



**St Helena
Government**

ST HELENA GOVERNMENT

**ENTERPRISE ST HELENA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 2020**

Enterprise St Helena

**Financial Statements
For the Year Ended 31 March 2020**



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Enterprise St Helena

Entity Information

Directors	Mr Anthony Thomas Dr Corinda Essex 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 2020

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 10, and are summarised in the table below: -

	2019/2020	2018/2019
	£	£
Net Asset Value	933,044	1,032,666
Deficit for the Financial Year	(99,622)	(203,337)

¹ Saint Helena Sustainable Economic Development Plan (SEDP) 2012/13 – 2021/22 (as superseded by SEDP 2018 – 2028)

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Directors' Report
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ESH continues to utilise the assets in support of local businesses through its loan and rental portfolio. ESH's income was received through a combination of Bank Interest, Government Subsidy, and DFID Funding for the Enterprise St Helena Project.

The deficit of £99,622 in the current year is attributed to the transfer of Button Up Corner to SHG Crown Estate at a loss of £28,001, Bertrand's Cottage loans written off of £46,737 and greater spend on Development projects, Tourism Development and Tourism Public Relations costs compared to prior year by aggregate amount of £96,711. The current year's deficit is however reduced in comparison to the prior year deficit, due to a decrease in income of 6.9% with a further decrease of 12% in operating expenditure resulting in an overall reduced comparative deficit.

Directors

The following directors held office during the financial year:

Hon. Lawson Henry	Chairman (Resigned 22 August 2019)
Mr Brian Deadman	Appointed 30 April 2019 Acting Chairman (4 Nov 2019 to 15 June 2020)
Mr Anthony Thomas	Appointed Chairman (15 June 2020)
Dr Dawn Cranswick	Chief Executive for Economic Development (Resigned 15 August 2020)
Dr Corinda Essex	
Mrs Nicole Shamier	Tenure ended 13 October 2019
Mr Ian Gough	Appointed 14 October 2019
Miss Christine Thomas	Appointed 14 October 2019
Miss Giselle Richards	Resigned 29 February 2020
Mr Gregory Cairns Wicks	Resigned 30 April 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 2020

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 a donation of £1,000 (2019: £Nil) was made but there were no political gifts during this period.

Approved by the Board and signed on their behalf by:



 MAYON DIRECTOR OF RESOURCES

Date 24/02/21



AUDIT ST HELENA
External Auditors

Enterprise St Helena
financial statements for the year ended 31 March 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Enterprise St Helena

Adverse Opinion

I have audited the financial statements of Enterprise St Helena (ESH), which comprise the Statement of Financial Position as at 31 March 2020, the Statement of Income and Retained Earnings for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, because the significance of the matter discussed in the *Basis for Adverse Opinion* section of my report, the accompanying financial statements do not give a true and fair view of the financial position of ESH as at 31 March 2020, and of its financial performance for the year ended, in accordance with the Financial Reporting Standard (FRS) 102 section 1A.

Basis for Adverse Opinion

As explained in Note 2 accounting policies, and Note 22 non-adjusting post balance sheet event, ESH will be disestablished as a statutory body on 31 March 2021 representing a period of less than 12 months from publication of the financial statements. The planned closure necessitates a fundamental change to the basis of accounting requiring the financial statements to be prepared on an alternative or discontinuing basis. Management have prepared the financial statements on a going concern basis when that accounting basis is no longer appropriate to the current circumstances. The impact is material and pervasive and the auditor is required to give an adverse opinion in accordance with ISA 570.

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 adverse opinion.

Other Information

Management is responsible for other information. The other information comprises the Directors' Report but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

As described in the *Basis for Adverse Opinion* section above the financial statements should have been prepared on an alternative or discontinuing basis. Given the impact is material and pervasive I have concluded that the other information may be materially misstated for the same reason with respect to the financial results summarised in the Directors' Report.

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 ESHs 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 ESHs financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located in the Annex to this report. This description forms part of my auditor's report.



Phil Sharman CA CPFA
Chief Auditor

Audit St Helena
First Floor, New Porteous House,
Jamestown, St Helena, STHL 1ZZ

5 March 2021

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 2020

		2020	2019
		£	£
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	1,354,777	1,445,417
Intangible assets		1,591	1,152
Loans (Amounts falling due after more than one year)	4	62,645	57,092
Equity investment	5	85,537	91,796
Investments in associate	6	0	0
Investment in wholly-owned subsidiary	7	0	0
TOTAL NON-CURRENT ASSETS		<u>1,504,550</u>	<u>1,595,457</u>
CURRENT ASSETS			
Loans (Amounts falling due within one year)	4	10,585	28,852
Debtors	8	216,759	301,552
Prepayments and accrued income		79,980	73,392
Cash and cash equivalents	9	511,942	493,513
TOTAL CURRENT ASSETS		<u>819,266</u>	<u>897,309</u>
CURRENT LIABILITIES			
Creditors	10	79,478	67,142
Accruals		74,017	65,479
Deferred grant (Amount falling due within one year)	11	123,731	91,291
TOTAL CURRENT LIABILITIES		<u>277,226</u>	<u>223,912</u>
NET CURRENT ASSETS		<u>542,040</u>	<u>673,397</u>
NON-CURRENT LIABILITIES			
Deferred grant (Amounts falling due after more than one year)	11	1,113,546	1,236,188
NET ASSETS		<u>933,044</u>	<u>1,032,666</u>
RESERVES			
Loan funds	12	385,480	404,386
Special Development Fund	12	126,082	122,651
Retained Surplus		421,482	505,629
TOTAL RESERVES		<u>933,044</u>	<u>1,032,666</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: 24/02/21

 DIRECTOR OF RESOURCES

The notes on pages 11 to 21 form part of these financial statements.

Enterprise St Helena
Income Statement
For the year ended 31 March 2020

	NOTES	2019/2020 £	2018/2019 £
REVENUE		58,142	53,165
COST OF SALES	13	(114,244)	(115,379)
GROSS LOSS		<u>(56,102)</u>	<u>(62,214)</u>
ADMINISTRATIVE EXPENSES	14	(1,905,817)	(2,132,183)
OTHER OPERATING INCOME	15	1,849,365	1,975,892
OPERATING DEFICIT		<u>(112,554)</u>	<u>(218,505)</u>
Finance income		12,932	15,168
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(99,622)</u>	<u>(203,337)</u>
Taxation on profit on ordinary activities	19	-	-
DEFICIT FOR THE FINANCIAL PERIOD		<u><u>(99,622)</u></u>	<u><u>(203,337)</u></u>
RETAINED SURPLUS AT 1 APRIL		505,629	620,329
Net deficit for the year		(99,622)	(203,337)
Transfer to Special Development Fund		(3,431)	(123)
Transfer to Loan Funds		(73,903)	(33,680)
Transfer from Loan Funds		92,809	122,440
RETAINED SURPLUS AT 31 MARCH		<u><u>421,482</u></u>	<u><u>505,629</u></u>

The notes on pages 11 to 21 form part of these financial statements.

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2020

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

As reported more fully in Note 22 the Board of Directors are aware of the decision taken subsequent to the preparation of the financial statements to wind-up Enterprise St Helena with effect 31 March 2021.

Given the entity will cease operations within 12 months an alternative basis of preparation reflecting the discontinuing operations would be appropriate. However, Directors have decided to maintain the going concern basis of reporting and then apply the alternative basis when reporting results for the year ended 31 March 2021.

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

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2020

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.

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.

Impairments are made when specific debts are not being serviced in accordance with pre-agreed terms and the likelihood of full recovery is doubtful.

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 2020

Prepayments

Any expenses paid prior to the related services rendered will be recorded as prepaid expenses. Such prepaid expenses will be reconciled and determinable after the services rendered or 12 months after the initial payment date.

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

Revenue Grants are recognised using the accruals model. 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 2020

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 2019	858,358	973,402	29,901	124,665	47,027	2,033,353
Disposals	(29,644)	0	0	0	0	(29,644)
Additions	15,091	27,605	0	17,867	0	60,563
At 31 March 2020	843,805	1,001,007	29,901	142,532	47,027	2,064,272
DEPRECIATION						
At 1 April 2019	314,575	130,848	20,422	79,600	42,491	587,936
Disposals	(1,643)	0	0	0	0	(1,643)
Charge for the year	43,211	49,729	2,304	25,596	2,362	123,202
At 31 March 2020	356,143	180,577	22,726	105,196	44,853	709,495
NET BOOK VALUE						
At 31 March 2020	487,662	820,430	7,175	37,336	2,174	1,354,777
At 31 March 2019	543,783	842,554	9,479	45,065	4,536	1,445,417

In addition to these assets, ESH holds a lease with SHG for the Jamestown Market expiring on 1 October 2162, a lease for the Canister which expires on 30 November 2038 and a lease for Bertrand's 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 2020**

Included within Land & Buildings above are leasehold properties with a net book value of £360,992. These leasehold properties are rented out to commercial tenants and not held for investment purposes but for development purposes for the island.

Disposals for the year consists of Land and Improvements to Button-Up Corner. The property was obtained in order to facilitate the works in developing the pedestrian and tourist viewing area. Following completion of these works, the property has been transferred to SHG.

NOTE 4

LOANS

	2020	2019
	£	£
Amounts outstanding	184,826	283,214
Less Provision for doubtful debts	(111,596)	(197,270)
Total at 31 March	73,230	85,944
Amounts falling due after more than one year	62,645	57,092
Amounts falling due within one year	10,585	28,852
	73,230	85,944

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

	2020	2019
	£	£
Shares at cost	184,000	184,000
Write down of investment	(98,463)	(92,204)
Balance at 31 March	85,537	91,796

NOTE 6

INVESTMENT IN ASSOCIATE

	2020	2019
	£	£
Shares at cost	83,300	83,300
Write down of investment	(83,300)	(83,300)
Balance at 31 March	0	0

Enterprise St Helena

**Notes to the Financial Statements
For the year ended 31 March 2020**

NOTE 7

INVESTMENT IN WHOLLY-OWNED SUBSIDIARY

	2020	2019
	£	£
Bertrand's Cottage Ltd		
Investment at cost	7,757	7,757
Provision for impairment investment	0	(7,757)
Write off investment	(7,757)	0
Balance at 31 March	0	0
Incorporation of Company - 100 shares	0	100
Equipment transferred	0	7,657
Investment at cost	0	7,757

Bertrand's Cottage Ltd was incorporated on 13th April 2016 by Enterprise St Helena as the 100% Shareholder of the company and assets were transferred at Net Book Value to the company. The trading loss for the year was £40,799 (2019: £37,697) and the company also has net liabilities of £127,887 (2019: £87,088)

The Enterprise St Helena Board of Directors took a decision on the 3 October 2019 to cease trading at Bertrand's Cottage effective on the 31 January 2020. Following the Enterprise St Helena Board consideration of the liability in the Subsidiary, it was further agreed on the 29th April 2020 to write off the Investment and all associated debt in full. Refer to note 20 (related party transaction) for detail of values written off.

NOTE 8

DEBTORS

	2020	2019
	£	£
Trade Debtors	3,708	2,300
St Helena Government	203,887	287,597
Other Debtors	9,164	11,655
Total at 31 March	216,759	301,552

NOTE 9

CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Operating bank accounts	150,303	133,154
Loan funding bank accounts	235,202	237,668
Property fund bank account	126,298	122,552
Petty cash and cash on hand	139	139
Total at 31 March	511,942	493,513

Enterprise St Helena

Notes to the Financial Statements
For the year ended 31 March 2020

NOTE 10

CREDITORS

	2020	2019
	£	£
Creditors		
Trade Creditors	6,691	6,814
Other Creditors	68,661	47,145
St Helena Government	4,126	13,183
Total at 31 March	79,478	67,142

NOTE 11

DEFERRED GRANT

	2020	2019
	£	£
Balance brought forward at 1 April	1,327,479	1,380,842
Capital grant for assets acquired	63,898	33,824
Capital grant for assets disposed	(28,001)	0
Transfer to income depreciation on assets acquired under grant funding	(126,099)	(87,187)
Closing Balance at 31 March	1,237,277	1,327,479
Amounts falling due after more than one year	1,113,546	1,236,188
Amounts falling due within one year	123,731	91,291
	1,237,277	1,327,479

NOTE 12

RESERVES

	2020	2019
	£	£
Loan Funds		
Balance brought forward at 1 April	404,386	493,145
Transfer from Retained Surplus	73,903	33,680
Transfer to Retained Surplus	(92,809)	(122,439)
Closing Balance at 31 March	385,480	404,386
Special Development Fund		
Balance brought forward at 1 April	122,651	122,529
Transfer from Retained Surplus	3,431	122
Closing Balance at 31 March	126,082	122,651

Enterprise St Helena

Notes to the Financial Statements
For the year ended 31 March 2020

NOTE 13	2019/2020	2018/2019
<u>COST OF SALES</u>	£	£
Advertising	100	140
Cleaning	18,118	17,712
Depreciation on leased premises	31,946	31,402
Depreciation on leasehold improvements	49,729	48,629
Electricity and water	2,552	2,399
Insurance	9,544	9,544
Security & Maintenance	884	4,148
Rent paid	1,371	1,405
Total	114,244	115,379

NOTE 14	DIFD	SHG	Total 19/20	Total 18/19
<u>ADMINISTRATIVE EXPENSES</u>	£	£	£	£
Audit expenses	0	16,000	16,000	16,450
Board Directors remuneration	0	14,467	14,467	14,007
Computer maintenance and support	0	20,464	20,464	8,932
Depreciation	0	42,698	42,698	39,801
Development projects	16,302	51,649	67,951	18,369
Donations	0	1,000	1,000	0
Electricity and water	0	13,391	13,391	14,522
Impairment of Investments	0	6,259	6,259	92,204
Insurance	0	26,514	26,514	28,869
Internal audit	0	0	0	18,271
Grants Awarded	0	19,497	19,497	32,037
Loss on disposal of assets	0	28,001	28,001	0
Office administration cost and expenses	0	38,170	38,170	37,810
Offshore representation	0	0	0	11,494
Private sector development	26,808	0	26,808	105,257
Professional fees	0	4,623	4,623	5,310
Marketing and promotional activities	416,779	5,116	421,895	407,535
Provision for bad debts – loans and debtors	0	(3,166)	(3,166)	7,015
Loans written off		46,737	46,737	0
Employee costs	201,038	553,525	754,563	801,365
Support to sectors	73,247	0	73,247	170,445
Training and upskilling	39,172	3,315	42,487	72,067
Telephone and internet	0	73,946	73,946	70,742
Tour guides & tours	0	9,000	9,000	21,605
Tourism community and event activities	0	25,859	25,859	15,181
Tourism Development	24,783	0	24,783	0
Tourism Public Relation costs	19,331	54,504	73,835	51,489
Tourism press trips	0	2,095	2,095	33,399
Visitor attractions maintenance and development	0	34,693	34,693	38,007
	817,460	1,091,523	1,905,817	2,132,183

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2020

NOTE 15

OPERATING INCOME

	2019/2020	2018/2019
	£	£
St Helena Government subsidy	876,391	866,176
DFID Enterprise St Helena Project funding	816,818	1,007,950
Amortisation capital grants	152,374	87,188
Tour income	0	13,116
Sundry income	3,782	1,462
	1,849,365	1,975,892

The Enterprise rented the following from St Helena Government for yearly rent of £1,683:

- Bertrand's Cottage – Property
- Jamestown Canister – Property
- Jamestown Market – Property
- Ladder Hill Business Park – Land
- New Ground Workshops – Land

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

NOTE 16

OPERATING LEASES

At 31 March 2020, the organisation had future minimum lease payments under non-cancellable leases as follows:

	2020	2019
	£	£
Not later than 1 year	1,721	1,721
Later than 1 year and not later than 5 years	6,884	6,884
More than 5 years	230,327	232,048
	238,932	240,653

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:

	2019/2020	2018/2019
	£	£
Board Member	300	300
Chairman of Sub-Committee	300	300
Sub-committee members	150	150
Internet allowance	58	58

The total allowances paid during the financial year were £14,467 (2018/19: £13,764).

Enterprise St Helena

**Notes to the Financial Statements
For the year ended 31 March 2020**

NOTE 18

STAFF EMOLUMENTS

The following were paid as staff emoluments and benefits to:

	2019/2020	2018/2019
	£	£
Permanent Staff	490,211	480,684
Contract Staff	15,268	3,282
Defined contribution Pension Plan	42,839	46,036
	<u>548,318</u>	<u>530,002</u>
TC Officers	222,488	275,674
	<u>770,806</u>	<u>805,676</u>

The average number of employees was 29 (2018/19: 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:

	2019/2020	2018/2019
	£	£
Post Box Walks	25,641	26,720
Rockfall Memorial	15,320	0
Main Street Pavements	29,702	0

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.

The following was also paid to related parties of Board members, Staff and Councillors:

	2019/2020	2018/2019
	£	£
Grants	3,963	22,294

Enterprise St Helena

Notes to the Financial Statements For the year ended 31 March 2020

The Enterprise St Helena Board of Directors took a decision on the 3 October 2019 to cease trading at Bertrand's Cottage effective on the 31 January 2020. Following the Enterprise St Helena Board consideration of the liability in the Subsidiary, it was further agreed on the 29th April 2020 to write off the Investment and all associated debt in full.

The following comprises the Investment written down and liabilities written off:

Investment in Subsidiary (Shares & Equipment transferred) (refer note 7)	£ 7,757
Net Liability (refer note 14)	£127,887

Provisions to the value £81,150 for the above was however anticipated and provided for in the 2018/19 financial statement.

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 Enterprise, Director of Investment and the Director of Resources. The aggregate remuneration paid to these key management personnel totalled £373,782 (2019: £315,259).

NOTE 21

CONTINGENT LIABILITIES

There were no contingent liabilities for the period.

NOTE 22

NON-ADJUSTING POST BALANCE SHEET EVENT

In response to the effects of COVID19, the Enterprise St Helena Board of Directors agreed to waive rental and loan repayments for an initial period of three months effective 1st April 2020. The Board of Directors also agreed to freeze all interest charges for this period as well. On the 1st July 2020 the Enterprise St Helena Board of Directors agreed to extend this support, in part, for a further three months by waiving half rental and full loan repayments. The freeze on all interest charges also continued for the extended three months.

In November 2020 the St Helena Government gave notice to Enterprise St Helena Board of Directors that operations will cease as at 31 March 2021.

The amounts reported in these financial statements have not been adjusted to reflect the alternative basis of discontinued operation. An alternate basis of reporting results will be adopted for the year ended 31 March 2021.

