



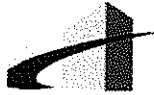
St. Helena Currency Fund

Accounts

2012-2013

CONTENTS PAGE

Item	Page
Chief Auditor's Report	
Summary reports:	
Currency Commissioners Report	1
Income and Expenditure Account	2
Balance Sheet	3
Accompanying Notes	
Note 1 - Accounting Policies	4
Note 2 - Interest Received	5
Note 3 - Sales of Coins	5
Note 4 - Investment Management Charges	6
Note 5 - Services Provided by St Helena Government	6
Note 6 - Related Parties	6
Note 7 - Investment in Securities	7
Note 8 - Commemorative Coins	8
Note 9 - Cash on Deposit	9
Note 10 - General Reserve	9
Note 11 - Currency in Circulation	9
Note 12 - Circulation Currency	10



SAINT HELENA AUDIT SERVICE

External Auditors

INDEPENDENT AUDITOR'S REPORT

I have audited the financial statements of the Saint Helena Currency Fund (SHCF) for the year ended 31 March 2013 under the Public Finance Ordinance 2010 and the Currency Ordinance CAP 124. The SHCF financial statements, pages 2 to 10, comprise of the Balance Sheet as at 31 March 2013, the Income and Expenditure Account for the year ended 31 March 2013, together with the related Accounting Policies and Notes to the accounts.

RESPECTIVE RESPONSIBILITIES OF THE CURRENCY COMMISSIONERS AND THE CHIEF AUDITOR

The Currency Commissioners of SHCF are responsible for preparing the financial statements in accordance with the authorities that govern them and being satisfied that they present fairly the financial position as at 31 March 2013 and the results of operations for the year then ended. 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 APB's Ethical Standards for Auditors.

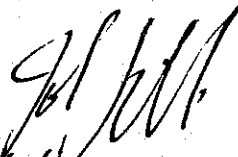
SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

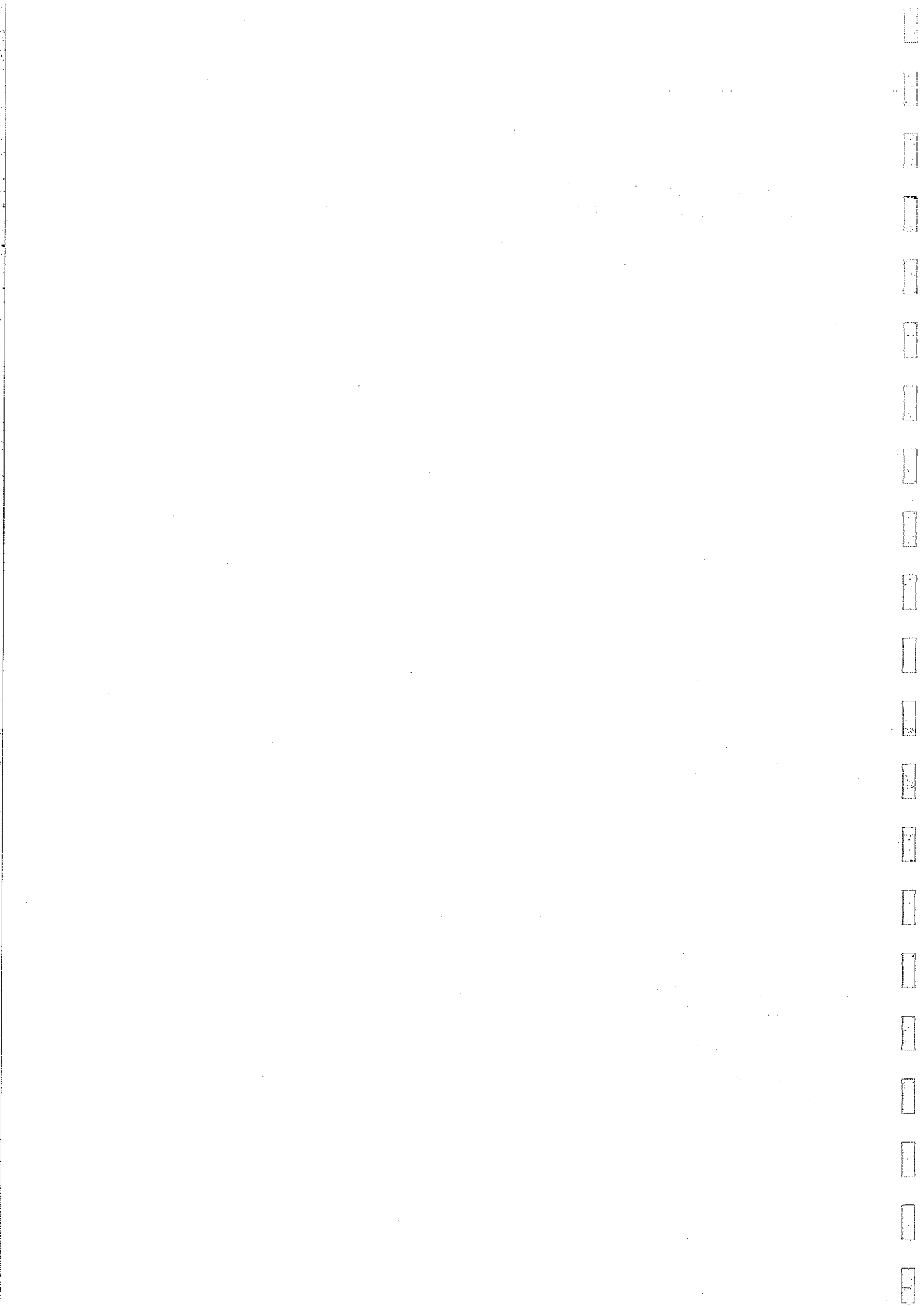
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Currency Commissioners; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the notes to identify material inconsistencies with the audited financial statements. 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.

UNQUALIFIED OPINION ON THE FINANCIAL STATEMENTS

In my opinion the Financial Statements present fairly the financial position of the Saint Helena Currency Fund as at 31 March 2013 and of the results of its operations for the year then ended in accordance with the authorities that govern them.


31/3/14
John Gilchrist
Acting Chief Auditor
St Helena Audit Service, Jamestown, St Helena



ST HELENA CURRENCY COMMISSIONERS
REPORT ON TRANSACTIONS
FOR THE FINANCIAL YEAR 1 APRIL 2012 – 31 MARCH 2013

The Currency Commissioners have pleasure in presenting their Statements and Report on transactions for the year ended 31 March 2013.

During the year total income from interest on investments, sale of coins and other income amounted to £131,543. Income from interest on investments fell by 9% during the year against the previous year as UK Interest rates continue to remain low.

However, during the year there was an increase in royalties on the sale of commemorative coins. There were three key factors that increased royalties in this year: the signing of a contract with the Commonwealth Mint for the production of commemorative coins; a new issue from the Royal Mint for the Diamond Jubilee and a contract signed with the East India Company for the production of commemorative coins relating to the Company.

Payments in respect of investment management charges, minting of coins and other expenses totalled £41,401. This is a substantial decrease against the previous year. The decrease is due to the fact that we did not print currency notes this year and no other associated costs were incurred. As a result a surplus has been achieved on the fund for the year of £90,142. This surplus will be transferred to the general reserve.

The Balance Sheet shows investments of £3,743,828 and net assets to the value of £1,300,334 which is represented by the balance in the general reserve and revenue account. Total currency in circulation at 31 March 2013 was £5,416,274. During the year the net gain on investments amounted to £95,691, this amount is shown in the general reserve. Movements on the general reserve are detailed in note 10 to the accounts and show a year-end balance of £1,210,192. In accordance with the Currency Ordinance, HE the Governor approved a transfer of £150,000 from the Currency Fund General Reserve to the St Helena Consolidated Fund in 2012-2013 financial year.

Currency Commissioners during the year were:

Chairperson	Chief Secretary
Commissioner	Financial Secretary
Commissioner	Assistant Financial Secretary
Commissioner	Deputy Chief Secretary

On behalf of Currency Commissioners
Financial Secretary

D. Love

Date

31/3/2014

ST HELENA CURRENCY FUND
INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Note	2011/12		2012/13
	£		£
		INCOME	
2	116,444	Interest Receivable	105,913
3	4,872	Sales of Coins	18,516
	950	Sale of Presentation Packs	1,420
	734	Other Income	5,694
	<u>123,000</u>		<u>131,543</u>
		EXPENDITURE	
4	28,682	Investment Management Charges	29,853
	130,500	Printing of Notes	0
	143	Commission on Sale of Coins	236
	3,369	Postage & Packaging	0
	26,119	Cost of minting coins	5,304
	4,150	Audit Fees	6,000
	10	Other Expenses	8
	<u>192,973</u>		<u>41,401</u>
	<u>(69,973)</u>	Surplus/ (Deficit)	<u>90,142</u>

ST HELENA CURRENCY FUND
BALANCE SHEET
AS AT 31 MARCH 2013

Note	2011/12 £		2012/13 £
		LONGTERM ASSETS	
7	3,548,625	Investments in Securities	3,743,828
		CURRENT ASSETS	
9	2,444,906	Cash on Deposit	2,487,989
	55,725	Debtors - Broker	0
	17,200	Accrued Interest	6,532
	4,260	Royalties Due	6,802
	<u>110,793</u>	Cash held with SHG Treasury	<u>49,330</u>
	2,632,884		2,550,653
		LIABILITIES	
	3,597	Royalties received in advance KMCC	2,365
	<u>10,748</u>	Accrued Expenditure	<u>13,191</u>
	14,345		15,556
11	4,902,663	Liability in Respect of Currency in Circulation	4,978,591
	<u><u>1,264,501</u></u>	NET ASSETS	<u><u>1,300,334</u></u>
		REPRESENTED BY:	
10	1,334,474	General Reserve	1,210,192
	(69,973)	Income and Expenditure Surplus Account	90,142
	<u><u>1,264,501</u></u>		<u><u>1,300,334</u></u>


 Financial Secretary

ST HELENA CURRENCY FUND
Notes to the Accounts

NOTE 1 - Summary of Significant Accounting Policies

(a) Accounting Conventions

The Financial Statements are prepared under the historical cost convention and have been prepared on the going concern basis.

Receipts and Payments are accounted for on an accruals basis. The accounting conventions are in accordance with the Currency Ordinance, CAP 124 and Currency Regulations, CAP 124.

(b) Investments

Investments are stated in the balance sheet at market value based on the mid-market price at the accounting date. Gains/losses on sales are calculated based on a 'first in, first out' method. The minimum liquidity ratio is not less than 10% as prescribed under section 13 of Currency Ordinance, CAP 124.

(c) Bullion Values

The bullion values of precious metal coins in circulation are shown as a reduction in the liability of the Currency in Circulation. The values are calculated on the bullion content of the coins based on the mid-market dollar price converted to sterling at the accounting date, subject to the value not exceeding the face value of the coins which is the maximum allowed under section 13(4) of the Currency Ordinance.

(d) Liabilities on Currency in Circulation and Commemorative Coins

The face values of currency in circulation and Commemorative Coins in circulation are represented by the balance held by the Currency Fund. This reflects the promise to pay the bearer on demand the face value of any note or coin which is legal tender in St Helena.

ST HELENA CURRENCY FUND**Notes to the Accounts**

2011/12	NOTE 2 - Interest Received	2012/13
£		£
100,247	Interest on UK Govt Securities	99,631
16,197	Interest on Deposits and Call	6,282
116,444		105,913

2011/12	NOTE 3 - Sales of Coins	2012/13
£		£
	<u>Local</u>	
0	Golden Wedding	42
3	Queen Mother 100th Birthday	10
15	Queen Mother 90th Birthday	15
3	Queen Elizabeth II 75th Birthday	65
15	Queen Victoria Centenary	18
189	500th Anniversary	96
0	Queen Mother 2002	147
35	Golden Jubilee	140
81	Coronation 50th Anniversary	216
74	Royal Wedding - Charles	98
2	W W F Conserving Nature	24
66	World War II	67
483		938
	<u>Royalty on Overseas Sales</u>	
0	Queen Mother 100th Birthday	311
0	500th Anniversary	30
0	Queen Mother 2002	88
0	Golden Jubilee	14
0	Coronation 50th Anniversary	191
0	Royal Wedding - Charles	34
0	World War II	34
0	Queen Elizabeth II 80th Birthday	32
0	Queen Elizabeth II 75th Birthday	268
0	Queen Victoria Centenary	230
4,445	Royal Mint - RAF Series	125
0	Royal Mint - Diamond Jubilee Series	14,822
0	EIC - Mohur Gold Coin	1,210
0	EIC - Silver Cash Coin	1,566
0	EIC - Guinea	593
0	Commonwealth Mint - Bird Life Series	500
0	Commonwealth Mint - Sea Life Series	500
4,445		20,548
56	Less backing on Cupro Nickel and Base Metal coins	2,970
4,872		18,516

ST HELENA CURRENCY FUND
Notes to the Accounts

NOTE 4 - Investment Management Charges

The investment and cash balances of the Currency Fund are managed on behalf of the Commissioners by Crown Agents Asset Management Ltd in accordance with a Management Agreement. The charge for investment management is 0.5% per annum plus a safe custody charge of 0.02% per annum based on the Market Value of funds under management. During the year Investment Management Charges incurred was £29,853 (£28,682 in 2011/12).

NOTE 5 - Services provided by SHG

There are a number of services provided by SHG for which there are no transactions recorded in the Currency Fund accounts. These services include Staff salaries for the keeping of accounting records, the preparation of financial statements and the issuing and ordering of notes and coins. In addition to these services, SHG Treasury also provide a cash holding facility for the Currency Fund. The accounts do not reflect the costs of SHG employees whom meet in their capacity as Currency Commissioners.

NOTE 6 - Related Parties

The Currency Fund is set up under Currency Ordinance CAP 124, and is administered by the Currency Commissioners and Currency Officers who are all employees of the St Helena Government. The Commissioners are responsible for ensuring there is sufficient currency in circulation on St Helena and Ascension. All currency in circulation must be backed by investments held in UK sterling, and these investments are managed on behalf of the Commissioners by the Crown Agents Investment Managers. SHG Treasury also provide a cash holding facility for the Currency Fund and SHG makes payments and receives cash through the cash holding on behalf of the Currency Fund.

ST HELENA CURRENCY FUND

Notes to the Accounts

NOTE 7 - Investments in Securities												
	Nominal Value 01.04.12	Historical Cost 01.04.12	Market Value 01.04.12	Purchases in Year	Sales/ Redemption in Year	Realised Gain/(Loss)	Unrealised Gain/(Loss)	Market Value 31.03.13	£		£	
									£	£	£	£
Bonds												
UK Govt 2% 2016	0	0	0	627,960	627,960	0	0	0	0			
Euro Network Rail 1% 2017	0	0	0	139,301	0	0	2,225	141,526				
UK Govt 1% 2017	500,000	494,675	494,350	3,245,568	3,743,135	3,217	0	0				
Barclays 1.5% 2017	1,500,000	1,491,525	1,498,695		1,535,250	36,555	0	0				
UK Govt 1.25% 2018	0	0	0	2,259,604	0	0	32,619	2,292,223				
UK Govt 3.75% 2019	0	0	0	115,110	114,640	(470)	0	0				
UK Govt 4.5% 2019	1,300,000	1,562,080	1,555,580	359,700	1,947,480	32,200	0	0				
UK Govt 3.75% 2020	0	0	0	686,100	689,520	3,420	0	0				
UK Govt 3.75% 2021	0	0	0	476,040	459,440	(16,600)	0	0				
UK Govt 1.75% 2022	0	0	0	2,816,423	1,560,045	(19,523)	1,347	1,238,202				
UK Govt 4% 2022	0	0	0	4,781,165	4,729,989	20,800	(99)	71,877				
Total	3,300,000	3,548,280	3,548,625	15,506,971	15,407,459	59,599	36,092	3,743,828				

ST HELENA CURRENCY FUND
Notes to the Accounts

2011/12			NOTE 8 - Commemorative Coins	2012/13		
Non-Precious Metals - Face Value	Precious Metals - Face Value	Total - Face Value		Non-Precious Metals - Face Value	Precious Metals - Face Value	Total - Face Value
£	£	£		£	£	£
25,000	10,000	35,000	Tercentenary Issue 1973	25,000	10,000	35,000
12,952	5,660	18,612	Silver Jubilee Issue	12,952	5,660	18,612
16,941	5,512	22,453	25th Anniversary Coronation Issue	16,941	5,512	22,453
12,562	2,142	14,704	Queen Mother's 80th Birthday Issue	12,562	2,142	14,704
22,241	4,892	27,133	Royal Wedding (Charles) Issue	22,241	4,892	27,133
0	505	505	Year of the Scout Issue	0	505	505
56,285	2,297	58,582	Royal Visit Issue	56,285	2,297	58,582
2,667	305	2,972	150th Anniversary Issue	2,667	305	2,972
8,007	3,435	11,442	St Helena/Ascension Souvenir Issue	8,007	3,435	11,442
6,200	605	6,805	Royal Wedding (Andrew) Issue	6,200	605	6,805
9,321	220,775	230,096	Napoleon Anniversary Issue	9,321	220,775	230,096
2,395	2,365	4,760	Queen Mother's 90th Birthday Issue	2,400	2,365	4,765
0	10,388	10,388	40th Anniversary Coronation Issue	0	10,388	10,388
1,878	1,462	3,340	D Day Landings Issue	1,878	1,462	3,340
5,000	6,946	11,946	Queen Mother's 95th Birthday Issue	5,000	6,946	11,946
4,684	13,977	18,661	Queen Elizabeth II 70th Birthday Issue	4,687	13,977	18,664
4,650	1,544	6,194	W W F Conserving Nature Issue	4,650	1,544	6,194
1,419	2,643	4,062	Golden Wedding Issue	1,426	2,643	4,069
1,199	2,667	3,866	Queen Mother's 100th Birthday Issue	1,977	2,667	4,644
2,409	210	2,619	Queen Elizabeth II 75th Birthday Issue	2,948	210	3,158
488	582	1,070	Queen Victoria Centenary Issue	951	582	1,533
1,378	1,392	2,770	500th Anniversary Issue	1,469	1,392	2,861
2,176	2,126	4,302	Queen Mother 2002 Issue	2,417	2,126	4,543
7,781	327	8,108	Golden Jubilee Issue	7,834	327	8,161
3,921	56	3,977	Coronation 50th Anniversary Issue	4,424	56	4,480
88	50	138	Royal Wedding - Charles & Camilla Issue	187	50	237
95	470	565	World War II Comm Issue	178	471	649
420	700	1,120	Queen Elizabeth II 80 Birthday Issue	500	700	1,200
12,500	103,479	115,979	RAF 90 Ann Series Issue	12,500	123,904	136,404
0	0	0	EIC - Silver Coins	0	3,770	3,770
0	0	0	EIC - Gold Coins	0	5,975	5,975
0	0	0	Commonwealth Mint	20	0	20
224,657	407,512	632,169		227,622	437,683	665,305

Bull Value	Face Value
6,032,533	407,512

Bull Value	Face Value
5,848,438	437,683

ST HELENA CURRENCY FUND
Notes to the Accounts

2011/12	NOTE 9 - Cash on Deposit	2012/13
£		£
944,870	Royal Bank of Scotland	987,502
1,500,000	Barclays Bank	1,500,000
36	Crown Agents Bank	487
2,444,906		2,487,989

2011/12	NOTE 10 - General Reserve	2012/13
£		£
1,232,977	Balance as at 1 April 2012	1,334,474
	Change in Market Value of Investments (Note 7)	
336,548	Net realised gain/(loss) on disposal	59,599
345	Net unrealised gain/ (loss)	36,092
336,893		95,691
(85,396)	Transfer from Income and Expenditure Surplus Account	(69,973)
(150,000)	Transfer to General Revenue of St Helena	(150,000)
1,334,474	Balance as at 31 March 2013	1,210,192

2011/12	NOTE 11 - Currency in Circulation	Commemorative Coins	Circulation Currency	2012/13 Total
£		£	£	£
5,127,969	Balance at 1 April 2012	632,169	4,678,009	5,310,178
8,797	Issues of Commemorative Coins	33,136	0	33,136
	Release of Currency into Circulation:			
350,000	Notes	0	30,000	30,000
27,151	Coins	0	42,960	42,960
	Withdrawal of Currency from Circulation:			
(195,000)	Notes	0	0	0
(8,742)	Coins	0	0	0
5,310,175	Currency in Circulation as at 31 March 2013	665,305	4,750,969	5,416,274
(407,512)	Less: Bullion Backing of Comm Coins	(437,683)	0	(437,683)
4,902,663	Liability in respect of Currency in Circulation as at 31 March 2013	227,622	4,750,969	4,978,591

ST HELENA CURRENCY FUND
Notes to the Accounts

<u>2011/12</u>	<u>NOTE 12 - Circulation Currency</u>	<u>2012/13</u>
£		£
	Notes:	
2,090,980	£20	2,110,980
1,503,000	£10	1,513,000
329,990	£5	329,990
<u>3,923,970</u>		<u>3,953,970</u>
	Coins:	
112,796	£2	118,796
340,558	£1	358,558
104,387	50p	112,387
63,784	20p	70,384
57,844	10p	60,744
35,989	5p	36,689
19,170	2p	19,690
19,511	1p	19,751
<u>754,039</u>		<u>796,999</u>
<u>4,678,009</u>	Total Circulation Currency	<u>4,750,969</u>