

S.P. 21/26



St Helena
Government

ST HELENA GOVERNMENT
CURRENCY FUND
ANNUAL FINANCIAL STATEMENTS
2024/25

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THE UNIVERSITY OF CHICAGO



**St Helena Government
Currency Fund
Annual Financial Statements
2024/25**

Issue date: 30 March 2026

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Commissioners of Currency Report

1. Introduction

The Commissioners of Currency have pleasure in presenting their report on the transactions of the Currency Fund for the year ended 31 March 2025. These financial statements have been prepared under the authority of Section 22 of the Currency Ordinance, 1975.

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS), using the accrual basis of accounting.

The Commissioners of Currency, acting in their official capacities, are the officers holding the following positions:

Office	Position on the Commission
Chief Secretary	Chairperson
Financial Secretary	Commissioner
Deputy Chief Secretary	Commissioner
Deputy Financial Secretary	Commissioner

2. Principal activities

The activities of the Currency Fund are governed by the Currency Ordinance. The Commissioners of Currency are primarily responsible for the printing and minting of circulation currency, as well as the control, issue, and withdrawal of currency in circulation within Saint Helena.

The main sources of income for the Currency Fund are:

- Investment income from surplus funds; and
- Royalties earned from the issue of commemorative coins.

3. Financial performance

Summary Statement of Financial Performance	2024/25 £	2023/24 £	Movement £
Revenue	301,180	441,942	(140,762)
Expenditure	(226,244)	(490,373)	264,129
Surplus Before Gain/(Loss) On Investments	74,936	(48,431)	123,367
Gain/(Loss) On Investments	(7,481)	67,908	(75,389)
Surplus After Gain/(Loss) On Investments	67,455	19,477	47,978

A surplus of **£74,936** was recorded before accounting for investment performance, reducing to **£67,455** after recognising net investment losses. The **Surplus After Loss on Investments of £67,455** represents an increase of **£47,978 (246%)** compared to the **£19,477** surplus recorded in 2023/24.

3.1. Revenue

Total revenue decreased by **£140,762**. Although interest income rose by **£59,614** (58%), this was offset by a sharp decline in royalties from commemorative coin sales. Royalties from The East India Company Collections Limited (EIC) fell by **£202,942** to **£133,831**, continuing a downward trend (2023/24: **£336,773**; 2022/23: **£526,826**).

3.2. Expenditure

Expenditure decreased significantly, from **£490,373** in 2023/24 to **£226,244** in 2024/25 (a reduction of **£264,129**), driven mainly by lower costs for doubtful debt provision and reduced purchases of new currency. This was partially offset by an increase in the value of currency issued from inventory into circulation.

3.3. Loss on Investments

Net investment performance for the year reflected a **£7,481** loss, consisting of a **£32,708** unrealised loss partially offset by a **£25,227** realised gain. This compares to a **£67,908** gain in 2023/24 (comprised of **£32,164** unrealised and **£35,744** realised). The decline reflects a modest downturn in the performance of UK bonds in global markets. Interest income from investments increased to **£161,773** (2023/24: **£102,159**), while investment management charges remained steady at **£33,176** (2023/24: **£32,545**).

4. Financial Position

Summary Statement of Financial Position	31-Mar-25 £	31-Mar-24 £	Movement £	Movement %
Assets	7,998,219	7,649,793	348,426	5%
Liabilities	(6,592,139)	(6,311,168)	(280,971)	4%
Net assets	1,406,080	1,338,625	67,455	5%
Reserves	1,406,080	1,338,625	67,455	5%

The Currency Fund maintained a positive financial position as at 31 March 2025, with net assets totalling £1.406m. Liquid assets (cash and investments) covered 111% of demand liabilities, compared to 114% as at 31 March 2024. The General Reserve balance was maintained at 21% of demand liabilities (unchanged from 2024), exceeding the statutory minimum requirement of 10%.

Net assets increased by £67,455 (5%) during the year, compared to a decrease of £280,523 (11%) in the prior year.

4.1. Assets

4.1.1. Investments

The majority of assets are held in investments (£5.965m of a total £7.998m in 2024/25, compared to £6.445m of £7.650m in 2023/24). The overall increase in total assets is primarily driven by the reinvestment of interest income and royalties received.

4.1.2. Receivables

Receivables increased from **£176,692** at 31 March 2024 to **£455,830** at 31 March 2025, primarily due to two factors:

- **Royalties on Commemorative Coins:**

Gross royalties receivable increased by **£83,831** to **£538,609**. However, this amount remains fully provided for, with the provision increasing by **£133,831** to match the full outstanding balance. The increase reflects continued non-payment by The East India Company Collections Limited,

against which a 100% specific provision has been maintained in line with the doubtful recovery position.

Commissioners have been in correspondence with EIC regarding recovery of the outstanding amount and approvals for new coin designs have been suspended pending payment of the outstanding royalties.

- **Prepayments:**

In August 2024, the Currency Fund entered into a contract with De La Rue International Limited for the supply of a new family of St Helena circulation notes in denominations of £20, £10, and £5.

The new notes will feature a modern design and an updated effigy of **King Charles III**. They will be printed on **SAFESGUARD® polymer substrate**, consistent with current UK sterling banknotes, and will incorporate the latest security features.

The total contract value is **£608,600**, of which **£426,620** was paid in advance during 2024/25. This amount has been recognised as a prepayment in the Statement of Financial Position as at 31 March 2025. The remaining balance was paid in 2025/26, when the new notes were received in December 2025 and brought into circulation in January 2026.

4.2. Liabilities

Total liabilities increased from **£6.311m** as at 31 March 2024 to **£6.592m** at 31 March 2025, an overall increase of **£280,971**. This movement is attributable to the following:

- **Currency in Circulation** increased by **£269,728**, from **£6.282m** to **£6.551m**, reflecting higher levels of issued currency during the year. This includes increased issuance of notes from inventory in anticipation of the transition to the new note series.
- **Payables** increased by **£11,243**, from **£29,595** to **£40,838**, primarily due to a higher closing balance owed to the **St Helena Government (SHG)** at year-end.

5. Cash Flow

Summary Statement of Cash Flows	2024/25 £	2023/24 £	Movement £
Cash flows from Operating activities	(4,091)	(8,948)	4,857
Cash flows from Investing activities	600,891	(1,038,420)	(1,639,311)
Net cash flow for the financial year	596,800	(1,047,368)	1,644,168
Cash & Cash Equivalents as at 1 April	739,917	1,787,285	(1,047,368)
Cash & Cash Equivalents as at 31 March	1,336,717	739,917	596,800

Cash and cash equivalents increased by **£596,800 (81%)**, compared to a **£1.047m (59%)** decrease in 2023/24. This positive movement is primarily due to an investment redemption at the end of the year, with the proceeds of this not being fully re-invested until the new financial year.

7. Conclusion

In closing I would like to acknowledge the work of the Currency Officers in preparing these financial statements. I hope the information is helpful in allowing you to have a clear understanding of how the St. Helena Currency Fund performed in 2024/25.

I hope you find these financial statements interesting and may I take the opportunity of thanking you for taking time to read them.

We have tried to present information as clearly as possible, but if you would like to find out more about these financial statements you can:

- Visit our website at www.sainthelena.gov.sh
- Email the Currency Officer: lucy.cranfield@sainthelena.gov.sh
- Call the Financial Reporting Team on (00290) 22470;
- Write to us at:
The Castle,
Jamestown,
St Helena,
STHL 1ZZ; or
- Contact our auditors, Audit St Helena via the Chief Auditor, Brendon Hunt at brendon.hunt@sainthelena.gov.sh



Dax Richards
Financial Secretary - Commissioner of Currency
on behalf of the Commissioners of Currency

Date: 30 March 2026



St Helena Currency Fund
Financial Statements for the year ended 31 March 2025

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of Currency

Qualified Opinion

I have audited the financial statements of the Currency Fund (the Fund), which comprise the Statement of Financial Position as at 31 March 2025, and the Statement of Financial Performance, Statement of Changes in Net Assets/Reserves, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Qualified Opinion

The statement of financial performance includes royalties on commemorative coin revenue of £133,831 (2023/24: £336,773). I was unable to obtain sufficient appropriate audit evidence regarding the controls implemented by companies subcontracted to mint commemorative coins to confirm the completeness of this revenue. Consequently, there were no practical alternative procedures available to obtain the necessary audit evidence. In these circumstances, I was unable to determine whether any adjustments to the recorded amount of royalties on commemorative coin revenue were necessary.

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Fund in accordance with the International Ethical Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

I draw attention to Note 1.8 to the financial statements and the material judgement applied by management in interpreting the provisions of the Currency Ordinance to determine the accounting policy used for the calculation of the surplus on the Fund. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Commissioners of Currency Report but does not include the annual financial statements and my auditor's report thereon.

My opinion on the annual financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Except for the matter described in the above Basis for Qualified Opinion section of the report, I have determined that there are no other key audit matters to communicate in my report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Commissioners, being those charged with governance, are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located in the attached Annex. This description forms part of my auditor's report.

A handwritten signature in black ink, appearing to be 'Brendon Hunt', written in a cursive style.

Brendon Hunt CA(SA)
Chief Auditor

Audit St Helena
New Porteous House, Jamestown, St Helena, STHL 1ZZ

30 March 2026

Annex to the Independent Auditors Report

Further description of the auditor's responsibilities for the audit of the Financial Statements

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the management's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Statement of Financial Performance for the year ended 31 March 2025

	Note	2024/25 £	2023/24 £
REVENUE			
Interest Income	3	161,773	102,159
Royalties on Commemorative Coins	4	133,831	336,773
Sale of Coins	5	140	21
Other Income	7	5,436	2,989
Total Revenue		301,180	441,942
EXPENDITURE			
Investment Management Charges	8	33,176	32,545
Circulation Currency	9	47,736	13,635
Audit Fees		11,501	11,426
Provision for Doubtful Debts		133,831	404,778
Other Expenses		0	15
Purchase of new Currency		0	27,974
Total Expenditure		226,244	490,373
SURPLUS BEFORE GAIN/(LOSS) ON INVESTMENTS		74,936	(48,431)
GAIN/(LOSS) ON INVESTMENTS			
Net Realised (Loss)/Gain	10	25,227	35,744
Net Unrealised (Loss)/ Gain	10	(32,708)	32,164
Total Gain/(Loss) on Investments		(7,481)	67,908
SURPLUS AFTER GAIN/(LOSS) ON INVESTMENTS		67,455	19,477



Statement of Financial Position as at 31 March 2025

		31 March 2025	31 March 2024
	Note	£	£
ASSETS			
Current Assets			
Inventories	12	240,256	287,992
Receivables	13	455,829	176,692
Investments	10	5,965,417	6,445,192
Cash and Cash Equivalents	14	1,336,717	739,917
		<u>7,998,219</u>	<u>7,649,793</u>
Total Assets		<u>7,998,219</u>	<u>7,649,793</u>
LIABILITIES			
Non-Current Liabilities			
Currency in Circulation	15	(6,551,301)	(6,281,573)
Current Liabilities			
Payables	18	(40,838)	(29,595)
Total Liabilities		<u>(6,592,139)</u>	<u>(6,311,168)</u>
NET ASSETS		<u>1,406,080</u>	<u>1,338,625</u>
RESERVES			
General Reserve		<u>1,406,080</u>	<u>1,338,625</u>
		<u>1,406,080</u>	<u>1,338,625</u>

Dax Richards
Financial Secretary - Commissioner of Currency
on behalf of the Commissioners of Currency

Date: 30 March 2026



Statement of Changes in Net Assets/Reserves for the year ended 31 March 2025

	General Reserve £	Retained Surplus/ (Deficit) £	Total Reserves £
Balance as at 1 April 2023	1,619,148	0	1,619,148
Surplus / (Deficit) for the period	67,908	(48,431)	19,477
Transfer between Reserves	(48,431)	48,431	0
Transfer to the Government of Saint Helena Revenue	(300,000)	0	(300,000)
Balance as at 31 March 2024	1,338,625	0	1,338,625
Surplus / (Deficit) for the period	(7,481)	74,936	67,455
Transfer between Reserves	74,936	(74,936)	0
Transfer to the Government of Saint Helena Revenue	0	0	0
Balance as at 31 March 2025	1,406,080	0	1,406,080



Statement of Cash Flows for the year ended 31 March 2025

	Note	2024/25 £	2023/24 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		74,936	(48,431)
Interest Income	3	(161,773)	(102,159)
Investment Management Charges	8	33,176	32,545
Valuation Loss on Currency Inventory	9	0	27,974
		<u>(53,661)</u>	<u>(90,071)</u>
Movements in Working Capital			
Decrease/(Increase) in Inventories	12	47,736	(134,223)
Decrease/(Increase) in Receivables	13	(279,137)	480,620
Decrease/(Increase) in Currency in Circulation	15	269,728	31,007
Decrease/(Increase) in Payables	18	11,243	3,719
Transfer to SHG Consolidated Fund		0	(300,000)
		<u>49,570</u>	<u>81,123</u>
Net Cash Flows from Operating Activities		(4,091)	(8,948)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments	10	(1,799,223)	(3,524,498)
Sale of Investments	10	2,271,517	2,416,464
Interest Income	3	161,773	102,159
Investment Management Charges	8	(33,176)	(32,545)
		<u>600,891</u>	<u>(1,038,420)</u>
Net Cash Flows from Investing Activities		600,891	(1,038,420)
NET CASH FLOW FOR THE FINANCIAL YEAR		<u>596,800</u>	<u>(1,047,368)</u>
Cash & Cash Equivalents as at 1 April		739,917	1,787,285
Net Cash Flows		<u>596,800</u>	<u>(1,047,368)</u>
Cash & Cash Equivalents as at 31 March	14	<u>1,336,717</u>	<u>739,917</u>



Notes to the Financial Statements for the year ended 31 March 2025

1. Accounting Policies

1.1 Accounting Basis

These Financial Statements of the Currency Fund are prepared in accordance with the requirements of section 22 of the Currency Ordinance.

The Financial Statements are prepared on an accruals basis in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Federation of Accountants. The Financial Statements have also been prepared in accordance with the specific disclosure and accounting requirements of the Currency Ordinance.

The Financial Statements are prepared under the historical cost convention with the exception of those specific assets and liabilities described below and have been prepared on a going concern basis.

The Financial Statements are presented in St Helena Pounds (SHP) being the functional currency of St Helena and at par with the Pound Sterling.

The accounting policies have been applied consistently throughout the period.

1.2 Financial Instruments

A financial instrument, as defined by IPSAS 41 *Financial Instruments: Presentation*, is "any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity". The financial assets and liabilities of the Currency Fund comprise accounts receivable and payable, investments and cash and cash equivalents. In each case, one party's contractual right to receive (or obligation to pay) cash is matched by the other party's corresponding obligation to pay (or right to receive).

1.2.1 Recognition and basis of measurement

Trade receivables and payables are carried at the original invoice cost.

The portfolio of investments is acquired principally for the purpose preserve the value of the Fund. All investments are defined as "Financial assets at fair value through surplus or deficit." The fair value of deposits and investments held with Crown Agents Asset Investment Management Ltd is the amount payable on demand at the reporting date. All investments are therefore level 1 instruments in the fair value hierarchy, that is, the value is based upon "Quoted prices (unadjusted) in active markets for identical assets".

1.3 Investments

Investments are in the form of securities issued or guaranteed by the Government of the United Kingdom and maturing within ten years. The maturity dates of these investments vary and may be more than 12 months from the reporting date but as they are readily convertible to cash they are classed as Current Investments on the Statement of Financial Position.

The investment objectives for the Currency Fund are as follows:

- (a) Primary objective -To preserve the value of the Fund
- (b) Secondary objective -To maximise the value of the Fund.

Interest income is recognised in the surplus for the period. Capital gains and losses are allocated to the General Reserve in accordance with section 19 of the Currency Ordinance.

In line with IPSAS 41 Financial Instruments, investments are classified as financial assets measured at fair value through surplus or deficit. This classification is based on the following criteria:

- The investments are managed and their performance is evaluated on a fair value basis in accordance with the Currency Fund Investment strategy.
- Information about the investments group is provided internally on a fair value basis to the Commissioners.
- The fund has during the current financial year sold more than an insignificant amount of its investments before their maturity dates.

1.4 Inventories

Inventories are new circulation currency which will be issued as part of the Currency Fund's ordinary business. Inventories also include Commemorative Coins, which by their nature are generally held as collector's items, but which are still classified as legal tender. Inventories are valued at the lower of cost and face value, applying the first in first out basis. Cost represents printing and minting costs in accordance with IPSAS 12 *Inventories*.

1.5 Cash and Cash Equivalents

Cash and Cash Equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents of the Currency Fund comprise the funds held with Crown Agents Investment Management Ltd. Cash and cash equivalents are recorded at historical cost.

1.6 Payables

Currency and commemorative coins in circulation are recognized as a liability, reflecting the obligation to pay the bearer on demand the face value of the notes and coins, which are considered legal tender in Saint Helena. This liability represents the Funds commitment to redeem the currency at face value when presented for payment. The amount disclosed corresponds to the face value of the coins and notes currently in circulation.

The liability in respect of commemorative coins in circulation is disclosed and calculated by reference to the London mid-market price for precious metal (gold, silver and platinum) coins in circulation, however subject to the value not exceeding the face value of coins in accordance with section 13(4) of the Currency Ordinance.

The lower of the bullion and face values of precious metal commemorative coins in circulation is deducted from the liability on the basis that the likelihood of these coins being returned to the Commissioners is low and should they be returned, a gain is predicted on the basis that the monetary value of these coins exceed their face value. A guarantee is also in place with the issuer of the coins whereby the face values of precious coins are refunded to the Currency Fund should they ever be redeemed.

1.7 Receivables

Receivables are initially recognized at their original invoice amount.

An assessment of receivables is conducted at the end of each reporting period, and provisions for doubtful debts are recognized when evidence suggests that a receivable may not be fully collectible. This is consistent with IPSAS 41, which requires that financial assets, including receivables, be assessed for impairment when there is a significant increase in credit risk or objective evidence of impairment.

A provision for impairment of £539k has been recognized for receivables from a customer who pays royalties. This provision is based on evidence of the customer's financial difficulties and the overdue status of the receivable, which exceeds 12 months. The impairment loss is measured using the lifetime expected credit losses (ECL) approach, as the financial difficulties of the customer and the overdue status of the receivable indicate a significant increase in credit risk.

1.8 Funds and Reserves

There is statutory authority for the Currency Fund to maintain only two forms of funds and reserves, the Surplus of the Fund and General Reserve.

Commissioners have exercised judgement when interpreting section 18(1) of the Currency Ordinance so that the surplus of the fund for any financial year shall be determined by calculating the amount of all dividends, interest or other revenue derived from investments of the Fund or, from the employment in any manner (to include royalties, income from sale of coins and any other income) of the monies of the Fund and all commissions paid to the Commissioners, and deducting all expenses incurred by the Commissioners and their agents for the purposes of this Ordinance together with such provision for contingencies as the Commissioners, with the approval of the Governor acting in his/her discretion, may determine.

So long as the General Reserve amounts to less than 10% of the demand liabilities of the Fund, the surplus shall be applied firstly to the General Reserve at an amount equivalent to 2% of those liabilities or such lesser amount as will make the General Reserve equivalent to 10% of those liabilities. After appropriate allocations have been made to the General Reserve in accordance with the above, the surplus must next be applied to the redemption of any securities issued by the Government of Saint Helena to the Fund, and the remaining surplus transferred to the General Reserve.

Expenditure of an exceptional nature may be charged directly to the General Reserve with the approval of the Secretary of State and in accordance with the direction of the Governor.

Any capital profit or loss on securities shall be charged directly to the General Reserve. The balance on the General Reserve at the reporting date, in excess of ten percent of the liabilities of the Currency Fund, may be transferred in whole or in part to the General Revenue of the Government of Saint Helena.

1.9 Revenue and Expenditure Recognition

Revenue and expenditure are accounted for on an accruals basis meaning that the revenue is recognised when goods and services are supplied. Expenditure is recognised when it is incurred, upon delivery of goods or when services are employed.

Revenue generated during the financial year but not received by the year end has been recognised as accrued income. Monies received in this financial year which relates to next financial year have been recognised as income received in advance.

Goods and services received during the year that have not been paid by the financial year end have been accounted for as accrued expenses. Inventories are expensed when new circulation currency notes and coins are issued into circulation.

1.10 Foreign Currencies

No transactions or balances are denominated in foreign currencies.

1.11 Standards, amendments and interpretations in issue but not yet effective or adopted

IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors requires disclosure in respect of new IPSASs, amendments and interpretations that are, or will be, applicable after the accounting period.

The standards meeting this criteria for 2024/25 are IPSAS 42 Social Benefits, IPSAS 43 Leases, IPSAS 44 Non-Current Assets and IPSAS 45 Property, Plant & Equipment; all of which have no relevance to these financial statements.

1.12 Key Estimations and Assumptions

Key assumptions about the future and other key sources of estimation uncertainty that have a significant likelihood of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

1.12.1 Cost of Inventory

IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors* states that: as a result of the uncertainties inherent in delivering services, conducting trading, or other activities, many items in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgments based on the latest available, reliable information.

The cost of the old currency held as inventory is based on estimates of costs derived from invoices that were available from 2012/13 as those applicable prior to the adoption of IPSAS were not readily available. Therefore, the cost of inventory in these financial statements represents a significant estimate as the inventory balance is material by amount and by nature.

1.12.2 Currency in Circulation

There is an assumption that all the Currency in Circulation is still in circulation and is actually payable to the bearer. However, due to the uncertainty that all the cash assumed to be in circulation is actually still usable, we are disclosing this as significant estimate in accordance with IPSAS 3 *Accounting Policies, Changes in Accounting Estimates and Errors*.

2. Change in Accounting Policy

There were no changes to accounting policies in this reporting period.

3. Interest Income

	31 March 2025	31 March 2024
	£	£
Investments	150,765	90,191
Cash Deposits and On Call	11,008	11,968
	<u>161,773</u>	<u>102,159</u>

4. Royalties on Commemorative Coins

	31 March 2025	31 March 2024
	£	£
East India Company	133,831	334,735
KMCC	0	2,038
	<u>133,831</u>	<u>336,773</u>

5. Sale of Coins

	31 March 2025	31 March 2024
	£	£
Government of Saint Helena	140	21
	<u>140</u>	<u>21</u>

6. Analysis of Sales by Coin Theme

	31 March 2025	31 March 2024
	£	£
Royal Family	140	21
	<u>140</u>	<u>21</u>

7. Other Income

	31 March 2025	31 March 2024
	£	£
Commission on Circulation of Currency	4,952	146
Circulation Currency Coin Pack Sales	484	2,843
	<u>5,436</u>	<u>2,989</u>

8. Investment Management Charges

Crown Agents Investment Management Ltd manages the investment of funds in accordance with a management agreement. Management fees are based upon the market value of the funds held at the end of each quarter. Charges comprise of a safe custody fee of 0.02% per annum and an investment management fee of 0.5% per annum applied on the first £5m of funds held, 0.3% on the next £5m and 0.2% on the balance of funds exceeding £10m.

9. Circulation Currency Expenditure

Circulation currency expenditure represents the cost of printing and minting currency issued during the year.

No new currency was received into inventory during 2024/25.

10. Investments

	Nominal Value	Historical Cost	Market Value
Balance at 1 April 2023	5,709,766	5,619,789	5,269,250
Purchases	3,700,000	3,524,498	3,524,498
Sales	(2,420,000)	(2,470,116)	(2,416,464)
Realised gains/losses	0	0	35,744
Unrealised gains/losses	0	0	32,164
Balance at 31 March 2024	6,989,766	6,674,171	6,445,192
Purchases	1,770,000	1,799,223	1,799,223
Sales	(2,290,000)	(2,245,181)	(2,271,517)
Realised gains/losses	0	0	25,227
Unrealised gains/losses	0	0	(32,708)
Balance at 31 March 2025	6,469,766	6,228,213	5,965,417

11. Investment Maturity Analysis

Notes	31 March 2025 £	31 March 2024 £
Maturity period from reporting year end:		
Less than one year	692,958	2,246,290
Two to three years	940,210	0
Three to Four years	0	917,960
Four to five years	875,100	854,800
More than five years	3,457,149	2,426,142
	5,965,417	6,445,192

12. Inventories

	Notes	31 March 2025 £	31 March 2024 £
Circulation Currency Notes		117,315	151,480
Circulation Currency Coins		105,115	115,412
Circulation Currency Coin Packs		17,756	20,890
Commemorative Coins		70	210
		240,256	287,992
Write-down on valuation of inventory	9	0	27,974
		240,256	315,966

Inventories consist of new, uncirculated currency, both circulation and commemorative and is carried at the lower of printing/minting costs and face value for each denomination.

In addition to the above, as at 31 March 2025 £790,000 (face value) of soiled currency was also being held, pending destruction. Whilst this is not inventory and this currency has been removed from the liability of active circulation it remains under the control of the fund.

13. Receivables

Amounts Falling Due Within One Year	Notes	31 March 2025 £	31 March 2024 £
Trade Debtor:			
Saint Helena Government	19.2	0	101,604
Accrued Income:			
Royalties on Commemorative Coins		538,609	454,778
Ascension Island Government		110	110
Interest Due		29,100	24,978
		567,819	479,866
Prepayments:			
New Circulation Currency		426,620	0
		994,439	581,470
Less Provision for Doubtful debts			
Royalties on Commemorative Coins		(538,609)	(404,778)
		455,830	176,692

14. Cash and Cash Equivalents

	Notes	31 March 2025 £	31 March 2024 £
Cash with Crown Agents Investment Management Ltd		1,336,717	739,917
		1,336,717	739,917

15. Currency in Circulation

	Notes	31 March 2025 £	31 March 2024 £
Currency Notes	16	5,232,970	4,988,970
Currency Coins	16	1,079,141	1,053,430
Commemorative Coins	17	43,615,691	39,529,482
		49,927,801	45,571,882
Precious Metal Commemorative Coins	17	(43,376,501)	(39,290,309)
		6,551,301	6,281,573

Precious commemorative coins increase Currency in Circulation as they are legal tender. The likelihood of redemption is however deemed to be low as bullion values currently exceed face values for these coins. This represents a contingent liability of £43,615,691.00. A guarantee is in place with the issuer of the coins whereby the Currency Fund is refunded the face value of commemorative coins redeemed. This is deemed to represent an equivalent contingent asset. Accordingly precious coins do not present a true currency demand liability and are removed from the calculation of the demand liability for currency in circulation. The contingent liability in respect of these coins is deemed to be matched by the guarantee serving as a contingent asset.

16. Notes and Non-Commemorative Coins in Circulation

	Notes	31 March 2025 £	31 March 2024 £
Notes:			
£20		3,128,980	2,809,980
£10		1,720,000	1,800,000
£5		383,990	378,990
		<u>5,232,970</u>	<u>4,988,970</u>
Coins:			
£2		182,490	181,270
£1		462,097	446,488
50p		152,049	151,743
20p		107,955	103,833
10p		74,736	72,575
5p		48,468	47,037
2p		23,351	22,857
1p		27,995	27,627
		<u>1,079,140</u>	<u>1,053,430</u>
		<u>6,312,110</u>	<u>6,042,400</u>

17. Commemorative Coins in Circulation

The table below shows the total value of commemorative coins in circulation analysed by coin theme. The value of precious coins are the lower of bullion or face values and the non-precious coins are at face value.

	Non- Precious £	Precious £	Total £
Balances as at 31 March 2024:			
East India Company	489	34,529,003	34,529,492
Napoleon	17,469	553,260	570,729
Royal Air Force	12,500	95,735	108,235
Royal Family	198,848	3,740,098	3,938,946
Saint Helena	1,470	362,587	364,057
World Wars	2,060	1,962	4,022
World Wildlife	5,836	1,545	7,381
Other	501	6,119	6,620
	239,173	39,290,309	39,529,482
Balances as at 31 March 2025:			
East India Company	489	38,168,449	38,168,938
Napoleon	17,469	891,466	908,935
Royal Air Force	12,500	95,735	108,235
Royal Family	198,866	3,848,638	4,047,504
Saint Helena	1,469	362,587	364,056
World Wars	2,060	1,962	4,022
World Wildlife	5,836	1,545	7,381
Other	501	6,119	6,620
	239,190	43,376,501	43,615,691

18. Payables

	Notes	31 March 2025 £	31 March 2024 £
Trade Creditor:			
Saint Helena Government		20,312	0
Accruals:			
Investment Management Charges		8,220	8,189
Audit Fee		11,000	20,099
		19,220	28,288
Income Received in Advance:			
Royalties		1,307	1,307
		40,839	29,595

19. Related Party Transactions

Related party means that parties are considered to be related if one party has the ability to control the other party, or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related party relationships may arise when an individual is part of the key management personnel of a reporting entity. Related party relationships may also arise through external operating relationships between the Currency Fund and the related party. The definition of related party also includes entities owned by key management personnel or close family members of such individuals of the Currency Fund and where a reporting entity is economically dependent on another entity.

Disclosure of certain related party relationships and related party transactions and the relationship underlying those transactions is necessary for accountability purposes, and enables users to better understand the Financial Statements of the reporting entity because:

- Related party relationships can influence the way in which an entity operates with other entities in achieving its individual objectives, and the way in which it co-operates with other entities in achieving common or collective objectives;
- Related party relationships might expose an entity to risks, or provide opportunities that would not have existed in the absence of the relationship; and
- Related parties may enter into transactions that unrelated parties would not enter into, or may agree to transactions on different terms and conditions than those that would normally be available to unrelated parties.

19.1 Key Management Personnel

The key management personnel of the Currency Fund (as defined by IPSAS 20 *Related Party Disclosures*) are the Commissioners of Currency, who together constitute the governing body of the Currency Fund. The Commissioners of Currency are the Chief Secretary, Financial Secretary, Deputy Chief Secretary and Deputy Financial Secretary.

The Commissioners of Currency receive no remuneration from the Currency Fund.

19.2 Controlled Entities

The Currency Fund does not have a controlling interest in any reporting body.

The Currency Fund is administered by the Commissioners of Currency and Currency Officers who are all employees of the Saint Helena Government (SHG). The Currency Fund is controlled by SHG as the Commissioners are appointed by the Governor subject to the approval of the Secretary of State. SHG provides a number of services to the Currency Fund at no cost. These services include staff for maintaining accounting records, the preparation of financial statements, the issuing and ordering of notes and coins, and sale of commemorative coins. In addition to these services, SHG Treasury provides a cash holding facility for the Currency Fund.

At 31 March 2025, the Currency Fund owed SHG the sum of £20k. This relates to issue/return of circulation currency and royalties received.

20. Nature and Extent of Risks arising from Financial Instruments

A Financial Instrument is a contract that gives rise to both a financial asset of one entity and a financial liability of another entity. The activities of the Currency Fund expose it to certain financial risks. The main relevant risks are credit, liquidity and market risks.

20.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The fund's maximum exposure to credit risk in relation to its investments with banks and financial institutions was £6.0m as at 31 March 2025 and cannot be assessed generally because the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of un-recoverability applies to all of the fund's deposits regardless of the type of investment held, i.e. cash, certificates of deposit, bonds, gilts, etc., but there was no evidence at the 31 March 2025 that this was likely to crystallise.

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to customers. This risk is minimised by ensuring that deposits are not made with financial institutions unless they meet minimum investment criteria. Our Investment Strategy includes a policy that limits credit risk exposure by restricting authorised investments to the following criteria.

Deposits may only be placed:

- with credit institutions with a minimum short-term credit rating of A-2 as determined by Standard and Poor's or P-2 as determined by Moody's;
- with institutions authorised and regulated by the UK's Financial Conduct Authority or equivalent authority in the EEA or United States of America;
- in Treasury Bills, fixed rate, inflation index-linked and zero coupon bonds issued or guaranteed by the Government of the United Kingdom; and
- for a maximum maturity of 10 years.

The credit quality of investments held at 31 March 2025 is A-2.

The carrying amount of cash and cash equivalents of £1.3m as at 31 March 2025 represents the maximum credit exposure in relation to deposits in banks and financial institutions. There was no evidence at the reporting date that such entities would be unable to meet their commitments.

The maximum exposure to credit risk from receivables as at 31 March 2025 was £994k, before accounting for a provision of £539k, resulting in net receivables of £456k. The balance of £456k is comprised of amounts owed by three entities; there was no evidence at the reporting date that any of entities would be unable to meet their commitments.

20.2 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Currency Ordinance sets a minimum liquidity ratio of not be less than 10%. Sufficient cash balances are maintained throughout the year. There is no significant risk that the Currency Fund will be unable to meet its commitments.

20.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

20.3.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The risk to the Currency Fund is minimal as investments are not held in foreign currencies.

20.3.2 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Crown Agents Investment Management Ltd, who manage the Funds' financial instruments, closely monitor the interest rate risk and manage the portfolio duration in line with the investment benchmark.

20.3.3 Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

20.3.1 Market Risk – Sensitivity Analysis

Increase (+) / decrease (-) in Yield Rate	Effect on surplus/deficit £
-1.00%	308,256
-0.50%	168,678
0.50%	(110,479)
1.00%	(250,057)

21. Events after the Reporting Date

The financial statements were authorised for issue on 27 March 2026 by the Financial Secretary, Dax Richards. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information

21.1 Adjusting events after 31 March 2025

There were no adjusting events after the reporting date.

21.2 Non-adjusting events after 31 March 2025

Changes at East India Company

In January 2026, the East India Company (EIC) was acquired by new shareholders and is now operating under revised management arrangements.

Following the change in ownership, correspondence was received from the newly appointed Director confirming that the majority shareholding was acquired on 16 January 2026 and that the company is currently undergoing a business transformation process. The new management has confirmed receipt of the outstanding sales statements and supporting invoices relating to amounts due to the Currency Fund and has indicated that these are under review. The Director has advised that the company will revert regarding proposed payment arrangements and is seeking to regularise historical records and processes as part of the transition.

As the change in ownership and management occurred after 31 March 2025 and does not provide evidence of conditions that existed at the reporting date, this matter has been treated as a non-adjusting event. Accordingly, no adjustment has been made to the carrying value of the related receivable as at 31 March 2025. The disclosure is provided due to the potential implications for future cash flows and credit risk exposure.

Receipt of new Circulation Currency Notes

The contract between the Currency Fund and De La Rue International Limited for the design and supply of a new family of St Helena circulation notes was successfully completed in December 2025, following receipt of the notes on the island.

The notes were formally proclaimed as legal tender and entered into circulation in January 2026 at a total procurement cost of £619,797.

The new £5, £10 and £20 denominations feature the portrait of King Charles III and represent a significant milestone in the continued modernisation of St Helena's currency framework. The transition from traditional paper substrate to polymer constitutes a strategic enhancement in note quality, resilience and security.

Polymer notes offer materially improved durability, resulting in a longer operational lifespan and reduced replacement frequency. In addition, they incorporate advanced anti-counterfeiting features, strengthening the integrity of the currency and enhancing public confidence in the island's monetary system.