8th June 2015

Falkland Islands Holdings plc

("FIH" or the "Group")

Final results for the year ended 31 March 2015

A copy of the Group's results is also available on the Company's website.

FIH, the AIM quoted international services group that owns essential services businesses in the Falkland Islands and the UK, is pleased to announce its final results for the year ended 31 March 2015.

Group Financial Highlights

- Group revenue increased 0.8% to £38.56 million (2014: £38.26 million)
- Profit before tax increased 14.4% to £3.89 million (2014: £3.40 million)
- Underlying pre-tax profits flat as expected (-2.4%), at £3.56 million (2014: £3.65 million)
- Reported diluted earnings per share increased by 20% to 25.3p (2014: 21.1p)
- Cash balances increased to £7.4 million (2014: £5.7 million)
- Bank borrowings reduced to £0.7 million (2014: £1.0 million)
- Net cash flow from operating activities, before capital expenditure and after tax payment, increased to a record £6.4 million (2014: £2.8 million)
- The Board is not recommending the payment of a final dividend, in line with strategy to reinvest earnings and cash to accelerate the Group's growth.

Operating Highlights

Falkland Islands Company (FIC)

- Strong performance with pre-tax profits increasing by 39.4% to £1.56 million (2014: £1.12 million)
- Increased activity due to the Spring 2015 drilling programme
- Uplift in demand for corporate rented houses, hire vehicles, agency services and construction work
- Record squid catch improved confidence and boosted government finances

Momart

- Return to more normal levels of activity, following exceptional levels of activity in the prior year
- Total revenue decreased 16.5% to £15.8 million (2014: £18.3 million)
- Underlying operating profit before tax and before amortisation of intangibles was £1.21 million (2014: £1.76 million)
- Agreement reached with the Company's landlord to construct new facilities on the East London site to increase storage capacity by 33% (Subject to receipt of final planning permission this is due to come into effect in early 2016)
- Market leader in the UK exhibitions market, involved in installation of prestigious exhibitions such as: Anselm Keifer and Rubens at the Royal Academy; Matisse at Tate Modern; Virginia Woolf at the National Portrait Gallery; and Ming at the British Museum

Portsmouth Harbour Ferry Company

- Revenues increased 4.3% to £4.3 million (2014: £4.12 million)
- Delivery of third modern ferry vessel, "Harbour Spirit" to provide improved passenger experience
- Increase in average ferry fares, to cover increased operating costs of the new ferry, coupled with new fare offerings to stimulate ferry usage

Falkland Oil & Gas Limited ('FOGL')

- Gradual divestment of shares in FOGL with sale of 7.8 million shares in March 2015 at a profit of £0.7 million
- Following the year end, in April 2015, the Group's residual holding of 5 million FOGL shares was sold at a profit of £0.4 million.
- The Group's decision to liquidate its stake in FOGL reflects the Board's decision to re-align the portfolio

Edmund Rowland, Chairman of FIH, said:

"This has been a year of significant progress across the Group, and I am pleased to be reporting an encouraging set of results.

"Momart has continued to handle a number of high-profile exhibitions in the UK and internationally in the past year, and is expected to produce renewed progress with planned strategic improvements across the business over the next financial year.

"The Portsmouth Harbour Ferry Company saw increased revenue despite reduced passenger numbers in a challenging market place. We are delighted to have taken delivery of our third modern ferry vessel, Harbour Spirit, and we anticipate that the business will benefit from the UK's forecast general economic recovery as well as the Navy's planned investment in infrastructure.

"This has been a busy year for the Falkland Islands, and we anticipate further increases in activity in the Falkland Islands Company businesses, linked to the ongoing drilling campaign and further infrastructure investment by the Falkland Islands Government.

"I am also pleased to note the two oil discoveries offshore the islands, which goes further to prove up the area as a commercial oil province.

"The Group is in a strong financial position and is well placed to accelerate its growth through further investment in our existing businesses and by strategic acquisitions, in line with our ongoing growth strategy.

"In the year to date, the Group's trading performance is in line with our expectations and we anticipate another year of progress".

- End -

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Chairman's Statement

In my first annual report as Chairman I am pleased to report that the Group achieved an encouraging trading result for the year in line with the Board's expectations. Reported pre-tax profits were ahead of the prior year by £0.5 million at £3.9 million and underlying pre-tax profits (before amortisation and non-trading items) were lower by 2.4% at £3.6 million *(2014: £3.7 million)*. Diluted earnings per share based upon underlying profits were unchanged at 22.0p. Reported diluted earnings per share increased by 20% to 25.3p *(2014: 21.1p)*.

As previously announced, in line with our new policy of reinvesting earnings and cash to accelerate the growth of the Group, the Board is not recommending the payment of a final dividend.

On 9 February 2015, David Hudd retired as Chairman after 13 years' service, during which the Group saw significant growth. On behalf of the Board and our shareholders, I would like to express our grateful thanks to David for his enormous contribution and wish him a happy retirement. I would also like to thank Mike Killingley who retired on 13 April 2015 after 10 years' service as a Non Executive Director.

The Group's financial position is strong and after capital expenditure of £4.7 million, cash balances at the end of the year were £7.4 million and bank borrowings £0.7 million. Net cash flow from operating activities before capital expenditure, and after the payment of tax, increased by £3.6 million to a record £6.4 million. This strong operating cash flow and healthy liquidity position (with net cash balances of £6.7 million) gives the Group significant untapped borrowing potential and the Board intends to make use of this to accelerate the Group's growth through further investment in its existing businesses and through strategic acquisitions.

Operations

A strong recovery in the Group's Falkland's business, including encouraging growth from its South Atlantic Construction Company (SAtCO) Joint Venture, meant that despite the anticipated return to more normal trading levels at Momart, following the string of exceptional overseas exhibitions which boosted results in the prior year, the Group achieved strong levels of operating profits overall at £3.8 million, which is broadly equivalent to the record levels achieved in the prior year *(2014: £3.9 million)*.

In the Falklands, activity was boosted by a record illex squid catch and preparations for the resumption of exploration drilling in Falkland's waters which recommenced in spring 2015 with further discoveries at the Zebedee and Isobel Deep wells, a potential southern extension to the 2010 Sea Lion discovery. On the back of these positive developments the Falklands Islands Company ("FIC") saw a welcome return to growth with revenue ahead by 16.5% to a record £18.5 million *(2014: £15.9 million)* and operating profits increasing by 34% to £1.3 million *(2014: £1.0 million)*.

Momart, the Group's Fine Art handling business, saw activity return to more normal levels of trading. Revenue was lower by 14% at £15.8 million *(2014: £18.3 million)* and operating profit, before amortisation of the intangible assets, fell back, as expected, to £1.2 million from the record levels seen in the prior year *(2014: £1.8 million)*.

The Portsmouth Harbour Ferry Company ("PHFC") saw operating profits unchanged at just over £1.0 million, with fare increases in June 2014 offsetting a small (2%) decrease in the number of passengers using the ferry.

Falkland Oil and Gas (FOGL)

During the year the Group gradually divested its shares in FOGL with the sale of 7.8 million shares in March 2015 at a profit of £0.7 million and, following the year end, in April 2015, the Group's residual holding of 5 million FOGL shares was sold at a profit of £0.4 million. Over the course of the 11 years since FOGL's flotation in 2004, the Group generated over £8 million in cash proceeds and over £5 million in profit from its investment. The sale of shares in FOGL was implemented to augment the Group's cash resources for further investment in its future growth.

Chairman’s Statement *(continued)*

Outlook

A continuing uplift in economic activity is anticipated in the Falklands in the first half of the new financial year, linked to the ongoing drilling campaign and further infrastructure investment by the Falkland Islands Government. Longer term sustainable growth will depend on a recovery in the oil price to a level at which oil companies can see reliable commercial returns. Although there is no guarantee that such a price recovery will occur in the near term, over a longer horizon your Board remains confident that oil development in the Islands will take place and that this will transform the prospects both for the Falklands and for FIC.

At Momart, the planned expansion of commercial storage facilities will support growth, and this together with focussed investment in sales and marketing and further strengthening of the management team, is expected to produce renewed progress. At the same time Momart will seek to develop its existing international partnerships in order to increase its global reach and reputation. Targeted acquisitions to widen both the range of art related services and increase the geographical reach of the business are also being pursued.

For PHFC, the successful delivery of its new vessel, “Harbour Spirit” will underpin its ferry service to local passengers over the long term. General economic recovery in the UK and the positive local impact of the Navy’s planned investment in infrastructure to support its expanding carrier fleet should also begin to drive steady growth at the ferry over the medium term.

In the year to date, the Group’s trading performance is in line with our expectations and we anticipate a satisfactory year.

In line with the strategy outlined in the Group’s pre-close trading update in April 2015, the Board is also seeking to accelerate growth and increase the scale of the Group by means of strategic acquisitions using available cash resources and borrowing capacity.

Edmund Rowland

Chairman

8 June 2015

Managing Director's Strategic Report

Group Overview

I am pleased to report another good year of trading for the Group, with revenues ahead by 0.8% at £38.6 million (*2014: £38.3 million*) and a small but expected reduction in underlying pre-tax profits to £3.56 million *(2014: £3.65 million),* which remained ahead of underlying pre-tax profits in 2012-13 of £3.29 million.

In the Falklands, FIC recovered strongly buoyed by a record squid catch and increased economic activity linked to the exploration drilling programme. At Momart, trading returned to more normal levels following a bumper performance in the prior year and at PHFC revenues and profits remained stable.

Review of Operations

Group revenue and underlying pre-tax profits are analysed below:

Group revenue

Year ended 31 March	2015 £m	2014 £m	*Change* *%*
Falkland Islands Company	18.51	15.88	*16.5*
Portsmouth Harbour Ferry	4.30	4.12	*4.3*
Momart	15.75	18.26	*-13.7*
Total	**38.56**	**38.26**	***0.8***

Group underlying pre-tax profit*

Year ended 31 March	2015 £m	2014 £m	*Change* *%*
Falkland Islands Company	1.56	1.12	*39.4*
Portsmouth Harbour Ferry	0.79	0.77	*3.4*
Momart	1.21	1.76	*-31.5*
Total	**3.56**	**3.65**	***-2.4***

* Pre-tax profit before amortisation of intangibles and non–trading items but including the Group's share of the contribution from SAtCO, the Group's Joint Venture with Trant Construction in the Falkland Islands.

Falkland Islands Company ("FIC")

The Falklands had a particularly busy year. Preparations for the 2015 offshore drilling campaign saw increased corporate demand for rented houses, hire vehicles and agency services and construction work related to the new temporary dock facility, which led to a welcome recovery in revenues. The record squid catch in the early part of the year also improved confidence and boosted government finances. At the same time, general retail activity picked up and demand for new kit homes boosted house building. As a result the pre-tax contribution of the Group's Falklands business recovered strongly, with pre-tax profits increasing by £0.44 million (+39.4%) to £1.56 million *(2014: £1.12 million)*.

Oil developments

During the year, oil companies led by Premier Oil ("Premier") and Noble Energy progressed detailed preparations for the new round of exploration drilling, and in June 2014 the harsh environment rig, Eirik Raude, was contracted to drill six wells in Falklands' waters. The distance from the UK supply base has meant resources have been introduced into Stanley to support the rig: 75 oil workers are based onshore to co-ordinate supplies and maintenance for the rig in addition to a 25 strong helicopter support team, which air lifts the circa 120 rig workers to the platform and provides Air Sea Rescue back-up. Offshore, rig workers operate in four week shifts with 50% rotating back to the UK every two weeks on a dedicated charter aircraft. The rig is supplied by Platform Support Vessels (PSVs) in addition to a number of Emergency Rescue and Response Vessels (ERRVs) operating from the new temporary floating dock facility commissioned by Noble Energy and Premier which was completed in late 2014 by FIC's Joint Venture SAtCO. The fleet of support vessels has added a further 35 workers to oil exploration establishment.

The overall economic impact of this activity is a key driver behind the growth in FIC in the year under review and is relatively modest in comparison to the much more extensive impact that any future oil production in the Islands would have.

In strategic terms the 2015 exploration drilling programme will help establish the "ultimate resource potential" of the North Falklands basin and, in the Southern and Eastern basin, the initial well planned at Humpback will give a strong indication of this geologically separate basin's potential. In the context of determining "resource potential" the early positive results from the Zebedee and Isobel deep wells announced by Premier in April and May 2015 were encouraging but the outcome of drilling on the remaining four wells over the course of the next four to five months remains critical in determining the extent of oil resources in Falkland's waters.

In parallel with the 2015 drilling programme, Premier has progressed its detailed planning for the development of the Sea Lion field in the North Falklands basin. The sharp fall in crude oil prices in late 2014 caused Premier to revisit its planning assumptions and since late 2014 Premier has been "engaging with its supply chain to capture lower costs" in order to offset the fall in oil prices. Premier is still progressing its Front End Engineering Design (FEED) plans for a phased development of Sea Lion and is planning to use a leased floating production storage and offloading unit ("FPSO") which will reduce its planned capital expenditure compared to the previous Tension Leg Platform solution. Premier estimates that capital expenditure prior to first oil has now reduced to $1.8 billion and further savings are being sought. Premier has also announced that cost savings are expected in the areas of drilling, subsea and fabrication. Depending on its success in driving down production costs and its expectations on the trajectory of future oil prices, the Premier Board has announced that any decision to commit to the development of Sea Lion will not take place before mid-2016 at the earliest.

Despite the current uncertainty on timing we remain optimistic that Sea Lion and other commercially significant oil reserves will be developed in Falkland's waters in due course. The FIH Group has made capital investments of over £8 million in the Falklands in the last five years and FIC remains exceptionally well placed with a broadly based, modernised business infrastructure, strong property portfolio and an experienced team to take advantage of the exploitation of the Falkland's oil reserves.

Managing Director's Strategic Report *(continued)*

Trading

Overall revenue in FIC increased by £2.63 million (+16.5%) to £18.51 million (*2014: £15.88 million*).

FIC Operating results

Year ended 31 March	**2015 £m**	2014 £m	*Change %*
Revenues			
Retail	**9.54**	9.26	*3.0*
Falklands 4x4	**3.07**	2.66	*15.6*
Freight & Port Services	**1.24**	1.26	*-1.7*
Support services	**1.66**	1.30	*28.1*
FBS (property and construction)	**3.00**	1.40	*113.5*
Total FIC revenue	**18.51**	15.88	*16.5*
FIC operating profit	**1.31**	**0.98**	*34.3*
Underlying operating profit margin	7.1%	6.2%	*15.2*
Share of results of SAtCO Joint venture	**0.18**	**0.04**	*400.0*
Net interest income	**0.07**	**0.10**	*-37.9*
FIC Profit Before Tax	**1.56**	**1.12**	*39.4*

Total retail sales in FIC increased by 3.0% to £9.54 million *(2014: £9.26 million)*.

Despite this modest overall increase, retail sales in FIC's flagship West Store, which accounts for 60% of FIC's retail activity, increased by an encouraging 6.6% helped by a sharp increase in sales of BHS sourced clothing and an improved fresh food and delicatessen offer. The Capstan gift shop on Stanley's waterfront also performed well with sales ahead by 7.5% compared to the prior year. In contrast lower margin Warehouse sales to local retailers and pubs declined by 22% as some larger operators switched to purchasing direct from the UK.

Sales at Home Living, FIC's home furnishing store, increased by 36.5% helped by continued growth in new house building however Home Builder had a quieter year, with sales restrained by preparations for a substantial expansion in the store with the conversion of warehousing into retail space to deliver a better presented and widened customer offer, including work and leisure wear, garden products and guns and ammunition as well as tools and building materials. The full benefits of this expansion will not be seen until 2015-16 with the completion of the Crozier Place redevelopment which will provide both operations with improved customer access, parking and café amenities.

Retail performance was also improved by the recruitment of an experienced retail executive from the UK, Kevin Ironside, who was instrumental in driving through improvement in gross margins and reductions in stockholding of £0.5 million.

In the automotive business, Falklands 4x4, revenues grew by 15.6% to a record £3.07 million, with strong growth in maintenance and service revenues following the acquisition of local operator "Turbo Tim". Total vehicle sales fell slightly from the prior year to 76 from 79 units (-4%).

Managing Director's Strategic Report *(continued)*

Revenues from third party freight and port services dropped marginally by 1.7% to £1.24 million (*2014: £1.26 million*) as price competition eroded increased volumes. However, Support Services revenues increased by 28.1% helped by another strong illex squid catch which boosted revenues at the Fishing Agency, a healthy increase in cruise ship passenger numbers which saw Penguin Travel income rise by 32% and further progress at the insurance agency.

Revenue from Falkland Building Services ("FBS") more than doubled to £3.0 million *(2014: £1.4 million)* as housing completions doubled from eight to sixteen. FBS also saw a sharp increase in the level of subcontracted labour it provided for work on the construction of the Temporary Dock Facility for Noble Energy and Premier and a Government contract to upgrade Moody Brook Road. Corporate demand for rental property rose sharply and total property rental revenue included within FBS increased to a record level of £0.36 million *(2014: £0.22 million)*.

FBS was also engaged on internal capital projects and expenditure of £2.1 million was incurred in the year to further modernise FIC's business infrastructure to prepare it for the expected growth from oil development.

Key projects included:

- The construction of new warehouse/freezer facilities at Airport Road, East Stanley which will replace FIC's aging retail warehouse facilities and make available a prime 2 acre site on the waterfront in central Stanley;
- Refurbishment of the Company's Head Office at Crozier place, with new office space for external tenants and car parking facilities for visitors to adjacent retail stores;
- Completion of an enlarged Home Builder store, which includes a new mezzanine floor and garden centre department; and
- £0.4 million spent on the purchase and installation of 10 mobile homes for staff rental, of which nine were occupied by 31 March 2015.

In addition £0.5 million was invested in the investment property portfolio:

- £0.3 million on the purchase of a four bed-roomed detached house for rental to corporate tenants; and
- £0.2 million spent on finishing three houses in central Stanley, held for external rental

FIC's property rental portfolio now comprises 40 properties in central Stanley, which are available to let to corporate clients, private individuals and staff.

With the construction of a Temporary Dock Facility capable of supporting both oil exploration and the more limited phased approach to the proposed development of Sea Lion, plans for a new deep water port at Port William in Stanley's outer harbour have been put on hold. A revival of interest in these plans will depend upon further oil discoveries and a recovery in the oil price.

In its second year of operation, FIC's construction joint venture, the South Atlantic Construction Company, ("SAtCO") made further progress winning additional infrastructure contracts from FIG and completing the construction of a new floating dock (TDF) in Stanley Harbour to support the 2015 exploration drilling programme. In addition SAtCO has leased its heavy lift crane to Premier and its associates for the duration of the current drilling programme. In the year to 31 March 2015 SAtCO increased its revenues from £0.1 million to £0.6 million and its profit before tax to £0.49 million *(2014: £0.10 million)*. All staff involved in construction activities were contracted directly from parent companies FIC and Trant Construction and at 31 March 2015 SAtCO had no permanent employees.

Managing Director's Strategic Report *(continued)*

FIC Key Performance Indicators and Operational Drivers

Year ended 31 March	**2015**	**2014**	**2013**	**2012**
Staff Numbers (FTE 31 March)	**184**	165	129	119
Capital Expenditure £'000	**2,598**	2,715	1,594	632
Retail Sales growth %	***3.0%***	*-4.8%*	*3.0%*	*-2.8%*
Number of FIC rental properties	**40**	36	32	33
Average occupancy during the year	***93%***	*82%*	*88%*	*83%*
Number of vehicles sold	**76**	79	48	50
Number of 3rd party houses sold	**16**	8	3	0
illex squid catch in tonnes (000's)	***364.0***	*188.0*	*58.2*	*67.3*
Cruise ship passengers (000's)	**50.0**	39.5	29.6	35.2

Portsmouth Harbour Ferry Company ("PHFC")

2014-15 saw another steady performance from PHFC with revenues increasing by 4.3% despite a 2.1% decline in passenger numbers. Profit before tax, after pontoon lease interest charges, was unchanged at £0.8 million.

PHFC Operating results

Year ended 31 March	2015 £m	2014 £m	*Change %*
Revenues			
Ferry fares	4.13	3.95	*4.5%*
Cruising and Other revenue	0.17	0.17	*0.6%*
Total PHFC revenue	4.30	4.12	*4.3%*
PHFC operating profit	1.03	1.01	*1.9%*
Pontoon finance lease interest	(0.24)	(0.24)	*-2.9%*
PHFC Profit Before Tax	0.79	0.77	*3.4%*
Underlying operating profit margin	24.0%	24.6%	*-2.3%*
Passengers carried (000s)	***2,923***	***2,986***	*-2.1%*

After increases in like for like passenger numbers in the first quarter, passenger volumes slipped into decline with the closure in summer 2014 of the BAE Systems shipyard in Portsmouth, which involved the loss of 1,000 jobs. A further adverse effect on passenger volumes came from the introduction of a heavily subsidised Park & Ride scheme by Portsmouth City Council in August 2014 which, coupled with cheaper fuel, encouraged increased car usage.

Managing Director's Strategic Report *(continued)*

Ferry fares increased by an average of 6% in June 2014, bringing the total cost of an adult return to £3.10. This above inflationary rise was introduced to cover the increased operating costs linked to the arrival of the new ferry. Discounted fares for regular customers were maintained (£1.45 per ferry journey for adults), and lower tariffs for seniors and children (£2.10 return), which reinforce the value for money and convenience offered by the ferry service compared to bus and car travel.

Both weekend and weekday traffic declined by 2.1% compared to the prior year.

To stimulate ferry usage a number of new fare offerings were introduced during the year, including discounted family fares over the Christmas holiday period with return fares for a family of 5 for £5. Additionally, in association with Gosport Borough Council, a joint ferry and car parking ticket was introduced in November 2014 offering return ferry travel and all day car-parking for regular users for less than £3 per day. From August 2014 a discounted ticket was also introduced for all military personnel in the Dockyard and at the same time PHFC joined the newly launched Solent Go electronic travel card scheme, which offers discounted travel across bus and ferry services throughout the Solent region.

In March 2015 PHFC took delivery of a third modern ferry vessel "Harbour Spirit" which was built in Croatia at a cost of £3.2 million. The cost of the new vessel has been substantially financed by a 10 year bank loan, drawn down in April 2015. With improved passenger seating, increased space for cycles and better facilities for the disabled, Harbour Spirit will underpin PHFC's service to passengers well into the middle of this century. Once fully commissioned, Harbour Spirit will replace one of PHFC's 1966 vintage vessels, Portsmouth Queen and her sister ship Gosport Queen will be retained as a back-up. With three new ferry vessels built since 2002 and an estimated service life of over 30 years, no further significant vessel expenditure is anticipated for over 15 years.

Average fares per passenger journey increased by 6.8% to £1.41 *(2014: £1.32).*

Ferry reliability was again outstanding with on time departures running at 99.8% *(2014: 99.7%)*.

Looking ahead, the outlook for passenger growth is positive as the Naval Base expands to support the Royal Navy's new aircraft carriers. The first of these, Queen Elizabeth II, is expected to arrive in Portsmouth in 2017.

PHFC Key Performance Indicators and Operational Drivers

Year ended 31 March	**2015**	**2014**	**2013**	**2012**
Staff Numbers (FTE at 31 March)	**39**	37	35	35
Capital Expenditure £'000	**1,483**	1,958	223	5,080
Ferry Reliability(on time departures)	**99.8%**	99.7%	99.5%	99.9%
Number of weekday passengers ('000s)	**2,123**	2,169	2,230	2,497
% change on prior year	***-2.1%***	*-2.7%*	*-10.7%*	*-1.6%*
Number of weekend passengers ('000s)	**800**	817	803	831
% change on prior year	***-2.1%***	*1.8%*	*-3.4%*	*-4.1%*
Total number of passengers ('000's)	**2,923**	2,986	3,033	3,328
% change on prior year	***-2.1%***	***-1.6%***	***-8.9%***	***-2.1%***
Revenue growth %	***4.3%***	*1.2%*	*-1.9%*	*11.5%*
Average yield per passenger journey	**£1.41**	£1.32	£1.28	£1.19

Momart

Momart, the Group's art handling and logistics business, saw a return to more normal levels of activity following the string of exceptional overseas exhibitions which boosted results in the prior year. Total revenue for the year decreased by 13.7% to £15.8 million *(2014: £18.3 million)* while underlying operating profit reduced by 32.1% to £1.24 million *(2014: £1.83 million)*.

Finance costs were reduced in the year as borrowings were repaid. Underlying profit before tax before amortisation of intangibles was £1.21 million *(2014: £1.76 million).*

Momart Operating results

Year ended 31 March	2015 £m	2014 £m	*Change* *%*
Revenues			
Museums and public exhibitions	8.68	10.86	*-20.0*
Commercial gallery services	5.21	5.57	*-6.5*
Storage	1.86	1.83	*1.3*
Total Momart revenue	15.75	18.26	*-13.7*
Underlying Momart operating profit	1.24	1.83	*-32.1*
Net Interest expense	(0.03)	(0.07)	*-50.8%*
Underlying Pre Tax Profit	**1.21**	**1.76**	**-31.5%**
Underlying operating profit margin	7.9%	10.0%	*-21.4*

Exhibitions

After an exceptional year in 2013-14 which included an unusual sales mix of high added value contracts for overseas clients, Momart's museum exhibition activity fell back to more normal levels and Exhibitions revenue of £8.7 million was comparable to the level seen in 2012-13 of £9.0 million. This decline is not unusual, given the fragmented and irregular nature of client projects which vary significantly in both technical content and added value between years. There was also an adverse mix effect seen in the increase in work subcontracted to overseas agents from mainstream UK clients and at the same time a much lower level of specialist overseas work handled directly by Momart. Both changes contributed to lower margins and a decline in Exhibition profitability.

Although the order book of large exhibition contracts was lower at 31 March 2015, (down £0.6 million at £3.26 million) an inflow of contracts early in the new financial year saw this deficit eliminated.

Despite the modest decline in underlying activity, Momart continued to be a market leader in the UK, and was involved in the installation of a number of prestigious and high profile exhibitions including Anselm Keifer and Rubens at the Royal Academy, Matisse at Tate Modern, Virginia Woolf at the National Portrait Gallery and Ming at the British Museum.

Managing Director's Strategic Report *(continued)*

Gallery Services

Gallery Services revenues were 6.5% lower in 2014-15 at £5.21 million *(2014: £5.57 million)*. Competition in the core UK market increased and the level of low added value work from smaller galleries reduced. At the same time there was good progress with prestigious blue chip clients such as Christies, White Cube, Gagosian and Sadie Coles, and Momart continued to win healthy levels of work from world renowned UK artists, Damien Hirst and Antony Gormley.

Storage

Storage revenues increased by 1.3% to £1.86 million *(2014: £1.83 million)* despite work to create a dedicated new storage area for the Royal Academy which necessitated closure of a significant section of the warehouse during the last quarter of the financial year. Adjusting for this, Momart's storage facilities once again operated at full capacity. The lack of storage space to offer to new commercial clients has proved an effective barrier to growth and accordingly detailed plans have been agreed with the company's landlord to construct new facilities on the company's existing East London site to increase capacity by 33% and to offer improved client reception and viewing facilities. Subject to the receipt of final planning permission this increased capacity is due to come on stream in early 2016.

Momart Key Performance Indicators and Operational Drivers

Year ended 31 March	**2015**	**2014**	**2013**	**2012**
Staff Numbers (FTE 31 March)	**128.6**	124.6	119.0	115.9
Capital Expenditure £'000	**648**	260	598	524
Warehouse % fill vs capacity	**91.2%**	92.9%	94.2%	95.1%
Exhibition Order Book 31 March	**£3.26m**	£3.89m	£3.83m	£4.16m
Own labour charged out	**£9.07m**	£11.67m	£9.02m	£8.58m
Revenues from overseas clients	**£7.5m**	£8.3m	£4.6m	£5.7m
Exhibitions sales growth	**(20.0%)**	20.4%	27.8%	5.7%
Gallery Services sales growth	**(6.5%)**	1.3%	(12.7)%	26%
Storage sales growth	**1.3%**	2.6%	10.5%	6.6%
Total Sales growth %	**(13.7%)**	**12.0%**	**8.9%**	**13.5%**

FOGL investment

Details of the Group's shareholding in FOGL at 31 March 2015 are set out below:

	31 March 2015
Number of shares held	5,000,000
FOGL share price (bid price)	30.0p
Market value of holding	£1.5m
Cost	£1.0m
Book cost per share	20.0p

In April 2015, the Group disposed of its remaining 5 million shares in Falkland Oil and Gas for £1.4 million, an average share price of 28 pence, generating a profit on disposal of £0.4 million.

Trading outlook

The medium term outlook for the Group remains positive and in the near term increased activity in the Falkland Islands linked to the 2015 drilling programme should ensure another strong trading performance in the new financial year.

In the Falklands, we look forward to another year of progress. The remaining four exploration wells will be drilled in the first half of the new financial year and any further discoveries will add to business confidence. Falkland Government finances have been bolstered by the record squid catches of recent years and the increased taxation inflows linked to oil company operations. This incremental government income should allow increased spending on capital and infrastructure projects which in turn will further stimulate the economy. Despite the currently weakened oil price, the Board believes the longer term prospects for the development of oil production in the Falkland Islands remain very good and that FIC is well placed to fully benefit from the dramatic growth in the economy that would result.

At PHFC, the recent arrival of a new modern ferry provides a solid foundation for the long term future of the business although in the near term the increased operating costs linked to the new vessel will place a drag on profits.

At Momart, despite the quieter year seen in 2014-15, improved management information systems, further investment in increased storage space, a strengthened management team and more focussed marketing provide a strong platform from which to develop the business. In addition growth will be accelerated by selective acquisitions. Underlying growth prospects in this high quality business remain sound.

With bank borrowings reduced to £0.7 million *(2014: £1.0 million)* and cash on hand of £7.4 million *(2014: £5.7 million)*, together with significant further borrowing capacity, the Group has significant capacity to exploit opportunities over the medium term, in line with its growth strategy.

Financial Review

Summary income statement

Year ended 31 March	2015 £m	2014 £m	*Change* *%*
Group revenue	**38.56**	**38.26**	***0.8***
Underlying Operating profit*	3.76	3.85	*-2.3*
Net financing costs	(0.20)	(0.20)	*-0.5*
Underlying profit before tax	**3.56**	**3.65**	***-2.4***
Amortisation and Non-trading items			
Gain on sale of FOGL shares	0.71	-	-
Termination payments	(0.24)	-	-
Gain on transfer of the PHFC pension scheme	-	0.06	-
Amortisation of intangibles	(0.14)	(0.31)	*-53.7*
Profit before tax as reported	**3.89**	**3.40**	***14.4***

*Underlying operating profit excludes amortisation and non-trading items but includes £0.18 million *(2014: £0.04 million)* of the Group's share of the results of the SAtCO joint venture.

Revenue and underlying operating profit

Group revenue rose 0.8% to £38.56 million, however underlying operating profit decreased 2.3% to £3.76 million in the year ended 31 March 2015. These variances are discussed in more detail above in the Review of Operations.

Non-trading items

Non-trading items comprise a £0.71 million gain on the sale of 7,825,000 Falkland Oil and Gas shares, offset against a £0.24 million termination payment due to the retiring Chairman, David Hudd, and a fall in the amortisation charge to £0.14 million on the intangible assets *(2014: £0.31 million*) due to certain customer relationships, together with the five year Director service contracts, having been fully amortised in April 2014. Following a review of the useful life of the Momart brand name, which is now expected to have an indefinite useful life, amortisation ceased on 30 September 2013, therefore the prior year included a six month charge of £0.07 million, but no charge has been included in the current year.

The prior year included a further gain of £0.06 million on the transfer of the Portsmouth Harbour Ferry pension scheme, which was transferred to Legal and General on 7 March 2013.

Net financing costs

The Group's net financing costs remain relatively little changed to the prior year at £0.2 million, with the fall in interest income on reduced bank deposits being offset by a decrease in bank interest payable as £1.0 million of bank loans were repaid. In March 2015, a £0.7 million loan was drawn down secured against vessels in Portsmouth.

Underlying pre-tax profit

The Group's reported underlying pre-tax profits of £3.56 million, slightly down on the prior year, (*2014: £3.65 million*).

Reported pre-tax profit

After the £0.7 million gain on the sale of 7,825,000 shares in Falkland Oil and Gas, and charges of £0.1 million for the amortisation of intangible assets *(2014: £0.3 million),* and the £0.2 million payment on the retirement of the former Chairman, reported Profit Before Tax for the Group increased by 14.4% to £3.89 million *(2014: £3.40 million)*.

Taxation

The Group pays corporation tax on its UK earnings at 21% and on earnings in the Falkland Islands at 26%. The Falklands Islands Company Limited has been granted a foreign branch exemption, and as a result no longer pays UK corporation tax in respect of FIC and will gain the full benefit of the tax deductibility in the Falkland Islands of expenditure on commercial and industrial buildings. The effective tax rate on underlying profits is 23.2% (*2014: 24.7%*).

Earnings per share

Year ended 31 March	2015 £m	2014 £m	*Change* *%*
Underlying profit before tax	3.56	3.65	*-2.4*
Taxation on underlying profit	(0.83)	(0.90)	*-8.4*
Underlying profit after tax	2.73	2.75	*-0.4*
Diluted average number of shares in issue (thousands)	12,446	12,461	*-0.1*
Effective underlying tax rate	23.2%	24.7%	*-6.2*
Diluted EPS on underlying profit	22.0p	22.0p	-

Fully diluted Earnings per Share ("EPS") derived from underlying profits, remained at 22.0 pence *(2014: 22.0p)*, as the fall in the underlying profit before tax has been offset by a fall in the taxation on underlying profit, due to the tax rates on profits earned in the UK falling to 21% from 23% in the prior year.

Balance sheet

The Group's Balance Sheet remains strong. Total net assets increased to £36.7 million from £35.4 million in the prior year.

Retained earnings after the payment of tax and dividends increased by £1.5 million to £16.3 million *(2014: £14.8 million)*. Bank borrowings were reduced to £0.7 million *(2014: £1.0 million),* due to repayment in the year of all liabilities at 31 March 2014, together with the drawdown of a £0.7 million loan in the Ferry business in March 2015, and the Group had cash balances of £7.4 million *(2014: £5.7 million)*.

The carrying value of intangible assets at £12.2 million has not fallen from the £12.2 million at 31 March 2014, due to investment in computer software offsetting the amortisation charge.

The net book value of property, plant and equipment increased by £3.0 million to £19.6 million *(2014: £16.6 million)* after capital investment of £4.1 million, including £2.1 million in the Falkland Islands. This has been offset against a £1.1 million depreciation charge in the year.

The Group owns investment properties comprising commercial and residential properties in the Falkland Islands held for rental, together with approximately 400 acres in and around Stanley. This includes 18 acres for industrial development, 25 acres of prime mixed-use land and 300 acres which is adjacent to the site proposed for a new port.

During the year, the net book value of investment property increased £0.3 million to £3.7 million *(2014: £3.4 million)* due to £0.5m of additions, offset against £0.2 million of depreciation. These properties are all situated in the Falkland Islands, and the £0.5 million additions include £0.3 million for the purchase of a four bedroomed property on Biggs Road, Stanley and further development of residential properties to increase the Group's portfolio.

The Group owns 40 investment properties, which are mainly houses, in Stanley. These are all held at depreciated cost. The net book value of these properties and undeveloped land of £3.7 million *(2014: £3.4 million)* has been reviewed by the Directors resident in the Falkland Islands and at 31 March 2015 the fair value of this property portfolio was estimated at £7.3 million *(2014: £6.3 million).* If oil development proceeds, the value of all these properties is expected to increase significantly.

The Group's residual 1.0% shareholding in FOGL was sold in April 2015 for proceeds of £1.4 million, resulting in a profit of £0.4 million. This transaction will be reported in the results for the year ending 31 March 2016.

Deferred tax assets relating to future pension liabilities increased to £0.8 million (*2014: £0.6 million*). These assets now only include the deferred tax on the FIC unfunded scheme calculated by applying the 26% Falklands tax rate to the pension liability.

Inventories, which largely represents stock held for resale in the Falkland Islands, decreased by £1.3 million to £5.4 million at 31 March 2015 *(2014: £6.7 million)*. The decrease largely relates to stock held in the Falkland Islands, where better stock controls have been implemented during the year.

Trade and Other Receivables decreased by £1.7 million to £5.3 million at 31 March 2015, due to the decreased activity and improved debtor collection at Momart. Average debtor days outstanding fell to 36.0 (*2014: 47.0*) due to new procedures introduced at Momart to speed up the collection of debtors.

Outstanding finance lease liabilities totalled £5.1 million (*2014: £5.2 million*). £4.9 million *(2014: £4.9 million)* of the finance leases balance is in respect of the 50 year lease from Gosport Borough Council for the Gosport Pontoon.

Corporation tax due for payment within the next 12 months is £0.03 million (*2014: £0.4 million*). This is lower than the £0.8 million total charge for taxation on underlying profit, as £0.4 million of this charge relates to deferred tax. The £0.4 million current tax charge includes £0.1 million, which relates to adjustments to prior years, and has already been paid by 31 March 2015, and in addition £0.3 million of the 2015 tax charge had already been paid in instalments by 31 March 2015. The effective tax rate on underlying profits was 23.2% *(2014: 24.7%)*.

Trade and other payables decreased from £11.0 million to £10.2 million at 31 March 2015 as the prior year reflected increased trading activity at Momart at the year end, which has not been repeated in the March 2015 year.

At 31 March 2015 the liability due in respect of the Group's defined benefit pension schemes was £2.9 million (*2014: £2.5 million*). The increased liability is due principally to lower medium term interest rates used to discount the schemes future liabilities. The pension scheme in the Falkland Islands, which was closed to new entrants in 1988 and to further accrual in 2007, is unfunded and liabilities are met from operating cash flow.

The net deferred tax liabilities, excluding the pension asset at 31 March 2015, were £2.0 million and increased £0.4 million from the prior year (*2014: £1.6 million*), largely due to the delivery of the new vessel for Portsmouth Harbour Ferry. £1.7 million of this balance arises on property, plant and equipment, and is principally due to the new vessel and also to properties in the Falklands, where capital allowances of 10% are available on the majority of the FIC properties. With such assets depreciated over 20-50 years a timing difference arises on which deferred tax is provided.

Net assets per share were 295p at 31 March 2015 *(2014: 285p).*

Cash flows

Operating cash flow

Net cash flow from operating activities increased from £2.8 million last year to £6.4 million, due to continued strong cash flow from trading and an increased focus on reducing working capital across the group.

The Group's Operating Cash Flow can be summarised as follows:

Year ended 31 March	2015 £m	2014 £m	Change £m
Underlying profit before tax	**3.6**	**3.6**	**-**
Depreciation	1.4	1.1	0.3
Amortisation of computer software	-	0.1	(0.1)
Net Interest payable	0.2	0.2	-
EBITDA	**5.2**	**5.0**	**0.2**
Share based payments	0.1	-	0.1
Decrease / (increase) in working capital	2.1	(1.7)	3.8
Tax paid	(0.8)	(0.8)	-
Other	(0.2)	0.3	(0.5)
Net cash inflow from operating activities	**6.4**	**2.8**	**3.6**
Financing and Investing Activities			
Sale of 7.825 million FOGL shares	2.3	-	2.3
Less:			
Dividends paid	(1.4)	(1.4)	-
Capital expenditure	(4.9)	(5.0)	0.1
Net bank interest received	-	0.1	(0.1)
Loan repayments from / (loan to) joint venture	0.2	(0.5)	0.7
Net cash outflow on sale & purchase of treasury shares	-	(0.1)	0.1
Bank and other loan repayments	(1.4)	(1.4)	-
Bank and Hire purchase loan draw down	0.8	-	0.8
Increase in hire purchase debtors	(0.3)	(0.2)	(0.1)
Net cash outflow from financing and investing activities	**(4.7)**	**(8.5)**	**3.8**
Net cash inflow / (outflow)	**1.7**	**(5.7)**	**7.4**
Cash balance b/fwd	5.7	11.4	(5.7)
Cash balance c/fwd	**7.4**	**5.7**	**1.7**

Financing outflows

During the year the Group paid dividends of £1.4 million (*2014: £1.4 million*) and made fixed asset investments of £4.7 million of expenditure to strengthen the Group's operating base, including final payments of £1.3 million *(2014: £1.8 million)* in respect of the new vessel for Gosport ferry; £2.6 million was invested in Stanley with £0.5 million of expenditure on investment land and buildings, £0.7 million on plant and machinery, £0.3 million spend on the new Homebuilder/Garden Centre store, £0.4 million spent on the purchase of ten mobile homes for rental to staff, £0.1 million spend on finalising the refurbishment of the Stanley head office and £0.6 million building on the new retail warehouse and freezer facilities at Airport Road.

Scheduled loan repayments of £1.4 million *(2014: £1.4 million)* were made, including £0.3 million of payments to Gosport Council on the 50 year pontoon finance lease, £0.1 million of repayments on hire purchase leases for trucks at Momart and £1.0 million of bank loan repayments which repaid all the bank loans outstanding at 31 March 2014. In March 2015, the Group drew down a further £0.7 million bank loan secured against the Spirit of Gosport and the Spirit of Portsmouth, which were delivered to PHFC in 2002 and 2005 respectively.

John Foster
Managing Director
8 June 2015

Board of Directors and Company Secretary

Edmund Rowland Chairman

Edmund was appointed to the Board on 16 April 2013, and became Chairman on 9 February 2015. He currently serves as a Director of Blackfish Capital Management, a specialist asset manager based in London and as Chief Executive Officer of Banque Havilland S.A (London Branch), previously having gained experience in London and Hong Kong, as an analyst and investment manager with BNP Paribas S.A and Blackfish. He has broad experience of principal investing in both equity and credit capital markets, with a focus on special situations. He sits on the board of Banque Havilland (Monaco) SAM and Certus Trust Limited.

Edmund is a member of the Remuneration Committee.

John Foster Managing Director

John joined the Board in 2005. He is a Chartered Accountant and previously served as Finance Director for software company Macro 4 plc and toy retailer, Hamleys plc. Prior to joining Hamleys, he spent three years in charge of acquisitions and disposals at FTSE 250 company Ascot plc and before that worked for nine years as a venture capitalist with a leading investment bank in the City.

Jeremy Brade Non-executive Director

Jeremy joined the Board in 2009. He is a Director of Harwood Capital Management where he is the senior private equity partner. Jeremy has served on the boards of several private and publicly listed international companies. Formerly Jeremy was a diplomat in the Foreign and Commonwealth Office, and before that an Army officer. He is Chairman of the Remuneration Committee.

Carol Bishop Company Secretary

Carol Bishop joined the Company in December 2011. She is a Chartered Accountant and has previously worked for London Mining plc, an AIM listed company as Group Reporting manager. Prior to this she spent three years at Hanson plc and six years at the Peninsular and Oriental Steam Navigation Company.

Directors' Report

The Directors present their annual report and the financial statements for the Company and for the Group for the year ended 31 March 2015.

Results and dividend
The Group's result for the year is set out in the Group Income Statement. The Group profit for the year after taxation amounted to £3,144,000 *(2014: £2,633,000)*. Basic earnings per share on underlying profits were 22.1p *(2014: 22.2p)*.

It is the Board's considered view that the Group can best take full advantage of existing and emerging opportunities by maximising the reinvestment of profits and suspending dividend payments in order to accumulate resources to build a much more substantial group with greater critical mass in its respective markets. We believe this more focused long term approach will have more appeal for existing and prospective investors and offer much greater shareholder liquidity. The Board is confident that this new approach and focus will lead to more certain capital growth and greater overall returns for shareholders in the long term. Therefore dividend payments have been suspended in line with the increased focus of investment and long term growth.

Dividends paid during the year comprise a dividend of 7.5p per share in respect of the previous year ended 31 March 2014 and an interim dividend of 4.0p per share in respect of the current year.

Principal activities
The business of the Group during the year ended 31 March 2015 was general trading in the Falkland Islands, the operation of a ferry across Portsmouth Harbour and the provision of international arts logistics and storage services. The principal activities of the Group are discussed in more detail in the Managing Director's Strategic Report and should be considered as part of the Directors' Report for the purposes of the requirements of the enhanced Directors' Report guidance.

The principal activity of the Company is that of a holding company.

Directors
On 9 February 2015, the Chairman, David Hudd resigned from the Board and was succeeded on the same day by Edmund Rowland, the Non-Executive Deputy Chairman.

On 13 April 2015, Mike Killingley, the Senior Non-Executive retired from the Board after ten years' service.

Directors' interests
The interests of the Directors in the issued shares and share options over the shares of the Company are set out below under the heading 'Directors' interests in shares'. During the year no Director had an interest in any significant contract relating to the business of the Company or its subsidiaries other than his own service contract.

Health and safety
The Group is committed to the health, safety and welfare of its employees and third parties who may be affected by the Group's operations. The focus of the Group's effort is to prevent accidents and incidents occurring by identifying risks and employing appropriate control strategies. This is supplemented by a policy of investigating and recording all incidents.

Employees
The Board is aware of the importance of good relationships and communication with employees. Where appropriate, employees are consulted about matters which affect the progress of the Group and which are of interest and concern to them as employees. Within this framework, emphasis is placed on developing greater awareness of the financial and economic factors which affect the performance of the Group. Employment policy and practices in the Group are based on non-discrimination and equal opportunity irrespective of age, race, religion, sex, colour and marital status. In particular, the Group recognises its responsibilities towards disabled persons and does not discriminate against them in terms of job offers, training or career development and prospects. If an existing employee were to become disabled during the course of employment, every practical effort would be made to retain the employee's services with whatever retraining is appropriate. The Group's pension arrangements for employees are summarised in note 24.

Corporate Governance
As an AIM company, Falkland Islands Holdings plc is not required to comply with the UK Corporate Governance Code (the 'Code') which applies only to fully listed UK companies and adherence to which requires the commitment of significant resources and cost. However high standards of Corporate Governance are a key priority of the Board and details of how the Company addresses key governance issues are set out in the Corporate Governance section of its website by reference to the 12 principles of Corporate Governance developed by the Quoted Companies Alliance.

The Board has established Audit, Remuneration, Nominations, and AIM Rules Compliance Committees and the Company receives regular feedback from its external auditors on the state of its internal controls. The Board attaches great importance to providing shareholders with clear and transparent information on the Group's activities, strategy and financial position. Details of all shareholder communications are provided on the Group's website. The Board holds regular meetings with larger shareholders and regards the annual general meeting as a good opportunity to communicate directly with shareholders via an open question and answer session.

Share capital and substantial interests in shares
During the year no share capital was issued. Further information about the Company's share capital is given in note 26. Details of the Company's executive share option scheme and employee ownership plan can be found in note 25.

The Company has been notified of the following interests in 3% or more of the issued ordinary shares of the Company as at 31 March 2015.

	Number of shares	Percentage of shares in issue net of shares held in Treasury
Blackfish Capital Management	2,500,000	20.1
Fidelity investments	892,114	7.2
L S Licht	535,000	4.3
Argos Argonaut Fund	460,000	3.7

Payments to suppliers
The policy of the Company and each of its trading subsidiaries, in relation to all its suppliers, is to settle the terms of payment when agreeing the terms of the transaction and to abide by those terms, provided that it is satisfied that the supplier has provided the goods or services in accordance with agreed terms and conditions. The Group does not follow any code or standard payment practice. As a holding company, the Company had no trade creditors at either 31 March 2015 or 31 March 2014.

Charitable and political donations
Charitable donations made by the Group during the year amounted to £28,030 *(2014: £23,709)*, largely to local community charities in Gosport and the Falkland Islands. There were no political donations in the year *(2014: nil).*

Disclosure of information to auditor
The Directors who held office at the date of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
A resolution proposing the re-appointment of KPMG LLP will be put to shareholders at the Annual General Meeting.

Annual General Meeting
The Company's Annual General Meeting will be held at the London offices of FTI Consulting, 200 Aldersgate, London, EC1A 4HD at 10.00 a.m. on 8 September 2015. The Notice of the Annual General Meeting and a description of the special business to be put to the meeting are considered in a separate Circular to Shareholders which accompanies this document.

Directors' Report *(continued)*

Details of Directors' remuneration and emoluments
The remuneration of non-executive Directors consists only of annual fees for their services both as members of the Board and of Committees on which they serve.

An analysis of the remuneration and taxable benefits in kind (excluding share options) provided for and received by each Director during the year to 31 March 2015 and in the preceding year is as follows:

	Salary £'000	Termination payment £'000	Bonuses £'000	2015 Total £'000	2014 Total £'000
David Hudd	107	200	-	307	177
John Foster	203	-	*60	263	280
Mike Killingley	35	-	-	35	35
Jeremy Brade	30	-	-	30	30
Edmund Rowland	28	-	-	28	23
Total	403	200	60	663	545

None of the Directors of the Company receive any pension contributions or benefit from any Group pension scheme.

*The Remuneration Committee has decided to split the Managing Director's bonus for the year into an equal split of deferred shares and cash, with the shares requiring a service condition to remain in employment for up to three years. Therefore for the year ended 31 March 2015, John Foster has been awarded a cash bonus of £60,000 and a further £60,000 of deferred shares, to be issued at the share price at the close of business on 9 June 2015. These deferred shares will be provided at no cost to him in three equal tranches over the next three years.

The Executive Directors participate in annual performance related bonus arrangements. The Managing Director had the potential during the year of earning up to 100% of his salary. The bonuses are subject to the achievements of specified corporate and personal objectives.

Directors' interests in shares
As at 31 March 2015, the share options of executive Directors may be summarised as follows:

Date of grant	Number of options J L Foster	Exercise price	Exercisable from	Expiry date
14 Jun 2005	14,117	£4.25	14 Jun 2008	13 Jun 2015
7 Aug 2007	27,517	£3.30	7 Aug 2010	6 Aug 2017
15 Jul 2009	44,550	£2.90	15 Jul 2012	14 Jul 2019
13 Aug 2012	76,700	£4.04	13 Aug 2015	12 Aug 2022
Total	162,884			

The mid-market price of the Company's shares on 31 March 2015 was 276.5 pence and the range in the year was 264.8 pence to 366.3 pence.

The Directors' options extant at 31 March 2015 totalled 162,884 and represented 1.3% of the Company's issued share capital, in addition David Hudd has been granted a six month period from his retirement date in which to exercise his 154,966 options. The 409,348 remaining options are held by 48 other employees of the Group including subsidiary directors and senior management. Under the Company's executive share option scheme, executive Directors and senior executives have been granted options to acquire ordinary shares in the Company after a period of three years from the date of the grant. All outstanding options have been granted at an option price of not less than market value at the date of the grant. The exercise of options is subject to various performance conditions, which have been determined by the remuneration committee after discussion with the Company's advisors.

Directors' Report *(continued)*

In addition to the share options set out above, the interests of the Directors, their immediate families and related trusts in the shares of the Company according to the register kept pursuant to the Companies Act 2006 were as shown below:

	Ordinary shares as at 31 March 2015	Ordinary shares as at 31 March 2014
David Hudd*	n/a	116,199
John Foster*	61,867	61,153
Mike Killingley	30,000	30,000
Jeremy Brade	15,000	15,000
Edmund Rowland	**2,500,000	**2,500,000

*The shareholdings above include all Shares held in the Company's share incentive plan in which the Directors have a beneficial interest.

**Edmund Rowland is a Director of Blackfish Capital Management Limited, the fund manager of Blackfish Capital Alpha Fund SPC – Blackfish Talisman Fund which holds 2,500,000 shares. He does not hold any shares directly in the Company.

Share Incentive Plan
In November 2012, the Company implemented an HMRC approved Share Incentive Plan (SIP) available to employees of the Group, which enables UK and Falklands staff to acquire shares in the Company through monthly purchases of up to £150 per month or 10% of salary, whichever is lower. For every three shares purchased by the employee, the Company contributes one free matching share. These shares are placed in trust and if they are left in trust for at least five years, they can be removed free of UK income tax and national insurance contributions. During the years ended 31 March 2015 the Company purchased £600 of matching shares *(2014: £500)* for Mr D Hudd and £600 of matching shares *(2014: £500)* for Mr J Foster.

Statement of Directors' responsibilities in respect of the Annual Report, Directors' Report, Strategic Report and the Financial Statements

The Directors are responsible for preparing the Annual Report, Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the Parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm, to the best of their knowledge that:

- these financial statements, prepared in accordance with IFRS, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation as a whole; and
- the management report, which comprises the Chairman's Statement and the Managing Director's Strategic Report, includes a fair review of the development and performance of the business and of the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board and signed on its behalf by:

Carol Bishop
Company Secretary
8 June 2015

Kenburgh Court
133-137 South Street
Bishop's Stortford
Hertfordshire
CM23 3HX

Independent Auditor's Report To The Members Of Falkland Islands Holdings Plc

We have audited the financial statements of Falkland Islands Holdings plc for the year ended 31 March 2015 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity and the related notes.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Wayne Cox
Senior Statutory Auditor
8 June 2015
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Consolidated Income Statement
FOR THE YEAR ENDED 31 MARCH 2015

Notes		**Before amortisation & non-trading items 2015 £'000**	**Amortisation & non-trading items 2015 £'000**	**Total 2015 £'000**	Before amortisation & non-trading items 2014 £'000	Amortisation & non-trading items 2014 £'000	Total 2014 £'000
4	**Revenue**	**38,560**	**-**	**38,560**	38,263	-	38,263
	Cost of sales	**(22,927)**	**-**	**(22,927)**	(22,212)	-	(22,212)
	Gross profit	**15,633**	**-**	**15,633**	16,051	-	16,051
	Other administrative expenses	**(12,050)**	**-**	**(12,050)**	(12,235)	-	(12,235)
	Board restructuring costs	**-**	**(234)**	**(234)**	-	-	-
15	Gain on sale of FOGL shares	**-**	**711**	**711**	-	-	-
	Pension settlement profit	**-**	**-**	**-**	-	64	64
11	Amortisation of intangible assets	**-**	**(142)**	**(142)**	-	(307)	(307)
	Operating expenses	**(12,050)**	**335**	**(11,715)**	(12,235)	(243)	(12,478)
	Operating profit	**3,583**	**335**	**3,918**	3,816	(243)	3,573
	Share of results of Joint Venture	**180**	**-**	**180**	36	-	36
	Profit before net financing costs	**3,763**	**335**	**4,098**	3,852	(243)	3,609
	Finance income	**187**	**-**	**187**	220	-	220
	Finance expense	**(391)**		**(391)**	(425)		(425)
8	Net financing costs	**(204)**	**-**	**(204)**	(205)	-	(205)
	Profit / (loss) before tax from continuing operations	**3,559**	**335**	**3,894**	3,647	(243)	3,404
9	Taxation	**(825)**	**75**	**(750)**	(901)	130	(771)
	Profit / (loss) for the year attributable to equity holders of the company	**2,734**	**410**	**3,144**	2,746	(113)	2,633
10	Earnings per share						
	Basic	**22.1p**		**25.4p**	22.2p		21.3p
	Diluted	**22.0p**		**25.3p**	22.0p		21.1p

Consolidated Statement of Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2015

	2015 **£'000**	2014 £'000
Unrealised profit / (loss) on the revaluation of shares in Falkland Oil and Gas	**225**	(129)
Transfer to the income statement on sale of shares in Falkland Oil and Gas	**(419)**	-
Items which will ultimately be recycled to the income statement	**(194)**	(129)
(Increase) / decrease in the FIC defined benefit pension liability	**(412)**	135
Movement on deferred tax asset relating to pension schemes	**107**	(35)
Items which will not ultimately be recycled to the income statement	**(305)**	100
Other comprehensive expense	**(499)**	(29)
Profit for the year	**3,144**	2,633
Total comprehensive income	**2,645**	2,604

Consolidated Balance Sheet
AT 31 MARCH 2015

Notes		2015 £'000	2014 £'000
	Non-current assets		
11	Intangible assets	**12,226**	12,238
12	Property, plant and equipment	**19,621**	16,609
13	Investment properties	**3,693**	3,396
15	Shares held in Falkland Oil and Gas Limited	**1,500**	3,270
16	Investment in Joint venture	**266**	86
	Loan to Joint venture	**378**	529
17	Finance leases receivable	**458**	342
18	Deferred tax assets	**750**	645
	Total non-current assets	**38,892**	37,115
	Current assets		
19	Inventories	**5,391**	6,692
20	Trade and other receivables	**5,308**	7,041
17	Finance leases receivable	**647**	503
21	Cash and cash equivalents	**7,435**	5,715
	Total current assets	**18,781**	19,951
	TOTAL ASSETS	**57,673**	57,066
	Current liabilities		
22	Interest-bearing loans and borrowings	**(293)**	(1,109)
	Income tax payable	**(27)**	(419)
23	Trade and other payables	**(10,214)**	(10,981)
	Total current liabilities	**(10,534)**	(12,509)
	Non-current liabilities		
22	Interest-bearing loans and borrowings	**(5,580)**	(5,061)
24	Employee benefits	**(2,884)**	(2,480)
18	Deferred tax liabilities	**(1,987)**	(1,639)
	Total non-current liabilities	**(10,451)**	(9,180)
	TOTAL LIABILITIES	**(20,985)**	(21,689)
	Net assets	**36,688**	35,377
26	Capital and reserves		
	Equity share capital	**1,243**	1,243
	Share premium account	**17,447**	17,447
	Other reserves	**1,162**	1,162
	Retained earnings	**16,344**	14,839
	Financial assets fair value reserve	**492**	686
	Total equity	**36,688**	35,377

These financial statements were approved by the Board of Directors on 8 June 2015 and were signed on its behalf by:

J L Foster

Director

Company Balance Sheet
AT 31 MARCH 2015

Notes		**2015** **£'000**	2014 £'000
	Non-current assets		
14	Investment in subsidiaries	**28,249**	29,004
20	Loans to subsidiaries	**1,813**	1,952
18	Deferred tax	**6**	4
	Total non-current assets	**30,068**	30,960
	Current assets		
20	Trade and other receivables	**12**	19
	Corporation tax receivable	**27**	-
21	Cash and cash equivalents	**9,379**	9,280
	Total current assets	**9,418**	9,299
	TOTAL ASSETS	**39,486**	40,259
	Current liabilities		
22	Interest-bearing loans and borrowings	**-**	(785)
	Corporation tax payable	**-**	(48)
23	Trade and other payables	**(562)**	(578)
	Total current liabilities	**(562)**	(1,411)
	Net assets	**38,924**	38,848
26	Capital and reserves		
	Equity share capital	**1,243**	1,243
	Share premium account	**17,447**	17,447
	Other reserves	**6,910**	6,910
	Retained earnings	**13,324**	13,248
	Total equity	**38,924**	38,848

These financial statements were approved by the Board of Directors on 8 June 2015 and were signed on its behalf by:

J L Foster

Director

Registered company number: 03416346

Consolidated Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	£'000	£'000
Cash flows from operating activities		
Profit for the year	**3,144**	2,633
Adjusted for:		
(i) Non-cash items:		
Depreciation	**1,387**	1,116
Depreciation of computer software	**39**	117
Amortisation	**142**	307
Profit on disposal of fixed assets	**-**	(4)
Share of Joint Venture profit	**(180)**	(36)
Amortisation of loan fees	**15**	16
Past service cost of pension scheme	**-**	45
Interest cost on pension scheme liabilities	**107**	108
Equity-settled share-based payment expenses	**90**	43
Non-cash items adjustment	**1,600**	1,712
(ii) Other items:		
Bank interest receivable	**(15)**	(99)
Bank interest payable	**17**	39
Finance lease interest payable	**246**	262
Gain on disposal of FOGL shares	**(711)**	-
Pension settlement profit	**-**	(64)
Corporation and deferred tax expense	**750**	771
Other adjustments	**287**	909
Operating cash flow before changes in working capital and provisions	**5,031**	5,254
Decrease / (increase) in trade and other receivables	**1,733**	(888)
Decrease / (increase) in inventories	**1,406**	(1,593)
(Decrease) / increase in trade and other payables	**(879)**	927
Decrease in provisions and employee benefits	**(115)**	(122)
Changes in working capital and provisions	**2,145**	(1,676)
Cash generated from operations	**7,176**	3,578
Corporation taxes paid	**(792)**	(780)
Net cash flow from operating activities	**6,384**	2,798
Cash flows from investing activities		
Purchase of property, plant and equipment	**(4,597)**	(4,933)
Purchase of computer software	**(132)**	(41)
Proceeds from the disposal of property, plant & equipment	**86**	21
Proceeds received from the sale of FOGL shares	**2,287**	-
Cash received on transfer of pension scheme	**-**	46
Acquisition of a business	**(215)**	-
Loans to Joint Venture	**151**	(529)
Interest received	**15**	99
Net cash flow from investing activities	**(2,405)**	(5,337)

Consolidated Cash Flow Statement *(continued)*
FOR THE YEAR ENDED 31 MARCH 2015

	2015 **£'000**	2014 £'000
Cash flow from financing activities		
Increase in finance leases receivable	**(260)**	(238)
Repayment of secured loan	**(1,391)**	(1,396)
Bank loan drawn down	**701**	-
Interest paid	**(17)**	(39)
Hire purchase loan drawn down	**132**	-
Net cash flows from sale and purchase of Treasury shares	**-**	(66)
Dividends paid	**(1,424)**	(1,423)
Net cash flow from financing activities	**(2,259)**	(3,162)
Net increase / (decrease) in cash and cash equivalents	**1,720**	(5,701)
Cash and cash equivalents at start of year	**5,715**	11,416
Cash and cash equivalents at end of year	**7,435**	5,715

Company Cash Flow Statement
FOR THE YEAR ENDED 31 MARCH 2015

Notes		2015 £'000	2014 £'000
	Cash flows from operating activities		
	Profit for the year	**1,410**	1,632
	Adjusted for:		
	Bank interest receivable	**(12)**	(95)
	Bank interest payable	**10**	26
	Amortisation of loan fees	**15**	16
	Equity-settled share-based payment expenses	**55**	7
8	Impairment of investment in Erebus	**790**	129
8	Reversal of loan impairment due to loan repayment in the year by Erebus	**(1,309)**	-
	Corporation and deferred tax expense	**(1)**	72
	Operating cash flow before changes in working capital and provisions	**958**	1,787
	Decrease in trade and other receivables	**7**	2
	(Decrease) / increase in trade and other payables	**(16)**	57
	Changes in working capital and provisions	**(9)**	59
	Cash generated from operations	**949**	1,846
	Corporation taxes paid	**(76)**	(75)
	Net cash flow from operating activities	**873**	1,771
	Cash flow from financing activities		
	Repayment of inter-company borrowing	**1,448**	(825)
	Repayment of secured loan	**(800)**	(800)
	Interest received	**12**	95
	Interest paid	**(10)**	(26)
	Net cash flows from sale and purchase of Treasury shares	**-**	(66)
	Dividends paid	**(1,424)**	(1,423)
	Net cash flow from financing activities	**(774)**	(3,045)
	Net increase / (decrease) in cash and cash equivalents	**99**	(1,274)
	Cash and cash equivalents at start of year	**9,280**	10,554
	Cash and cash equivalents at end of year	**9,379**	9,280

Consolidated Statement of Changes in Shareholders' Equity

FOR THE YEAR ENDED 31 MARCH 2015

	Equity share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	Financial assets fair value reserve £'000	**Total equity £'000**
Balance at 1 April 2013	1,243	17,447	1,162	13,612	815	**34,279**
Profit for the year	-	-	-	2,633	-	**2,633**
Share-based payments	-	-	-	43	-	**43**
Net Treasury share movements				(126)		**(126)**
Dividends	-	-	-	(1,423)	-	**(1,423)**
Change in fair value of shares in Falkland Oil and Gas Limited	-	-	-	-	(129)	**(129)**
Remeasurement of the defined benefit pension liability, net of tax	-	-	-	100	-	**100**
Balance at 31 March 2014	1,243	17,447	1,162	14,839	686	**35,377**
Profit for the year	-	-	-	3,144	-	**3,144**
Share based payments	-	-	-	90	-	**90**
Dividends	-	-	-	(1,424)	-	**(1,424)**
Transfer to the income statement on sale of shares in Falkland Oil and Gas Limited	-	-	-	-	(419)	**(419)**
Change in fair value of shares in Falkland Oil and Gas Limited	-	-	-	-	225	**225**
Remeasurement of the defined benefit pension liability, net of tax	-	-	-	(305)	-	**(305)**
Balance at 31 March 2015	**1,243**	**17,447**	**1,162**	**16,344**	**492**	**36,688**

Company Statement of Changes in Shareholders' Equity

FOR THE YEAR ENDED 31 MARCH 2015

	Equity share capital £'000	Share premium account £'000	Other reserves £'000	Retained earnings £'000	**Total equity £'000**
Balance at 1 April 2013	1,243	17,447	6,910	13,122	38,722
Profit for the year	-	-	-	1,632	1,632
Share-based payments	-	-	-	43	43
Net Treasury share movements				(126)	(126)
Dividends	-	-	-	(1,423)	(1,423)
Balance at 31 March 2014	1,243	17,447	6,910	13,248	38,848
Profit for the year	-	-	-	1,410	1,410
Share based payments	-	-	-	90	90
Dividends	-	-	-	(1,424)	(1,424)
Balance at 31 March 2015	**1,243**	**17,447**	**6,910**	**13,324**	**38,924**

A profit of £1,410,000 *(2014: profit: £1,632,000)* has been dealt with in the accounts of the Parent Company. As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account.

Notes to the Financial Statements

1. Accounting policies

General information

Falkland Islands Holdings plc (the “Company”) is a company incorporated and domiciled in the UK.

Reporting entity

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The Parent Company financial statements present information about the Company as a separate entity and not about its group.

Basis of preparation

Both the Parent Company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU (“Adopted IFRS”). On publishing the Parent Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Judgements made by the Directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment next year are discussed in note 32.

The financial statements are presented in pounds sterling, rounded to the nearest thousand. They are prepared on the historical cost basis, except for the investment in Falkland Oil and Gas limited, which is stated at fair value.

The Directors are responsible for ensuring that the Group has adequate financial resources to meet its projected liquidity requirements and also for ensuring forecast earnings are sufficient to meet the covenants associated with the Group’s banking facilities.

As in prior years the Directors have reviewed the Group’s medium term forecasts and considered a number of possible trading scenarios and are satisfied the Group’s existing resources (including committed banking facilities) are sufficient to meet its needs. As a consequence the Directors believe the Group is well placed to manage its business risk.

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Managing Director’s Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in the Managing Director’s Strategic Report. In addition, note 27 to the financial statements includes the Group’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully. After making enquiries the Directors have a reasonable expectation that the Company and Group have adequate facilities to continue in operational existence for the foreseeable future, and have continued to adopt the going concern basis in preparing the financial statements.

1. Accounting policies *(continued)*

Basis of consolidation

The consolidated financial statements comprise the financial statements of Falkland Islands Holdings plc and its subsidiaries (the "Group"). A subsidiary is any entity Falkland Islands Holdings plc has the power to control. Control is determined by Falklands Islands Holdings exposure or rights, to variable returns from its involvement with the subsidiary and the ability to affect those returns. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intra-company balances and transactions, including unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Investments in subsidiaries within the Company balance sheet are stated at cost.

Presentation of income statement

Due to the non-prescriptive nature under IFRS as to the format of the income statement, the format used by the Group is explained below.

Operating profit is the pre-finance profit of continuing activities and acquisitions of the Group, and in order to achieve consistency and comparability, is analysed to show separately the results of normal trading performance ("underlying profit"), individually significant charges and credits, changes in the fair value of financial instruments and amortisation of intangible assets on acquisition. Such items arise because of their size or nature, and in 2015 comprise:

- Restructuring costs:
- The gain on the sale of 7,825,000 Falkland Oil and Gas Limited; and
- the amortisation of intangible assets

In 2014 these comprised:

- The net settlement profit on the disposal of the liabilities in the PHFC pension scheme; and
- the amortisation of intangible assets

Foreign currencies

Transactions in foreign currencies are translated to the functional currencies of Group entities at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the relevant rates of exchange ruling at the balance sheet date and the gains or losses thereon are included in the income statement.

Non-monetary assets and liabilities are translated using the exchange rate at the date of the initial transaction.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises purchase price and directly attributable expenses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for trucks owned by Momart, which are depreciated on a 33.3% reducing balance basis. The estimated useful lives are as follows:

Freehold buildings	20 – 50 years
Long leasehold land and buildings	50 years
Vehicles, plant and equipment	4 – 10 years
Ships	15 – 30 years

The carrying value of assets and their useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. If an indication of impairment exists, the assets are written down to their recoverable amount and the impairment is charged to the income statement in the period in which it arises. Freehold land and assets under construction are not depreciated.

1. Accounting policies *(continued)*

Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less any accumulated depreciation (calculated on useful economic lives in line with accounting policy, as stated under property, plant and equipment above) and any impairment losses.

Joint Ventures

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring the venturers' unanimous consent for strategic financial and operating decisions. Falkland Islands Holdings plc has joint control over an investee when it has exposure or rights to variable returns from its involvement with the joint venture and has the ability to affect those returns through its joint power over the entity.

Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and businesses.

Acquisitions prior to 1 April 2006

In respect to acquisitions prior to transition to IFRS, goodwill is recorded on the basis of deemed cost, which represents the amount recorded under previous Generally Accepted Accounting Principles ("GAAP") as at the date of transition. The classification and accounting treatment of business combinations which occurred prior to transition has not been reconsidered in preparing the Group's opening IFRS balance sheet at 1 April 2006. Goodwill is not amortised but reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Acquisitions on or after 1 April 2006

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Trade name	indefinite life
Customer relationships	6 – 10 years
Non-compete agreements	5 years

In the year ended 31 March 2014, the Directors reviewed the life of the brand name at Momart and after considerations of its strong reputation in a niche market and its history of stable earnings and cash flow, which is expected to continue into the foreseeable future, determined that its useful life is indefinite, and amortisation ceased from 1 October 2014.

1. Accounting policies *(continued)*

Computer software

Acquired computer software is capitalised as an intangible asset on the basis of the cost incurred to acquire and bring the specific software into use. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful life of computer software is seven years.

Impairment of non-financial assets

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. Goodwill and intangible assets with indefinite lives are tested for impairment, at least annually. Where an indicator of impairment exists or the asset requires annual impairment testing, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

Recoverable amount is the greater of an asset's or cash-generating unit's fair value less cost to sell or value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Finance income and expense

Net financing costs comprise interest payable and interest receivable which are recognised in the income statement. Interest income and interest payable are recognised as a profit or loss as they accrue, using the effective interest method.

Financial instruments classified as available-for-sale

The investment in Falkland Oil and Gas Limited is stated at fair value, with any resultant gain or loss being recognised in other comprehensive income and presented in the fair value reserve in equity, except for impairment losses. When these items are derecognised, the cumulative gain or loss previously recognised directly in equity is recycled to the profit and loss. Financial instruments classified as available-for-sale are initially recognised at fair value less directly attributable transaction costs.

Employee share awards

The Group provides benefits to certain employees (including Directors) in the form of share-based payment transactions, whereby the recipient renders service in return for shares or rights over future shares ("equity settled transactions"). The cost of these equity settled transactions with employees is measured by reference to an estimate of their fair value at the date on which they were granted using an option input pricing model taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of share options that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market performance vesting conditions, the grant date fair value of the share-based payments is measured to reflect such conditions and there is no true up for differences between expected and actual outcomes.

The cost of equity settled transactions is recognised, together with a corresponding increase in reserves, over the period in which the performance conditions are fulfilled, ending on the date that the option vests. Where the Company grants options over its own shares to the employees of subsidiaries, it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equal to the equity settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

1. Accounting policies *(continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

The cost of raw materials, consumables and goods for resale comprises purchase cost, on a weighted average basis and where applicable includes expenditure incurred in transportation to the Falkland Islands.

Work-in-progress and finished goods cost includes direct materials and labour plus attributable overheads based on a normal level of activity.

Construction-in-progress is stated at the lower of cost and net realisable value.

Net realisable value is estimated at selling price in the ordinary course of business less costs of disposal.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable by the Group for goods supplied and services rendered in the normal course of business, net of discounts and excluding VAT. Revenue principally arises from retail sales, the provision of ferry services and the provision of storage and transportation services for fine art works. In the Falkland Islands revenue also includes proceeds from property sales, property rental income, insurance commissions, revenues billed for shipping and agency activities and port services. Revenue from sale of goods is recognised at the point of sale or dispatch, which approximates to the point when significant risks and rewards are transferred to the buyer, whilst that of the ferry, fine art logistics and other services is recognised when the service is provided. Revenue from property sales is recognised on completion.

For fine art exhibition logistical work undertaken, where the costs incurred and the costs to complete the transaction can be measured reliably, the amount of profit attributable to the stage of completion of a contract is recognised on the basis of the incurred percentage of anticipated cost, which in the opinion of the Directors, is the most appropriate proxy for the stage of completion. Provision is made for losses as soon as they are foreseeable.

Pensions

Defined contribution pension schemes

The Group operates three defined contribution schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The amount charged to the income statement represents the contributions payable to the schemes in respect to the accounting period.

Defined benefit pension schemes

The Group has one pension scheme providing benefits based on final pensionable pay, which is unfunded and closed to further accrual. The Group's net obligation in respect of the defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to its present value; and any unrecognised past service costs are deducted.

The liability discount rate is the yield at the balance sheet date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the benefit recognised is limited to the present value of any reductions in future contributions to the plan.

The current service cost and costs from settlements and curtailments are charged against operating profit. Past service costs are recognised immediately within profit and loss. The net interest cost on the defined benefit liability for the period is determined by applying the discount rate used to measure the defined benefit obligation at the end of the period to the net defined benefit liability at the beginning of the period. It takes into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Remeasurements of the defined benefit pension liability are recognised in full in the period in which they arise in the statement of comprehensive income.

1. Accounting policies *(continued)*

Trade and other receivables

Trade receivables are carried at amortised cost, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Trade and other payables

Trade and other payables are stated at their cost less payments made.

Dividends

Dividends unpaid at the balance sheet date are only recognised as liabilities at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary timing differences are not recognised:

- Goodwill not deductible for tax purposes; and

- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits.

- Temporary differences related to investments in subsidiaries, to the extent that it is probable that they will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is recognised at the tax rates that are expected to be applied to the temporary differences when they reverse, based on rates that have been enacted or substantially enacted by the reporting date.

1. Accounting policies *(continued)*

Leased assets

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

As lessee

Rentals in respect of all operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

As lessor

Assets under hire purchase agreements are shown in the balance sheet under current assets to the extent they are due within one year, and under non-current assets to the extent that they are due after more than one year, and are stated at the value of the net investment in the agreements. The income from such agreements is credited to the income statement each year so as to give a constant rate of return on the funds invested.

Assets held for leasing out under operating leases are included in investment property (where they constitute land and buildings) or in property, plant and equipment (where they do not constitute land and buildings) at cost less accumulated depreciation and impairment losses. Rental income is recognised on a straight-line basis.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

New, amended and revised IFRSs and International Financial Reporting Interpretations Committee pronouncements ("IFRICs")

The following IFRSs and amendments and revisions to IFRSs which were effective for the first time in the year ended 31 March 2015 did not have any material impact on the consolidated financial statements:

New IFRSs	*Effective date* *Periods beginning on or after:*
IFRS 10 *Consolidated Financial Statements*	1 January 2014
IFRS 11 *Joint Arrangements*	1 January 2014
IFRS 12 *Disclosure of Interests in Other Entities*	1 January 2014
IAS 27 *Separate Financial Statements*	1 January 2014
IAS 28 *Investments in Associates and Joint Ventures*	1 January 2014

Amendments and revisions to IFRSs	*Effective date* *Periods beginning on or after:*
IAS 32 *Financial Instruments: Presentation*	1 January 2014

The following amendments and revisions to IFRSs, have been adopted by the EU, and were available for early adoption but have not yet been applied in the preparation of the consolidated financial statements:

Amendments and revisions to IFRSs	*Effective date* *Periods beginning on or after:*
IAS 19 *Defined Benefit Plans: Employee Contributions*	1 February 2015
Various Improvements to IFRSs – minor amendments	various

The Directors do not anticipate that the adoption of these new IFRSs and amendments and revisions to IFRSs will have a material impact on the consolidated financial statements in the period of initial application.

2. Segmental Information Analysis

The Group is organised into three operating segments, and information on these segments is reported to the chief operating decision maker (‘CODM’) for the purposes of resource allocation and assessment of performance. The CODM has been identified as the Board of Directors.

The operating segments offer different products and services and are determined by business type: goods and essential services in the Falkland Islands, the provision of ferry services and art logistics and storage.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill and any other assets purchased through the acquisition of a business.

2. Segmental Information Analysis *(continued)*

2015	General trading (Falklands) £'000	Ferry Services (Portsmouth) £'000	Art logistics and storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	18,506	4,301	15,753	-	38,560
Segment operating profit before tax, amortisation & non-trading items	1,312	1,032	1,239	-	3,583
Board restructuring costs	-	-	-	(234)	(234)
Gain on the sale of 7,825,000 FOGL shares	-	-	-	711	711
Amortisation	-	-	(142)	-	(142)
Segment operating profit	1,312	1,032	1,097	477	3,918
Share of result of joint venture	180	-	-	-	180
Profit before net financing costs	1,492	1,032	1,097	477	4,098
Interest income	177	3	7	-	187
Interest expense	(113)	(239)	(39)	-	(391)
Segment profit before tax	1,556	796	1,065	477	3,894
Assets and liabilities					
Segment assets	26,439	15,937	13,785	1,512	57,673
Segment liabilities	(9,737)	(7,277)	(3,452)	(519)	(20,985)
Segment net assets	16,702	8,660	10,333	993	36,688
Other segment information					
Capital expenditure:					
Property, plant and equipment	2,090	1,483	516	-	4,089
Investment properties	508	-	-	-	508
Computer software	-	-	132	-	132
Total Capital Expenditure	2,598	1,483	648	-	4,729
Depreciation:					
Property, plant and equipment	541	349	286	-	1,176
Investment properties	211	-	-	-	211
Computer software	-	-	39	-	39
Total Depreciation	752	349	325	-	1,426
Amortisation of intangible assets on acquisition of Momart	-	-	142	-	142
Underlying profit before tax					
Segment operating profit	1,312	1,032	1,239	-	3,583
Share of results of joint venture	180	-	-	-	180
Underlying profit before net financing costs	1,492	1,032	1,239	-	3,763
Interest income	177	3	7	-	187
Interest expense	(113)	(239)	(39)	-	(391)
Underlying profit before tax	1,556	796	1,207	-	3,559

2. Segmental Information Analysis *(continued)*

2014	General trading (Falklands) £'000	Ferry Services (Portsmouth) £'000	Art logistics and storage (UK) £'000	Unallocated £'000	Total £'000
Revenue	15,881	4,124	18,258	-	38,263
Segment operating profit before tax, amortisation & non-trading items	977	1,013	1,826	-	3,816
Pension settlement profit	-	-	-	64	64
Amortisation	-	-	(307)	-	(307)
Segment operating profit	977	1,013	1,519	64	3,573
Share of result of joint venture	36	-	-	-	36
Profit before net financing costs	1,013	1,013	1,519	64	3,609
Interest income	211	3	6	-	220
Interest expense	(108)	(246)	(71)	-	(425)
Segment profit before tax	1,116	770	1,454	64	3,404
Assets and liabilities					
Segment assets	24,432	14,809	14,532	3,293	57,066
Segment liabilities	(8,950)	(6,541)	(5,603)	(595)	(21,689)
Segment net assets	15,482	8,268	8,929	2,698	35,377
Other segment information					
Capital expenditure:					
Property, plant and equipment	2,057	1,958	260	-	4,275
Investment properties	658	-	-		658
Computer software	-	-	41	-	41
Total Capital Expenditure	2,715	1,958	301	-	4,974
Depreciation:					
Property, plant and equipment	429	332	307	-	1,068
Investment properties	48	-	-	-	48
Computer software	-	-	117	-	117
Total Depreciation	477	332	424	-	1,233
Amortisation of intangible assets on acquisition of Momart	-	-	307	-	307
Underlying profit before tax					
Segment operating profit	977	1,013	1,826	-	3,816
Share of results of joint venture	36	-	-	-	36
Underlying profit before net financing costs	1,013	1,013	1,826	-	3,852
Interest income	211	3	6	-	220
Interest expense	(108)	(246)	(71)	-	(425)
Underlying profit before tax	1,116	770	1,761	-	3,647

2. Segmental Information Analysis *(continued)*

The £1,512,000 *(2014: £3,293,000)* unallocated assets above include the Group's investments in Falkland Oil and Gas of £1,500,000 *(2014: £3,270,000),* together with £12,000 *(2014: £23,000)* of prepayments held in Falkland Islands Holdings plc.

The £519,000 *(2014: £595,000)* unallocated liabilities above consist of accruals and tax balances held in Falkland Islands Holdings plc.

3. Geographical analysis

The tables below analyse revenue and other information by geography:

	2015		
	United Kingdom £'000	Falkland Islands £'000	Total £'000
Revenue (by source)	20,054	18,506	38,560
Assets and Liabilities			
Non-current segment assets, excluding deferred tax and the investment in Falkland Oil and Gas Limited	24,692	11,950	36,642
Capital expenditure	2,131	2,598	4,729

	2014		
	United Kingdom £'000	Falkland Islands £'000	Total £'000
Revenue (by source)	22,382	15,881	38,263
Assets and Liabilities			
Non-current segment assets, excluding deferred tax and the investment in Falkland Oil and Gas Limited	23,377	9,823	33,200
Capital expenditure	2,259	2,715	4,974

4. Revenue

	2015 £'000	2014 £'000
Sale of goods	12,584	11,701
Rendering of services	25,976	26,562
Total revenue	38,560	38,263

5. Amortisation of intangible assets acquired on purchase of Momart, and non-trading items

	2015 £'000	2014 £'000
Amortisation charge on Momart intangible assets acquired	(142)	(307)
Profit before tax as reported	3,894	3,404
Board restructuring costs	234	-
Gain on the sale of 7,825,000 FOGL shares	(711)	-
Amortisation	142	307
Net settlement profit on the transfer of the PHFC pension scheme	-	(64)
Total amortisation and non-trading items	(335)	243
Underlying profit before tax	3,559	3,647

A £75,000 tax credit has been included in the Group's income statement in respect of the £335,000 non-trading items for the year ending 31 March 2015. This has been calculated as the £28,000 credit on the amortisation of the non-trading intangible assets, and the tax deductibility at 21% of the £234,000 Board restructuring costs, excluding the accelerated charge for share options, which the Remuneration Committee deemed to vest on the date of retirement. No tax charge has arisen on the £711,000 gain on the sale of the 7,825,000 shares in Falkland Oil and Gas Limited.

6. Expenses and auditor's remuneration

The following expenses / (incomes) have been included in the profit and loss	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Direct operating expenses of rental properties	142	131	-	-
Depreciation	1,237	1,116	-	-
Depreciation of computer software	39	117	-	-
Amortisation of intangible assets	142	307	-	-
Foreign currency differences	(60)	(50)	-	-
Impairment loss on trade and other receivables	16	(44)	-	-
Cost of inventories recognised as an expense	9,853	9,025	-	-
Operating lease payments	864	822	-	-

Auditor's remuneration	2015 £'000	2014 £'000
Audit of these financial statements	30	25
Other taxation services	4	4
Audit of subsidiaries' financial statements pursuant to legislation	62	61
Total auditor's remuneration	96	90

Amounts paid to the Company's auditors and their associates in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

7. Staff numbers and cost

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees Group		Number of employees Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Ferry services	40	38	-	-
Falkland Islands; in Stanley	180	142	-	-
in UK	5	5	-	-
Art logistics & storage	131	121	-	-
Head office	6	5	6	5
Total average staff numbers	362	311	6	5

The aggregate payroll cost of these persons was as follows:

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Wages and salaries	11,307	10,490	761	638
Share-based payments (see note 25)	90	43	55	7
Social security costs	901	910	72	80
Contributions to defined contribution plans	274	243	9	8
Total employment costs	12,572	11,686	897	733

Details of audited Directors' remuneration are provided in the Directors' Report, under the heading 'Details of Directors' Remuneration and Emoluments and Directors' interests in shares'.

8. Finance income and expense

	2015	2014
	£'000	£'000
Bank interest receivable	15	99
Finance lease interest receivable	172	121
Total financial income	187	220

	2015	2014
	£'000	£'000
Interest payable on bank loans	(17)	(39)
Net interest cost on the FIC defined benefit pension scheme liabilities	(107)	(108)
Amortisation of loan fees	(15)	(16)
Finance lease interest payable	(246)	(262)
Unwinding of deferred consideration payable	(6)	-
Total finance expense	(391)	(425)

9. Taxation

Recognised in the income statement

	2015 £'000	2014 £'000
Current tax expense		
Current year	323	801
Adjustments for prior years	77	34
Current tax expense	400	835
Deferred tax expense		
Origination and reversal of temporary differences	412	47
Reduction in tax rate	-	(136)
Adjustments for prior years	(62)	25
Deferred tax expense / (credit)	350	(64)
Total tax expense	750	771

Reconciliation of the effective tax rate

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	3,894	3,404
Tax using the UK corporation tax rate of 21% *(2014: 23%)*	818	783
Expenses not deductible for tax purposes	124	78
Gain on disposal of investment	(149)	-
Marginal relief	(1)	-
Effect of higher tax rate overseas	13	(5)
Difference in the rate of deferred tax	(32)	(136)
Income from joint ventures	(38)	(8)
Adjustments to tax charge in respect of previous periods	15	59
Total tax expense	750	771

Tax recognised directly in other comprehensive income

	2015 £'000	2014 £'000
Deferred tax credit / (expense) recognised directly in other comprehensive income	107	(35)

Reductions in the UK corporation tax rate from 23% to 21% (effective 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax assets and liabilities in the United Kingdom at 31 March 2015 have been calculated based on the rate of 20% substantively enacted at the balance sheet date. The deferred tax assets and liabilities in the Falkland Islands have been calculated at the Falklands tax rate of 26%.

10. Earnings per share

The calculation of basic earnings per share is based on profits on ordinary activities after taxation, and the weighted average number of shares in issue in the period, excluding shares held in Treasury and under the Employee Share Ownership Plan ('ESOP') (see note 26).

The calculation of diluted earnings per share is based on profits on ordinary activities after taxation and the weighted average number of shares in issue in the period, excluding shares held under the ESOP, adjusted to assume the full issue of share options outstanding, to the extent that they are dilutive.

	2015 £'000	2014 £'000
Profit on ordinary activities after taxation	3,144	2,633

	2015 Number	2014 Number
Weighted average number of shares in issue	12,431,623	12,431,623
Less: shares held in Treasury	(18,381)	(12,764)
Less: shares held under the ESOP	(28,016)	(37,785)
Average number of shares in issue excluding the ESOP and shares held in Treasury	12,385,226	12,381,074
Maximum dilution with regards to share options	60,871	79,911
Diluted weighted average number of shares	12,446,097	12,460,985

	2015	2014
Basic earnings per share	25.4p	21.3p
Diluted earnings per share	25.3p	21.1p

To provide a comparison of earnings per share on underlying performance, the calculation below sets out basic and diluted earnings per share based on underlying profits.

Earnings per share on underlying profit	2015 £'000	2014 £'000
Underlying profit before tax (see note 5)	3,559	3,647
Taxation	(825)	(901)
Underlying profit after tax	2,734	2,746
Effective tax rate	23.2%	24.7%
Weighted average number of shares in issue excluding Treasury share and the ESOP (from above)	12,385,226	12,381,074
Diluted weighted average number of shares (from above)	12,446,097	12,460,985
Basic earnings per share on underlying profit	22.1p	22.2p
Diluted earnings per share on underlying profit	22.0p	22.0p

11. Intangible assets

	Computer Software £'000	Customer relation-ships £'000	Brand names £'000	Non-compete agreements £'000	Goodwill £'000	Total £'000
Cost:						
At 1 April 2013	-	1,882	2,823	72	11,539	16,316
Additions	41	-	-	-	-	41
Transfer from plant and machinery	306	-	-	-	-	306
At 31 March 2014	347	1,882	2,823	72	11,539	16,663
Goodwill arising on acquisition of a business (note 31)	-	-	-	-	37	37
Additions	132	-	-	-	-	132
Disposals	-	(608)	-	(72)	-	(680)
At 31 March 2015	479	1,274	2,823	-	11,576	16,152
Accumulated amortisation:						
At 1 April 2013	-	1,232	715	71	1,983	4,001
Depreciation of computer software	117	-	-	-	-	117
Amortisation for the year		236	70	1	-	307
At 31 March 2014	117	1,468	785	72	1,983	4,425
Depreciation of computer software	39	-	-	-	-	39
Amortisation of other intangibles for the year	-	142	-	-	-	142
Disposals	-	(608)	-	(72)	-	(680)
At 31 March 2015	156	1,002	785	-	1,983	3,926
Net book value:						
At 1 April 2013	-	650	2,108	1	9,556	12,315
At 31 March 2014	230	414	2,038	-	9,556	12,238
At 31 March 2015	323	272	2,038	-	9,593	12,226

Amortisation and impairment charges are recognised in operating expenses in the income statement.

Customer relationships are ongoing relationships, both contractual and otherwise with customers considered to be of future economic benefit to the Group with estimated economic lives of 6 - 10 years.

Prior to 1 October 2013, the Momart brand name was amortised over 20 years, however following a review of the economic life, the brand name has been determined to have an indefinite life. It is reviewed annually for impairment as part of the art logistics and storage review.

Non-compete agreements are contractual binding agreements with senior Momart personnel not to compete with the Group for five years in the event of their leaving the Group’s service.

11. Intangible assets *(continued)*

Goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) which principally comprise its business segments. A segment level summary of goodwill is shown below:

	Art logistics and storage £'000	Ferry Services (Ports-mouth) £'000	Falklands Islands £'000	Total £'000
At 1 April 2013	5,577	3,979	-	9,556
At 31 March 2014	5,577	3,979	-	9,556
At 31 March 2015	5,577	3,979	37	9,593

Impairment

The Group tests material goodwill annually for impairment or more frequently if there are indications that goodwill and / or indefinite life assets might be impaired. An impairment test is a comparison of the carrying value of the assets of a CGU, based on a value-in-use calculation, to their recoverable amounts. Where the recoverable amount is less than the carrying value an impairment results. During the year the goodwill and indefinite life intangibles for each CGU was separately assessed and tested for impairment, with no impairment charges resulting *(2014: nil).* As part of testing goodwill and indefinite life intangibles for impairment, forecasts of operating cash flows for the next five years are used, which are based on approved budgets and plans by the Board of Falkland Islands Holdings plc. These forecasts represent the best estimate of future performance of the CGUs based on past performance and expectations for the market development of the CGU.

A number of key assumptions are used as part of impairment testing. These key assumptions are made by management reflecting past experience combined with their knowledge as to future performance and relevant external sources of information. Sensitivity analysis as at 31 March 2015 has indicated that no reasonably foreseeable change in the key assumptions used in the impairment model would result in a significant impairment charge being recorded in the financial statements.

Discount rates

Within impairment testing models, the cash flows of the Art Logistics and Storage CGU have been discounted using a pre-tax discount rate of 13.7% *(2014: 13.7%),* and the cash flows of the Ferry Services have been discounted using a pre-tax discount rate of 12.4% *(2014: 12.5%)*. Management have determined that each rate is appropriate as the risk adjustment applied within the discount rate reflects the risks and rewards inherent to each CGU, based on the industry and geographical location it is based within.

Long term growth rates

Long term growth rates of 2% over up to fifty years have been used for all CGUs as part of the impairment testing models. This growth rate does not exceed the long term average growth rate for the UK, in which the CGUs operate. For both Ferry Services and Art Logistics and Storage, the future cash flows are based on the latest budgets and business plans, which take account of known business conditions, and are therefore consistent with past experience.

Other assumptions

Other assumptions used within impairment testing models include an estimation of long term effective tax rate for the CGUs. The long-term effective rate of tax assumption is consistent with current tax rates. The terminal value is calculated based on the Gordon Growth model.

11. Intangible assets ***(continued)***

Sensitivity to changes in assumptions

Using a discounted cash flow methodology necessarily involves making numerous estimates and assumptions regarding growth, operating margins, tax rates, appropriate discount rates, capital expenditure levels and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgements are applied by the Directors in determining the level of cash generating units and the criteria used to determine which assets should be aggregated. A difference in testing levels could further affect whether an impairment is recorded and the extent of impairment loss.

Assumptions specific to ferry services (Portsmouth)

Value in use was determined by discounting future cash flows in line with the other assumptions discussed above. Management have forecast consistent growth in cash flows of 2% in both the short and long term. The value in use was determined to exceed the carrying amount and no impairment has been recognised *(2014: £nil)*. It is not considered that a reasonably possible change in any of these assumptions would generate a different impairment test outcome to the one included in this annual report. The key assumptions made in the estimation of future cash flows are the passenger numbers and the average revenue per passenger.

Assumptions specific to arts logistics and storage (UK)

Value in use was determined by discounting future cash flows in line with the other assumptions as discussed above. Cash flows were projected based on approved budgets and plans over the forecast period, with a long term growth rate of 2%. The carrying value of the unit was determined to not be higher than its recoverable amount and no impairment was recognised *(2014: nil)*. It is not considered that a reasonably possible change in any of these assumptions would generate a different impairment test outcome to the one included in this annual report. The key assumptions made in the estimation of future cash flows are in relation to revenue.

12. Property, plant and equipment

	Group				
	Freehold Land & buildings	Long leasehold Land and buildings	Ships	Vehicles, plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost:					
At 1 April 2013	4,344	6,449	3,533	7,674	22,000
Additions in year	1,336	166	1,825	948	4,275
Transfer to computer software	-	-	-	(306)	(306)
Disposals	(140)	-	-	(155)	(295)
At 31 March 2014	5,540	6,615	5,358	8,161	25,674
Additions in year	1,243	480	1,344	1,022	4,089
Acquired on purchase of a business (note 31)	170	-	-	15	185
Disposals	(9)	-	-	(585)	(594)
At 31 March 2015	6,944	7,095	6,702	8,613	29,354
Accumulated depreciation:					
At 1 April 2013	1,762	669	1,092	4,752	8,275
Charge for the year	95	196	140	637	1,068
Disposals	(138)	-	-	(140)	(278)
At 31 March 2014	1,719	865	1,232	5,249	9,065
Charge for the year	119	202	-	855	1,176
Disposals	(9)	-	-	(499)	(508)
At 31 March 2015	1,829	1,067	1,232	5,605	9,733
Net book value:					
At 1 April 2013	2,582	5,780	2,441	2,922	13,725
At 31 March 2014	3,821	5,750	4,126	2,912	16,609
At 31 March 2015	5,115	6,028	5,470	3,008	19,621

The Company has no tangible fixed assets.

At 31 March 2015 the net carrying amount of leased long leasehold land and buildings and vehicles, plant and equipment was £4,584,000 and £328,000 for the Gosport Pontoon and trucks at Momart respectively, *(2014: £4,683,000 and £302,000).* During the year to 31 March 2015 the Group acquired one truck for Momart, which was purchased for £175,000, and financed with a £132,000 finance lease, and ten mobile homes for staff rentals were purchased by FIC at a total cost of £366,000 and installed on land leased from the Falkland Islands government. During the year to 31 March 2014 the Group acquired no leased assets

At 31 March 2015, the group had entered into contractual commitments of £141,000 for trucks at Momart. At 31 March 2014 the Group had a capital commitment of £130,000 to purchase a truck at Momart and a commitment of £837,000 for the acquisition of the new vessel for Portsmouth.

£1,273,000 has been included within Freehold properties above in respect of the new warehouse under construction in the Falklands, and £79,000 has been included within plant and machinery of assets under construction for ticket vending machines for the Ferry. At March 2014 £1,873,000 of assets under construction was included in the cost of ships in respect of the new vessel, which was delivered in 31 March 2015.

13. Investment properties

	Group		
	Residential and commercial property £'000	Freehold land £'000	Total £'000
Cost:			
At 1 April 2013	2,244	773	3,017
Additions in year	658	-	658
At 31 March 2014	2,902	773	3,675
Additions in year	508	-	508
Transferred on development of land	50	(50)	-
At 31 March 2015	3,460	723	4,183
Accumulated depreciation:			
At 1 April 2013	231	-	231
Charge for the year	48	-	48
At 31 March 2014	279	-	279
Charge for the year	211	-	211
At 31 March 2015	490	-	490
Net book value:			
At 1 April 2013	2,013	773	2,786
At 31 March 2014	2,623	773	3,396
At 31 March 2015	2,970	723	3,693

The investment properties comprise residential and commercial property held for rental in the Falkland Islands. Investment properties include 400 acres, including 70 acres of land in Stanley, 58 acres of which have planning permission. In addition, the Group has 300 acres of land at Fairy Cove, adjacent to the site of the possible deep water port at Port William. These investment properties held by FIC have been reviewed by a Director of FIC who is resident in the Falkland Islands and is considered to have the relevant knowledge and experience to undertake the valuation. At 31 March 2015 the fair value of this property portfolio was estimated at £7.3 million *(31 March 2014: £6.3 million)* including development land valued at £2.2 million *(2014: £2.2 million).* As oil development proceeds, the value of these properties is expected to increase significantly.

During the year to 31 March 2015, the Group received rental income of £355,000 *(2014: £221,000)* on these properties.

At 31 March 2015 no investment properties were under construction *(2014: £199,000)*.

The Company does not own any investment properties.

14. Investment in subsidiaries

	Country of incorporation	Class of shares held	Ownership at 31 March 2015	Ownership at 31 March 2014
The Falkland Islands Company Limited	UK	Ordinary shares of £1	100%	100%
		Preference shares of £10	100%	100%
The Falkland Islands Trading Company Limited	UK	Ordinary shares of £1	100%	100%
Falkland Islands Shipping Limited*	Falkland Islands	Ordinary shares of £1	100%	100%
Erebus Limited*	Falkland Islands	Ordinary shares of £1	100%	100%
		Preference shares of £1	100%	100%
Paget Limited*	Falkland Islands	Ordinary shares of £1	100%	100%
The Portsmouth Harbour Ferry Company Limited	UK	Ordinary shares of £1	100%	100%
Portsea Harbour Company Limited*	UK	Ordinary shares of £1	100%	100%
Clarence Marine Engineering Limited*	UK	Ordinary shares of £1	100%	100%
Gosport Ferry Limited*	UK	Ordinary shares of £1	100%	100%
Momart International Limited	UK	Ordinary shares of £1	100%	100%
Momart Limited*	UK	Ordinary shares of £1	100%	100%
Dadart Limited*	UK	Ordinary shares of £1	100%	100%

*These investments are not held by the Company but are indirect investments held through a subsidiary of the Company.

	Company 2015 £'000	2014 £'000
At 1 April 2014	29,004	29,097
Impairment of investment in Erebus	(790)	(129)
Cost of share based payments capitalised into subsidiaries	35	36
At 31 March 2015	28,249	29,004

The Company's investment in Erebus Limited comprises the Group's shareholding in Falkland Oil and Gas Limited (see Note 15). The Company's investment in Erebus is held at impaired cost, and in the year to 31 March 2015, this investment has been impaired by £790,000 due to the disposal of the 7,825,000 shares in Falkland Oil and Gas, and the resulting fall in the investment, however this loss has been offset by the £1,309,000 reversal of an impairment of a loan due from Erebus to Falkland Islands Holdings plc, as this was repaid in the year from the proceeds received on the disposal.

15. Shares held in Falkland Oil and Gas Limited

	2015	2014
Fair value of shares held in Falkland Oil and Gas Limited £'000	1,500	3,270
Falkland Oil and Gas Limited share price at 31 March	30.0p	25.5p
Shareholding at 31 March (number of shares)	5,000,000	12,825,000
Group interest in Falkland Oil and Gas Limited	0.9%	2.4%
Historic cost of shareholding to the Group (£'000)	1,008	2,586
Historic cost per share to the Group	20p	20p

16. Investment in Joint Ventures

The Group has one joint venture (South Atlantic Construction Company Limited, "SAtCO"), which was set up in June 2012, with Trant Construction to bid for the larger infrastructure contracts which are expected to be generated by oil activity. Both Trant Construction and the Falkland Islands Company contributed £50,000 of ordinary share capital. SAtCO is registered and operates in the Falkland Islands.

Joint Venture's balance sheet	2015 £'000	2014 £'000
Fixed assets	962	1,056
Current assets	1,020	586
Liabilities due in less than one year	(390)	(384)
Liabilities due in greater than one year	(1,060)	(1,086)
Net assets of SAtCO	532	172
Group share of net assets	266	86

Joint Venture's results	2015 £'000	2014 £'000
Revenue	591	108
Cost of sales	(95)	-
Administrative expenses	(10)	(8)
Operating profit for the year	486	100
Taxation	(126)	(28)
Joint Venture retained profit for the year	360	72
Group share of retained profit for the year	180	36

There were no recognised gains or losses, other than the profits disclosed above for the year ended 31 March 2015 *(2014: none).* £95,000 of depreciation was charged in the year ended 31 March 2015 (2014: none).

The current assets balances above include £425,000 of cash *(2014: £241,000).* The liabilities due in less than one year are all trade payables. The liabilities due in greater than one year include loans to the parent companies of £907,000 *(2014: £1,058,000)*.

SAtCO had no contingent liabilities or capital commitments as at 31 March 2015 or 31 March 2014 and the Group had no contingent liabilities or commitments in respect of its joint venture at 31 March 2015 or 31 March 2014.

17. Finance leases receivable

Finance lease receivables relate to finance leases on the sale of vehicles and customer goods. No allowances for uncollectable minimum lease payments have been deemed necessary. No contingent rents have been recognised as income in the period. No residual values accrue to the benefit of the lessor.

	Group	
	2015	2014
	£'000	£'000
Non-Current		
Finance Lease debtors due after more than one year	458	342
Current		
Finance lease debtors due within one year	647	503
Total other financial assets	1,105	845

The difference between the gross investment in the hire purchase leases and the present value of future lease payments due represents unearned finance income of £110,000 *(2014: £84,000).*

The cost of assets acquired for the purpose of letting under hire purchase agreements by the Group during the year amounted to £881,000 *(2014: £868,000).*

The aggregate rentals receivable during the year in respect of hire purchase agreements were £793,000 *(2014: £700,000).*

	Group	
	2015	2014
	£'000	£'000
Gross investment in hire purchase leases	1,215	930
Present value of future lease payments due:		
Within one year	647	503
Within two to five years	458	342
	1,105	845

18. Deferred tax assets and liabilities

Recognised deferred tax assets and (liabilities)	Group	
	2015	2014
	£'000	£'000
Property, plant & equipment	(1,669)	(1,373)
Intangible assets	(462)	(490)
Inventories	15	62
Other financial liabilities	50	75
Share-based payments	10	27
Tax losses	69	60
Total net deferred tax liabilities	(1,987)	(1,639)
Deferred tax asset arising on the defined benefit pension liabilities	750	645
Net tax liabilities	(1,237)	(994)

18. Deferred tax assets and liabilities *(continued)*

The deferred tax asset on the defined benefit pension scheme (see note 24) arises under the Falkland Islands tax regime and has been presented on the face of the consolidated balance sheet as a non-current asset as it is expected to be realised over a relatively long period of time. All other deferred tax assets are shown net against the non-current deferred tax liability shown in the balance sheet.

	Company	
	2015	2014
	£'000	£'000
Other temporary differences	6	4
Net tax asset	6	4

Movement in deferred tax in the year

	Group			
	1 April 2014	Recognised in income	Recognised in equity	31 March 2015
	£'000	£'000	£'000	£'000
Property, plant & equipment	(1,373)	(296)	-	(1,669)
Intangible assets	(490)	28	-	(462)
Inventories	62	(47)	-	15
Other financial liabilities	75	(25)	-	50
Share-based payments	27	(17)	-	10
Tax losses	60	9	-	69
Pension	645	(2)	107	750
Deferred tax movements	(994)	(350)	107	(1,237)

Unrecognised deferred tax assets

Deferred tax assets of £113,000 *(2014: £113,000)* in respect of capital losses have not been recognised as it is not considered probable that there will be suitable chargeable gains in the foreseeable future from which the underlying capital losses will reverse.

Movement in deferred tax in the year

	Company			
	1 April 2014	Recognised in income	Recognised in equity	31 March 2015
	£'000	£'000	£'000	£'000
Other temporary difference	4	2	-	6
Deferred tax asset movements	4	2	-	6

Movement in deferred tax in the prior year

	Group			
	1 April 2013	Recognised in income	Recognised in equity	31 March 2014
	£'000	£'000	£'000	£'000
Property, plant & equipment	(1,254)	(119)	-	(1,373)
Intangible assets	(635)	145	-	(490)
Inventories	96	(34)	-	62
Other financial liabilities	54	21	-	75
Share-based payments	45	(18)	-	27
Tax losses	-	60	-	60
Pension	671	9	(35)	645
Deferred tax movements	(1,023)	64	(35)	(994)

18. Deferred tax assets and liabilities *(continued)*

Movement in deferred tax in the prior year	Company			
	1 April 2013	Recognised in income	Recognised in equity	31 March 2014
	£'000	£'000	£'000	£'000
Other temporary difference	4	-	-	4
Deferred tax asset movements	4	-	-	4

19. Inventories

	Group	
	2015	2014
	£'000	£'000
Work in progress	715	852
Goods in transit	556	1,492
Goods for resale	4,120	4,348
Total Inventories	5,391	6,692

Goods in transit are retail goods in transit to the Falkland Islands.

The Company has no inventories.

20. Trade and other receivables

	Company	
	2015	2014
	£'000	£'000
Non-current		
Amount owed by subsidiary undertakings	1,813	1,952

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Current				
Trade and other receivables	4,512	5,601	-	-
Prepayments and accrued income	796	1,440	12	19
Total trade and other receivables	5,308	7,041	12	19

21. Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Cash and other cash equivalents in the balance sheet	7,435	5,715	9,379	9,280

22. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group and the Company's interest bearing loans and borrowings, which are stated at amortised cost. For more information regarding the maturity of the Group and Company's interest-bearing loans and borrowings and about the Group and Company's exposure to interest rate and foreign currency risk, see note 27.

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Non-current liabilities				
Secured bank loans	598	34	-	-
Finance lease liabilities	4,982	5,027	-	-
Total non-current interest bearing loans and borrowings	5,580	5,061	-	-
Current liabilities				
Secured bank loans	137	985	-	785
Finance lease liabilities	156	124	-	-
Total current interest bearing loans and borrowings	293	1,109	-	785
Total liabilities				
Secured bank loans	735	1,019	-	785
Finance lease liabilities	5,138	5,151	-	-
Total interest bearing loans and borrowings	5,873	6,170	-	785

Finance lease liabilities

	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2015	2014	2015	2014	2015	2014
	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	395	366	239	242	156	124
Between one and two years	350	366	233	235	117	131
Between two and five years	852	850	680	684	172	166
More than five years	10,725	10,985	6,032	6,255	4,693	4,730
Total	12,322	12,567	7,184	7,416	5,138	5,151

Net debt

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Total interest-bearing loans and borrowings	5,873	6,170	-	785
less: cash balances (see note 21)	(7,435)	(5,715)	(9,379)	(9,280)
Net (cash) / debt	(1,562)	455	(9,379)	(8,495)

23. Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Current				
Trade payables	5,398	6,817	-	-
Other creditors, including taxation and social security	1,368	756	109	172
Accruals and deferred income	3,448	3,408	453	406
Total trade and other payables	10,214	10,981	562	578

24. Employee benefits: pension plans

The Group operates three defined contribution pension schemes. In addition it also operated two defined benefit pension schemes, both of which have been closed to new members and to future accrual. In March 2013 the Group transferred all liabilities in respect of the Portsmouth Harbour defined benefit scheme to Legal and General. The FIC unfunded defined benefit pension scheme had 19 pensioners *(2014: 20)* receiving benefits from this scheme, and three deferred members *(2014: three)*. The weighted average duration of the expected benefit payments from the Scheme is around 16 years *(2014: 15)*.

Defined contribution schemes

The pension cost charge for the year represents contributions payable by the Group to the schemes and amounted to £274,000 *(2014: £243,000)*. The Group anticipates paying contributions amounting to £290,000 during the year ending 31 March 2015. There were £75,000 outstanding contributions due to pension schemes at 31 March 2015.

Defined benefit pension schemes

A summary of the fair value of the net pension scheme deficit is set out below:

	Group	
	2015	2014
	£'000	£'000
Pension scheme deficit:		
The Falkland Islands Company Limited Scheme	(2,884)	(2,480)
Deferred tax asset	750	645
Net pension scheme deficit	(2,134)	(1,835)

The Falkland Islands Company Limited Scheme

The Falkland Islands Company Limited operates a defined benefit pension scheme for certain employees which is unfunded and was closed to new members in 1988. This scheme was closed to further accrual on 31 March 2007. Benefits are payable on retirement at the normal retirement age.

Actuarial reports for IAS 19 purposes as at 31 March 2015, 2014, 2013, 2012 and 2011 were prepared by a qualified independent actuary, Lane Clark and Peacock LLP. The major assumptions used in the valuation were:

	2015	2014
Rate of increase in salaries	2.3%	2.6%
Rate of increase in pensions in payment and deferred pensions	3.0%	3.0%
Discount rate applied to scheme liabilities	3.2%	4.3%
Inflation assumption	3.0%	3.4%
Average longevity at age 65 for male current and deferred pensioners (years) at accounting date	22.6	22.4
Average longevity at age 65 for male current and deferred pensioners (years) 20 years after accounting date	24.7	24.6

24. Employee benefits: pension plans *(continued)*

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Sensitivity Analysis

The calculation of the defined benefit liability is sensitive to the assumptions set out above. The following table summarises how the impact of the defined benefit liability at 31 March 2015 would have increased / (decreased) as a result of a change in the respective assumptions by 0.1%

	Effect on obligation	
	2015	2014
	£000	£000
Discount rate +/- 0.1%	46	38
Inflation assumption +/- 0.1%	(9)	(8)
Life expectancy +/- one year	(126)	(100)

These sensitivities have been calculated to show the movement in the defined benefit obligation in isolation, and assume no other changes in market conditions at the accounting date.

Scheme liabilities

The present values of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

			Value at		
	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(2,884)	(2,480)	(2,584)	(2,411)	(2,107)
Related deferred tax assets	750	645	671	579	548
Net pension liability	(2,134)	(1,835)	(1,913)	(1,832)	(1,559)

Movement in deficit during the year:

	2015	2014
	£000	£000
Deficit in scheme at beginning of the year	(2,480)	(2,584)
Pensions paid	115	122
Past service cost	-	(45)
Other finance cost	(107)	(108)
Remeasurement of the defined benefit pension liability	(412)	135
Deficit in scheme at the end of the year	(2,884)	(2,480)

Analysis of amounts included in other finance costs	2015	2014
	£000	£000
Interest on pension scheme liabilities	(107)	(108)

24. Employee benefits: pension plans *(continued)*

Analysis of amounts recognised in statement of comprehensive income:

	2015 £000	2014 £000
Experience gains arising on scheme liabilities	76	20
Changes in assumptions underlying the present value of scheme liabilities	(488)	115
Remeasurement of the defined benefit pension liability	(412)	135

History of experience gains and losses:

	2015	2014	2013	2012	2011
Experience gains / (losses) arising on scheme liabilities:					
Amount (£'000)	76	20	(34)	(30)	(7)
Percentage of year end present value of scheme liabilities	(2.6%)	(0.8%)	1.3%	1.2%	0.3%
Total amount recognised in statement of comprehensive income					
Amount (£'000)	(412)	135	(173)	(289)	(82)
Percentage of year end present value of scheme liabilities	14.3%	(5.4%)	6.7%	12.0%	3.9%
Payment to pensioners	115	122	111	98	98

25. Employee benefits: share based payments

The following options were outstanding at 31 March 2015

Date of Issue	Number	Exercise Price pence	Share price at grant date pence	Fair value per share pence	Total fair value £	Earliest Exercise date	Latest Exercise date
14 June 05	42,500	425.0	425.0	166.0	70,550	14 Jun 08	13 Jun 15
14 June 05	14,117	425.0	425.0	214.0	30,210	14 Jun 08	13 Jun 15
14 June 05	49,411	425.0	425.0	214.0	105,740	14 Jun 08	13 Jun 15
7 Aug 07	27,517	330.0	332.5	73.0	20,087	7 Aug 10	6 Aug 17
4 Dec 07	12,500	319.0	340.0	119.0	14,875	4 Dec 10	3 Dec 17
3 Apr 08	3,781	365.0	375.0	131.0	4,953	3 Apr 11	2 Apr 18
8 Apr 09	57,719	207.5	207.5	56.0	32,323	8 Apr 12	7 Apr 19
15 Jul 09	43,674	290.0	290.0	72.0	31,445	15 Jul 12	4 Aug 15
15 Jul 09	54,550	290.0	290.0	72.0	39,276	15 Jul 12	14 Jul 19
9 Dec 09	21,500	390.0	397.5	145.0	31,175	9 Dec 12	8 Dec 19
21 Dec 10	41,000	342.5	337.5	124.0	50,840	21 Dec 13	20 Dec 20
28 Apr 11	6,390	313.0	313.0	106.0	6,773	28 Apr 14	27 Apr 21
27 Jun 11	18,281	302.5	303.5	94.0	17,184	27 Jun 14	26 Jun 21
16 Dec 11	138,190	267.5	261.5	68.0	93,969	16 Dec 14	15 Dec 21
13 Aug 12	61,881	404.0	404.0	92.0	56,931	9 Feb 15	4 Aug 15
13 Aug 12	76,700	404.0	404.0	92.0	70,564	13 Aug 15	12 Aug 22
27 Nov 13	29,810	369.0	369.0	109.0	32,493	27 Nov 16	26 Nov 23
2 Dec 13	9,523	367.5	367.5	109.0	10,380	02 Dec 16	1 Dec 23
3 Sep 14	13,154	353.5	353.5	100.0	13,154	3 Sep 17	2 Sep 24
19 Jan 15	5,000	272.5	272.5	63.0	3,150	19 Jan 18	18 Jan 25
	727,198				736,072		

The total number of options outstanding at 31 March 2015 was 727,198 *(2014: 774,896).* A reconciliation of the movement in options is shown below. The fair values of the options are estimated at the date of grant using appropriate option pricing models and are charged to the profit and loss account over the expected life of the options. The following table gives the assumptions made in determining the fair value of the unvested options.

25. Employee benefits: share based payments *(continued)*

Expected volatility is determined by reference to past performance of the Company's share price. All options are granted with the condition that the employee remains in employment for three years. Certain option grants also have conditions attached in that increases in earnings per share on underlying profits over the vesting period must exceed the UK Retail price index increase, and options granted to directors of the Company have a condition that the Group's total shareholder return increase must exceed that of the FTSE AIM All-Share Index over the three year period.

	27 Nov 13	2 Dec 13	3 Sep 14	19 Jan 15
Expected Volatility (%)	39	39	38	37
Risk free interest rate (%)	2.09	2.19	2.07	1.23
Expected life of options (years)	6.5	6.5	6.5	6.5
Dividend yield (%)	3.12	3.13	3.25	4.22
Share price at grant date (pence)	369.0	367.5	353.5	272.5

All share options are equity settled. Share options issued without share price conditions attached have been valued using the Black-Scholes model. Share price options issued with share price conditions attached have been valued using a Monte Carlo simulation model making explicit allowance for share price targets. During the year end 31 March 2015 no options *(2014: 28,915)* were exercised over ordinary shares. The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price (£) 2015	Number of options 2015	Weighted average exercise price (£) 2014	Number of options 2014
Outstanding at the beginning of the year	3.49	774,896	3.43	861,344
Forfeited during the year	3.66	(8,160)	3.45	(96,866)
Exercised during the year	-	-	2.08	(28,915)
Granted during the year	3.31	18,154	3.69	39,333
Lapsed during the year	5.20	(57,692)	-	-
Outstanding at the year end	3.35	727,198	3.49	774,896
Vested options exercisable at the year end	3.24	593,011	3.59	431,621
Weighted average life of outstanding options (years)	4.3		5.6	

The range of exercise prices of outstanding options at 31 March 2015 is from £2.075 *(2014: £2.075)* to £4.250 *(2014: £5.25)*.

	2015	2014
	£000	£000
Total share based payment expense recognised in the year	90	43

26. Capital and reserves

Share capital

	Ordinary Shares	
	2015	2014
In issue at the start and end of the year	12,431,623	12,431,623

	2015 £000	2014 £000
Allotted, called up and fully paid Ordinary shares of 10p each	1,243	1,243

By special resolution at an Annual General Meeting on 9 September 2010 the Company adopted new articles of association principally to take account of the various changes in company law brought in by the Companies Act 2006. As a consequence the Company no longer has an authorised share capital. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 31 March 2000, an Employee Share Ownership Plan was established. At 31 March 2015 the plan held 28,016 *(2014: 28,016)* ordinary shares at a cost of £55,005 *(2014: £55,005)*. The market value of the shares at 31 March 2015 was £77,464 *(2014: £87,970)*. Shares held in the ESOP receive a nominal 0.01p per share in each dividend payment, as in prior years.

Treasury shares

Following shareholder approval, received at the Company's Annual General Meeting on 20 August 2013, the Company's share capital underwent a reorganisation, as a result of which the number of shareholders was reduced from 6,324 to 2,294. The existing ordinary shares were consolidated into ordinary shares of £10 each ("Consolidated Shares"), and the Company purchased the fractional entitlements of Small Shareholders (being those with less than 1 Consolidated Share) created by this consolidation. Following this purchase by the Company, the Consolidated Shares (including those purchased by the Company) were sub-divided into new ordinary shares of 10p each which were admitted to trading on 21 August 2013. The 88,381 new ordinary shares representing the fractional entitlements purchased by the Company were taken into Treasury.

On 27 August 2013, 70,000 of the shares held in Treasury were sold for 372.5 pence each. Following this sale, the Company holds 18,381 shares in Treasury. There have been no further movements in the Treasury shares since this date.

For more information on share options please see note 25.

The other reserves in the Group comprise largely of merger relief arising in connection with the acquisition of Momart International Limited. These have been offset by a recognised impairment of Momart in the year ended 31 March 2009.

Dividends

The following dividends were recognised in the period

	2015 £000	2014 £000
Final: 7.5p *(2014: Final: 7.5p)* per qualifying ordinary share	929	928
Interim: 4.0p *(2014: Final: 4.0p)* per qualifying ordinary share	495	495
	1,424	1,423

27. Financial instruments

(i) Fair values of financial instruments

Investments in equity securities

The fair value of the investment in Falkland Oil and Gas Limited is determined by reference to its quoted bid price at the balance sheet date.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

Interest- bearing borrowings

The fair value of interest-bearing borrowings, which after initial recognition is determined for disclosure purposes only, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

IAS 39 categories and fair values

The fair values of financial assets and financial liabilities are not materially different to the carrying values shown in the consolidated balance sheet and Company balance sheet.

The following table shows the carrying value, which is equal to fair value for each category of financial instrument:

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Investment in Falkland Oil and Gas Limited	1,500	3,270	-	-
Cash and cash equivalents	7,435	5,715	9,379	9,280
Hire purchase debtors	1,105	845	-	-
Trade and other receivables	4,512	5,601	12	19
Total assets exposed to credit risk	13,052	12,161	9,391	9,299
Financial liabilities at amortised cost	(10,214)	(10,981)	(562)	(578)
Interest-bearing borrowings at amortised cost	(5,873)	(6,170)	-	(785)

Available for sale financial assets are valued using a level 1 methodology. All other financial instruments are based on level 3 methodology.

27. Financial instruments *(continued)*

(ii) Credit Risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

Group

The Group's credit risk is primarily attributable to its trade receivables. The maximum credit exposure of the Group comprises the amounts presented in the balance sheet, which are stated net of provisions for doubtful debt. A provision is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of future cash flows. Management has credit policies in place to manage risk on an on-going basis. These include the use of customer specific credit limits.

Company

The majority of the Company's receivables are with subsidiaries. The Company does not consider these counter-parties to be a significant credit risk.

Exposure to credit risk

The carrying amount of financial assets, other than available for sale financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was £13,052,000 *(2014: £12,161,000)* being the total trade receivables, hire purchase debtors and cash and cash equivalents in the balance sheet. The credit risk on cash balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk for trade receivables at the balance sheet date by geographic region was:

	Group	
	2015	2014
	£000	£000
Falkland Islands	1,488	1,540
Europe	414	1,254
North America	433	383
United Kingdom	1,696	1,966
Other	481	458
Trade receivables	4,512	5,601

The Company has no trade debtors

Credit quality of financial assets and impairment losses

Group	Gross 2015 £000	Impairment 2015 £000	Net 2015 £000	Gross 2014 £000	Impairment 2014 £000	Net 2014 £000
Not past due	3,473		3,473	3,751		3,751
Past due 0-30 days	633		633	1,237		1,237
Past due 31-120 days	228		228	385		385
More than 120 days	399	(221)	178	485	(257)	228
	4,733	(221)	4,512	5,858	(257)	5,601

27. Financial instruments *(continued)*

The movement in the allowances for impairment in respect of trade receivables during the year was:

	Group	
	2015	2014
	£000	£000
Balance at 1 April 2014	257	402
Impairment loss recognised	44	85
Impairment loss reverse	(28)	(100)
Cash received	(14)	-
Utilisation of provision (debts written off)	(38)	(130)
Balance at 31 March 2015	221	257

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible: at that point the amounts considered irrecoverable are written off against the trade receivables directly.

No further analysis has been provided for cash and cash equivalents, trade receivables from Group companies, other receivables and other financial assets as there is limited exposure to credit risk and no provisions for impairment have been recognised.

(iii) Liquidity risk

Financial risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

At the beginning of the period the Group had outstanding bank loans of £1.0 million. All payments during the year with respect to these agreements were met as they fell due, and these facilities were repaid in full in the year to 31 March 2015. In March 2015, a further bank loan of £0.7 million was drawn down.

The Group manages its cash balances centrally at head office and prepares rolling cash flow forecasts to ensure funds are available to meet its secured and unsecured commitments as and when they fall due.

Liquidity risk – Group

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effects of netting agreements:

2015	Carrying amount	Contractual cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	£000	£000	£000	£000	£000	£000
Non-derivative financial instruments						
Secured bank loans	735	799	160	160	479	-
Finance leases	5,138	12,322	395	350	852	10,725
Trade and other payables	10,214	10,214	10,214	-	-	-
	16,087	23,335	10,769	510	1,331	10,725

27. Financial instruments *(continued)*

2014	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000	5 years and over £000
Non-derivative financial instruments						
Secured bank loans	1,019	1,045	1,010	35	-	-
Finance leases	5,151	12,567	366	366	850	10,985
Trade and other payables	10,981	10,981	10,981	-	-	-
	17,151	24,593	12,357	401	850	10,985

The contractual cash flows for finance leases in the years ended 31 March 2015 and 31 March 2014 are significantly higher than the liability at the year end, as the finance lease for the Gosport pontoon with Gosport Borough Council is a 50 year finance lease with quarterly payments of £65,000 until June 2061.

Liquidity risk – Company

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effects of netting agreements:

2015	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000	5 years and over £000
Non-derivative financial instruments						
Trade and other payables	562	562	562	-	-	-
	562	562	562	-	-	-

2014	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000	5 years and over £000
Non-derivative financial instruments						
Secured bank loans	785	810	810	-	-	-
Trade and other payables	578	578	578	-	-	-
	1,363	1,388	1,388	-	-	-

(iv) Market Risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments.

Market risk – Foreign currency risk

The Group has exposure to foreign currency risk arising from trade and other payables which are denominated in foreign currencies. The Group is not, however, exposed to any significant transactional foreign currency risk. The Group's exposure to foreign currency risk is as follows and is based on carrying amounts for monetary financial instruments.

27. Financial instruments *(continued)*

Group

31 March 2015	EUR £'000	USD £'000	Other £'000	Total Balance sheet exposure £'000	GBP £'000	Total £'000
Cash and cash equivalents	15	102	4	121	7,314	7,435
Trade and other receivables	-	38	-	38	5,270	5,308
Trade payables and other payables	(315)	(197)	(48)	(560)	(9,654)	(10,214)

31 March 2014	EUR £'000	USD £'000	Other £'000	Total Balance sheet exposure £'000	GBP £'000	Total £'000
Cash and cash equivalents	15	211	1	227	5,488	5,715
Trade payables and other payables	(414)	(344)	(193)	(951)	(10,030)	(10,981)

The Company has no exposure to foreign currency risk.

Sensitivity analysis

Group

A 10% weakening of the following currencies against pound sterling at 31 March would have increased / (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant, and is performed on the same basis for year ended 31 March 2014.

	Equity		Profit or Loss	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
EUR	30	40	30	40
USD	6	13	6	13

A 10% strengthening of the above currencies against pound sterling at 31 March would have the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Market risk – interest rate risk

At the balance sheet date the interest rate profile for the Group's interest-bearing financial instruments was:

	Group		Company	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fixed rate financial instruments				
Finance lease receivable	1,105	845	-	-
Finance lease payable	(5,138)	(5,151)	-	-
	(4,033)	(4,306)	-	-
Variable rate financial instruments				
Financial liabilities	(735)	(1,019)	-	(785)
	(735)	(1,019)	-	(785)

27. Financial instruments *(continued)*

The Group has drawn down a loan of £0.7 million in March 2015 secured against the two ferries delivered in 2005 and 2002. This loan is repayable over 5 years at a rate of 2.8% above the Bank of England base rate. On draw down of this loan, the remaining £34,000 of the £0.4 million loan against the Spirit of Portsmouth at 31 March 2014 was extinguished.

The Group also had a loan of £0.8 million at 31 March 2014 in respect of the acquisition of Momart International Limited, which was repayable over five years from June 2008 bearing interest at 1.5% above the Bank of England base rate. This loan has been fully repaid in the year ended 31 March 2015.

Sensitivity analysis

An increase of 100 basis points in interest rates at the balance sheet date would have increased / (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and has been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates and financial instruments at fair value through profit or loss or available-for-sale with fixed interest rates. The analysis is performed on the same basis for 31 March 2014.

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Equity				
Decrease	(7)	(10)	-	(8)
Profit or Loss				
Decrease	(7)	(10)	-	(8)

Market risk – equity price risk

The Group's and Company's exposure to equity price risk arises from its investments in equity securities which are classified in the balance sheet as shares held in Falkland Oil and Gas Limited (see note 15).

Sensitivity analysis

The Group's available-for-sale financial asset comprises its investment in FOGL. During the year ended 31 March 2015 FOGL shares traded on the AIM market of the London Stock Exchange at an average price of 26.25p with a high of 36.5p and a low of 17.25p. Based upon this share price history the value of the 5 million shares (2014: 12,825,000 shares) held at the balance sheet date could have varied between a low of £863,000 *(2014: £3,046,000)* and a high of £1,825,000 *(2014: £4,008,000)*.

(v) Capital Management

The Group's objectives when managing capital, which comprises equity and reserves at 31 March 2015 of £36,688,000 *(2014: £35,377,000)* are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to our other stakeholders.

28. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2015	2014
	£000	£000
Less than one year	841	720
Between one and five years	3,104	3,107
More than five years	7,402	7,984
	11,347	11,811

The Group leases three office premises and a number of storage warehouses under operating leases. Office leases typically run for a period of 3-10 years, with an option to renew the lease after that date. Warehouse leases typically run for a period of 25 years, with an option to renew the lease after that date.

During the year £864,000 was recognised as an expense in the income statement of operating leases *(2014: £822,000)*.

29. Capital commitments

At the end of the year the Group had capital commitments of £141,000, in respect of trucks at Momart which have not been provided for in these financial statements. At 31 March 2014, the Group had capital commitments of £967,000: £837,000 due to the Boatyard for Gosport Ferry, and £130,000 for a new truck at Momart.

30. Related parties

The Group has a related party relationship with its subsidiaries (see note 14) and with its directors and executive officers.

Directors of the Company and their immediate relatives controlled 21.0% *(2014: 21.9%)* of the voting shares of the Company at 31 March 2015.

The compensation of key management personnel (including Directors) is as follows:

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Key management emoluments including social security costs	1,504	1,627	480	575
Termination payments, including social security costs	217	-	217	-
Company contributions to defined contribution pension plans	81	82	-	-
Share-related awards	69	58	52	4
Total key management personnel compensation	1,871	1,767	749	579

In December 2013, the Group made a loan of £529,000 to its joint venture, SAtCO for the purchase of a 250 tonne crawler crane and heavy duty forklift to service the needs of the oil industry in the Falklands. In the year ended 31 March 2015, £151,000 of this loan was repaid.

All staff involved in construction activities were contracted directly from parent companies FIC and Trant Construction and at 31 March 2015 and 2014 SAtCO had no permanent employees.

31. Acquisition of a business

On 1 August 2014, the Group acquired the trade and assets of a small business in the Falkland Islands, with assets acquired, as presented below:

	Pre-acquisition carrying amounts	Fair value adjustments	Recognised value on acquisition
	£000	£000	£000
Property, plant and equipment	185	-	185
Stock	105	-	105
Net identifiable assets	290	-	290
Goodwill on acquisition			37
Total consideration			327
Less deferred consideration			(112)
Initial cash out flow on acquisition			215

The goodwill arising represents the synergies with FIC's own automotive business.

32. Accounting estimates and judgements

The preparation of financial statements in conformity with adopted IFRS requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the judgements as to asset and liability carrying values which are not readily apparent from other sources. Actual results may vary from these estimates, and are taken into account in periodic reviews of the application of such estimates and assumptions.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Actuarial assumptions have been used to value the defined benefit pension liabilities (see note 24). Management have selected these assumptions from a range of possible options following consultations with independent actuarial advisors.

Impairment tests have been undertaken with respect to intangible assets (see note 11 for further details) using commercial judgement and a number of assumptions and estimates have been made to support their carrying amounts. In determining the fair value of intangible assets recognised on the acquisition of Momart International Limited management acted after consultation with independent intangible asset valuation advisors.

33. Post balance sheet events

In April 2015, the Group's residual holding of 5 million FOGL shares was sold for proceeds of £1.4 million, generating a profit of £0.4 million for the Group.

In April 2015, the Group drew down a loan of £2,390,000 against Harbour Spirit, the new vessel delivered in March 2015, to be repaid in monthly instalments over ten years at a margin of 2.6% over the Bank of England base rate.

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Jeremy Brade*

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