

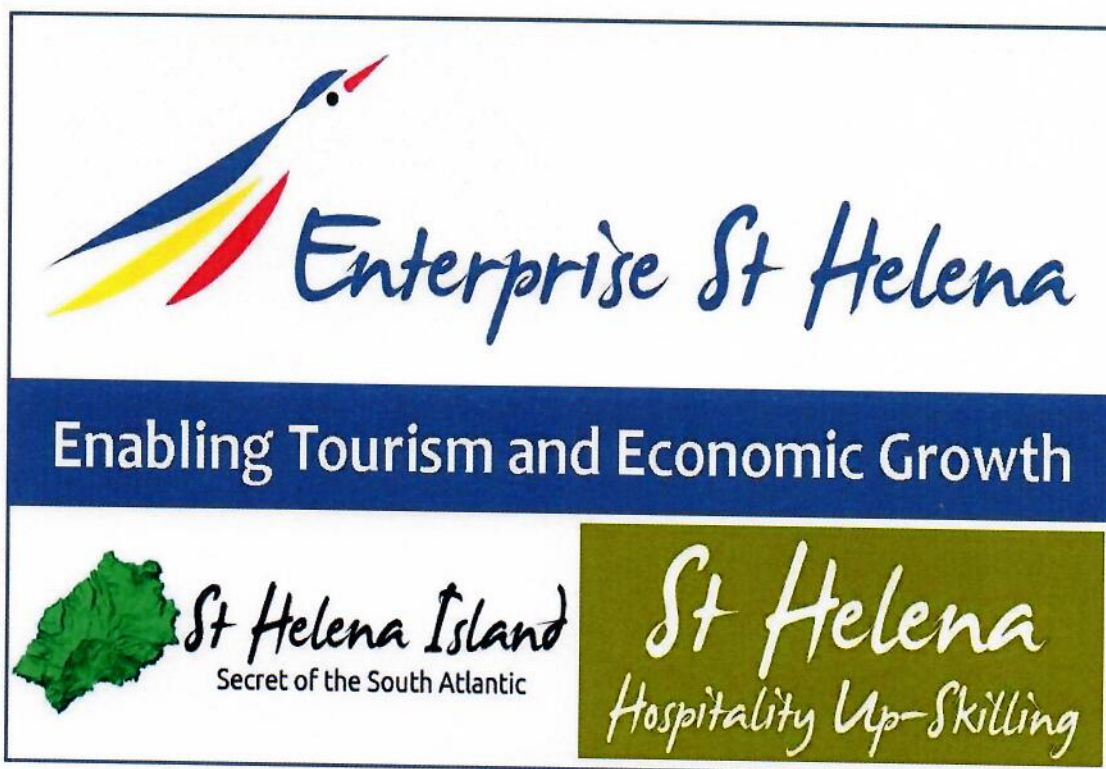


**St Helena
Government**

**ENTERPRISE ST HELENA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019**

Enterprise St Helena

**Financial Statements
For the Year Ended 31 March 2019**



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Enterprise St Helena

Entity Information

| | |
|--------------------------|---|
| Directors | Dr Dawn Cranswick (Chief Executive for Economic Development) Dr Corinda Essex Mr Anthony Thomas Mr Gregory Cairns-Wicks Mr Brian Deadman Mr Ian Gough Miss Christine Thomas |
| Registered office | Enterprise St Helena Business Park Ladder Hill St Helena Island STHL 1ZZ |
| Contact details | PO Box 117 Jamestown St Helena Island STHL 1ZZ Telephone +290 22920 Email – info@esh.co.sh Website – www.investinsthelena.com |
| Auditors | Chief Auditor of St Helena |
| Bankers: | Bank of St Helena Market Street Jamestown St Helena Island Crown Agents Bank St Nicholas House St Nicholas Road, Sutton Surrey United Kingdom |

Enterprise St Helena

Directors' Report For the year ended 31 March 2019

Principal activity

Enterprise St Helena (ESH) was established in 2012 to deliver St Helena Government's (SHG) economic policy as set out in the Sustainable Economic Development Plan (SEDP) 2012¹. In line with the SEDP (2012) the overarching aim of 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.

In order to ensure that the economic benefits of improved access are fully realised, the key focus areas for ESH are:

1. Augmented ESH-supported tourism capacity (products, infrastructure, people)
2. Increased accommodation availability and standards
3. Improvements in services to new and existing businesses
4. Policy reforms undertaken and information strengthened to improve the business environment and investment climate
5. Increased domestic and overseas-sourced investments

Organisational overview

ESH is jointly funded between SHG and the Department for International Development (DFID) and has ten key areas of focus that derives from the 2018 - 2028 SEDP. These are:

1. Increase Exports
2. Substitute Imports
3. Attract Visitors and Increase Tourism
4. Mitigate impacts of inflation on the lowest income groups
5. Improve land productivity
6. Sustain and improve our Natural Capital
7. Improve Infrastructure
8. Develop, maintain and attract a Skilled Workforce
9. Develop the Digital Economy
10. Reduce leakage of income

Financial Results

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

| | 2018/2019 | 2017/2018 |
|--|-----------|-----------|
| | £ | £ |
| Gross Loss | (62,214) | (69,708) |
| (Deficit) Surplus for the Financial Year | (203,337) | 29,398 |

¹ Saint Helena Sustainable Economic Development Plan (SEDP) 2012/13 – 2021/22 (as superseded by SEDP 2018 – 2028)

Enterprise St Helena

Directors' Report For the year ended 31 March 2019

The Turnover, which represents less than 2.6% 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 for the Enterprise St Helena Project.

Directors

The following directors held office during the financial year:

| | |
|-----------------------|--|
| Hon. Lawson Henry | Chairman |
| Dr Niall O'Keeffe | Chief Executive for Economic Development (Resigned 15 July 2018) |
| Dr Dawn Cranswick | Chief Executive for Economic Development (Appointed 7 September 2018) |
| Dr Corinda Essex | |
| Mr Anthony Thomas | |
| Miss Giselle Richards | |
| Mr Nicholas Yon | |
| Mrs Nicole Shamier | Appointed 18 October 2018 |

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

| | |
|-----------------------|---------------------------|
| Mr Nicholas Yon | Resigned 30 April 2019 |
| Mr Brian Deadman | Appointed 30 April 2019 |
| Hon. Lawson Henry | Resigned 22 August 2019 |
| Mr Ian Gough | Appointed 14 October 2019 |
| Miss Christine Thomas | Appointed 14 October 2019 |
| Mrs Nicole Shamier | Resigned 13 October 2019 |
| Miss Giselle Richards | Resigned 29 February 2020 |

Statement of Directors' Responsibilities

Management are responsible for preparing the financial statements in accordance with Section 1A of Financial Reporting Standards 102 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, should be reasonable.

Any related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Section 1A of Financial Reporting Standards 102. All events subsequent to the date of the financial statements and which 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.

Enterprise St Helena

**Directors' Report
For the year ended 31 March 2019**

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 and to establish that the auditors are aware of that information.

The Auditor for the current financial year in accordance with the organisation's governing legislation, The Enterprise St Helena Ordinance HA 68 published 16 July 2012, will be the Chief Auditor of St Helena.

Gifts

During the year no political or charitable gifts were made.
Approved by the Board and signed on their behalf by:



A handwritten signature in blue ink, appearing to read 'D. Cransell', is written over two horizontal lines. The signature is stylized and cursive.

Date 27/03/20



AUDIT ST HELENA
External Auditors

Enterprise St Helena
Financial Statements for the year ended 31 March 2019

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Enterprise St Helena

Opinion

I have audited the financial statements of Enterprise St Helena (ESH), which comprise the Statement of Financial Position as at 31 March 2019, and the Statement of Income and Retained Earnings, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying Financial Statements give a true and fair view of the financial position of ESH as at 31 March 2019, and of its financial performance for the year ended in accordance with the Financial Reporting Standard (FRS) 102 section 1A

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of ESH in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with FRS 102 section 1A, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing ESH's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ESH's financial reporting process.

ANNEX TO THE INDEPENDENT AUDITORS REPORT

Further description of the auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Enterprise St Helena
Statement of Financial Position
As at 31 March 2019

| | | 2018/2019 | 2017/2018 |
|---|----|-------------------------|-------------------------|
| | | £ | £ |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 3 | 1,445,417 | 1,530,613 |
| Intangible assets | | 1,152 | 1,965 |
| Loans (Amounts falling due after more than one year) | 4 | 57,092 | 69,175 |
| Equity investment | 5 | 91,796 | 0 |
| Investments in associate | 6 | 0 | 0 |
| Investment in wholly-owned subsidiary | 7 | 0 | 0 |
| TOTAL NON-CURRENT ASSETS | | <u>1,595,457</u> | <u>1,601,753</u> |
| CURRENT ASSETS | | | |
| Loans (Amounts falling due within one year) | 4 | 28,852 | 212,361 |
| Debtors | 8 | 301,552 | 460,238 |
| Prepayments and accrued income | | 73,392 | 62,733 |
| Cash and cash equivalents | 9 | 493,513 | 479,051 |
| TOTAL CURRENT ASSETS | | <u>897,309</u> | <u>1,214,383</u> |
| CURRENT LIABILITIES | | | |
| Creditors | 10 | 67,142 | 137,853 |
| Accruals | | 65,479 | 61,438 |
| Deferred grant (Amount falling due within one year) | 11 | 91,291 | 98,362 |
| TOTAL CURRENT LIABILITIES | | <u>223,912</u> | <u>297,653</u> |
| NET CURRENT ASSETS | | <u>673,397</u> | <u>916,730</u> |
| NON-CURRENT LIABILITIES | | | |
| Deferred grant (Amounts falling due after more than one year) | 11 | 1,236,188 | 1,282,480 |
| NET ASSETS | | <u>1,032,666</u> | <u>1,236,003</u> |
| RESERVES | | | |
| Loan funds | 12 | 404,386 | 493,145 |
| Special Development Fund | 12 | 122,651 | 122,529 |
| Retained Surplus | | 505,629 | 620,329 |
| TOTAL RESERVES | | <u>1,032,666</u> | <u>1,236,003</u> |

The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A – small entities. These financial statements were authorised and approved by the Board.





Date: 27/03/20

The notes on pages 10 to 20 form part of these financial statements.

Enterprise St Helena
Income Statement
For the year ended 31 March 2019

| | NOTES | 2018/2019 £ | 2017/2018 £ |
|---|-------|-------------------------|-----------------------|
| REVENUE | | 53,165 | 42,514 |
| COST OF SALES | 13 | (115,379) | (112,222) |
| GROSS LOSS | | <u>(62,214)</u> | <u>(69,708)</u> |
| ADMINISTRATIVE EXPENSES | 14 | (2,136,494) | (2,093,838) |
| OTHER OPERATING INCOME | 15 | 1,980,203 | 2,169,413 |
| OPERATING (DEFICIT) SURPLUS | | <u>(218,505)</u> | <u>5,867</u> |
| Finance income | | 15,168 | 23,531 |
| (DEFICIT) SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION | | <u>(203,337)</u> | <u>29,398</u> |
| Taxation on profit on ordinary activities | 19 | - | - |
| (DEFICIT) SURPLUS FOR THE FINANCIAL PERIOD | | <u><u>(203,337)</u></u> | <u><u>29,398</u></u> |
| | | | |
| RETAINED SURPLUS AT 1 APRIL | | 620,329 | 490,826 |
| Net (deficit) surplus for the year | | (203,337) | 29,398 |
| Transfer to Special Development Fund | | (123) | (122) |
| Transfer to Loan Funds | | (33,680) | (24,163) |
| Transfer from Loan Funds | | 122,440 | 124,390 |
| RETAINED SURPLUS AT 31 MARCH | | <u><u>505,629</u></u> | <u><u>620,329</u></u> |

The notes on pages 10 to 20 form part of these financial statements.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2019

NOTE 1

GENERAL INFORMATION

Enterprise St Helena is a body corporate that was formed by a legal ordinance. The address of the registered office is Enterprise St Helena Business Park, Ladder Hill, St Helena Island.

NOTE 2

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 Standard 102 Section 1A small entities and are the financial statements of the parent entity, not group consolidated statements.

The financial statements are presented in St Helena Pound (£) which equate to GBP and are rounded to the nearest £1.

Significant Judgements and estimates

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 impairments in respect of possible losses. Management uses its experience and judgement of past events and the current economic situation in St Helena to assess case by case the difference between amounts invested or lent to each 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's current estimates.

Changes to accounting policies

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

Going Concern accounting policy

After reviewing the company's forecast and projections, the Board of Directors have a reasonable expectation that the organisation has adequate resources to continue in operational existence for the foreseeable future. The organisation therefore continues to adopt the going concern basis in preparing the financial statements.

Financial reporting standard 102 (FRS 102) – reduced disclosure exemptions

The organisation has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" for qualifying entities:

- Section 7 Statement of Cash Flows – option taken to not prepare a statement of cash flows

Investment in associate

Investment in associate 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.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2019

Investment in subsidiary

Investment in subsidiary are recognised initially in the statement of financial position at the transaction price and subsequently at cost, less any impairment. The investment is not consolidated within these accounts however is reflected at net book value of the investment.

Equity Investment

Equity Investment 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 investment, less any impairment.

Valuation of Investments

The valuation of the investments can be based on unaudited financial statements should the signed financial statement of the investments not be finalised at time of the audit of the organisation.

Fixed Assets and Depreciation

Tangible and Intangible 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 |
| Computer software | 3 years |
| Furniture & Fittings | 5 to 10 years |
| Motor Vehicles | 5 years |
| Land | 0 years |
| Leasehold Improvements | 20 years |

Fixed Assets costing less than £1,000 are charged directly to the Statement of Income.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the Statement of Income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of income.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2019

Impairments

Impairments represent the recognition of a potential decline in the value of an asset. Movements on impairments are effected through the Statement of Income. An increase in a provision will be charged to expenditure and a decrease taken as income. Impairments are made when specific debts are not being serviced in accordance with pre-agreed terms and the likelihood of full recovery is doubtful.

Deferred Income

Government grants for capital expenditure are credited to a deferral account and are transferred from deferral account to grant income over the expected useful life of the relevant asset by applying the same depreciation policy rules as stated above.

Revenue grants

Government grants for items that are written off in the year of purchase are credited to revenue in the same year.

Revolving loan funds

The assets of the respective funds are represented by the loans outstanding and the cash available for lending. These are included in the Balance Sheet under Loans falling due after more than one year, Loans falling due within one year and Cash and cash equivalents. A charge is made for the management of the Loan Funds, and is shown as a transfer to retained surplus.

Accounts are maintained to record the funds within the loan fund. Income into the fund includes accrued interest on the funds loaned out, which is credited to the Statement of Income and then transferred to the Loan Fund. Bank interest earned, is credited to the ESH's Statement of Income.

Private Sector Loan Fund

The loan funds for the development of the private sector were consolidated on 1 April 1998 and include loans initially approved by the St Helena Development Agency, Fishermen's Association and Agricultural & Natural Resources Department.

Economic Development Fund

Initial funding was received from the Foreign & Commonwealth Office for financing business developments on St Helena. Of the overall total amount, a maximum of 5% of the fund per year will be made available for Skills Development Grants.

Staff Loan Fund

The loan fund for staff is operated on the same principles as that of the other Loan Funds.

Youth Loan Fund

The Youth Loan Fund was set as a source of funding provided under the DFID project to support youth start-up businesses on St Helena. The programme targeted young people between the ages of 16 and 26 with an interest rate of 1% and no collateral required except in special circumstance. The fund was intended to be as flexible as possible in meeting the needs of the youth, encouraging them to start-up in business.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2019

Special development fund

Income for this scheme is by way of allocation of funds from the Economic Development Fund. These funds will be used to support ESH's property portfolio/construction of new work spaces to meet future demands for commercial premises. Bank interest earned on unspent funds of the Special Development Fund is credited to ESH's Statement of Income each year.

Turnover

Turnover represents the value of services provided to customers during the year.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions during the year are valued at the rate prevailing on the day of the transaction. All exchange differences are taken to the Statement of Income. The functional currency is the St Helena Pound (£) which is the same as the presentation currency for these financial statements.

NOTE 3

PROPERTY, PLANT & EQUIPMENT

| | Land & Buildings | Improvements to Leasehold | Furniture & Fittings | Office Equipment | Motor Vehicles | Totals |
|-----------------------|---------------------|------------------------------|----------------------------|---------------------|-------------------|------------------|
| COST | | | | | | |
| At 1 April 2018 | 833,714 | 971,677 | 25,825 | 121,285 | 47,027 | 1,999,528 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Additions | 24,644 | 1,725 | 4,076 | 3,380 | 0 | 33,825 |
| At 31 March 2019 | 858,358 | 973,402 | 29,901 | 124,665 | 47,027 | 2,033,353 |
| DEPRECIATION | | | | | | |
| At 1 April 2018 | 272,729 | 82,219 | 18,200 | 59,583 | 36,184 | 468,915 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 |
| Charge for the year | 41,846 | 48,629 | 2,222 | 20,017 | 6,307 | 119,021 |
| At 31 March 2019 | 314,575 | 130,848 | 20,422 | 79,600 | 42,491 | 587,936 |
| NET BOOK VALUE | | | | | | |
| At 31 March 2019 | 543,783 | 842,554 | 9,479 | 45,065 | 4,536 | 1,445,417 |
| At 31 March 2018 | 560,985 | 889,458 | 7,625 | 61,702 | 10,843 | 1,530,613 |

In addition to these assets, ESH holds a lease with SHG for the Jamestown Market expires on 1 October 2162, a lease for the Canister which expires on 30 November 2038 and a lease for Bertrands Cottage which expires on 30 November 2038. A nominal rental fee is paid. Land on which ESH Office Building is situated is leased from SHG and a rental fee is paid.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2019

Included within Land & Buildings above are leasehold properties with a net book value of £377,847. These leasehold properties are rented out to commercial tenants and not held for investment purposes but for development purposes for the island.

NOTE 4

LOANS

| | | |
|--|---------------|----------------|
| Amounts outstanding | 283,214 | 471,775 |
| Less Provision for doubtful debts | (197,270) | (190,239) |
| Total | 85,944 | 281,536 |
| Amounts falling due after more than one year | 57,092 | 69,175 |
| Amounts falling due within one year | 28,852 | 212,361 |
| | 85,944 | 281,536 |

The offering of loans to private sector exposes the organisation to credit risk. Credit risk is the risk that a borrower will default on their contractual obligations relating to repayments, resulting in losses for the organisation. To manage and mitigate its exposure to risk the organisation periodically reviews its policies which ensures that due diligence is carried out for every application to ensure responsible lending.

Loans are closely monitored and where it is identified that a customer is, or will be in default, from an agreed loan payment plan, the loan is assessed as to its recoverability. Where it is deemed prudent to do so, a provision will be made against the outstanding balance.

NOTE 5

EQUITY INVESTMENT

| | | |
|--------------------------|---------------|----------|
| Shares at cost | 184,000 | 0 |
| Write down of investment | (92,204) | 0 |
| Balance at 31 March | 91,796 | 0 |

NOTE 6

INVESTMENT IN ASSOCIATE

| | | |
|--------------------------|----------|----------|
| Shares at cost | 83,300 | 83,300 |
| Write down of investment | (83,300) | (83,300) |
| Balance at 31 March | 0 | 0 |

**Notes to the Financial Statements
For the year ended 31 March 2019**

NOTE 7**INVESTMENT IN WHOLLY-OWNED SUBSIDIARY****Bertrands Cottage Ltd**

| | | |
|---------------------------------------|--------------|--------------|
| Investment at cost | 7,757 | 7,757 |
| Write down of investment | (7,757) | (7,757) |
| Balance at 31 March | <u>0</u> | <u>0</u> |
| | | |
| Incorporation of Company - 100 shares | 100 | 100 |
| Equipment transferred | 7,657 | 7,657 |
| Investment at cost | <u>7,757</u> | <u>7,757</u> |

Bertrands Cottage Ltd was incorporated on 13th April 2016 by Enterprise St Helena as the 100% Shareholder of the company. Assets were transferred at Net Book Value to the company. The current trading loss for the year was £37,697 (2018: £37,434) and the company also has net liabilities of £87,088 (2018: £49,391). The investment was adjusted to reflect the current book value of the investment.

NOTE 8**DEBTORS**

| | | |
|-------------------------|-----------------------|-----------------------|
| Trade Debtors | 2,300 | 850 |
| St Helena Government | 287,597 | 446,780 |
| Other Debtors | 11,655 | 12,624 |
| | <u>301,552</u> | <u>460,254</u> |
| Less Bad Debt Provision | 0 | (16) |
| Total | <u>301,552</u> | <u>460,238</u> |

NOTE 9**CASH AND CASH EQUIVALENTS**

| | | |
|-----------------------------|-----------------------|-----------------------|
| Operating bank accounts | 133,154 | 132,882 |
| Loan funding bank accounts | 237,668 | 223,528 |
| Property fund bank account | 122,552 | 122,441 |
| Petty cash and cash on hand | 139 | 200 |
| Total | <u>493,513</u> | <u>479,051</u> |

**Notes to the Financial Statements
For the year ended 31 March 2019**

NOTE 10
CREDITORS

Creditors

| | | |
|----------------------|----------------------|-----------------------|
| Trade Creditors | 6,814 | 10,137 |
| Other Creditors | 47,145 | 101,728 |
| St Helena Government | 13,183 | 25,988 |
| Total | <u>67,142</u> | <u>137,853</u> |

NOTE 11
DEFERRED GRANT

| | | |
|---|-------------------------|-------------------------|
| Balance brought forward at start of year | 1,380,842 | 1,362,898 |
| Capital grant for assets acquired | 33,824 | 112,059 |
| Transfer to income depreciation on assets acquired under grant funding | (87,187) | (94,115) |
| Closing Balance | <u>1,327,479</u> | <u>1,380,842</u> |
| Amounts falling due after more than one year | 1,236,188 | 1,282,480 |
| Amounts falling due within one year | 91,291 | 98,362 |
| | <u>1,327,479</u> | <u>1,380,842</u> |

NOTE 12
RESERVES

Loan Funds

| | | |
|--|-----------------------|-----------------------|
| Balance brought forward at start of year | 493,145 | 593,372 |
| Transfer from Retained Surplus | 33,680 | 24,163 |
| Transfer to Retained Surplus | (122,439) | (124,390) |
| Closing Balance | <u>404,386</u> | <u>493,145</u> |

Special Development Fund

| | | |
|--|-----------------------|-----------------------|
| Balance brought forward at start of year | 122,529 | 122,406 |
| Transfer from Retained Surplus | 122 | 123 |
| Closing Balance | <u>122,651</u> | <u>122,529</u> |

**Notes to the Financial Statements
For the year ended 31 March 2019**

NOTE 13**COST OF SALES**

| | | |
|--|----------------|----------------|
| Advertising | 140 | 0 |
| Cleaning | 17,712 | 14,792 |
| Depreciation on leased premises | 31,402 | 31,403 |
| Depreciation on leasehold improvements | 48,629 | 48,629 |
| Electricity and water | 2,399 | 1,837 |
| Insurance | 9,544 | 10,709 |
| Maintenance | 4,148 | 3,482 |
| Rent paid | 1,405 | 1,370 |
| Total | 115,379 | 112,222 |

NOTE 14**ADMINISTRATIVE EXPENSES**

| | DIFD | SHG | Total 2019 | Total 2018 |
|---|------------------|------------------|------------------|------------------|
| Audit expenses | 0 | 16,450 | 16,450 | 22,790 |
| Board Directors remuneration | 0 | 14,007 | 14,007 | 15,946 |
| Computer maintenance and support | 0 | 8,932 | 8,932 | 20,794 |
| Depreciation | 0 | 39,801 | 39,801 | 24,115 |
| Development projects | 6,085 | 12,284 | 18,369 | 88,719 |
| Electricity and water | 0 | 14,522 | 14,522 | 14,629 |
| Impairment of Investments | 0 | 92,204 | 92,204 | 7,757 |
| Insurance | 0 | 28,869 | 28,869 | 29,880 |
| Internal audit | 0 | 18,271 | 18,271 | 0 |
| Loans granted | 0 | 32,037 | 32,037 | 0 |
| Loss on disposal of assets | 0 | 0 | 0 | 414 |
| Office administration cost and expenses | 0 | 37,810 | 37,810 | 44,464 |
| Offshore representation | 0 | 11,494 | 11,494 | 41,983 |
| Private sector development | 105,257 | 0 | 105,257 | 192,714 |
| Professional fees | 0 | 5,310 | 5,310 | 5,171 |
| Marketing and promotional activities | 404,243 | 3,292 | 407,535 | 371,315 |
| Provision for bad debts – loans and debtors | 0 | 7,015 | 7,015 | 7,925 |
| Employee costs | 275,674 | 530,002 | 805,676 | 854,394 |
| Support to sectors | 170,445 | 0 | 170,445 | 74,040 |
| Training and upskilling | 71,140 | 927 | 72,067 | 61,737 |
| Telephone and internet | 0 | 70,742 | 70,742 | 73,854 |
| Tour guides & tours | 0 | 21,605 | 21,605 | 10,563 |
| Tourism community and event activities | 0 | 15,181 | 15,181 | 32,379 |
| Tourism Public Relation costs | 0 | 51,489 | 51,489 | 36,270 |
| Tourism press trips | 0 | 33,399 | 33,399 | 26,687 |
| Visitor attractions maintenance and development | 0 | 38,007 | 38,007 | 35,298 |
| | 1,032,844 | 1,103,650 | 2,136,494 | 2,093,838 |

**Notes to the Financial Statements
For the year ended 31 March 2019**

NOTE 15**OPERATING INCOME**

| | | |
|---|------------------|------------------|
| St Helena Government subsidy | 866,176 | 1,027,524 |
| DFID Enterprise St Helena Project funding | 1,007,950 | 1,042,125 |
| Amortisation capital grants | 87,188 | 91,506 |
| Tour income | 13,116 | 2,372 |
| Reduction in leave accrual | 4,311 | 2,560 |
| Sundry income | 1,462 | 3,326 |
| | <u>1,980,203</u> | <u>2,169,413</u> |

The Enterprise rented the following land from St Helena Government for yearly rent of £1,827:

- Bertrands Cottage
- Jamestown Canister
- Jamestown Market
- Ladder Hill Business Park
- New Ground Workshops

ESH's office building is situated in the Ladder Hill Business Park.

NOTE 16**OPERATING LEASES**

At 31 March 2019, the organisation had future minimum lease payments under non-cancellable leases as follows:

| | | |
|--|----------------|----------------|
| Not later than 1 year | 1,721 | 1,670 |
| Later than 1 year and not later than 5 years | 6,884 | 6,680 |
| More than 5 years | 232,048 | 232,965 |
| | <u>240,653</u> | <u>241,315</u> |

NOTE 17**BOARD MEMBERS**

Board members received remuneration from the Enterprise. Board Members who were not employed by Government receive the following allowances per quarter:

| | |
|---------------------------|------|
| Board Member | £300 |
| Chairman of Sub-Committee | £300 |
| Sub-committee members | £150 |
| Internet allowance | £58 |

The total allowances paid during the financial year were £13,764.

**Notes to the Financial Statements
For the year ended 31 March 2019**

NOTE 18

STAFF EMOLUMENTS

During the financial year, the following were paid as staff emoluments and benefits to:

| | |
|-----------------------------------|---------|
| Permanent Staff | 480,684 |
| Contract Staff | 3,282 |
| Defined contribution Pension Plan | 46,036 |
| | 530,002 |
| TC Officers | 275,674 |
| | 805,676 |

The average number of employees was 29 (2018: 29) during the course of the year.

NOTE 19

TAXATION

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

NOTE 20

RELATED PARTY TRANSACTIONS

Expenditure was incurred during the current financial year that has resulted in the increase in the value of assets which have not been capitalised as the assets are owned by St Helena Government. These included:

| | |
|----------------|---------|
| Post Box Walks | £26,720 |
|----------------|---------|

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 various partnership projects in agriculture.

During the current financial year, the following was also paid to related parties of Board members, Staff and Councillors:

| | |
|--------|---------|
| Grants | £22,294 |
|--------|---------|

During the current financial year, the organisation advanced an amount of £26,095 to its subsidiary, Bertrands Cottage Ltd, to assist with the running costs of the training facility. This amount is shown in Note 4 under Loans. As part of the DfID Project - Hospitality training a further £20,000 was paid as a grant to assist with costs of delivering training.

Bertrands Cottage Ltd has a further loan liability to ESH in the amount of £60,780 (2018: £66,395) which is part of Note 4 Loans.

**Notes to the Financial Statements
For the year ended 31 March 2019**

Key Management Personnel Compensation

The key management personnel of ESH (as defined under FRS 102) are the Board Members and the Senior Management Team consisting of Chief Executive of Economic Development, Director of Tourism, Director of Commercial Development & Enterprise, Director of Policy Development & Social Enterprise and the Director of Resources. The aggregate remuneration paid to these key management personnel totalled £315,259 (2018: £334,550).

NOTE 21

CONTINGENT LIABILITIES

There were no contingent liabilities for the period.

NOTE 22

POST BALANCE EVENT

The Enterprise St Helena Board of Directors took a decision on the 3 October 2019 to cease trading at Bertrands Cottage effective on the 31 January 2020. It was thus prudent to make a provision of £81,150 for the balance of the loans and working capital advances in these financial statements as an adjusting post-balance sheet event.