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# GOVERNMENT OF ST HELENA

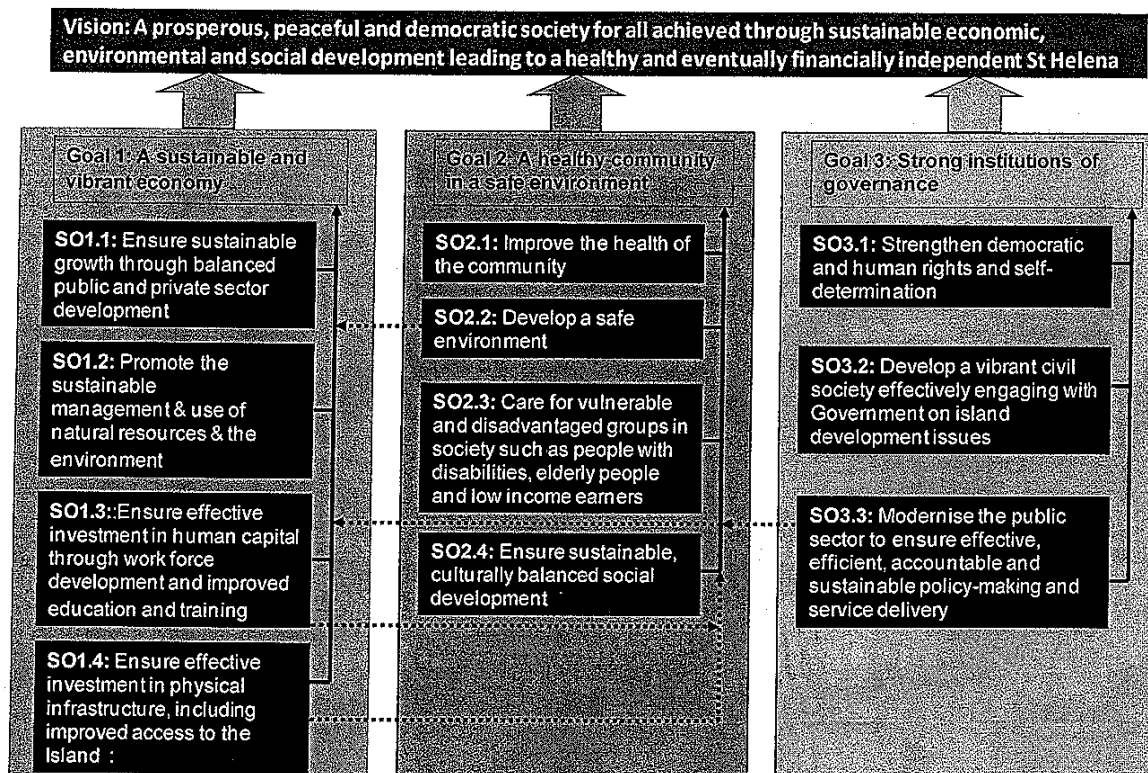
## STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### FINANCIAL SECRETARY'S REPORT

I have pleasure in presenting the Statement of Accounts for the Government of St Helena for the financial year ended 31 March 2011. This will be the last time that the accounts are prepared under the cash accounting convention. From 1 April 2012, the Government will be adopting the accrual accounting convention.

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:

#### Proposed Goals and Strategic Objectives



To achieve these objectives, the Government's budget is structured into sixteen 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 11 to 13, and reflect the legislative and regulatory framework under which the statement of accounts has been prepared. Under the cash accounting convention,, the Government records all receipts and payments on a cash basis but 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 9 shows the cash received into, and payments 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.

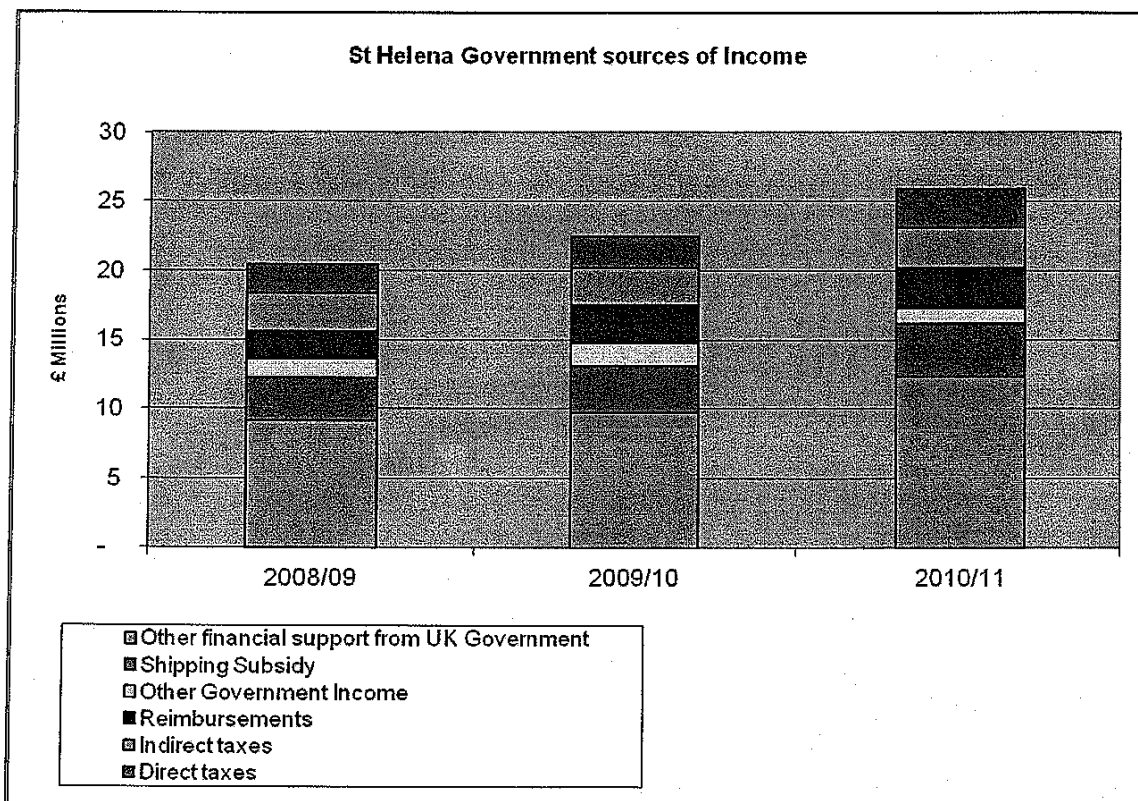
During the financial year ended 31 March 2011, there was an overall decrease in cash and bank balances of £240,427.

The statement of receipts and payments shows the following contributory factors:

- A surplus for the year of £63,310 on the Consolidated Fund. This was largely due to increased collections in income tax, electricity charges and customs duties(see Note 2).
- A deficit of £1,572,055 on the Development Fund. Note 4 shows that Development Fund revenue was below budget by £8,518,326, principally due to European Development Fund (EDF) revenue being £6,290,289 lower than budget.
- A surplus of £315,853 on Special Funds. Notes 6 and 7 on page 15 show that revenue of £343,329 was received compared with £27,476 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. Other transactions increased the balance of funds by £227,966. Notes 8 and 9 show that the main cause was an increase in deposits. Further information on Advances and Deposits are given in Note 10 and 15respectively.

### Consolidated Fund

Total income received into the Consolidated Fund has increased gradually over the last 3 years (as shown in the graph below).. Income received in 2010/11 was 19.5% higher than in 2009/10. and has been derived from the following sources.



During 2010/11 actual income exceeded the revised estimates by £440,143. The main factors behind this variance were:

- An increase in direct tax revenue of £393,536 due to greater compliance through improved administration;
- An increase in indirect tax revenue of £189,223 mainly due to higher than forecast customs revenues;
- An increase in reimbursements of £367,491 largely due to collection of outstanding Electricity charges.

During 2010/11 actual, expenditure was below the revised estimate by £765,053. The main factors behind this variance were:

- A reduction in Employment and Social Security costs of £102,166 due to an under spend in benefit payments

- A reduction in Legal, Lands and Planning costs of £161,169 largely due to under spends in the maintenance of Government buildings and planned office moves, together with an under transfer of funding to the Chief Secretary's Housing project.
- A reduction in Human Resources costs of £151,497 largely due to under spends on Technical Co-operation officers expenses

### **Development Fund**

Actual receipts into the Development Fund were lower than the revised estimates by £8,518,326. This was principally due to:

- Development Grant from the European Development Fund (EDF) for Wharf Improvements being £6,290,289 lower than forecast; and
- Development Funding from DFID for various projects being £2,087,447 lower than forecast.

Actual expenditure was £10,091,253 below the revised estimate due largely to:

- EDF expenditure on Wharf Improvements and Rockfall Protection £5,640,644 below forecast due to slippage;
- Under spends of £1,193,182 on DFID funded projects (Solid Waste, Drainage, Education Sector Support and Health Sector Development) due to slippage;
- DFID Funded Infrastructure Development under spent by £2,535,901 because of projects coming on line later than was originally anticipated; and
- DFID Technical Co-operation being underspent by £709,978 due to slippage.

### **Statement of Assets and Liabilities**

The statement of assets and liabilities on page 10 record the financial assets held by the Government.

The Government has three main financial assets: advances, 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, the defined contribution pension scheme 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 £15,020,511 at 31 March 2011. Of this, £9,228,422 was earmarked for development projects, £2,755,845 was held for Special Funds and the balance on the Consolidated Fund was £3,036,244.

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. As the Government financial statements are prepared under the cash accounting convention,, these activities have not been consolidated into the SHG financial statements. However, in order to provide users of these accounts with a fuller picture of the range of Government activities a description of these additional activities is given below:

#### **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 2010/11 no transfer was made because of increased costs associated with the production of new circulation notes.

#### **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 2010/11 of £5,622 as per unaudited accounts

#### **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 2010/11 a subsidy of £18,978 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 2010/11, a subsidy of £97,113 was paid to the Agency to meet core running costs.

#### St Helena News Media

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 2010/11 a subsidy of £100,527 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 2010/11 a subsidy of £18,429 was paid to the National Trust.

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

St Helena Government has a majority shareholding in Solomon & Co (St Helena) plc and has a seat on the Board of Directors. The company's results are published separately and can be viewed at the offices of Solomon and Company Plc.

#### 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 trade debtors and creditors, the Government records amounts outstanding at any time, and monitors progress in collecting debts. At 31 March 2011 the total net amount outstanding and due to Government was £808,062.

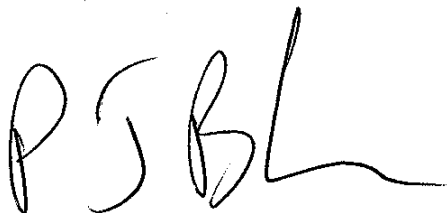
The Government does not take out insurance, and has a limited ability within its funding relationship with DFID, to build up reserves. Consequently, the Government must apply to the UK Government for assistance with significant extraordinary expenditure.

**Future developments**

During the 2010-11 Financial Year, much preparatory work was undertaken by the Government in anticipation of a positive outcome for the Air Access project.

These reforms included updating the taxation system to create a more business-friendly environment, and reforming the system of public sector accounting and budgeting in order to improve financial control over public service delivery. Both of these initiatives were planned to come into effect during the 2011-12 Financial Year. These reforms will help to prepare the island to take maximum advantage of the economic opportunities which air access will bring, by opening up the island for tourism and investment, whilst seeking greater value for money from public expenditure.

As a result these financial statements will be the last prepared under the cash accounting convention.. From 1 April 2011, the Government's financial statements will be prepared under the accrual accounting convention, whilst the budget will be presented on an output basis. Future financial statements will be prepared in accordance with International Public Sector Accounting Standards (IPSAS).



23 Dec 2011

**Financial Secretary**





# SAINT HELENA AUDIT SERVICE

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## Independent Auditor's Report

### ST. HELENA GOVERNMENT

#### Financial Statements for the year ended 31 March 2011

Financial Secretary,  
St. Helena Government,  
The Castle,  
Jamestown.

#### **Audit Scope**

In accordance with the Public Finance Ordinance (No 11/2010), I have completed the audit of the Financial Statements of the St. Helena Government which comprise the Statement of Receipts and Payments and the Statement of Assets and Liabilities for the year ended 31 March 2011, together with the related accounting policies and notes to the Financial Statements.

#### **Responsibilities of Management and the Chief Auditor**

The Financial Secretary is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, 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.

My responsibility is to express an opinion on these Financial Statements based upon the audit work undertaken.

#### **Basis of Audit Opinion**

The audit was conducted in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Financial Statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

#### **Audit Opinion**

In my opinion, the Financial Statements properly present the financial position of the St. Helena Government, as at the end of the financial year ended 31 March 2011 in accordance with the modified cash basis of accounting described in Note 1 of the Financial Statements.

In my opinion, in all material respects the expenditure and receipts for the year ended 31 March 2011, have been applied to the purposes intended and conform to the authorities which govern them.

27 December 2011

Colin Owen  
Chief Auditor  
St. Helena Audit Service, Jamestown, St Helena

**STATEMENT OF RECEIPTS AND PAYMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011**

2010 £	Note	2011 £
<b>CONSOLIDATED FUND:</b>		
21,648,845	2 Revenue	25,866,594
<u>(21,253,461)</u>	3 Expenditure	<u>(25,803,284)</u>
395,384	Surplus for the year	63,310
<b>DEVELOPMENT FUND:</b>		
5,454,709	4 Revenue	13,590,234
<u>(6,962,356)</u>	5 Expenditure	<u>(15,162,289)</u>
(1,507,647)	Deficit for the year	(1,572,055)
<b>SPECIAL FUNDS:</b>		
365,462	6 Revenue	343,329
<u>(214,150)</u>	7 Expenditure	<u>(27,476)</u>
151,312	Surplus for the year	315,853
<b>Other transactions relating to the movements of funds:</b>		
754,598	8 Net receipts	981,941
<u>(0)</u>	9 Net payments	<u>(29,476)</u>
754,598	Net other transactions	952,465
<u><u>(206,353)</u></u>		<u><u>(240,427)</u></u>
<b>SUMMARY OF CASH AND BANK BALANCES</b>		
17,601,129	Opening cash and bank balances	17,394,776
<u>(206,353)</u>	Net payments for the year	<u>(240,427)</u>
<u><u>17,394,776</u></u>	Closing cash and bank balances	<u><u>17,154,349</u></u>

**STATEMENT OF ASSETS AND LIABILITIES**  
AS AT 31<sup>ST</sup> MARCH 2011

2010 £	Note	2011 £
<b>ASSETS</b>		
244,839	10 Advances	274,315
16,672,773	11 Bank Balances	16,228,175
<u>722,003</u>	12 Cash	<u>926,174</u>
17,639,615		17,428,664
<b>LIABILITIES</b>		
26,624	13 Trust Funds	26,982
0	14 Defined Contribution Pension Scheme	34,806
<u>1,399,588</u>	15 Deposits	<u>2,346,365</u>
1,426,212		2,408,153
<u>16,213,403</u>		<u>15,020,511</u>
<b><u>Represented by:</u></b>		
2,439,992	16 Special Funds	2,755,845
3,579,080	17 Consolidated Fund	3,036,244
<u>10,194,331</u>	18 Development Fund	<u>9,228,422</u>
<u>16,213,403</u>		<u>15,020,511</u>



Paul Blessington  
Financial Secretary

23 Dec 2011

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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 not 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.

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

Pensions and other retiring benefits of employees who started on or before the 31 March 2010 are non-contributory and are paid to employees in accordance with the Pensions Ordinance, CAP 150. 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.

Pensions and other retiring benefits of employees who started on or after the 1 April 2010 are on a defined contributory scheme in accordance with the Trust Deed 2010 under which scheme has been created. Pension contributions are paid into the scheme by the employer. Contributions in the year are charged to the Consolidated Fund and a liability is recognised in financial statements.

The scheme assets will be accounted for at market value at the balance sheet date, with all interest received during the period being apportioned to member's dependant on the contributions made by each member.

NOTES TO THE ACCOUNTS

2009/10 £	Head	Estimate 2010/11 £	Revised Estimate 2010/11 £	Actual 2010/11 £	Over/(under) Revised Estimate £
<b>2. Analysis of total Consolidated Fund Revenue by Head.</b>					
2,269,034	Direct Taxes	2,183,300	2,378,300	2,771,836	393,536
2,706,683	Indirect Taxes	2,691,000	2,691,000	2,880,223	189,223
151,153	Stamp Duties etc	156,758	156,758	157,816	1,058
356,253	Fines, Fees etc	343,480	343,480	347,016	3,536
294,302	Govt Rents etc	260,448	260,448	263,933	3,485
285,760	Earnings Govt Depts	205,547	167,547	106,959	(60,588)
2,729,443	Reimbursements	2,678,786	2,571,786	2,939,277	367,491
258,792	Treasury Receipts	283,712	313,712	189,431	(124,281)
7,425	Ascension	10,000	10,000	10,103	103
9,058,845	Total Recurrent Revenue	8,813,031	8,893,031	9,666,594	773,563
9,700,000	Grant in Aid – Approved	12,642,479	12,302,479	12,303,000	521
2,890,000	Shipping Subsidy	3,897,000	3,897,000	3,897,000	0
0	Release from Consolidated Fund	333,941	333,941	0	(333,941)
21,648,845	Total Revenue	25,686,451	25,426,451	25,866,594	440,143

Details by Subhead are shown on Statement 3A attached.

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

118,733	Governor	146,113	160,687	157,023	(3,664)
1,054,840	OCS	691,782	781,529	782,256	727
1,775,180	Human Resources	3,090,063	2,805,615	2,654,118	(151,497)
515,408	Legal, Lands & Planning	570,016	665,327	504,158	(161,169)
612,786	Police	858,650	915,288	913,612	(1,676)
84,383	Audit	93,483	97,619	90,270	(7,349)
1,652,322	Finance	1,961,110	1,334,479	1,292,966	(41,513)
281,526	Dev & Econ Planning	307,197	313,201	310,345	(2,856)
122,491	Post Office	139,099	142,011	111,731	(30,280)
878,310	Pensions etc	970,590	970,590	1,050,160	79,570
1,536,662	Education	2,066,620	2,108,129	2,067,723	(40,406)
3,330,094	Public Health & Social Services	3,449,423	4,397,966	4,320,558	(77,408)
1,781,159	Emp & Social Security	1,905,662	1,886,178	1,784,012	(102,166)
1,001,159	Agric & Natural Resources	1,456,703	1,593,344	1,497,758	(95,586)
3,558,262	Public Works	3,934,464	4,080,650	4,030,831	(49,819)
2,931,584	Shipping	3,910,362	4,159,261	4,083,107	(76,154)
18,562	Internal Audit	43,915	48,652	45,938	(2,714)
0	Tourism	91,199	107,811	106,718	(1,093)
21,253,461	Total Expenditure	25,686,451	26,568,337	25,803,284	(765,053)

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

7,045,355	Employee Costs	7,927,200	7,882,625	7,816,084	(66,541)
1,278,300	Property Costs	1,599,953	1,676,232	1,538,717	(137,515)
691,547	Transport & Plant Costs	710,793	710,793	633,028	(77,765)
3,999,019	Supplies & Services	4,417,807	5,179,307	5,261,707	82,400
275,304	Admin Costs	585,692	585,692	354,808	(230,884)
6,149,921	Payments to other Agencies	8,782,415	8,718,770	8,389,944	(328,826)
1,465,075	Other Expenditure	1,244,561	1,396,888	1,369,668	(27,220)
348,940	Payments to Contractors	418,030	418,030	439,328	21,298
21,253,461		25,686,451	26,568,337	25,803,284	(765,053)

2009/10 £	Head	Estimate 2010/11 £	Revised Estimate 2010/11 £	Actual 2010/11 £	Over/(under) Revised Estimate £
<b>4. Analysis of total Development Fund Revenue by Funding Source</b>					
9,223	DFID Funded Support Programmes	2,140,000	2,140,000	2,879,223	739,223
4,441,484	DFID Projects	10,496,941	10,496,941	7,052,271	(3,444,670)
95,993	Local Contribution	219,700	219,700	699,616	479,916
17,771	UNDP Grant	49,214	49,214	46,708	(2,506)
890,238	Development Grant (EDF) *	9,202,705	9,202,705	2,912,416	(6,290,289)
<u>5,454,709</u>	<b>Total Development Fund Revenue</b>	<u>22,108,560</u>	<u>22,108,560</u>	<u>13,590,234</u>	<u>(8,518,326)</u>

\* In respect of St Helena and Dependencies. Revenue includes amounts in respect of the Governments of St Helena, Ascension and Tristan da Cunha.

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

<b>DFID FUNDED PROJECTS</b>					
880,298	Public Works & Services	464,636	464,636	442,091	(22,545)
223,830	Office of Chief Secretary	0	0	0	0
164,547	Development & Economic Planning	400,000	400,000	372,004	(27,996)
10,105	Tourism	400,000	400,000	121,517	(278,483)
480,458	Education	280,000	280,000	312,266	32,266
1,887,998	Public Health	2,222,383	2,222,383	1,325,959	(896,424)
<u>3,647,236</u>		<u>3,767,019</u>	<u>3,767,019</u>	<u>2,573,837</u>	<u>(1,193,182)</u>
<b>EUROPEAN DEVELOPMENT FUND</b>					
854,015	St Helena	9,202,705	9,883,167	4,242,523	(5,640,644)
2,054,013	Tristan	0	0	128,531	128,531
166,994	Ascension	0	0	0	0
<u>3,075,022</u>		<u>9,202,705</u>	<u>9,883,167</u>	<u>4,371,054</u>	<u>(5,512,113)</u>
0	<b>DFID SHORT TERM TECHNICAL CO-OP</b>	200,000	540,000	381,251	(158,749)
0	<b>OTHER DFID TECHNICAL CO-OP</b>	650,000	650,000	98,771	(551,229)
72,327	<b>LOCALLY FUNDED PROJECTS</b>	219,700	249,700	122,845	(126,855)
152,064	<b>DFID FUNDED INFRASTRUCTURE DEV</b>	8,019,922	10,114,442	7,578,541	(2,535,901)
15,707	<b>UNDP PROJECTS</b>	49,214	49,214	35,990	(13,224)
<u>6,962,356</u>	<b>Total Development Fund Expenditure</b>	<u>22,108,560</u>	<u>25,253,542</u>	<u>15,162,289</u>	<u>(10,091,253)</u>

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

290,114	Improvements & New Construction	0	0	249,654	249,654
	Revolving Fund				
2,621	Animal Husbandry Fund	0	0	18,667	18,667
72,727	New Generators Replacement Fund	0	0	75,008	75,008
<u>365,462</u>		<u>0</u>	<u>0</u>	<u>343,329</u>	<u>343,329</u>

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

201,461	Improvements & New Construction	0	0	5,927	5,927
	Revolving Fund				
12,689	Animal Husbandry Fund	0	0	21,549	21,549
<u>214,150</u>		<u>0</u>	<u>0</u>	<u>27,476</u>	<u>27,476</u>



2009/10 £	Note	2010/11 £
<b>8. Other transactions relating to movement of funds: Net Receipts</b>		
	<b>Increase in:</b>	
1,489	13 Trust Funds	358
0	14 Defined Contribution Pension Scheme	34,806
487,378	15 Deposits	946,777
	<b>Decrease in:</b>	
265,731	10 Advances	0
<u>754,598</u>		<u>981,941</u>
<b>9. Other transactions relating to movement of funds: Net Payments</b>		
	<b>Increase in:</b>	
0	10 Advances	29,476
<u>0</u>		<u>29,476</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:

90,132	Other Governments	142,077
0	Commercial	(528)
124,501	Advances to Officers	104,317
30,206	Other	28,449
<u>244,839</u>		<u>274,315</u>

**11. BANK BALANCES**

<b>Balances with Crown Agents</b>		
54,663	General Funding Account	48,207
16,135,966	General Account Deposits Fund	15,603,664
<b>Bank Of St Helena</b>		
<u>482,144</u>	Trust Funds and Other	<u>576,304</u>
<u>16,672,773</u>		<u>16,228,175</u>

2009/10	Note	2010/11
£		£
<b>12. CASH</b>		
These balances cover cash in hand and in transit		
	<b>Cash in Hand:</b>	
721,261	Treasury	925,554
151	Post Office	382
<u>721,412</u>		<u>925,936</u>
	<b>Remittances in Transit:</b>	
591	Treasury	238
<u>722,003</u>		<u>926,174</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:

1,342	Alexander Bequest Fund	1,367
478	Arnold Memorial Xmas Gift Fund	492
5,726	Arnold Memorial Hospital Fund	5,920
1,266	Bain Gray Prize Fund	1,305
1,233	Bovell Fund	1,246
14,229	Solomon Trust Fund	14,224
2,350	Leslie & Ted Moss Trust Fund	2,428
<u>26,624</u>		<u>26,982</u>

### 14. DEFINED CONTRIBUTION PENSION SCHEME

The Government administers a Defined Contribution pension scheme for all new employees who joined the public service after 1 April 2010. The liability in respect of the scheme is shown below:

0	Defined Contribution Pension Scheme	34,806
<u>0</u>		<u>34,806</u>

### 15. 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:

853	Other Governments	853
0	Commercial Entities	2,743
0	Bank of St Helena (Overdraft)	724,499
703,398	Bulk Fuel Installation	708,125
586,315	St Helena Currency Fund	786,914
109,022	Other Deposits	123,231
<u>1,399,588</u>		<u>2,346,365</u>

2009/10	Note	2010/11
£		£
<b>16. SPECIAL FUNDS</b>		
A number of Special Funds have been set up which do not form part of the Consolidated Fund:		
24,103	Animal Husbandry Fund	21,221
2,005,742	Improvements & New Construction Revolving Fund	2,249,469
410,147	New Generators Replacement Fund	485,155
<u>2,439,992</u>		<u>2,755,845</u>

**17. CONSOLIDATED FUND**

The movements on the Consolidated Fund are summarised below:

3,183,696	Balance at 1 <sup>st</sup> April 2010	3,579,080
21,648,845	Revenue in year	25,866,594
(21,253,461)	Expenditure in year	(25,803,284)
395,384	Consolidated Fund Surplus	63,310
324,000	Transfer from Development Fund	0
(324,000)	Transfer to Development Fund	(606,146)
395,384	Consolidated Fund Movements	(542,836)
<u>3,579,080</u>	Balance at 31 <sup>st</sup> March 2011	<u>3,036,244</u>

**18. DEVELOPMENT FUND**

The movements on the Development Fund are summarised below:

2009/10		Local	Offshore	Total
£	Movement of the Fund	£	£	£
11,701,978	Balance at 1 <sup>st</sup> April 2010	10,194,331	0	10,194,331
5,454,709	Revenue in year	13,590,234	0	13,590,234
(6,962,356)	Expenditure in year	(15,162,289)	0	(15,162,289)
(324,000)	Transfer to Consolidated Fund	0	0	0
324,000	Transfer from Consolidated Fund	606,146	0	606,146
<u>10,194,331</u>	Balance at 31 <sup>st</sup> March 2011	<u>9,228,422</u>	<u>0</u>	<u>9,228,422</u>

The fund balance includes £2.957 Million EDF funding in respect of St Helena and Tristan Da Cunha

## 19. STATEMENT OF LOANS RECEIVABLE

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

LOAN	Balance as at 01.04.10 £	Adjustments/ Refunds £	Interest In year £	Loans Drawn Down £	Repayments In year £	Balance as at 31.03.11 £
Improvements & New Construction Revolving Fund	830,942	3,817	57,592	0	(256,799)	635,552
18802	188	58	8	0	(217)	37
House Purchase Scheme	24,451	0	0	0	(6,137)	18,314
<b>TOTAL</b>	<b>855,581</b>	<b>3,875</b>	<b>57,600</b>	<b>0</b>	<b>(263,153)</b>	<b>653,903</b>

## 20. 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 2011 is £3,246,588 (£2,994,631 at 31st March 2010). The financial results of this company are published separately and copies may be inspected at the office of Solomon and Company.

## 21. 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 2010/11 totalled £3,204,088 (£2,797,745 in 2009/10) with net assets at 31st March 2011 of £3,805,107 (£3,799,484 at 31st March 2010).

Retained Profit of the BFI for the year 2010/11 totalled £983,649 (£1,026,238 in 2009/10).

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

The financial position for 2010/11 is as per un-audited financial statements.

## 22. ST HELENA CURRENCY FUND

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

The Profit for the year 2010/11 totalled £85,396 (£119,467 in 2009/10) with the net assets at 31st March 2011 of £1,147,581 (£1,175,064 at 31st March 2010).

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

## 23. BANK OF ST HELENA

The Bank of St Helena (BOSH) is set up under the Bank of St Helena Ordinance 2003.

The Bank of St Helena (BOSH) is owned by the Government of St Helena

The Board of Directors and the Managing Director are appointed by the Governor.

The Bank's net assets as at the 31 March 2011 of £3,959,770 (£3,815,833 at 31 March 2010).

Profits for the year ending 31 March 2011 totalled £143,937 (£113,248 in 2009/10).

The accounts of the BOSH are published separately and may be inspected at the offices of the BOSH.

REVENUE		STATEMENT NO.3A			
Actual Item 2009/10 No.	Head/Subhead	2010/11			Over/(Under) the Revised Estimate
		Estimate	Revised	Actual	
<b>11 Direct Taxes</b>					
2,268,861	11101 Income Tax	2,182,300	2,377,300	2,771,836	394,536
173	11103 Hotel Tax	1,000	1,000	0	(1,000)
<b>2,269,034</b>	<b>Total Direct Taxes</b>	<b>2,183,300</b>	<b>2,378,300</b>	<b>2,771,836</b>	<b>393,536</b>
<b>12 Indirect Taxes</b>					
638,807	12201 Ad Valorem	730,000	730,000	742,024	12,024
1,260,772	12202 Specific	1,056,000	1,056,000	1,256,410	200,410
349,025	12203 Fuel (Ad Valorem)	445,000	445,000	469,432	24,432
36,142	12204 Fuel (Specific)	58,000	58,000	47,352	(10,648)
421,937	12205 Wharfage	402,000	402,000	365,005	(36,995)
<b>2,706,683</b>	<b>Total Indirect Taxes</b>	<b>2,691,000</b>	<b>2,691,000</b>	<b>2,880,223</b>	<b>189,223</b>
<b>13 Stamp Duties etc</b>					
15,397	13301 Stamp Duty	25,000	25,000	14,206	(10,794)
5,638	13302 Dog Licences	4,700	4,700	5,620	920
3,145	13303 Firearms Licences	2,900	2,900	4,665	1,765
5,873	13304 Liquor Licences	5,500	5,500	5,745	245
115,868	13305 Road Traffic Licences	111,450	111,450	121,742	10,292
3,500	13307 Gaming Machine Licences	3,600	3,600	3,500	(100)
60	13308 Game Licences	60	60	30	(30)
548	13309 Boats Licences	768	768	230	(538)
197	13310 Petroleum Licences	180	180	172	(8)
927	13311 Petty Licences	2,600	2,600	1,906	(694)
<b>151,153</b>	<b>Total Stamp Duties etc</b>	<b>156,758</b>	<b>156,758</b>	<b>157,816</b>	<b>1,058</b>
<b>14 Fines, Fees etc</b>					
3,894	14402 Commission	4,000	4,000	2,276	(1,724)
5,378	14403 Court Fees & Fines	5,500	5,500	6,575	1,075
7,245	14404 Light Dues	6,500	6,500	7,837	1,337
3,367	14405 Cranage	2,900	2,900	2,137	(763)
0	14406 Rents (Warehouse/boats)	200	200	56	(144)
5,642	14407 Dental Fees	5,500	5,500	6,066	566
17,177	14408 Fees of Office	16,900	16,900	16,821	(79)
113,338	14409 Medical & Hospital	109,000	109,000	107,771	(1,229)
361	14411 Misc Store Sales	2,800	2,800	2,099	(701)
5,597	14413 Trade Marks	6,500	6,500	5,227	(1,273)
10,311	14414 Post Office charges	10,000	10,000	10,212	212
4,386	14415 Meat Inspt Fees	5,400	5,400	3,795	(1,605)
6,091	14416 Vet Services	15,000	15,000	10,373	(4,627)
2,570	14417 Marriage Fees, etc	2,000	2,000	2,657	657
8,644	14418 Land Registration fees	10,000	10,000	7,122	(2,878)
5,438	14419 Spraying Fees etc	7,500	7,500	3,539	(3,961)
41,333	14420 Immigration Fees	49,000	49,000	54,029	5,029
70,082	14425 Audit Fees (External)	72,980	72,980	76,839	3,859
11,237	14426 Audit Fees (Internal)	0	0	0	0
26,555	14427 Audit Fees (VFM)	0	0	0	0
4,279	14430 Planning Fees	5,600	5,600	5,170	(430)
0	14431 Fish/Food Testing Fees	1,200	1,200	8,694	7,494
814	14433 Company Registration	1,000	1,000	354	(646)
2,514	14434 GIS Fees	4,000	4,000	7,367	3,367
<b>356,253</b>	<b>Total Fees, Fines etc</b>	<b>343,480</b>	<b>343,480</b>	<b>347,016</b>	<b>3,536</b>

REVENUE

Actual Item 2009/10 No.	Head/Subhead	2010/11			Over/(Under) the Revised Estimate
		Estimate	Revised	Actual	
<b>15 Govt Rents etc</b>					
64,571	15502 Secretariat Houses	81,150	81,150	67,248	(13,902)
16,326	15503 A&F Gardens	7,500	7,500	5,694	(1,806)
25,675	15504 Leased House Plots	15,000	15,000	32,246	17,246
39,122	15505 Home to Duty Transport	0	0	50,017	50,017
0	15506 Hire of Transport etc	500	500	1,102	602
144,904	15507 Misc Receipts	146,798	146,798	102,268	(44,530)
3,704	15508 A&F Buildings	9,500	9,500	5,358	(4,142)
<b>294,302</b>	<b>Total Govt Rents etc</b>	<b>260,448</b>	<b>260,448</b>	<b>263,933</b>	<b>3,485</b>
<b>16 Earnings Govt Depts</b>					
29,907	16601 Stamp Sales( Postal)	33,300	33,300	33,207	(93)
63,349	16602 Stamp Sales (Philatelic)	80,000	42,000	30,403	(11,597)
26,950	16603 Sale of Firewood	40,800	40,800	26,729	(14,071)
620	16604 Sale of Timber Logs	5,000	5,000	698	(4,302)
1,320	16606 Sale of Poultry/Eggs	2,000	2,000	1,719	(281)
1,029	16609 Sale of Govt Publications	500	500	1,284	784
78,524	16611 Sale of Old Vehicles etc	1,550	1,550	3,344	1,794
81,550	16612 Sale of Land	40,000	40,000	9,376	(30,624)
2,355	16613 Design & Survey Charges	2,040	2,040	0	(2,040)
156	16614 Plans & Printing	357	357	199	(158)
<b>285,760</b>	<b>Total Earnings Govt Depts</b>	<b>205,547</b>	<b>167,547</b>	<b>106,959</b>	<b>(60,588)</b>
<b>17 Reimbursements</b>					
131,676	17702 Govt Landlord Housing	136,000	136,000	126,825	(9,175)
255,642	17708 Water Authority	292,011	255,011	249,842	(5,169)
1,891,937	17709 Electricity	1,947,000	1,947,000	2,371,394	424,394
41,268	17711 Unallocated Stores	73,000	73,000	0	(73,000)
62,609	17720 Information Technology	12,250	12,250	41,047	28,797
146,311	17721 Transport Trading Account	148,080	148,080	150,169	2,089
0	17722 Drainage	70,445	445	0	(445)
<b>2,729,443</b>	<b>Total Reimbursements</b>	<b>2,678,786</b>	<b>2,571,786</b>	<b>2,939,277</b>	<b>367,491</b>
<b>18 Treasury Receipts</b>					
74,349	18801 Interest	100,000	130,000	133,082	3,082
524	18802 Loan Repayments	600	600	108	(492)
150,000	18804 Currency Fund Surplus	150,000	150,000	0	(150,000)
9,307	18806 Dividends	8,500	8,500	12,410	3,910
24,612	18808 Japtuna	24,612	24,612	43,831	19,219
<b>258,792</b>	<b>Total Treasury Receipts</b>	<b>283,712</b>	<b>313,712</b>	<b>189,431</b>	<b>(124,281)</b>
<b>19 Ascension</b>					
7,425	19999 Reimbursements	10,000	10,000	10,103	103
<b>9,058,845</b>	<b>TOTAL RECURRENT REVENUE</b>	<b>8,813,031</b>	<b>8,893,031</b>	<b>9,666,594</b>	<b>773,563</b>