment.

1.16 Debtors

The sum of debtors shown in the Balance Sheet is made up of accrued income, advances, prepayments, trade debtors and loans advanced by FIG. Long-term debtors disclosed refer to mortgages. More details of the sums advanced can be found in the Statement of Outstanding Loans.

Provision has also been made for debtors which are considered to be irrecoverable, or where the recovery of the debt is unlikely. This has been done by reference to each debt, on the advice of each Head of Department. All increases and decreases to this provision have been taken through the Operating Cost Statement.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.17 Stock

Government stock is included in the financial statements using the following policy guidelines.

- a. Total stock held by a department / section is excluded if less than £20,000 in value.
- b. Minor assets held, which are below the fixed asset threshold, and which are of an inventory nature rather than consumable items, are not included within the stock figure.
- c. The initial recognition of stock has been created and a corresponding entry in the General Fund represents the increase to the balance sheet value of Taxpayers' Equity.
- d. Stock is valued at the lower of cost or net realisable value with the exception of quarry stone stock which is always valued at net realisable value.
- e. Stock has been measured by way of an annual stock take, with the material departments being subject to verification testing.
- f. Stock recognised for the first time is accounted for as described in note 1.17(c). All other movements in stock are accounted for under stock consumption in the Operating Cost Statement. Negative stock consumption arises when in-year purchases exceed usage.
- g. The production costs and materials of unissued currency held in FIG vaults have been specifically excluded from the stock valuation.

1.18 Leases

Where substantially all the risks and rewards of ownership of a leased asset are borne by the department, leased assets are recorded as a tangible fixed asset and a liability is recorded to the lesser of the minimum lease payments discounted by the rate implicit in the lease. Currently FIG does not have any finance leases (2023 – nil). Those leases not meeting the above definition are treated as operating leases and as such are charged to the Operating Cost Statement on a straight-line basis over the lease term. In the Falkland Islands Government Office (FIGO), London, one operating lease is held for items of office equipment (2023 – one).

1.19 Provisions for Liabilities

The Falkland Islands Government provides for legal and constructive obligations, which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Further details of the sums provided for can be found in note 16.

1.20 Reserves

Reserves have been reclassified into the categories of Special Funds and General Fund. The General Fund consists of the Contingencies Fund, the Investments Revaluation Reserve, the Fixed Assets Revaluation Reserve, the Donated Assets Reserve and the Consolidated Fund, which is the historic accumulation of cash resources, as adjusted for resource accounting. As a result of these adjustments, the fund has increased and represents the change in value of Taxpayers' Equity following the introduction of Balance Sheet assets and liabilities and other operational adjustments. Notes 18 to 22 disclose this in more detail.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.21 Pensions

Pensions (Old Scheme) Fund

The Pensions (Old Scheme) Fund was established to underwrite the liability to pay Government service pensions to pensioners and officers who remain subject to the old defined benefit scheme arrangements. However, the scope of the Fund has been extended to include payments due under the Falkland Landholdings (FLH) pension scheme, Overseas Service Aid Scheme (OSAS) pensions, the Voluntary Severance Scheme/redundancy uplifts, ill-health and disability benefits, the No Worse Off Guarantee and death-in-service benefit provisions of the Falkland Islands Pension Scheme (FIPS), and as annuity provider of last resort. In FIG's financial statements, three types of contributions are paid into this scheme.

- (1) Over the 7 year period 1999/00 to 2005/06, annual transfer payments were made into the fund to "top-up" a previously reported imbalance in respect of past service.
- (2) With effect from 2004/05 onwards, an additional sum is paid into the scheme from FIG to cover Death-In-Service benefits which may become payable to FIG employee members of the FIPS.
- (3) In addition, amounts have been paid as necessary as contributions towards future pension benefits in respect of the employees who opted to remain on the "old" defined benefits pension conditions.

Non-compliance with the UK Financial Reporting Standard 17 'Retirement Benefits' (FRS17)

The provisions of FRS17 have not been adopted. Note 26 provides an explanation of the latest triennial actuarial review on the old scheme balance as provided by XPS. A full actuarial valuation is undertaken once every 3 years.

Retirement Pensions Fund

The Retirement Pensions Fund supports the state pension scheme. A full actuarial valuation by independent actuaries is undertaken once every 5 years. The last actuarial review was undertaken, as at 31 December 2018, by Callund Consulting Ltd.

In the FIG financial statements, three types of contributions are paid into this scheme.

- (1) FIG makes employer pension contributions, in the same manner as all other employers in the Falkland Islands.
- (2) In special circumstances, FIG makes contributions on behalf of contributors who meet the criteria for assisted contributions.
- (3) A further annual payment is made to subsidise the difference between contribution rates charged across all active contributors and the rates that would need to be charged to meet all liabilities.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

1.22 Grants

Grants payable are recorded as expenditure in the period that the entitlement to the grant occurs.

1.23 Research and development

Expenditure on research and development is charged through the operating cost statement when it is incurred.

1.24 Related Party Transactions

The Government is required to disclose material transactions with related parties. In this context parties are considered to be related if they have the potential to influence or control the Government or be influenced and controlled by Government. For accounting purposes these parties include Members of the Legislative Assembly, the Chief Executive, the Treasurer, the Attorney General and Departmental Directors.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

2. COMPARATIVE STATEMENT OF REVENUE

The Finance and Audit Ordinance 1988 requires a comparative statement of estimated and actual revenue by subhead; the following Annual Abstract Account satisfies that requirement. A detailed comparative statement of estimated and actual revenue by subhead is not published in these financial statements; however it can be made available by the Treasury.

Actual 2023 £000s	Departmental Ledger Codes		Estimate 2024 Unaudited £000s	Actual 2024 £000s
1,748	110	Development & Commercial Services	1,944	1,729
-	120	Human Resources	-	-
752	200	Health and Social Services	593	761
128	250	Education	142	193
15,959	350	Public Works	17,588	16,673
32,853	410	Natural Resources	34,334	34,364
223	450	Law & Regulation	217	278
4,675	550	Emergency Services	4,811	4,808
4,010	600	Executive Management	4,009	4,300
18	615	Policy & Economic Development	-	-
1330	620	Mineral Resources	1,760	2,001
59,270	700	Treasury	56,875	95,528
120,966		TOTAL DEPT REVENUE (exc. Oil development)	122,273	160,635
70	999	Island Plan Investments	123	86
121,036		TOTAL OPERATING REVENUE	122,396	160,721
-	998	Social Investments	-	-
-	997	Oil Development	-	-
121,036		TOTAL REVENUE RECEIVED	122,396	160,721


**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

3. COMPARATIVE STATEMENT OF EXPENDITURE

The Finance and Audit Ordinance 1988 requires a comparative statement of estimated and actual expenditure by subhead. The following Annual Abstract Account satisfies that requirement. A detailed comparative statement of estimated and actual expenditure by subhead is not published in these financial statements; however, it can be made available by the Treasury.

Actual 2023 Operating £000s	Actual 2023 Depreciation £000s	Actual 2023 Total £000s	Estimate 2024 Unaudited £000s	Actual 2024 Operating £000s	Actual 2024 Depreciation £000s	Actual 2024 Total £000s
9,359	971	10,330	9,610.0	10,594.0	996.0	11,590.0
781	1	782	-	717.0	1.0	718.0
17,342	737	18,079	17,825.0	20,222.0	704.0	20,926.0
9,046	453	9,499	9,610.0	9,756.0	451.0	10,207.0
18,612	5,884	24,496	17,825.0	16,678.0	6,451.0	23,129.0
7,424	71	7,495	11,041.0	8,157.0	57.0	8,214.0
1,363	5	1,368	25,948.0	1,868.0	4.0	1,872.0
4,023	223	4,246	8,115.0	5,251.0	214.0	5,465.0
7,642	183	7,825	1,863.0	7,210.0	178.0	7,388.0
1,130	53	1,183	5,203.0	1,133.0	70.0	1,203.0
214	-	214	8,745.0	890.0	-	890.0
4,011	6	4,017	1,140.0	12,165.0	5.0	12,170.0
7,545	-	7,545	-	7,762.0	-	7,762.0
88,492	8,587	97,079	116,925.0	102,403.0	9,131.0	111,534.0
TOTAL EXPENDITURE						
61,885	-	61,885	1,831.0	-	-	-
-	-	-	9,127.0	-	-	-
150,377	8,587	158,964	127,883.0	102,403.0	9,131.0	111,534.0
TOTAL FUNDS EXPENDED						


S Cannon
Treasurer

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

4. DIRECTORS REMUNERATION

2023-2024

	Gross Salary (bands of £5,000) £000s	Gratuity Accrued (bands of £5,000) £000s	Benefits in Kind and (rounded to the £000s	Employer's OPC (bands of £5,000) £000s	Employer's RPC (rounded to the £000s
Andrew Keeling - Chief Executive	150 - 155	35 - 40	-	-	0 - 5
Tracey Prior - Financial Secretary (to 31/01/24)	60 - 65	15 - 20	-	-	0 - 5
Patrick Clunie - Financial Secretary (from 01/02/24)	40 - 45	-	-	0 - 5	0 - 5
Simon Young - Attorney General (transferred to local terms Dec 23)	120 - 125	15 - 20	-	5 - 10	0 - 5
Carol Hever - Director of Human Resources (to 31/10/23)	30 - 35	5 - 10	-	-	0 - 5
Dr Andrea Clausen - Director of Natural Resources	110 - 115	-	-	10 - 15	0 - 5
Colin Summers - Director of Public Works	120 - 125	-	-	10 - 15	0 - 5
Sarah Stannard - Director of Education	90 - 95	20 - 25	-	-	0 - 5
Alan Horberry - Director of Emergency Services (To April 24)	90 - 95	20 - 25	-	-	0 - 5
Justin Mcphee- Director of Emergency Services (From April 24)	25 - 30	-	-	0 - 5	0 - 5
Thomas Bale - Director of Health and Social Services (To 24/11/23)	40 - 45	10 - 15	-	-	0 - 5
John Woollacott - Director of Health and Social Services (from October 23)	65 - 70	15 - 20	-	-	0 - 5
Amanda Curry Brown - Director of Policy & Economic Development	90 - 95	20 - 25	-	-	0 - 5
Becky Clark - Director of Development & Commercial Services	90 - 95	20 - 25	-	-	0 - 5

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

4. DIRECTORS REMUNERATION (continued)

2022-2023

	Gross Salary (bands of £5,000) £000s	Gratuity Accrued in Year (bands of £5,000) £000s	Benefits in Kind and other contractual payments (rounded to the nearest £000) £000s	Employer's OPC (bands of £5,000) £000s	Employer's RPC (rounded to the nearest £000) £000s
Andrew Keeling - Chief Executive	145 - 150	35 - 40	-	-	0 - 5
Tracey Prior - Financial Secretary (from November 22)	65 - 70	15 - 20	-	-	0 - 5
Timothy Waggott - Financial Secretary (to November 22)	45 - 50	10 - 15	-	-	0 - 5
Simon Young - Attorney General	115 - 120	25 - 30	-	-	0 - 5
Carol Hever - Director of Human Resources	85 - 90	20 - 25	-	-	0 - 5
Stephen Luxton - Director of Mineral Resources (to July 22)	0 - 5	-	-	-	0 - 5
Dr Andrea Clausen - Director of Natural Resources	100 - 105	-	-	10-15	0 - 5
Colin Summers - Director of Public Works	115 - 120	-	-	15-20	0 - 5
Sarah Stannard - Director of Education (from September 22)	70 - 75	15 - 20	-	-	0 - 5
Marie Horton - Director of Education (To October 22)	30 - 35	0 - 5	-	-	0 - 5
Alan Horberry - Director of Emergency Services	95 - 100	20 - 25	-	-	0 - 5
Thomas Bale - Director of Health and Social Services	90 - 95	20 - 25	-	-	0 - 5
Amanda Curry Brown - Director of Policy & Economic Development	80 - 85	20 - 25	-	-	0 - 5
Becky Clark - Director of Development & Commercial Services (From August 22)	80 - 85	20 - 25	-	-	0 - 5

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

4. DIRECTORS REMUNERATION (continued)

Posts vacated in year included: Treasurer – Tracey Prior, Director of Human Resources – Carol Hever, Director of Emergency Services – Alan Horberry and Director of Health and Social Services – Thomas Bale.

Posts filled during the year include: Treasurer – Pat Clunie, Director of Emergency services - Justin McPhee and Director of Health and Social Services – John Woolacott.

5. EMPLOYEE REMUNERATION

	Number of Employees	
	2022/23	2023/24
£50,000 - £54,999	20	22
£55,000 - £59,999	19	23
£60,000 - £64,999	20	20
£65,000 - £69,999	9	12
£70,000 - £74,999	8	12
£75,000 - £79,999	6	3
£80,000 - £84,999	6	5
£85,000 - £89,999	3	6
£90,000 - £94,999	2	2
£95,000 - £99,999	1	3
£100,000 - £104,999	1	1
£105,000 - £109,999	2	3
£110,000 - £114,999	0	2
£115,000 - £119,999	2	0
£120,000 - £124,999	2	1
£125,000 +	2	5
Total	103	120

This note shows the number of employees whose remuneration was greater than £50,000 set out in bands of £5,000. Remuneration is defined as amounts paid to or receivable by an employee, including gross salary plus gratuity. The Directors disclosed in note 4 are excluded from this note.

6. MEMBERS ALLOWANCES

During the year the Government incurred expenditure of £354,798 in relation to Members' Salaries and Allowances (2023: £348,085).

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

7. TANGIBLE FIXED ASSETS

	Land £000s	Buildings £000s	Infrastructure £000s	Furniture & Fittings £000s	Equipment £000s	Plant & Machinery £000s	IT £000s	Vehicles £000s	Air and Seacraft £000s	Under Construction £000s	Biological Assets £000s	Total £000s
Cost or valuation												
At 1 July 2023	1,330	96,308	112,859	594	12,225	33,458	2,266	13,628	5,527	48,485	50	326,727
Additions	192	6,958	8,644	15	274	644	290	1,427	-	20,572	-	39,016
Disposals	-	(28)	(91)	(3)	(45)	-	(16)	(409)	-	(1,766)	(1)	(2,358)
Impairment	-	-	-	-	-	-	-	-	-	(4,254)	-	(4,254)
Transfers	-	1,430	4,817	-	33	2,039	18	273	-	(8,610)	-	-
At 30 June 2024	1,522	104,668	126,229	606	12,487	36,141	2,558	14,919	5,527	54,427	49	359,131
Depreciation												
At 1 July 2023	-	(44,213)	(24,381)	(455)	(8,372)	(21,041)	(1,867)	(10,387)	(3,147)	-	-	(113,863)
Charged in year	-	(2,014)	(2,800)	(32)	(881)	(2,046)	(273)	(890)	(195)	-	-	(9,131)
Disposals	-	22	18	3	45	-	16	409	-	-	-	513
Transfers between categories	-	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2024	-	(46,205)	(27,163)	(484)	(9,208)	(23,087)	(2,124)	(10,868)	(3,342)	-	-	(122,481)
Net Book value at 30 June 2024	1,522	58,463	99,066	122	3,279	13,054	434	4,051	2,185	54,427	49	236,650
Net Book value at 30 June 2023	1,330	52,095	88,477	140	3,853	12,417	399	3,240	2,380	48,485	50	212,865

During the year an impairment review was undertaken in regards to assets previously capitalised for the development of the new port, that are included within assets under construction. An impairment of £4.25m has been recognised at the year-end in respect of these assets.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

8. INVESTMENT PORTFOLIOS SUPPORTING SPECIAL FUNDS MANAGED BY THE TREASURY

2023	2024	2024
£000s	£000s	£000s
Market Value	Book Cost	Market Value
6,566 Currency Fund	4,945	6,821
83,231 Retirement Pensions Fund	89,341	103,654
21,054 Pensions (Old Scheme) Fund	30,530	28,354
20,981 Insurance Fund	24,980	22,432
36 Capital Equalisation Fund	50,891	51,666
131,868	200,687	212,927

9. INVESTMENT PORTFOLIOS SUPPORTING THE CONSOLIDATED FUND

2023	2024	2024
£000s	£000s	£000s
Market Value	Book Cost	Market Value
263,539 Growth Fund	163,066	190,049
82 Income Fund	10,087	10,252
225 Share Capital Investments (unlisted) *	225	225
263,846	173,378	200,526

*Unlisted investments are shares in Stanley Services Ltd, of which FIG has a 44.9% shareholding, and Stanley Growers Ltd of which FIG has a 100% shareholding.

10. DEBTORS FALLING DUE AFTER MORE THAN 1 YEAR

2023		2024
£000s	Note	£000s
463	Loans made by FIG 10.1	1,215

10.1 ANALYSIS OF LOAN MATURITY PROFILE

2023		2024
£000s		£000s
298	Due within 2 to 5 years	506
165	Due within 6 to 10 years	243
0	Due within 11 to 15 years	233
	Due within 16 to 20 years	233
463		1,215

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

11. ANALYSIS OF STOCKS HELD BY DEPARTMENT

ANALYSIS OF STOCKS HELD BY DEPARTMENT

2023		2024
£000s		£000s
1,527	100 Central Services	1,310
1,401	200 Health and Social Services	1,268
10,760	350 Public Works	11,313
130	410 Natural Resources	138
226	550 Emergency Services	226
21	251 Education	16
0	800 Legislature	31
14,065		14,302

12. ANALYSIS OF DEBTORS FALLING DUE WITHIN 1 YEAR

2023	2023	2024	2024
All Funds	General Fund	All Funds	General Fund
£000s	£000s	£000s	£000s
1,013	1,013	1,295	1,295
25	25	23	23
843	843	1,174	1,174
7,203	7,203	6,984	6,984
49	49	36	36
-	-		45,541
9,133	9,133	9,512	55,053

13. CASH IN HAND AND AT BANK

2023	2024
£000s	£000s
684 Cash in Hand	388
9,196 Cash at Banks	11,225
86 Remittances in Transit	87
9,966	11,700
TOTAL	11,700

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

14. ANALYSIS OF CREDITORS

2023 All Funds £000s	2023 General Funds £000s	Note	2024 All Funds £000s	2024 General Funds £000s
AMOUNTS FALLING DUE WITHIN 1 YEAR				
45	45	Deposits on behalf of other administrations	54	54
1,578	1,578	Income Received in Advance	1,287	1,287
6,783	6,783	Accruals	7,139	7,139
-	-	Loans to FIG	-	-
-	68,250	Owed to Special Funds	-	1,523
8,406	76,656	Amounts Falling Due Within 1 Year	8,480	10,003
AMOUNTS FALLING DUE AFTER MORE THAN 1 YEAR				
-	-	Loans to FIG	-	-
8,406	76,656	TOTAL	8,480	10,003

15. LOANS TO FIG

2023 £000s	2024 £000s
Loans to FIG	
- Payable within 1 year	-
- Payable within 2 to 5 years	-
-	-

16. PROVISIONS FOR LIABILITIES

2023 £000s	2024 £000s
Holiday Credit Scheme	
2,109 Opening Provision	2,196
88 Provision for New travel Credit scheme - accrued	(406)
(1) Less: Amounts forfeit due to closure of scheme	(1)
2,196 Closing Provision	1,789

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

17. BALANCE OF INDIVIDUAL SPECIAL FUNDS MANAGED BY THE TREASURY AS PROVIDED FOR BY THE FINANCE AND AUDIT ORDINANCE 1988

2023	2024
£000s	£000s
7,664 Currency Fund	7,749
93,974 Retirement Pensions Fund	104,150
21,902 Insurance Fund	22,530
30,218 Pensions (Old Scheme) Fund	26,750
46,361 Capital Equalisation Fund	7,730
200,118	168,909

18. GENERAL FUND

2023		2024
£000s	Note	£000s
4,237 Contingencies Fund		4,751
36,203 Investments Revaluation Reserve	19	27,149
38,805 Fixed Assets Revaluation Reserve	20	37,002
56 Donated Asset Reserve	21	56
352,185 Consolidated Fund	22	438,697
431,486		507,654

19. INVESTMENTS REVALUATION RESERVE

2023		2024
£000s	Note	£000s
38,118 Opening brought forward		36,203
7,513 Revaluation of investments above market value		-7,708
(9,428) Realised Element of the Investments Revaluation Reserve		-1,346
36,203	19.1	27,149

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

19. INVESTMENTS REVALUATION RESERVE (Cont.)

19.1 Reconciliation of Investments Revaluation Reserve Balance

2023		2024
£000s		£000s
227,644 Book Value of Consolidated Fund investments	9	173,378
263,847 Market Value of Consolidated Fund investments	9	200,527
36,203		27,149

20. FIXED ASSETS REVALUATION RESERVE

2023		2024
£000s	Note	£000s
40,588 Opening brought forward		38,805
4 Movement in Livestock		(2)
(1,787) Realised Element of the Fixed Assets Revaluation Reserve	20.1	(1,801)
38,805		37,002

20.1 The realised element relates to the depreciation and disposal of revalued assets

21. DONATED ASSETS RESERVE

2023	2024
£000s	£000s
56 Balance 1 July, brought forward	56
- Depreciation	-
- Additions in year	-
56 Balance 30 June, carried forward	56

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

22. CONSOLIDATED FUND

2023			2024	
£000s	£000s	Note	£000s	£000s
Cash and Operating Cost Statement Resource Accounting				
Adjustments				
120,023	Balance 1 July			82,095
(37,928)	(Deficit)/Surplus for the year			49,168
82,095	Balance 30 June			131,263
Other Realisations and Transfers				
(Balance Sheet Resource Accounting Adjustments)				
224,543	Balance 1 July			270,090
	Release of over provision			
536	Increase/(Decrease) to contingencies fund		(514)	
1,787	Realised Element of Fixed Assets Revaluation Reserve	20	1,801	
9,428	Realised Element of Investments Revaluation Reserve	19	1,346	
33,795	Fixed Assets purchased from Capital Equalisation Fund		34,711	
	45,547			37,344
352,185				438,697



**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

23. RECONCILIATION OF NET LIQUID ASSETS

2023		Note	2024	
£000s	£000s		£000s	£000s
	238,517			218,621
	Net Liquid Assets as at 1 July			
(29,340)	Increase/(Decrease) for operating purposes		58,298	
7,513	Movement in Investment value	19	(7,708)	
1,931	Other fixed asset movements		1,791	
	(19,896) Total Decrease in Net Liquid Assets			52,381
	218,621			271,002
	Net Liquid Assets as at 30 June			

24. OPERATING LEASES

2023	2024
£000s	£000s
11	11
Operating lease rentals charged as an expense	
Operating lease payments due	
1	1
Payable within 1 year	
1	1

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

25. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

	2023	2024
Note	£000s	£000s
Net Operating Surplus/(Deficit) Before Interest	(43,366)	44,349
Depreciation and Amortisation	8,587	9,131
Transfers to Special Funds	61,885	0
Net Cash (Outflow)/Inflow to the Pension Old Scheme Fund	776	(3,485)
Net Cash (Outflow)/Inflow from the Retirement Pension Fund	(225)	(311)
Net Cash (Outflow)/Inflow from the Insurance Fund	(793)	(869)
Net Cash (Outflow)/Inflow to the Currency Fund	71	(170)
Investment Manager Accrual Adjustment	(11)	21
Consolidated Fund Investment Manager Fees	180	161
(Profit)/Loss on sale of Consolidated Fund Investments	(3,548)	(23,804)
(Profit)/Loss on Sale of Tangible Fixed Assets	166	1,844
Capital Payments Transferred to the Capital Equalisation Fund	(3,046)	(2,504)
Interest Paid		0
(Increase)/Decrease in Stock	1,087	(237)
(Increase)/Decrease in Trade and Other Receivables	(4,156)	(379)
Increase/(Decrease) in Trade and Other Payables	(2,621)	74
(Decrease)/Increase in Provisions	87	(407)
Net Cash Inflow from Operating Activities	15,073	23,414

The special fund cash movement adjustments relate to the Pensions (Old Scheme) Fund, Retirement Pension Fund, Insurance Fund and the Currency Fund. The net figure includes actual receipts and payments with external individuals, for example payments to pensioners, receipts from pensioners, payment of insurance premiums and the issue and destruction of currency. However these do not include the financial transactions processed by Financial Institutions on behalf of FIG, for example those processed by Investment Fund Managers, the proceeds of which are retained within the individual funds.

26. PENSIONS (OLD SCHEME)

The balance of the Fund at 30 June 2024 is £26.75m (2023 - £30.22m), a decrease of £3.47m (2023 – £5.6m) from the closing balance for the previous financial year.

Under the provisions of section 5 of the Ordinance the adequacy of the Fund is required to be reviewed by an independent actuary once every 3 years.

The last full valuation undertaken by XPS reported a surplus of £3.75m as at 30 June 2021 (fair value of assets £42.85m less present value of scheme liabilities of £39.1m (2018 - £1.47m)). XPS reported that the fund was 110% fully funded. The surplus and improvement in the funding position since the last valuation in 2018 is mainly due to; FIG contribution of £3.1m to prefund guarantees expected to arise over the three years to 2021 against which actual liabilities were only £1.3m; and investment returns on the fund's assets being higher than assumed in the 2018 valuation. These positive impacts were, however, offset by the fall in gilt yields.

Due to limited value against cost, the provisions of FRS 102(28) have not been adopted.

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

27. STATEMENT OF CONTINGENT LIABILITIES

Mortgages

At 30 June 2024 FIG was guarantor for 206 (2023 – 206) personal (housing) mortgages with guaranteed balances totalling £2.3m (2023 - £2.3m) under the Joint General Mortgage Scheme with Standard Chartered Bank. Each mortgage has an individual repayment date within the period 2023-2048.

28. STATEMENT OF CONTINGENT ASSETS

Corporation Tax

It is not practicable to estimate the potential tax due to Government as at the 30th June for inclusion in the accounts in those cases where company accounts have not been filed.

Other

At 30 June 2016 FIG concluded discussions with a third party in relation to taxation charges due. The company has agreed binding documentation with the Falkland Island Government. The Tax Settlement Deed confirms the quantum and deferment of the outstanding tax liability and reflects the principles agreed between the company and FIG in December 2013 and is made under Falkland Islands Extra Statutory Concession 16. The highlights of this are:

- The outstanding tax liability was confirmed at approximately £64.4 million and payable on the first royalty payment date (or earlier subject to certain events);
- The first royalty payment date is anticipated to occur within six months of first oil production (it is currently estimated that first production will occur approximately four years from the point of commercial project sanction);
- The company provides certain “creditor protection” undertakings to FIG while the tax liability remains outstanding including (i) restriction on dividends or distributions; (ii) granting of first ranking security over the Company’s assets; and (iii) while such security is in place, restrictions, subject to conventional carve outs, on granting further security.

In light of the potential changes to the liability set out above, it has been decided not to include the potential asset in long term debtors as the amount owed is insufficiently certain.

29. RELATED PARTIES

With the exception of some company fishing licences, which were undertaken on an arms-length basis and in the normal course of business, there were no related party transactions that were individually material during the year. This is consistent with the prior year.



**S Cannon
Treasurer**



FALKLAND ISLANDS GOVERNMENT

ADDITIONAL STATEMENTS REQUIRED

BY THE

FINANCE AND AUDIT ORDINANCE 1988

for the year ended 30th June 2024

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

STATEMENT OF EXPENDITURE IN EXCESS

2023		2024
Nil	Expenditure in excess	Nil

This statement is required to ensure expenditure does not exceed the authorised appropriation and therefore is prepared on a cash basis.

**S Cannon
Treasurer**

STATEMENT OF ADVANCES

	2023 £000s	2024 £000s
Other Administrations	3	3
Peter Symonds College	-	-
Other	22	20
	<u>25</u>	<u>23</u>

The Statement of Advances is analysed in accordance with Section 25 of the Finance and Audit Ordinance 1988.

**S Cannon
Treasurer**

STATEMENT OF INVESTMENTS

2023 £000s	GROWTH FUND	2024 £000s
11,233	Cash	9,943
229,950	Other (including equity and property)	145,919
22,356	Fixed Interest	34,187
<u>263,539</u>		<u>190,050</u>
	INCOME FUND	
82	Fixed Interest	10,252
<u>82</u>		<u>10,252</u>
<u>263,621</u>	Total Investments of the Consolidated Fund	<u>200,302</u>


**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

STATEMENT OF OUTSTANDING LOANS

2023 £000s	2024 £000s
253 Balance outstanding at 1 July	512
321 Additions during the year - Applied Interest	796
574	1,308
(62) Receipts during the year - Repayments	(57)
512 Balance outstanding at 30 June	1,250

Notes:

1. This statement agrees to the Balance Sheet, as shown in notes 10 and 12 to the financial statements.

	£000s
Note 10 Debtors (Loans) Falling Due after more than 1 year	1,214
Note 12 Debtors (Loans) Falling Due within 1 year	36
Total	1,250

2. Details of individual loans are set out in the Financial Statements.

3. The balance outstanding at 30 June can be analysed as below: -

STATEMENT OF OUTSTANDING LOANS - Analysis

Number of Advances	Balance Outstanding	Type of Advance	Number of Advances	Balance Outstanding
2023	2023		2024	2024
£000s	£000s		£000s	£000s
0	0	Hillside	1	181
1	319	Woolshed	1	932
62	193	Dwellings	62	137
63	512	TOTAL	64	1,250

**S Cannon
Treasurer**

STATEMENT OF LOSSES

2023		2024
NIL	Material Losses	NIL


**S Cannon
Treasurer**

**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

STATEMENT OF ARREARS OF REVENUE BY SUBHEAD AS AT 30 JUNE

2023		2024	
Arrears	Total Due	Arrears	Total Due
£000s	£000s	£000s	£000s
56	117	43	293
64	85	61	77
30	32	43	46
1,883	4,050	3,217	3,749
41	146	15	47
5	20	32	49
202	510	130	430
-	-	-	-
72	142	32	33
-	-	-	-
-	-	-	-
3,877	4,273	3,584	4,241
6,230	9,083	7,157	8,965
(860) Bad Debt Provisions		(680)	
67 Loans & Advances		53	
843 Prepayments		1,174	
0 Owed from Special Funds		-	
9,133 Total per Note 12		9,512	

Arrears are defined as amounts unpaid after the 30 day credit period except for Fishing Licences, which are treated as those licences remaining unpaid from fishing seasons up to and including the 1st fishing season of 2008, for which entitlement to fish ended before 30 June 2024. Education loans are repayable over a longer period, and are therefore not treated as arrears. Also, for Taxation debtors, these are payable as follows:

- POAT – amounts due 14th day of following month.
- Personal Tax – for assessments to 31 December 2023, tax payable is due by 30 September 2024.
- Corporation tax – payable 8 months and 1 day following end of accounting period.

S Cannon
Treasurer



STATEMENT OF FUND BALANCES

The Balance Sheet includes the Special Fund Balances and note 17 to the financial statements analyses the balances between the Funds. Separate financial statements are published for each of the Special Funds.

S Cannon
Treasurer



**FALKLAND ISLANDS GOVERNMENT
FINANCIAL STATEMENTS
for the year ended 30th June 2024**

STATEMENT OF EX-GRATIA PAYMENTS

2023			2024	
No of Pensioners	Amount £000s		No of Pensioners	Amount £000s
3	6	Retirement Pensions	3	6

Ex-gratia retirement pensions under the Retirement Pensions Ordinance 1996 are a charge on the Consolidated Fund. Funding for these pensions was provided in the Approved Estimates and appropriated accordingly.

**S Cannon
Treasurer**



STATEMENT OF UNRETIRED IMPRESTS

2023		2024
Nil	Unretired Imprests	Nil

Petty cash imprests continue to be issued on a trial basis.

**S Cannon
Treasurer**



STATEMENT OF UNALLOTTED STORES

2023		2024
Nil	Unallotted Stores	Nil

Note: Unallotted stores are defined as those not allocated to Departments.

**S Cannon
Treasurer**



OTHER STATEMENTS

There are no other statements required by Legislative Assembly.

**S Cannon
Treasurer**



Independent auditor's report to those charged with governance of the Falkland Islands Government

Opinion

We have audited the financial statements of the Falkland Islands Government (the 'government') for the year ended 30 June 2024 which comprise the Operating Cost Statement, the Statement of Cashflows, Balance Sheet and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is the Finance and Audit Ordinance 1988, the Public Funds Ordinance 1990, the Special Funds Ordinance 1993, the Currency Ordinance 1987, the Pensions (Old Scheme) Fund Ordinance 1999, the Retirement Pensions Ordinance 1996 and the Finance Ordinance 2004, reflecting the provisions of the Capital Equalisation Fund Order 2005.

In our opinion, the financial statements:

- give a true and fair view of the state of the corporation's affairs as at 30 June 2024 and of its surplus for the year then ended and;
- have been prepared in accordance with the requirements of the Finance and Audit Ordinance 1988, the Public Funds Ordinance 1990, the Special Funds Ordinance 1993, the Currency Ordinance 1987, the Pensions (Old Scheme) Fund Ordinance 1999, the Retirement Pensions Ordinance 1996 and the Finance Ordinance 2004, reflecting the provisions of the Capital Equalisation Fund Order 2005

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the government in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the government's

ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the government and its environment obtained in the course of the audit, we have not identified material misstatements in the financial statements

Responsibilities of Treasurer

As explained more fully in the Statement of Treasurer's responsibilities statement set out on page 6, the treasurer is responsible for the preparation of the financial statements in accordance with applicable law, managing the financial statements of the Government, ensuring the regularity of financial transactions, ensuring that all monies received and paid by Government are brought promptly and properly to account, reporting to the Financial Secretary in writing any apparent defect in departmental controls of revenue, expenditure, cash, stamps, stores and other property of the Government and any breach or non-observance of Financial instructions and ensuring that adequate provisions exist for safe custody of public monies and securities and for being satisfied that they give a true and fair view, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the government and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the government is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the government which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Falkland Islands Tourist Board Ordinance 2014.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and

determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off and completeness assertions), and significant one-off or unusual transactions.

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

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

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

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

Use of the audit report

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

Forvis Mazars LLP

Forvis Mazars LLP (Jan 22, 2025 11:37 GMT)

Forvis Mazars LLP Chartered Accountants and Statutory Auditor

90 Victoria Street, Bristol, BS1 6DP

Date **22/01/2025**