

S.P. 07/16



ST. HELENA

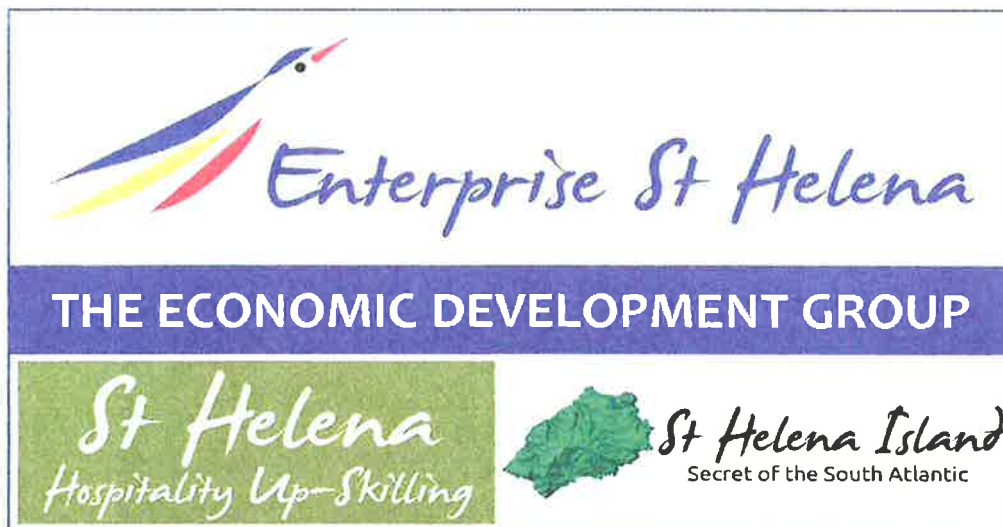
SAINT HELENA AUDIT SERVICE

ENTERPRISE ST HELENA (ESH),
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 MARCH 2014

Laid on the Table 12 February 2016

Enterprise St Helena

Financial Statements
For the Year Ended 31 March 2014



**Enterprise St Helena
Directors Report
For the year ended 31 March 2014**

Principal activity

In line with St Helena's Sustainable Economic Development Plan (2012), the overarching aim of Enterprise St. Helena (ESH) is to *"help Saint Helena become financially independent and improve standards of living"*. ESH's vision is to support the development of a sustainable and vibrant economy for the benefit of the island, whilst creating opportunities for all. ESH does this by expanding private sector activities in St Helena through providing access to finance, business advice, training and support. ESH objectives¹ are:

1. Protect St Helena's future through sustainable economic development;
2. Encourage social and community development, including engagement with the Diaspora;
3. Encourage private sector development and growth, including through the sustainable economic use and re-use of development sites;
4. Support on-island and offshore investors, and promote investment;
5. Facilitate and provide investment sources for loans and equity;
6. Make St Helena a desirable, productive and competitive destination;
7. Maintain and enhance the quality of St Helena's environmental assets;
8. Preserve St Helena's cultural identity.

Organisational review

ESH is jointly funded between SHG and DFID and has six core areas of operations that derive from the 2012 SEDP. These are:

- Supporting Saint businesses
- Up-skilling and training Saints
- Financing Saint businesses through micro-grants, loans and equity investment
- Promoting tourism
- Attracting Investment
- Fisheries Development.

Outlined below are some headline achievements from 2013/14. Further information is available from the organisation.

Tourism Promotion

Achievements within 2013 / 2014 were as follows:

- Continued with an extensive marketing campaigns in various publications both in UK as well as in South Africa
- Tourism website was redone and launched in September 2013
- Various Consumer and Trade shows were attended.
- Island wide clean-up programme where over 300 kg of rubbish was picked up

¹ SHG and ESH Framework Agreement

**Enterprise St Helena
Directors Report
For the year ended 31 March 2014**

Up-Skilling Saints

Achievements within 2013 / 2014 were as follows:

- 66 Saints trained
- Hospitality Training Centre "2onMain" continued training (5 trainees)
- Traditional Industries Campaign (TIC) on-going with schools
- 4 new youth signed up to the youth programme
- 13 currently under apprenticeships scheme
- 4 Distance learning grants awarded totally £4,254
- 2 Skills development grants awarded totally £4,000

Helping Saint Businesses

Achievements within 2013 / 2014 were as follows:

- 108 business accessed professional advice from ESH
- Efforts to increase and enhance local business services commenced
- ESH Business Development Team made deliberate contact with 156 businesses, assisted 40 potential new start-ups and assisted 108 businesses
- 1 new Youth Business and 5 new Business Start-ups assisted in year
- 11 expansions primarily in agriculture, service industries and construction industries were assisted
- All ESH Business/Commercial Property fully occupied

Financing Saint Businesses

Achievements within 2013 / 2014 were as follows:

- A total of 23 micro-business grants, 2 loans and 1 Equity Shares were provided by ESH, to a total value of over £241,662, in support of 21 Saint owned and operated businesses.
Of the 23 grants, a total of 10 were provided for Business Plans to support subsequent applications to ESH
- Annual review of financial support policies commenced to ensure business environment fit and to encourage increased development

Attracting Investment

Achievements within 2013 / 2014 were as follows:

- 2 existing investors undertook further investment initiatives totally £260k
- 51 Overseas investor enquiries received of which 12 were assisted and 7 undertook exploratory visits to the island.

Fisheries Development

Achievements within 2013 / 2014 were as follows:

- Increased representations at the International Convention for Conservation of Atlantic Tuna
- 2 Businesses within fisheries supply chain were supported
- Fish Aggregation Devices (FADs) were manufacture and deployed
- Procured a satellite based Fish Finding System.

**Enterprise St Helena
Directors Report
For the year ended 31 March 2014**

Financial Results

The financial results for the period are set out in the Profit and Loss Account on page 9, and are summarised in the table below:-

	2013/2014	2012/2013
	(£)	(£)
Gross Loss	(2,484)	(4,584)
Profit for the Financial Year	143,459	561,309

The Turnover, which represents 2.7% of ESH's total income, was in part derived from Property Rentals to private sector clients. The majority of ESH's income however, was received through a combination of bank interest, Government subsidy, and DFID funding from Enterprise St Helena Project.

Directors

The following directors held office during the financial year:

Mr Julian Morris	Chairman	Resigned 13 November 2013
Venerable Dale Bowers	Deputy Chairman	
Mr Colin Owen		
Mrs Tracey Thomas		
Mr Earl Henry		
Mr Stephen Biggs		
Mr Paul Hickling		
Hon Lawson Henry		Appointed 8 August 2013
Hon Nigel Dollery		Appointed 8 August 2013
Mr Tony Green		Resigned 7 August 2013
Dr Corinda Essex		Appointed 3 October 2013
Mr Stuart Moors		Resigned 2 October 2013

The following directors were appointed after the year end but prior to the date of this report:

Dr Niall O'Keeffe	Chairman	Appointed 20 October 2015
Martin Joshua		
Anthony Thomas		
Giselle Richards		

The following directors resigned after the year end but prior to the date of this report

Venerable Dale Bowers	Deputy chairman	Resigned 29 May 2015
Mrs Tracy Thomas		Resigned 30 June 2015
Mr Stephen Biggs		Resigned 6 April 2015
Mr Earl Henry		Resigned 6 March 2015

**Enterprise St Helena
Directors Report
For the year ended 31 March 2014**

Statement of Directors' Responsibilities

Management are responsible for preparing the financial statements in accordance with the Financial Reporting Standard for Smaller Entities 2015 (FRSSE 2015) and to present the statements in such a way as to give a true and fair view of the state of affairs of the organisation for that year. Any significant assumptions used by the organisation in making accounting estimates, including those measured at fair value, are reasonable.

Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of FRSSE 2015. All events subsequent to the date of the financial statements and for which FRSSE 2015 require adjustments or disclosure have been adjusted or disclosed. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate to the financial statements as a whole. All accounting policies and changes to the accounting policies used in the preparation of the final statements are described in the accounting policies note to the accounts.

Statement as to disclosure of information to auditors


There is no relevant audit information of which the auditors are unaware and the directors and board members have taken all steps they ought to have taken to make themselves aware of all relevant audit information.

Moore Stephens LLP were appointed as the Auditors for the current year on behalf of the Chief Auditor in accordance with the organisation's governing legislation, The Enterprise St Helena Ordinance HA 68 published 16 July 2012

Gifts

During the year no political or charitable gifts were made.

Approved by the Board and signed on their behalf by:



Board Chairman – Niall O'Keeffe



Board Director – Paul Hickling

Date 9/12/2015

Enterprise St Helena
Balance Sheet
As at year ended 31 March 2014

Independent Auditor's Report to the Members of Enterprise Saint Helena (ESH)

We have audited the financial statements of ESH for the year ended 31 March 2014 which are set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the entity's members, as a body. Our audit work has been undertaken so that we might state to the entity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the entity and the entity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the entity's affairs as at Year End and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

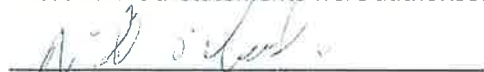


Nick Bennett
Senior Statutory Auditor, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB
9 December 2015


**Enterprise St Helena
Directors Report
For the year ended 31 March 2014**

		2013/2014	2012/2013 (restated)
	NOTES	£	£
FIXED ASSETS			
Tangible Assets	2	882,358	934,028
Investment in Participating Interest	3	104,359	0
Loans (Amounts falling due after more than one year)		110,681	124,718
		<u>1,097,398</u>	<u>1,058,746</u>
CURRENT ASSETS			
Stock		2,914	1,023
Debtors	4	261,510	297,679
Loans (Amounts falling due within one year)		36,585	37,103
Prepayment and accrued income		48,498	33,572
Cash at bank and in hand		1,157,166	1,016,388
TOTAL CURRENT ASSETS		<u>1,506,673</u>	<u>1,385,765</u>
CURRENT LIABILITIES			
Creditors (Amounts falling due within one year)	5	264,694	191,952
Accruals		15,512	18,499
Deferred grant	6	672,891	726,545
TOTAL CURRENT LIABILITIES		<u>953,097</u>	<u>936,996</u>
NET CURRENT ASSETS		<u>553,576</u>	<u>448,769</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,650,974	1,507,515
Creditors (Amounts falling due after more than one year)	5	(47,759)	(47,759)
NET ASSETS		<u>1,603,215</u>	<u>1,459,756</u>
RESERVES			
Loan funds	7	886,269	1,020,042
Special Development Fund	7	89,735	8,726
Retained Surplus	7	627,211	430,988
		<u>1,603,215</u>	<u>1,459,756</u>

These financial statements were authorised and approved by the Board on:



Board Chairman – Niall O’Keeffe



Board Director – Paul Hickling

Date: 9/12/2015

The accounting policies and notes on pages 10 to 19 form part of these financial statements.

Enterprise St Helena
Profit and Loss Account
For the year ended 31 March 2014

		2013/14	2012/13 (restated)
	NOTES	£	£
TURNOVER		59,739	52,812
COST OF SALES	8	(62,223)	(57,396)
GROSS LOSS		<u>(2,484)</u>	<u>(4,584)</u>
ADMINISTRATIVE EXPENSES	9	(2,050,948)	(2,096,951)
OPERATING INCOME	12	<u>2,187,988</u>	<u>2,638,527</u>
OPERATING PROFIT		137,040	541,576
Loss on write off of asset		(336)	
Interest received and similar income		27,180	24,317
Amounts written down of Participating interest		<u>(17,941)</u>	<u>0</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>143,459</u></u>	<u><u>561,309</u></u>

All recognised gains and losses are included in the Profit and Loss Account.

The accounting policies and notes on pages 10 to 19 form part of these financial statements.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2014

NOTE 1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis. These statements have been prepared in accordance with Financial Reporting Standards for Smaller Entities (January 2015) previously the statements were prepared in accordance with FRSE (June 2008).

The financial statements have been prepared on the going concern basis which assumes that the organisation will continue in existence, and that the scale of its operations will not be significantly curtailed, for the foreseeable future.

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include: Investments in Participating Interests and Loans. Both are stated after provisions in respect of possible losses. Management uses its experience and judgement of past events and the current economic situation in St Helena to assess counterparty by counterparty the difference between amounts invested or lent to the counterparty and amounts estimated to be recoverable after taking account of collateral if any. Amounts recoverable are estimated based on possible future market values, discounted cash flows or simply probability weighted estimates of possible future outcomes. For investments the most commonly used estimate is that of the Company's share in the net assets of the investee, which may or may not have provided audited financial statements. There is no certainty that realisable values in the future will match to Management current estimates.

Changes to accounting policies

No policy was changed during the course of the financial year except those listed under their respective headings.

Investments in associates

Investments in associates are recognised initially in the statement of financial position at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the associate, less any impairment.

Tangible Fixed Assets and Depreciation

Fixed assets including those acquired under development aid are stated at cost. Depreciation is provided on fixed assets at rates calculated to write off the asset over their expected useful life as follows:

Buildings	20 years
Office Equipment	3 to 10 years
Furniture & Fittings	5 to 10 years
Motor Vehicles	5 years

Fixed Assets costing less than £1,000 are charged directly to the Profit and Loss Account.

Enterprise St Helena

Notes to the Financial Statements
For the year ended 31 March 2014

NOTE 7

RESERVES

	2013/14	2012/13 (restated)
	£	£
Loan Funds		
Balance brought forward at start of year	1,020,042	537,327
Transfer to Property Fund	(100,000)	0
Transfer from Retained Surplus	21,932	551,332
Transfer to Retained Surplus	(55,705)	(68,617)
Closing Balance	886,269	1,020,042
Special Development Fund		
Balance brought forward at start of year	8,726	154,886
Transfer from Loan Fund	100,000	0
Transfer to Retained Surplus	(18,991)	(146,160)
Closing Balance	89,735	8,726
Retained surplus		
Balance brought forward at start of year	430,988	206,234
Surplus for the year	143,459	561,309
Transfer from Special Development Fund	18,991	146,160
Transfer to Loan Funds	(21,932)	(551,332)
Transfer from Loan Funds	55,705	68,617
Closing Balance	627,211	430,988

NOTE 8

COST OF SALES

Cleaning	5,195	2,672
Depreciation on leased premises	46,683	45,935
Other rental costs	0	680
Maintenance	2,600	2,046
Rent paid	3,614	3,255
Wages	4,131	2,808
Total	62,223	57,396

Enterprise St Helena

**Notes to the Financial Statements
For the year ended 31 March 2014**

NOTE 9

ADMINISTRATIVE EXPENSES

	£	£
Audit Expenses	10,500	10,938
Cleaning	8,687	3,613
Computer maintenance and support	6,134	5,479
Depreciation	28,669	24,857
Directors remuneration	3,197	1,545
Electricity and water	11,057	11,964
Grants issued	4,220	17,348
Insurance	19,140	4,896
Loans written off	7,648	0
Office equipment	3,913	26,566
Office administration cost and expenses	13,050	6,405
Offshore representation and office expenses	85,815	61,719
Overseas travel and transport costs	49,848	9,363
Printing and stationery	6,902	9,627
Professional fees	3,828	4,803
Provision for bad debts	0	25,482
Rent paid	300	3,333
Repairs and maintenance	2,498	3,215
Salaries and wages	297,089	230,036
Staff training and development	6,132	0
Telephone	53,231	34,166
Tour guides & tours	38,788	36,693
Tourism advertising and collateral	185,072	0
Tourism community and event activities	42,082	0
Tourism PR costs	68,030	0
Tourism press trips and promotions	44,522	0
Tourism shows and exhibitions	68,276	0
Visitor attractions maintenance and development	43,080	0
2onMain Training Restaurant	52,506	11,693
Project expenditure		
Business training and skills	0	69,441
Commercial development sites	8,898	79,211
Enterprise St Helena project	834,294	0
Fishing Sector	0	24,796
Private sector development support	6,344	0
Short term Technical Corporation	0	412,404
SHG Capital programme	37,198	255,340
St Helena Development Agency Project	0	399,596
Tourism Development Project	0	312,422
	<u>2,050,948</u>	<u>2,096,951</u>

Enterprise St Helena
Notes to the Financial Statements
For the year ended 31 March 2014

NOTE 10
CONTINGENT LIABILITIES

There were no contingent liabilities for the period.

NOTE 11
EXCEPTIONAL ITEMS

There are no exceptional items.

NOTE 12
OPERATING INCOME

Grants and assistance were received during the year and are reflected in the financial statements as follows:

	Profit & Loss £	Capital Grant £	Total £
SHG			
A subsidy was received in order to assist with the daily operations of the Entity	1,158,000	0	1,158,000
A further amount was received for various capital projects in order to improve visitor attractions at Lemon Valley, Cannon Mounts and Main Street	37,198	0	37,198
	<u>1,195,198</u>	<u>0</u>	<u>1,195,198</u>
DFID			
Enterprise St Helena	846,048	6,766	852,814
OTHER INCOME			
Amortisation of capital grants	60,420	0	60,420
Gross profit at 2onMain Hospitality Training Centre	33,806	0	33,806
Sundry income	44,221	0	44,221
Provision for Bad Debts	8,295	0	8,295
	<u>2,187,988</u>	<u>6,766</u>	<u>2,194,754</u>

During the current year the St Helena Government funded the employment of specialist staff via the Technical Cooperation fund. The amount was £447,630 from LTTC and £66,387 from STTC.

ESH rented the following land from St Helena Government for yearly rent of £7,914

Argos Factory, Rupert's Bay
 New Ground Workshops
 Half-Tree-Hollow Business Park

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2014

Jamestown Market
2 Main Street

ESH's office building is situated in the Half-Tree-Hollow Business Park.

NOTE 13

BOARD MEMBERS

Board members received remuneration from the Enterprise. Board Members who was not employed by Government receive an allowance of £125 per quarter and such allowances totalled £2,500. In addition board members reclaimed from the Enterprise expenses for mileage totalling £106 and a further payment of £591 was paid to the Deputy Chairman of the Board during the period the Enterprise did not have a Chief Executive for Economic Development.

NOTE 14

COMPARATIVE FIGURES

Certain figures in the 2012/13 financial statements were restated to reflect the adoption of the FRSE and at the same time Management reviewed previous accounting treatments and policies and made other adjustments to increase the usefulness and transparency of the statements to users. The main change is to recognise the amortisation of capital grants as income to offset the depreciation on such assets. A summary of these changes is presented below:

	As previously stated	Change	As restated
Balance sheet			
Long term loans	160,141	-35,423	124,718
Capital grant (reserves)	-726,545	726,545	-
Capital grant (liability)	-	-726,545	-726,545
Loans less than one year	-	37,103	37,103
Net	-566,404	1,680	-564,724
Profit and loss			
Other operating income	2,542,725	95,802	2,638,527
Admin expenses	-2,082,252	-14,699	-2,096,951
Interest received	46,300	-21,983	24,317
Net		59,120	

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2014

NOTE 15 TAXATION

Enterprise St Helena is exempt from the provisions of the Income Tax Ordinance

NOTE 16 OTHER RELATED PARTY TRANSACTIONS

Funds for the SHG refurbishment of the Jamestown Market were transferred to St Helena Development Agency in March 2010 to manage and these funds are disclosed in note 5 Creditors. The refurbishment work will be contracted by ESH and the initial planning work commenced in the

2014 2015 year with actual works been undertaken during the financial year 2015 2016.

A further amount was received from SHG in the previous year in order to pay for the delivery of the master planning exercise on 3 comprehensive development areas on behalf of SHG. At year end ESH is holding the amount of £32,739. This funding was returned to SHG subsequent to the year end as the contractor and SHG is in dispute with regards to the amount owing.

Expenditure was incurred during the current financial year that has resulted in an increase in the value of assets which have not been capitalised as the assets are owned by SHG. These Included

Cannon Mounts	£2,045
Lemon Valley	£15,140
Jamestown Main Street	£20,013
Post Box Walks	£24,756
	<u>£61,954</u>

During the current financial year, the SHG/Private Agricultural Partnership Policy continued to accelerate agriculture improvements. ESH and ANRD partnered to fund this initiative to support the partnership project in covered production.

During the current financial year, the following was also paid either to Board Members or family members of staff

Grants	£100
Loans	£2,500