
# Currency Fund

# Financial Statements

# 2013-2014

# Currency Fund

## Annual Financial Statements for the year ended 31 March 2014

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SAINT HELENA AUDIT SERVICE
External Auditors

# Saint Helena Currency Fund
# Financial Statements for the Year Ended 31 March 2014

## Independent Auditor's report to the Currency Commissioners

I have audited the financial statements of the Saint Helena Currency Fund for the year ended 31 March 2014 under the Public Finance Ordinance 2010 and the Currency Ordinance CAP 124. The Currency Fund financial statements comprise the Statement of Financial Performance, the Statement of Financial Position, the Statement of Changes in Net Assets and Reserves, the Statement of Cash Flows, and the related notes.

## Respective responsibilities of the Commissioners and the Chief Auditor

The Commissioners of Currency are responsible for preparing the financial statements in accordance with the International Public Sector Accounting Standards (IPSAS) and being satisfied that they present fairly the financial position, financial performance, and cash flows of the Currency Fund. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the APBs Ethical Standards for Auditors.

## Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Commissioners; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the appendices to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Basis for Qualified Opinion due to Inventory Verification

The Commissioners of Currency did not perform a physical count of notes and coin held as inventory at the financial year end. Accordingly I was unable to observe the count or satisfy myself by alternative means inventory quantities or currency in circulation at 31 March 2014. Since inventories and currency in circulation enter into the determination of the financial performance and financial position, I was unable to determine whether adjustments may

have been necessary in respect of the deficit for the year reported in the Statement of Financial Performance or the net assets reported in the Statement of Financial Position.

## Qualified Opinion on the Financial Statements

In my opinion, except for any adjustments that may be required in respect of inventory or currency in circulation, the financial statements present fairly, in all material respects, the financial position of the Currency Fund as at 31 March 2014, and its financial performance and cash flows for the year then ended in accordance with IPSAS.

Phil Sharman CPFA
Chief Auditor for Saint Helena
Saint Helena Audit Service, Jamestown, St Helena

30 March 2016

# Saint Helena
# Commissioner's of Currency Report

## INTRODUCTION

The Commissioners of Currency have pleasure in presenting their Report on the Currency Fund transactions for the year ended 31 March 2014.

These financial statements are reported under the authority of the Currency Ordinance, section 22. The financial statements are prepared in accordance with the International Public Sector Accounting Standards, Accruals Basis. This is the first year of reporting under this financial reporting framework.

The Commissioners of Currency are the officers carrying out the duties of the following positions:

| | |
|---|---|
| Chief Secretary | Chairperson |
| Financial Secretary | Commissioner |
| Assistant Chief Secretary (Support) | Commissioner |
| Assistant Financial Secretary | Commissioner |

## PRINCIPAL ACTIVITIES

The Currency Fund is governed by the Currency Ordinance. The Commissioners of Currency are primarily responsible for the printing and minting of circulation currency, and controlling the issue and withdrawal of circulation currency within Saint Helena.

The main source of income for Currency Fund activities is derived from the investment of surplus funds. This is supplemented by royalties from the issue of commemorative coins.

## FINANCIAL PERFORMANCE

The Currency Fund remains in a positive financial position with net assets totalling £1.3m. Liquid assets represent 29% of the demand liabilities, exceeding the statutory minimum level of 10%.

The Statement of Financial Performance reflects a deficit of £9k before accounting for capital gains on investments. The deficit is largely due to the cost of new currency released into circulation and further decline in investment income due to low UK interest rates. Interest receivable has decreased by £36k (34%) in comparison with the previous year.

The Statement of Financial Position shows a decrease in net assets of £385k. This is attributed to the £176k decline in the market value of investments and the £200k to the Saint Helena Government as provided for in the Currency Ordinance.

Colin Owen
Financial Secretary
On behalf of the Commissioners of Currency

# Currency Fund

## Statement of Financial Performance for the year ended 31 March 2014

| | Note | 2013-2014 £ | 2012-2013 £ |
|---|---|---|---|
| **INCOME** | | | |
| Interest Receivable | 3 | 70,224 | 105,913 |
| Royalties on Commemorative Coins | 4 | 24,189 | 17,789 |
| Sale of Coins | 6 | 1,678 | 2,147 |
| Other Income | | 397 | 5,694 |
| **Total Revenue** | | **96,488** | **131,543** |
| **EXPENDITURE** | | | |
| Investment Management Charges | 8 | 29,484 | 29,853 |
| Circulation Currency | | 69,608 | 7,365 |
| Minting of Currency | | - | 5,304 |
| Audit Fees | | 6,200 | 6,000 |
| Other Expenses | | 20 | 244 |
| **Total Expenditure** | | **105,312** | **48,766** |
| **SURPLUS/ (DEFICIT) BEFORE GAIN/ (LOSS) ON INVESTMENTS** | | **(8,824)** | **82,777** |
| **GAIN/ (LOSS) ON INVESTMENTS** | | | |
| Net Realised Gain/ (Loss) | 9 | (84,366) | 59,599 |
| Unrealised Gain/ (Loss) | 9 | (91,486) | 36,092 |
| **Total Gain/ (Loss) on Investments** | | **(175,852)** | **95,691** |
| **SURPLUS/ (DEFICIT) AFTER GAIN/ (LOSS) ON INVESTMENTS** | | **(184,676)** | **178,468** |

# Currency Fund

## Statement of Financial Position as at 31 March 2014

| | Note | 2014 £ | 2013 £ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Investments | 9 | 4,532,267 | 3,743,828 |
| **Current Assets** | | | |
| Inventories | 11 | 292,895 | 362,503 |
| Receivables | 12 | 234,667 | 62,664 |
| Cash and Cash Equivalents | 13 | 1,562,608 | 2,487,989 |
| | | 2,090,170 | 2,913,156 |
| **Total Assets** | | **6,622,437** | **6,656,984** |
| **LIABILITIES** | | | |
| **Non Current Liabilities** | | | |
| Currency in Circulation | 14 | (5,328,328) | (4,978,591) |
| **Current Liabilities** | | | |
| Payables | 17 | (15,948) | (15,556) |
| **Total Liabilities** | | **(5,344,276)** | **(4,994,147)** |
| **NET ASSETS** | | **1,278,161** | **1,662,837** |
| **RESERVES** | | | |
| General Reserve | | 1,286,985 | 1,580,060 |
| Retained Surplus/ (Deficit) | | (8,824) | 82,777 |
| | | **1,278,161** | **1,662,837** |

**Colin Owen**
**Financial Secretary**
**on behalf of the Commissioners of Currency**

30/3/16
**Date**

# Currency Fund

## Statement of Changes in Net Assets and Reserves for the year ended 31 March 2014

| | General Reserve £ | Retained Surplus/ (Deficit) £ | Total Reserves £ |
|---|---|---|---|
| **Balance at 1 April 2012** | **1,334,474** | **(69,973)** | **1,264,501** |
| Surplus for the period | 95,691 | 90,142 | 185,833 |
| Transfer between Reserves | (69,973) | 69,973 | - |
| Transfer to the Government of Saint Helena Revenue | (150,000) | - | (150,000) |
| Prior Period Adjustment - Inventories | 369,868 | (7,365) | 362,503 |
| **Balance at 31 March 2013** | **1,580,060** | **82,777** | **1,662,837** |
| (Deficit) for the period | (175,852) | (8,824) | (184,676) |
| Transfer between Reserves | 82,777 | (82,777) | - |
| Transfer to the Government of Saint Helena Revenue | (200,000) | - | (200,000) |
| **Balance at 31 March 2014** | **1,286,985** | **(8,824)** | **1,278,161** |

# Currency Fund

## Statement of Cash Flows for the year ended 31 March 2014

| 2012-2013 £ | | Note | 2013-2014 £ | £ |
|---|---|---|---|---|
| | **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| | Surplus/ (Deficit) before Gain/ (Loss) on | | | |
| 82,777 | Investments | | (8,824) | |
| (105,913) | Interest Receivable | | (70,224) | |
| (23,136) | | | (79,048) | |
| | Non Cash Movements | | | |
| 125,314 | (Increase)/ Decrease in Receivables | 12 | (172,003) | |
| 7,365 | Decrease in Inventories | 11 | 69,608 | |
| 1,211 | (Decrease) in Payables | 17 | 392 | |
| 75,928 | Increase in Currency in Circulation | 14 | 349,737 | |
| (150,000) | Transfer to SHG General Revenue | | (200,000) | |
| **36,682** | **Net Cash Flows from Operating Activities** | | | **(31,314)** |
| | **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| (15,506,971) | Purchase of Investments | 9 | (4,603,434) | |
| 15,407,459 | Sale of Investments | 9 | 3,639,143 | |
| 105,913 | Interest Receivable | | 70,224 | |
| **6,401** | **Net Cash Flows from Investing Activities** | | | **(894,067)** |
| **43,083** | **NET CASH FLOW FOR THE FINANCIAL YEAR** | | | **(925,381)** |
| 2,444,906 | **Cash & Cash Equivalents as at 1 April** | | | 2,487,989 |
| 43,083 | Net Cash Flows | | | (925,381) |
| **2,487,989** | **Cash & Cash Equivalents as at 31 March** | | | **1,562,608** |

# Currency Fund

## Notes to the Financial Statements for the year ended 31 March 2014

**NOTE 1**
**ACCOUNTING POLICIES**

**a) 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. This is the first year of the adoption of this financial reporting framework. The Financial Statements have also been prepared in accordance with the specific disclosure and accounting requirements of the Currency Fund 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 accounting policies have been applied consistently throughout the period.

**b) Financial Instruments**
A financial instrument, as defined by IPSAS 28, 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).

Recognition and basis of measurement
Trade receivables and payables are carried at the original invoice cost.

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.

**c) Investments**
Investments are in the form of securities issued or guaranteed by the Government of the United Kingdom and maturing within ten years. All investments are defined as "Financial assets at fair value through surplus or deficit." The portfolio of investments is acquired principally for the purpose of generating income.

Investments are recorded at historical cost throughout the year applying the first in first out basis and are valued at the mid market value as at the reporting date. Income and capital gains and losses are accounted for through Surplus and Deficit. Interest accrues to the Retained Surplus and Deficit account. Capital gains and losses are allocated to the General Reserve in accordance with section 19 of the Currency Ordinance.

**d) Inventories**

Inventories are new circulation currency which will be issued as part of the Currency Fund's ordinary business. 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.

**e) 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.

**f) Payables**

Currency and commemorative coins in circulation are disclosed as a liability on the basis that it reflects the promise to pay the bearer on demand, the face value of notes and coins which are legal tender in Saint Helena.

The liability in respect of currency and commemorative coins in circulation is disclosed net of the bullion value of precious metal (gold, silver and platinum) coins in circulation. The bullion value is based upon the mid market price at the reporting date, 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 the coins exceed their face value.

**g) Funds and Reserves**

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

The Currency Fund Ordinance sets out the transactions that should pass through the Surplus Fund. The surplus of the Currency 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 of the moneys 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 discretion, may determine.

The surplus shall be applied firstly, to the redemption of any securities issued by the Government of Saint Helena, secondly, to the General Reserve of the Currency Fund as directed by the Governor and any remaining surplus transferred to the General Revenue of St. Helena.

Expenditure of an exceptional nature may be charged directly to the General Reserve. 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.

**h) Revenue and Expenditure Recognition**

Revenue and expenditure is 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 paid for during the financial year but not yet received at the year end have been accounted as prepayments. 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.

**i) Foreign Currencies**

No transactions or balances are denominated in foreign currencies.

**j) Standards, amendments and interpretations in issue but not yet effective or adopted**

International Public Sector Accounting Standard 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. There are a number of IPSASs and amendments issued by the IPSAS Board that are effective after this accounting period.

The following standards and amendments have not been adopted early in these accounts. The Currency Commissioners currently have no plan to early adopt any of these standards.

| Standard, amendment or interpretation | Effective |
|---|---|
| Annual Improvements 2014 | 2015/16 |
| IPSAS 33 First Time Adoption of Accruals Basis IPSAS | 2017/18 |

These amendments are not currently anticipated to have future material impact on the financial statements of the Currency Fund.

**NOTE 2**
**RESTATEMENT OF PRIOR YEAR FIGURES**

The comparative figures for the prior period within the financial statements have been revised to reflect changes resulting from the first time adoption of IPSAS accruals basis. The following tables show the movement between the totals in the core financial statements as previously reported within the 2012/13 financial statements and the restated prior period totals for 2012/13 included in these financial statements.

**NOTE 2 (CONTINUED)**
**RESTATEMENT OF PRIOR YEAR FIGURES**

## Statement of Financial Performance

| | 2012/13 (as previously reported) £ | Recognition of Cost of Inventory £ | Recognition of Gains on Investments through Surplus £ | 2012/13 (as restated) £ |
|---|---|---|---|---|
| **INCOME** | | | | |
| Interest Receivable | 105,913 | | | 105,913 |
| Sales of Coins | 18,516 | | | 18,516 |
| Sale of Presentation Packs | 1,420 | | | 1,420 |
| Other Income | 5,694 | | | 5,694 |
| **Total Income** | 131,543 | - | | 131,543 |
| **EXPENDITURE** | | | | |
| Investment Management Charges | 29,853 | | | 29,853 |
| Commission on Sale of Coins | 236 | | | 236 |
| Circulation Currrency | - | 7,365 | | 7,365 |
| Cost of Minting Coins | 5,304 | | | 5,304 |
| Audit Fees | 6,000 | | | 6,000 |
| Other Expenses | 8 | | | 8 |
| **Total Expenditure** | 41,401 | 7,365 | | 48,766 |
| **SURPLUS/ (DEFICIT) BEFORE GAIN ON INVESTMENTS** | **90,142** | **(7,365)** | | **82,777** |
| **GAIN ON INVESTMENTS** | | | | |
| Realised Gain | - | | 59,599 | 59,599 |
| Unrealised Gain | - | | 36,092 | 36,092 |
| **Total Gain on Investments** | **0** | **0** | **95,691** | **95,691** |
| **SURPLUS/ (DEFICIT) AFTER GAIN ON INVESTMENTS** | **90,142** | **(7,365)** | **95,691** | **178,468** |

**NOTE 2 (CONTINUED)**

## RESTATEMENT OF PRIOR YEAR FIGURES

### Statement of Financial Position

| | 2012/13 (as previously reported) £ | Recognition of Cost of Inventory £ | 2012/13 (as restated) £ |
|---|---|---|---|
| **LONGTERM ASSETS** | | | |
| Investments in Securities | 3,743,828 | | 3,743,828 |
| **CURRENT ASSETS** | | | |
| Inventories | | 362,503 | 362,503 |
| Cash on Deposit | 2,487,989 | | 2,487,989 |
| Accrued Interest | 6,532 | | 6,532 |
| Royalties Due | 6,802 | | 6,802 |
| Cash held with SHG Treasury | 49,330 | | 49,330 |
| | 2,550,653 | 362,503 | 2,913,156 |
| **LIABILITIES** | | | |
| Royalties received in advance | 2,365 | | 2,365 |
| Accrued Expenditure | 13,191 | | 13,191 |
| | 15,556 | - | 15,556 |
| Liability in Respect of Currency in Circulation | 4,978,591 | | 4,978,591 |
| **NET ASSETS** | **1,300,334** | **362,503** | **1,662,837** |
| **REPRESENTED BY:** | | | |
| General Reserve | 1,210,192 | 369,868 | 1,580,060 |
| Retained Surplus/ (Deficit) | 90,142 | (7,365) | 82,777 |
| | **1,300,334** | **362,503** | **1,662,837** |

| | 2014<br>£ | 2013<br>£ |
|---|---|---|
| **NOTE 3**<br>**INTEREST RECEIVABLE** | | |
| Investments | 57,917 | 99,631 |
| Cash Deposits and on Call | 12,307 | 6,282 |
| | 70,224 | 105,913 |
| **NOTE 4**<br>**ROYALTIES ON COMMEMORATIVE COINS** | | |
| KMCC | - | 1,232 |
| Royal Mint | 5,147 | 14,947 |
| East India Company | 18,176 | 3,369 |
| Commonwealth Mint | 3,118 | 1,000 |
| | 26,441 | 20,548 |
| Face value of Non-Precious Metal Coins | (2,252) | (2,759) |
| | **24,189** | **17,789** |
| **NOTE 5**<br>**ANALYSIS OF ROYALTIES BY COIN THEME** | | |
| East India Company | 18,176 | 3,369 |
| Napoleon | 176 | - |
| Royal Air Force | 155 | 125 |
| Royal Family | 4,992 | 13,285 |
| St Helena | - | 30 |
| World Wildlife | - | 980 |
| Other | 690 | - |
| | 24,189 | 17,789 |
| **NOTE 6**<br>**SALE OF COINS** | | |
| Government of Saint Helena | 1,555 | 2,147 |
| Ascension Island Government | 123 | - |
| | 1,678 | 2,147 |
| **NOTE 7**<br>**ANALYSIS OF SALES BY COIN THEME** | | |
| Royal Family | 542 | 685 |
| Saint Helena | 1,023 | 1,425 |
| World Wars | 29 | 18 |
| World Wildlife | 54 | 19 |
| Other | 30 | - |
| | 1,678 | 2,147 |

**NOTE 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 an investment management fee of 0.5% per annum and a safe custody fee of 0.02% per annum.

| | UK Bonds £ | Other £ | Total £ |
|---|---|---|---|
| **NOTE 9** | | | |
| **INVESTMENTS** | | | |
| **Balance as at 1 April 2012:** | | | |
| Nominal Value | 1,800,000 | 1,500,000 | 3,300,000 |
| Historical Cost | 2,056,755 | 1,491,525 | 3,548,280 |
| **Market Value** | **2,049,930** | **1,498,695** | **3,548,625** |
| Purchases | 15,367,670 | 139,301 | 15,506,971 |
| Sales | (13,872,209) | (1,535,250) | (15,407,459) |
| Realised Gains | 23,044 | 36,555 | 59,599 |
| Unrealised Gains | 33,867 | 2,225 | 36,092 |
| **Balance as at 31 March 2013:** | | | |
| Nominal Value | 3,546,000 | 140,000 | 3,686,000 |
| Historical Value | 3,568,435 | 139,301 | 3,707,736 |
| **Market Value** | **3,602,302** | **141,526** | **3,743,828** |
| Purchases | 3,453,166 | 1,150,268 | 4,603,434 |
| Sales | (3,449,909) | (189,234) | (3,639,143) |
| Realised Gains and (Losses) | (84,696) | 330 | (84,366) |
| Unrealised (Losses) | (86,816) | (4,670) | (91,486) |
| **Balance as at 31 March 2014:** | | | |
| Nominal Value | 3,540,000 | 1,100,000 | 4,640,000 |
| Historical Value | 3,499,511 | 1,101,301 | 4,600,812 |
| **Market Value** | **3,434,047** | **1,098,220** | **4,532,267** |

| | 2014 £ | 2013 £ |
|---|---|---|
| **NOTE 10** | | |
| **INVESTMENT MATURITY ANALYSIS** | | |
| Maturity period from reporting year end: | | |
| Two to Three Years | 1,000,250 | - |
| Four to Five Years | 2,281,276 | 2,433,749 |
| More than Five Years | 1,250,741 | 1,310,079 |
| | **4,532,267** | **3,743,828** |

| | 2014<br>£ | 2013<br>£ |
|---|---|---|
| **NOTE 11**<br>**INVENTORIES** | | |
| Circulation Currency Notes | 266,929 | 328,711 |
| Circulation Currency Coins | 25,966 | 33,792 |
| | **292,895** | **362,503** |
| **NOTE 12**<br>**RECEIVABLES** | | |
| **Amounts Falling Due Within One Year** | | |
| Trade Debtor: | | |
| Saint Helena Government | 206,819 | 49,330 |
| Accrued Income: | | |
| Royalties on Commemorative Coins | 19,595 | 6,802 |
| Interest Due | 8,253 | 6,532 |
| | 27,848 | 13,334 |
| | **234,667** | **62,664** |
| **NOTE 13**<br>**CASH & CASH EQUIVALENTS** | | |
| Cash on Deposit | 1,500,000 | 1,500,000 |
| Cash on Call | 61,689 | 987,502 |
| Cash with Crown Agents | 919 | 487 |
| | **1,562,608** | **2,487,989** |

**NOTE 14**
**CURRENCY IN CIRCULATION**

| Notes and Coins in Circulation: | | | |
|---|---|---|---|
| Currency Notes | 15 | 4,271,970 | 3,953,970 |
| Currency Coins | 15 | 826,419 | 796,999 |
| Commemorative Coins | 16 | 670,341 | 655,883 |
| | | 5,768,730 | 5,406,852 |
| Precious Metal Commemorative Coins | 16 | (440,402) | (428,261) |
| | | **5,328,328** | **4,978,591** |

| | 2014 £ | 2013 £ |
|---|---|---|
| **NOTE 15** | | |
| **CURRENCY IN CIRCULATION** | | |
| Notes: | | |
| £20 | 2,148,980 | 2,110,980 |
| £10 | 1,804,000 | 1,513,000 |
| £5 | 318,990 | 329,990 |
| | 4,271,970 | 3,953,970 |
| Coins: | | |
| £2 | 118,796 | 118,796 |
| £1 | 373,558 | 358,558 |
| 50p | 116,387 | 112,387 |
| 20p | 76,384 | 70,384 |
| 10p | 62,144 | 60,744 |
| 5p | 38,789 | 36,689 |
| 2p | 20,250 | 19,690 |
| 1p | 20,111 | 19,751 |
| | 826,419 | 796,999 |
| | **5,098,389** | **4,750,969** |

**NOTE 16**
**COMMEMORATIVE COINS IN CIRCULATION**

| | Non-Precious Face Value £ | Precious Face Value £ | Total Face Value £ |
|---|---|---|---|
| **Balances as at 31 March 2013:** | | | |
| East India Company | - | 323 | 323 |
| Napoleon | 9,321 | 220,775 | 230,096 |
| Royal Air Force | 12,500 | 95,385 | 107,885 |
| Royal Family | 197,606 | 106,404 | 304,010 |
| Saint Helena | 1,469 | 1,392 | 2,861 |
| World Wars | 2,056 | 1,933 | 3,989 |
| World Wildlife | 4,650 | 1,544 | 6,194 |
| Other | 20 | 505 | 525 |
| | 227,622 | 428,261 | 655,883 |
| **Balances as at 31 March 2014:** | | | |
| East India Company | - | 1,998 | 1,998 |
| Napoleon | 11,120 | 220,900 | 232,020 |
| Royal Air Force | 12,500 | 95,695 | 108,195 |
| Royal Family | 197,636 | 115,765 | 313,401 |
| Saint Helena | 1,469 | 1,392 | 2,861 |
| World Wars | 2,059 | 1,933 | 3,992 |
| World Wildlife | 4,790 | 1,545 | 6,335 |
| Other | 365 | 1,174 | 1,539 |
| | 229,939 | 440,402 | 670,341 |

| | 2014<br>£ | 2013<br>£ |
|---|---|---|
| **NOTE 17** | | |
| **PAYABLES** | | |
| Accruals: | | |
| Investment Management Charges | 7,383 | 7,491 |
| Audit Fee | 6,200 | 5,700 |
| | 13,583 | 13,191 |
| Income Received in Advance: | | |
| Royalties | 2,365 | 2,365 |
| | **15,948** | **15,556** |

**NOTE 18**
**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.

**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 Currency Fund. The Commissioners of Currency are the Chief Secretary, Financial Secretary, Assistant Chief Secretary (Support) and Assistant Financial Secretary.

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

**Controlled Entities**

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

The Currency Fund is administered by the Currency Commissioners and Currency Officers who are all employees of SHG. SHG provide a number of services to the St Helena Currency Fund at no cost. These services include staff salaries for the keeping of 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 also provide a cash holding facility for the Currency Fund.

## NOTE 19
## NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The activities of the Currency Fund expose it to certain financial risks, the main relevant risks are:

**Credit risk** – the possibility that other parties might fail to pay amounts due.

Credit risk arises from deposits with Crown Agents Investment Management Limited (CAIML). This risk is minimised by ensuring that deposits are not made with financial institutions unless they meet minimum investment criteria.

CAIML is subject to institutions failing to make interest payments or repay the deposit or principal sum will be specific to each individual institution. There was no evidence at the reporting date that such entities would be unable to meet their commitments. 75% of the investment portfolio is invested in UK Bonds. The maximum exposure to credit risk before any credit enhancements at 31 March is the carrying amount of the financial assets as set out in Note 9.

**Liquidity risk** – the possibility that the Currency Fund has insufficient funds to meet its commitments to make payments.

The Currency Fund Ordinance sets a minimum liquidity ratio of not 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.

## NOTE 20
## EVENTS AFTER THE REPORTING DATE

The Financial Statements are authorised for issue on the date when they are signed by Commissioners of Currency.

There were no material events before the date of issue of the financial statements which provided information about conditions existing as at 31 March 2014, or non-adjusting events after the reporting period date.