

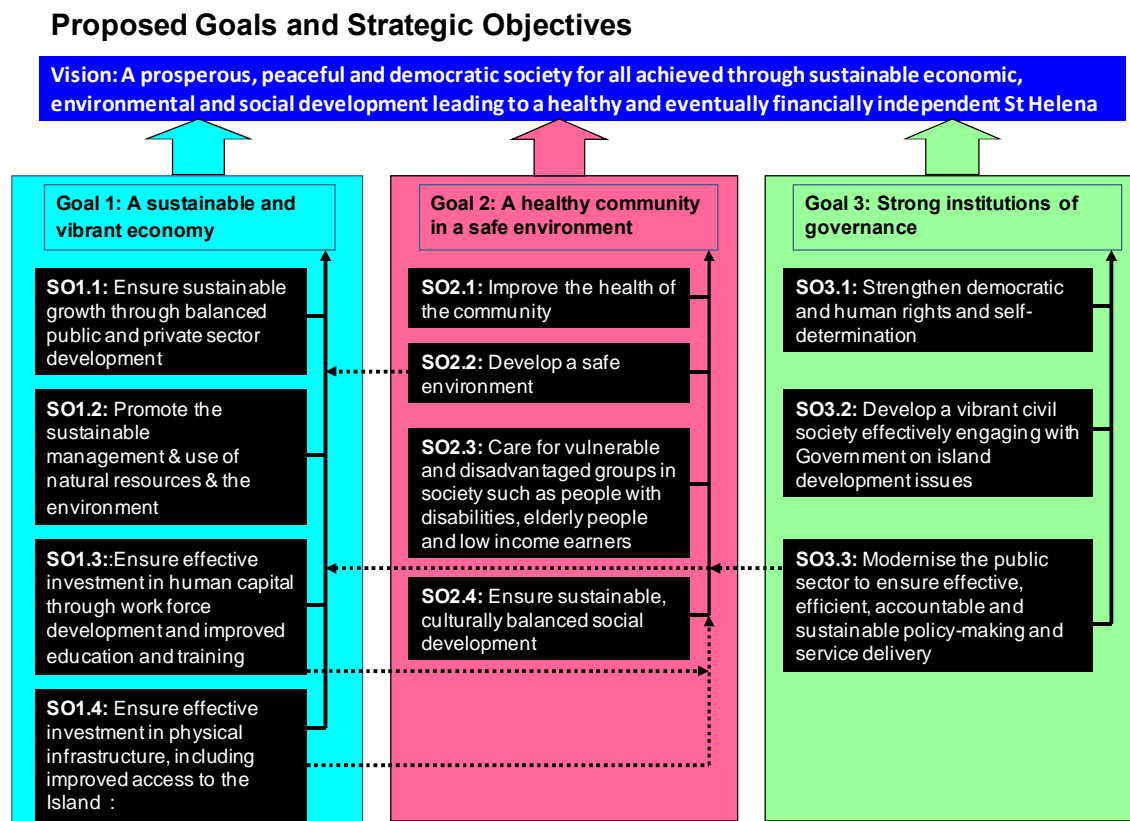
# GOVERNMENT OF ST HELENA

## STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009

### FINANCIAL SECRETARY'S REPORT

I have pleasure in presenting the Statement of Accounts for the Government of St Helena for the year ended 31 March 2009.

The Government's vision for St Helena is of a prosperous, peaceful and democratic society for all achieved through sustainable economic, environmental and social development leading to a healthy and eventually financially independent St Helena. It has identified three high level goals and eleven strategic objectives which will support the achievement of this vision. These goals and strategic objectives are shown in the diagram below:



To achieve these objectives, the Government's budget is structured into fifteen different heads of expenditure, each managed by a Head of Department, who is the accounting officer for all expenditure in that department. Each department works to contribute to the success of one or more of the strategic objectives, and money is allocated to departments to achieve this.

### Accounting policies

The accounting policies are set out on pages 3 to 5, and reflect the legislative and regulatory framework under which the statement of accounts has been prepared. Most significantly, the

Government records all receipts and payments on a cash basis and does not record debtors and creditors or any assets, other than financial assets.

### **Statement of receipts and payments**

The statement of receipts and payments on page 1 shows the revenue received into, and expenditure made from, the Consolidated Fund and the Development Fund during the year, together with other transactions which affected the movement of funds. The Consolidated Fund records all transactions relating to Government's on-going running costs, while the Development Fund records all transactions relating to the Government's development projects. Expenditure from the Consolidated Fund and the Development Fund is appropriated annually, based on the estimated revenue available.

The statement of receipts and payments shows:

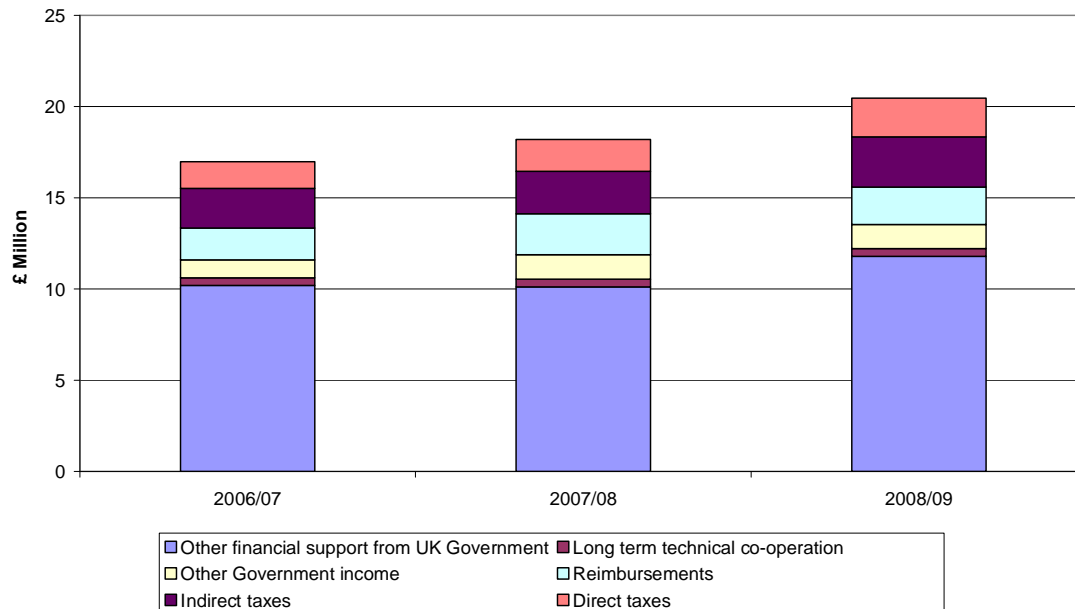
- A surplus for the year of £372,716 on the Consolidated Fund. This was principally due to advanced tax collection and the receipt of funding for the Chief Secretary's Small Grant scheme in advance. The year also saw an unprecedented increase in fuel costs, which affected the costs of electricity generation, of operating the RMS St Helena, and of fuel provision to the public. This was offset by savings elsewhere and by increased tax revenues.
- A surplus of £7,257,138 on the Development Fund. Notes 4 and 5 on page 7 show that Development Fund revenue was above budget by £6,822,076, principally due to European Development Fund (EDF) revenue being £3,168,912 higher than budget and DFID development grant being £3,531,429 above budget due to receipt of Rockfall Protection and Infrastructure Plan funding in advance.
- A surplus of £348,992 on Special Funds. Notes 6 and 7 on page 7 show that revenue of £426,941 was received compared with only £77,949 expended. The major element of the Special Funds is the Improvement & New Construction Revolving Fund which receives interest and repayments of principal from outstanding loans. Expenditure from the fund relates to loans drawn down.
- Other transactions reduced the balance of funds by £144,049. Notes 8 and 9 show that the main cause was an increase in advances. Further information on Advances is given in Note 10.

The overall effect of these results was to increase cash and bank balances by £7,834,797.

### **Consolidated Fund**

Total income received into the Consolidated Fund has increased gradually over the last 3 years, and has been derived from the following sources.

### St Helena Government Sources of Income



During 2008/09 the main variations in income when compared to estimates were:

- An increase in Grant in Aid of £1,133,686 due to transfer of Technical Co-operation funding from DFID to SHG and receipt in advance of the Chief Secretary's Small Grants scheme funding.
- An increase in direct tax revenue of £621,244 due to greater compliance and advanced tax collection;
- An increase in indirect tax revenue of £283,825 due to higher than anticipated customs revenues;
- Due to an overall underspend against estimate, there was no requirement for any release from reserves, which had been estimated at £380,000.

Overall, there was an underspend on expenditure of £456,779. A significant overspend in the Public Works and Services department was more than offset by smaller underspends in all other departments. The largest underspends were in Shipping and Education.

- Public Works and Services was overspent by £474,168 due to the increase in the world price of fuel during the year;
- Shipping was underspent by £133,404 due mainly to an underspend on capital expenditure;
- Education was underspent by £95,232 largely due to underspends on staffing and other administration costs.

### **Development Fund**

Funding received into the Development Fund was above estimates by £6,822,076. This was principally due to:

- Development Grant from DFID being £3,531,429 above estimates due principally to receipt in advance of Rockfall Protection funds of £2,250,000 and Infrastructure Plan funding of £1,560,000;
- Development Grant from the European Development Fund (EDF) for Wharf Improvements and Rockfall Protection being £3,168,912 higher than estimated.

Expenditure was £677,062 below estimate due largely to:

- EDF expenditure on Wharf Improvements and Rockfall Protection £980,785 above estimates;
- Underspends of £1,107,735 on DFID funded projects (Solid Waste, Drainage, Electricity Distribution and Health Sector Development) due to slippage;
- DFID short term Technical Co-operation being underspent by £347,064 due to posts not being filled as anticipated;

### **Statement of assets and liabilities**

The statement of assets and liabilities on page 2 records the financial assets held by the Government, and what they are held for.

The Government has three main financial assets: advances (to individuals, companies and other governments), bank balances and cash balances. These are held in respect of the Consolidated Fund, the Development Fund, trust funds (principally legacies administered by Government), deposits (money received not for the purposes of Government) and Special Funds set up outside the Consolidated Fund.

The majority of the Government's bank balances are managed on its behalf by Crown Agents, which invests in short and medium term investments to ensure that funds are readily available when needed, that they are secure and, within this context, to maximise investment income.

The cash worth of the St Helena Government, as presented in this Statement of Accounts, stood at £17,174,354 at 31 March 2009. Of this, £11,701,978 was earmarked for development projects, £2,288,680 was held for Special Funds and the balance on the Consolidated Fund was £3,183,696.

It is Government policy to maintain a minimum of £750,000 in the Consolidated Fund to ensure it has sufficient available to meet day to day requirements and to respond to unforeseen events should they arise.

### **Relationship with other Government accounts and non-Government organisations**

The Government has an interest in a number of other activities not recorded in this Statement of Accounts, and for which separate accounts are prepared. These are:

#### Currency Fund

Established by the Currency Ordinance, this fund issues and calls in notes and coins in circulation in St Helena and Ascension Island, in accordance with the instructions of the Currency Commissioners, appointed by the Governor. Transfers are made from the Currency Fund to the St Helena Government's Consolidated Fund subject to maintaining a

minimum Currency Fund reserve of ten per cent of its demand liabilities. In 2008/09 the transfer amounted to £150,000.

#### Bulk Fuel Installation

The Bulk Fuel Installation accounts record the transactions of the Bulk Fuel Farm which purchases and sells fuel for the island. The Bulk Fuel Farm is managed, under a management contract, by Solomon and Co. Its results are not consolidated into the St Helena Government accounts. This is because it is considered that accruals-based accounts more properly reflect the operations of a trading body. The Bulk Fuel Installation reported a Net Profit for 2008/09 of £379,775.

#### St Helena Fisheries Corporation

Established by the St Helena Fisheries Corporation Ordinance, the Fisheries Corporation aims to serve, profitably, the commercial, international and domestic markets in sustainable fish and fish products. The Board of Directors, appointed by the Governor, provides overall direction for the Corporation. In 2008/09 a subsidy of £21,220 was paid to the Corporation for ongoing running costs.

#### St Helena Development Agency

Established by the St Helena Development Agency Ordinance to promote and facilitate commercial development in St Helena. The Board of Directors, appointed by the Governor, provides overall direction for the Agency. In 2008/09, a subsidy of £97,688 was paid to the Agency to meet core running costs.

#### St Helena News Media Board

Established by the St Helena News Media Ordinance to take responsibility for the formation, application and control of editorial policy, publishing and distribution of a newspaper in St Helena, and for editorial policy, control and regulation of all news and other programmes or material broadcast on Radio St Helena. The Board of Directors, appointed by the Governor, provides overall direction for the News Media Board. In 2008/09 a subsidy of £86,422 was paid to the News Media Board to meet ongoing running costs.

#### St Helena National Trust

Established by the St Helena National Trust Ordinance to unite various heritage groups and associations into a single organisation to promote and preserve designated land, buildings and chattels on St Helena for the benefit of the island and its people. The Trust Council consists of people who are elected, appointed by the Governor, and appointed by member organisations. In 2008/09 a subsidy of £17,208 was paid to the National Trust.

#### Solomon & Company (St Helena) plc

St Helena Government has a majority shareholding in Solomon & Co (St Helena) plc. The company's results are not consolidated into the St Helena Government accounts.

#### Department for International Development (DFID)

In 2008/09 DFID made direct payments on behalf of the St Helena Government in respect of technical co-operation. These payments are not recorded in the Statement of Accounts but are included within DFID accounts and totaled £1,442,630.

### Bank of St Helena

The Bank of St Helena commenced operations on 1 April 2004 after inheriting the assets and accounts of the former Government Savings Bank (in St Helena) and the Ascension Island Savings Bank, both of which then ceased to exist. The Chairman and the Board of Directors of the Bank are appointed by the Governor. The Bank publishes its own set of audited financial statements.

### Other financial information

Although the Statement of Accounts does not include debtors and creditors, the Government records amounts outstanding at any time, and monitors progress in collecting debts. At 31 March 2009 the total amount outstanding and due to Government was £134,683.

The Government does not take out insurance, and has a limited ability within its funding relationship with DFID, to build up reserves. Consequently, the Government must apply to the UK Government for assistance with significant extraordinary expenditure.

### Future developments

The St Helena Government has been working towards the development of an airport for a number of years. In December 2008, Her Majesty's Government announced that there would be a pause in negotiations over the St Helena Airport contract. This continued during 2009, when Her Majesty's Government undertook a consultation on air access for St Helena. The outcome will play a major role in determining the future developments for the Island. In the meantime SHG is working towards achieving the high level goals and strategic objectives agreed in 2009. Some of the key development areas for the coming years include major capital works to improve the island's infrastructure; developing an island-wide pension scheme; and reviewing the welfare benefits system.

### **Financial Secretary**

<b>CONTENTS</b>	<b>Page</b>
FINANCIAL SECRETARY'S REPORT	
INDEPENDENT AUDITOR'S REPORT	
STATEMENT OF RECEIPTS AND PAYMENTS	1
STATEMENT OF ASSETS AND LIABILITIES	2
NOTES TO THE ACCOUNTS	3
1. Accounting Policies	3
2. Analysis of total Consolidated Fund Revenue by Head	6
3a. Analysis of total Consolidated Fund Expenditure by Head	6
3b. Analysis of total Consolidated Fund Expenditure by Category	6
4. Analysis of total Development Fund Revenue by Funding Source	7
5. Analysis of total Development Fund Expenditure by Funding Source	7
6. Analysis of total Special Funds Revenue	7
7. Analysis of total Special Funds Expenditure	7
8. Other transactions relating to movements of funds: Net Receipts	8
9. Other transactions relating to movements of funds: Net Payments	8
10. Advances	8
11. Bank Balances	8
12. Cash	9
13. Trust Funds	9
14. Deposits	9
15. Special Funds	9
16. Consolidated Fund	10
17. Development Fund	10
18. Statement of Loans Receivable	11
19. Solomon & Company (St Helena) PLC	11
20. Bulk Fuel Installation	11
Details of Revenue %Statement 3A+	

**STATEMENT OF RECEIPTS AND PAYMENTS**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009

2008 £	Note	2009 £
<b>CONSOLIDATED FUND:</b>		
18,196,949	2 Revenue	20,463,507
<u>(17,636,696)</u>	3 Expenditure	<u>(20,090,791)</u>
560,253	Surplus for the year	372,716
<b>DEVELOPMENT FUND:</b>		
5,882,326	4 Revenue	12,958,516
<u>(4,176,838)</u>	5 Expenditure	<u>(5,701,378)</u>
1,705,488	Surplus for the year	7,257,138
<b>SPECIAL FUNDS:</b>		
499,848	6 Revenue	426,941
<u>(499,320)</u>	7 Expenditure	<u>(77,949)</u>
528	Surplus for the year	348,992
<b>Other transactions relating to the movements of funds:</b>		
36,660	8 Net receipts	11,428
<u>(440,069)</u>	9 Net payments	<u>(155,477)</u>
(403,409)	Net other transactions	(144,049)
<u><b>1,862,860</b></u>		<u><b>7,834,797</b></u>
<b>SUMMARY OF CASH AND BANK BALANCES</b>		
<b>7,888,900</b>	Opening cash and bank balances	<b>9,751,760</b>
<u><b>1,862,860</b></u>	Net receipts for the year	<u><b>7,834,797</b></u>
<u><b>9,751,760</b></u>	Closing cash and bank balances	<u><b>17,586,557</b></u>



**STATEMENT OF ASSETS AND LIABILITIES**  
AS AT 31<sup>ST</sup> MARCH 2009

2008 £	Note	2009 £
<b>ASSETS</b>		
369,665	10 Advances	510,570
9,200,957	11 Bank Balances	16,904,851
<u>550,803</u>	12 Cash	<u>696,278</u>
<u>10,121,425</u>		<u>18,111,699</u>
<b>LIABILITIES</b>		
25,006	13 Trust Funds	25,135
<u>900,911</u>	14 Deposits	<u>912,210</u>
<u>925,917</u>		<u>937,345</u>
<u><u>9,195,508</u></u>		<u><u>17,174,354</u></u>
<b><u>Represented by:</u></b>		
1,939,688	15 Special Funds	2,288,680
2,810,980	16 Consolidated Fund	3,183,696
<u>4,444,840</u>	17 Development Fund	<u>11,701,978</u>
<u><u>9,195,508</u></u>		<u><u>17,174,354</u></u>

Paul Blessington  
Financial Secretary

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## NOTES TO THE ACCOUNTS

### 1. Accounting Policies

#### a. Accounting Conventions

The Statement of Accounts of the Government of St Helena is prepared under the historical cost convention. Receipts and payments are accounted for on a cash basis. The accounting conventions are in accordance with the Financial Management Ordinance, CAP 142, Financial Regulations, Budgetary Aid Rules and the Government accounting system.

The cash basis of accounting means that transactions are recorded only when monies are received and paid whether or not they relate to ordinary or development aid transactions.

Interdepartmental recharges are credited and charged to the appropriate departments revenue and expenditure whether or not a cash transaction occurs. Transactions between sections within Departments have sometimes but not always been eliminated in the preparation of these accounts.

Unallocated stores are transferred to departments at purchase price plus a mark up. This transfer price is charged to departments expenditure. Income recognised for the Unallocated Stores section is the difference between transfers to other departments at transfer prices and purchases at cost price.

The Statement of Assets and Liabilities does not include fixed assets, debtors or creditors.

The accounts of Statutory Bodies and other separate entities in which the Government of St Helena has an interest are not consolidated within the Statement of Accounts. This treatment is adopted because the basis of accounting differs from that of the Government of St Helena and their financial results are published separately.

The accounts are maintained and reported in pounds sterling. Financial transactions and balances denominated in a foreign currency are translated to pounds sterling on the following basis:

- I.) Monetary assets and liabilities are translated at the exchange rate ruling at the balance sheet date.
- II.) Expenditure and revenue is recorded at the exchange rate ruling when the transaction occurred.
- III.) Gains or losses arising on translation are accounted for within the Consolidated Fund.

#### b. Consolidated Fund

The Government of St Helena operates a Consolidated Fund under the provisions of the Financial Management Ordinance, CAP 142 to provide funding for the day-to-day operations of Government. All revenue or other money raised, borrowed or received by or for the purposes of the Government, except revenues or other monies which are payable by law into another Fund, are paid into and form the Consolidated Fund in accordance with Section 7 of the Ordinance. In accordance with section 9 of the Ordinance, no money shall be withdrawn from the Consolidated Fund except upon the authority of a warrant issued in accordance with either an Appropriation Ordinance, or a resolution under section 14, (relating to the authorisation in advance of appropriation) or a Special Warrant issued in accordance with section 15 of the Ordinance, or for certain statutory expenditure, as detailed in section 9(4) of the Ordinance.

#### c. Development Fund

The Government of St Helena operates a Development Fund under the provisions of section 7 of the Financial Management Ordinance, CAP 142. The object of the Fund is to provide funding for the economic and social development of St Helena. All Development Aid revenue and expenditure is deemed to be paid into or drawn from the Fund. Monies appropriated from the Consolidated Fund are also credited to the Development Fund, and expenditure on locally financed projects is charged against the Fund. Expenditure from the Fund must be authorised by an Appropriation Ordinance or a Special Warrant.

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d. Special Funds

The Financial Management Ordinance, CAP 142 allows for the operation of Special Funds, to provide funding for specific objectives, not part of the normal day to day operations of Government, but which are deemed beneficial to St Helena. All revenue exclusively relating to or derived from the subject matter of each Fund and any monies appropriated for that purpose is paid into each Special Fund. Expenditure from Special Funds must be authorised by an Appropriation Ordinance or by Special Warrant. Subject to the approval of the Governor, any money in a Special Fund which is additional to that required to meet the liabilities of such fund may be transferred to the Consolidated Fund.

The following Special Funds are included in the accounts:

I.) Animal Husbandry Fund

This Fund was established by the Pasturage (Government Lands) Ordinance CAP 95, to improve the land and the breed of animals. Income to the Fund is provided from pasture rental fees. Expenditure from the Fund is made in furtherance of the Fund's objectives.

II.) Improvements and New Construction Revolving Fund

The object of this Fund is to provide a revolving pool of financial resources principally for loans in house construction and improvements. Advances are made directly from the Fund and repayments of principal and interest are allowed to accrue to the Fund.

III.) New Generators Replacement Fund

This Fund was established in accordance with the Project Memorandum agreed by the Department for International Development. The object of the Fund is to provide for the replacement of the 1MW Generators at the Power Station and includes the use of the funds for repairs subject to DFID approval.

e. Trust Funds

Trust Funds consist of monies received by Government and held in trust for stated purposes. Trust Funds do not form part of the Consolidated Fund, and are administered in accordance with the Financial Management Ordinance CAP 142, subject to such provisions not being in contradiction with any specific rule or term of the Trust. Any interest or dividend received from investment of Trust Fund monies shall be paid into that Trust Fund.

f. Trading Activities

The government accounts for a number of trading activities in the form of Trading Accounts. The object is to properly show the cost of providing certain services and to cover expenditure by matching revenue. The results of Trading Account Activities are credited to and charged against the Consolidated Fund.

g. Revised Estimates

Revised Estimates show estimates amended for the effect of special warrants issued for the year.

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h. Loans Receivable

Certain loans made to individual borrowers are not included on the Statement of Assets and Liabilities as they were made from a Special Fund (Improvements and New Construction Revolving Fund), or the establishment of the loan arose from the transfer of property, or the loans were financed from loans to Government by the Bank of St Helena. These loans and repayments are accounted for as follows:

I.) Improvements and New Construction Revolving Fund

Advances are made directly from the Fund and repayments of principal and interest are allowed to accrue to the Fund.

II.) House Purchase Scheme

This Scheme is to provide loan finance for the purchase of houses owned by Government. Repayments of schemes prior to August 2003 are allocated to the Improvements and New Construction Revolving Fund.

III.) Consolidated Fund Revenue Subhead 18802

Loans and grants are made for house improvements. Repayments of the loans are credited to the Consolidated Fund, under the Treasury Receipts head.

i. Pensions and Retiring Benefits

All pensions and other retiring benefits are non-contributory and are paid to employees in accordance with the Pensions Ordinance, CAP 151.

Pensions and benefits due in the year are paid by the Government of St Helena and charged to the Consolidated Fund on a pay as you go basis.

NOTES TO THE ACCOUNTS

2007/08 £	Head	Estimate 2008/09 £	Revised Estimate 2008/09 £	Actual 2008/09 £	Over/(under) Revised Estimate £
<b>2. Analysis of total Consolidated Fund Revenue by Head.</b>					
1,749,844	Direct Taxes	1,503,000	1,503,000	2,124,244	621,244
2,323,751	Indirect Taxes	2,466,212	2,466,212	2,750,037	283,825
105,981	Stamp Duties etc	148,002	148,002	132,986	(15,016)
405,948	Fines, Fees etc	393,121	393,121	387,156	(5,965)
155,618	Govt Rents etc	145,505	145,505	209,636	64,131
180,105	Earnings Govt Depts	182,297	182,297	200,352	18,055
2,244,869	Reimbursements	2,474,515	2,474,515	2,053,093	(421,422)
482,416	Treasury Receipts	386,428	386,428	383,087	(3,341)
9,381	Ascension	6,500	6,500	9,130	2,630
7,657,913	Total Recurrent Revenue	7,705,580	7,705,580	8,249,721	544,141
7,534,736	Grant in Aid . Approved	7,575,700	7,575,700	8,709,386	1,133,686
2,582,000	Shipping Subsidy	3,080,000	3,080,000	3,080,000	0
422,300	Long Term Technical Co-operation	424,400	424,400	424,400	0
18,196,949	Total Revenue	18,785,680	18,785,680	20,463,507	1,677,827

Details by Subhead are shown on Statement 3A attached.

**3a. Analysis of total Consolidated Fund Expenditure by Head**

103,432	Governor	115,196	119,336	117,442	(1,894)
579,920	OCS	650,254	762,871	721,075	(41,796)
727,423	Human Resources	592,841	1,372,698	1,184,691	(188,007)
233,213	Legal, Lands & Planning	320,046	320,046	304,198	(15,848)
613,990	Police	638,242	640,647	610,773	(29,874)
96,129	Audit	120,233	120,233	101,561	(18,672)
1,030,438	Finance	1,095,160	1,127,010	1,095,892	(31,118)
260,598	Dev & Econ Planning	268,365	283,732	279,026	(4,706)
109,128	Post Office	144,900	164,935	123,927	(41,008)
835,279	Pensions etc	848,552	848,552	806,207	(42,345)
1,415,716	Education	1,567,796	1,630,796	1,535,564	(95,232)
3,078,769	Public Health & Social Services	3,407,143	3,790,160	3,531,141	(259,019)
1,426,738	Emp & Social Security	1,527,190	1,627,190	1,629,356	2,166
840,219	Agric & Natural Resources	983,291	1,001,991	971,801	(30,190)
3,040,673	Public Works	3,049,369	3,279,531	3,753,699	474,168
2,742,031	Shipping	3,457,102	3,457,842	3,324,438	(133,404)
503,000	Transfers to the Development Fund	0	0	0	0
17,636,696	Total Expenditure	18,785,680	20,547,570	20,090,791	(456,779)

**3b. Analysis of total Consolidated Fund Expenditure by Category**

5,904,337	Employee Costs	6,566,420	6,791,378	6,363,425	(427,953)
892,519	Property Costs	941,297	1,014,552	1,018,818	4,266
647,049	Transport & Plant Costs	630,855	632,499	635,507	3,008
3,393,535	Supplies & Services	3,461,278	3,939,897	4,590,253	650,356
236,443	Admin Costs	291,992	447,674	289,603	(158,071)
4,729,870	Payments to other Agencies	5,469,657	6,166,574	5,752,605	(413,969)
1,069,884	Other Expenditure	1,059,383	1,183,888	1,116,276	(67,612)
260,059	Payments to Contractors	364,798	371,108	324,304	(46,804)
503,000	Transfers to the Development Fund	0	0	0	0
17,636,696	Total Expenditure	18,785,680	20,547,570	20,090,791	(456,779)

2007/08 £	Head	Estimate 2008/09 £	Revised Estimate 2008/09 £	Actual 2008/09 £	Over/(under) Revised Estimate £
<b>4. Analysis of total Development Fund Revenue by Funding Source</b>					
764,400	Development Grant (DFID)	2,026,000	3,286,440	6,817,869	3,531,429
677,617	Local Contribution	150,000	150,000	271,735	121,735
4,440,309	Development Grant (EDF) *	2,700,000	2,700,000	5,868,912	3,168,912
<u>5,882,326</u>	Total Development Fund Revenue	<u>4,876,000</u>	<u>6,136,440</u>	<u>12,958,516</u>	<u>6,822,076</u>

\* In respect of St Helena and Dependencies. Revenue includes amounts in respect of the Governments of St Helena, Ascension and Tristan da Cunha and £65,000 interest earned on those amounts which is attributable to the three Governments.

**5. Analysis of total Development Fund Expenditure by Funding Source**

<b>DFID FUNDED PROJECTS</b>					
564,049	Public Works & Services	635,000	635,000	406,353	(228,647)
0	Office of Chief Secretary	0	0	171,822	171,822
164,082	Development & Economic Planning	198,000	198,000	174,399	(23,601)
64,360	Education	153,000	260,440	253,764	(6,676)
630,976	Public Health	290,000	1,443,000	422,367	(1,020,633)
<u>1,423,467</u>		<u>1,276,000</u>	<u>2,536,440</u>	<u>1,428,705</u>	<u>(1,107,735)</u>
45,033	<b>DFID SHORT TERM TECHNICAL CO-OP</b>	350,000	350,000	2,936	(347,064)
315,401	<b>LOCALLY FUNDED PROJECTS</b>	150,000	392,000	182,463	(209,537)
2,392,603	<b>EUROPEAN DEVELOPMENT FUND</b>	3,100,000	3,100,000	4,080,785	980,785
334	<b>UNDP PROJECTS</b>	0	0	6,489	6,489
<u>4,176,838</u>	Total Development Fund Expenditure	<u>4,876,000</u>	<u>6,378,440</u>	<u>5,701,378</u>	<u>(677,062)</u>

**6. Analysis of total Special Funds Revenue**

425,016	I&NCRF	0	0	349,216	349,216
2,481	Animal Husbandry Fund	0	0	2,915	2,915
72,351	New Generators Replacement Fund	0	0	74,810	74,810
<u>499,848</u>		<u>0</u>	<u>0</u>	<u>426,941</u>	<u>426,941</u>

**7. Analysis of total Special Funds Expenditure**

499,320	I&NCRF	0	0	27,233	27,233
0	Animal Husbandry Fund	0	0	2,140	2,140
0	New Generators Replacement Fund	0	0	48,576	48,576
<u>499,320</u>		<u>0</u>	<u>0</u>	<u>77,949</u>	<u>77,949</u>

2007/08	Note	2008/09
£		£
<b>8. Other transactions relating to movement of funds: Net Receipts</b>		
	<b>Increase in:</b>	
712	13 Trust Funds	129
0	14 Deposits	11,299
	<b>Decrease in:</b>	
35,948	10 Advances	0
<u>36,660</u>		<u>11,428</u>

**9. Other transactions relating to movement of funds: Net Payments**

	<b>Increase in:</b>	
0	10 Advances	155,477
	<b>Decrease in:</b>	
440,069	14 Deposits	-
<u>440,069</u>		<u>155,477</u>

**10. ADVANCES**

Advances made for a variety of purposes are authorised in accordance with section 26 of the Financial Management Ordinance, CAP 142 and Financial Regulation 122:

194,382	Other Governments	221,145
4,533	Commercial	4,533
115,061	Advances to Officers	115,266
0	Bank of St Helena	98,862
55,689	Other	70,764
<u>369,665</u>		<u>510,570</u>

**11. BANK BALANCES**

**Balances with Crown Agents**

82,121	General Funding Account	53,879
8,750,000	General Account Deposits Fund	16,453,520

**Bank Of St Helena**

<u>368,836</u>	Trust Funds and Other	<u>397,452</u>
<u>9,200,957</u>		<u>16,904,851</u>

2007/08	Note	2008/09
£		£
<b>12. CASH</b>		
These balances cover cash in hand and in transit		
<b>Cash in Hand:</b>		
509,499	Treasury	695,280
<u>241</u>	Post Office	<u>243</u>
509,740		695,523
<b>Remittances in Transit:</b>		
41,063	Treasury	755
<u>550,803</u>		<u>696,278</u>

### 13. TRUST FUNDS

The Government administers a number of Trust Funds which relate principally to legacies left by individuals over a number of years:

1,310	Alexander Bequest Fund	1,327
446	Arnold Memorial Xmas Gift Fund	464
4,021	Arnold Memorial Hospital Fund	4,258
1,182	Bain Gray Prize Fund	1,229
1,195	Bovell Fund	1,220
14,397	Solomon Trust Fund	14,264
<u>2,455</u>	Leslie & Ted Moss Trust Fund	<u>2,373</u>
<u>25,006</u>		<u>25,135</u>

### 14. DEPOSITS

Any monies, not being money raised or received for the purposes of the Government or any monies raised or received by the Government for a specific purpose, but not its day to day operations, are held on Deposit in accordance with section 29 of the Financial Management Ordinance, CAP 142 and do not form part of the Consolidated Fund:

4,842	Other Governments	5,662
11,193	Commercial Entities	19,719
248,349	St Helena Currency Fund	441,152
373,729	Bank of St Helena	0
0	Tristan da Cunha	255,601
<u>262,798</u>	Other Deposits	<u>190,076</u>
<u>900,911</u>		<u>912,210</u>

### 15. SPECIAL FUNDS

A number of Special Funds have been set up which do not form part of the Consolidated Fund:

33,396	Animal Husbandry Fund	34,171
1,595,106	Improvements & New Construction Fund	1,917,089
<u>311,186</u>	New Generators Replacement Fund	<u>337,420</u>
<u>1,939,688</u>		<u>2,288,680</u>



## 16. CONSOLIDATED FUND

The movements on the Consolidated Fund are summarised below:

2007/08	Note		2008/09
£			£
<b>2,250,727</b>	<b>Balance at 1<sup>st</sup> April 2008</b>		<b>2,810,980</b>
18,196,949	Revenue in year	20,463,507	
(125,484)	Refund of overpayments of recalculated housing loans	0	
(17,636,696)	Expenditure in year	(20,090,791)	
125,484	Transfer from I&NCRF Special Fund	0	
<u>560,253</u>	Consolidated Fund Surplus		372,716
<b><u>2,810,980</u></b>	<b>Balance at 31<sup>st</sup> March 2009</b>		<b><u>3,183,696</u></b>

## 17. DEVELOPMENT FUND

The movements on the Development Fund are summarised below:

2007/08		Local	Offshore	Total
£	Movement of the Fund	£	£	£
2,739,352	Balance at 1 <sup>st</sup> April 2008	4,444,840	0	4,444,840
(4,176,838)	Development Fund expenditure in year	(5,690,656)	(10,722)	(5,701,378)
<u>5,882,326</u>	Development Fund receipts in year	<u>12,947,794</u>	<u>10,722</u>	<u>12,958,516</u>
<b><u>4,444,840</u></b>	<b>Balance at 31<sup>st</sup> March 2009</b>	<b><u>11,701,978</u></b>	<b><u>0</u></b>	<b><u>11,701,978</u></b>

The fund balance includes £5,770 Million EDF funding in respect of St Helena, Ascension and Tristan Da Cunha and £324,000 interest earned on those funds. These funds therefore includes amounts in respect of the Government of Ascension and Tristan da Cunha.

#### 18. STATEMENT OF LOANS RECEIVABLE

Various loans are made to individual borrowers under different schemes to develop trade, purchase property, construct new houses, and for repairs and extensions to properties.

LOAN	Balance as at 1.4.08 £	Adjustments/ Refunds £	Interest due In year £	Loans Drawn Down £	Repayments In year £	Balance as at 31.3.09 £
I&NCRF	1,280,616	8,828	92,388	25,762	(344,927)	1,062,667
18802	1,143	50	74	0	(591)	676
HPS	37,217	337	0	0	(6,858)	30,696
<b>TOTAL</b>	<b>1,318,976</b>	<b>9,215</b>	<b>92,462</b>	<b>25,762</b>	<b>(352,376)</b>	<b>1,094,039</b>

#### 19. SOLOMON & COMPANY (ST HELENA) PLC

The St Helena Government has a majority shareholding in Solomon & Co (St Helena) Plc. The asset value of this holding at 31st March 2009 is £2,777,927 ( £2,452,117 at 31st March 2008). The financial results of this company are published separately and copies may be inspected at the office of Solomon and Company.

#### 20. BULK FUEL INSTALLATION

The Bulk Fuel Installation (BFI) is a Government trading activity, which is managed by Solomon & Co (St Helena) Plc under a Management Agreement. The turnover of the BFI in 2008/09 totalled £3,358,472 (£2,735,365 in 2007/08) with net assets at 31st March 2009 of £3,766,306 (£3,386,530 at 31st March 2008).

Retained Profit of the BFI for the year 2008/09 totalled £1,040,564 (£623,492 in 2007/08).

The financial position for 2008/09 is as per audited financial statements

The accounts of the BFI are published separately and may be inspected at the office of the Financial Secretary.

#### 21. ST HELENA CURRENCY FUND

The St Helena Currency Fund is administered in accordance with the Currency Ordinance, CAP 124.

The Profit for the year 2008/09 totalled £224,479 (£207,574 in 2007/08) with the net assets at 31st March 2009 of £1,220,325 (£904,461 at 31st March 2008).

The financial results of this fund is published separately and copies may be inspected at the office of the Financial Secretary.