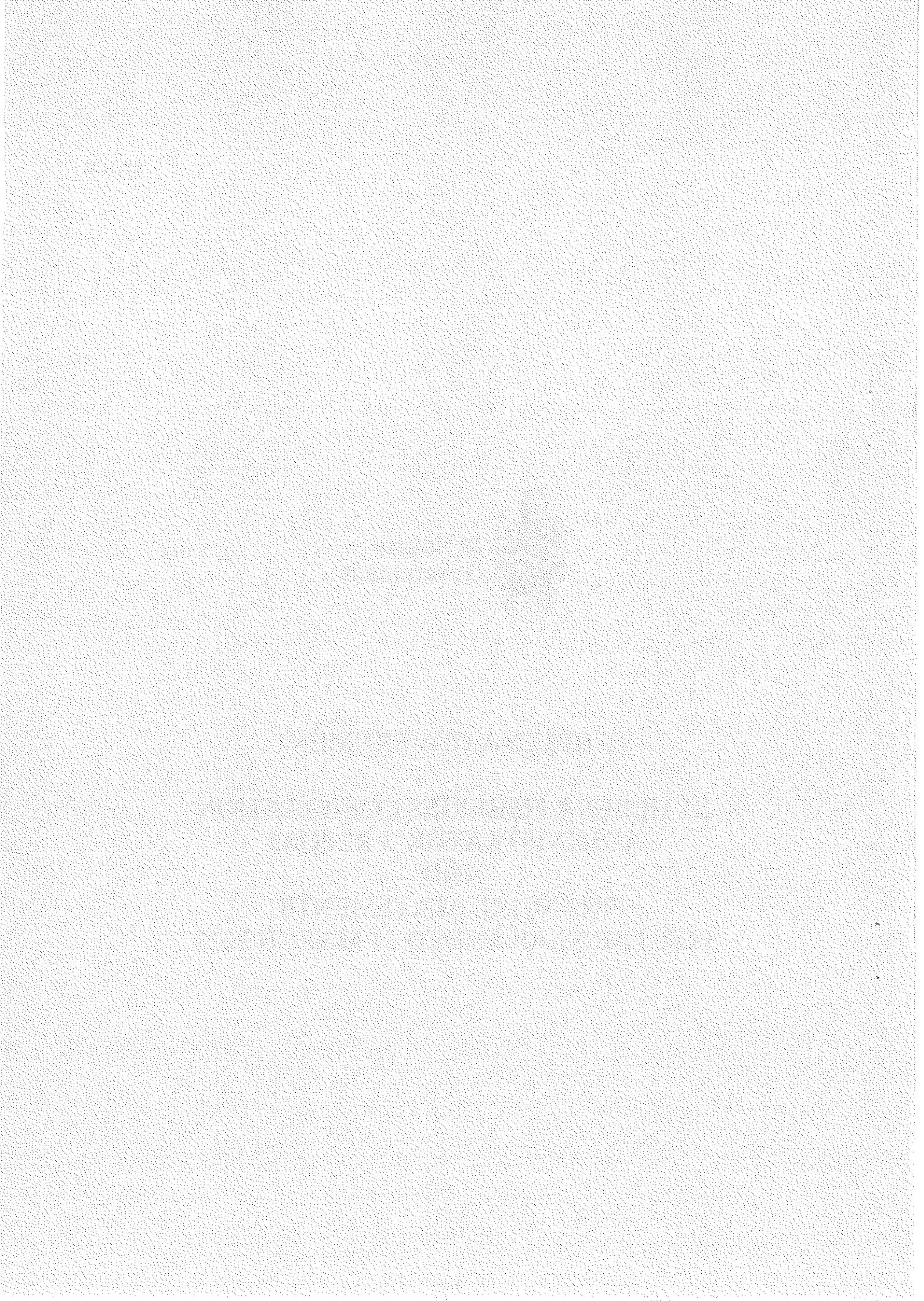
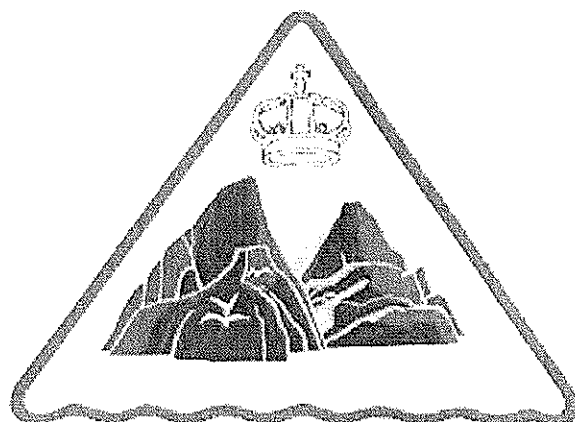




ST HELENA GOVERNMENT

ST HELENA FISHERIES CORPORATION  
ADMINISTRATOR'S REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019





**ST HELENA FISHERIES CORPORATION**

**ADMINISTRATOR'S REPORT AND FINANCIAL STATEMENTS FOR**

**THE YEAR ENDED 31 MARCH 2019**

---

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**CORPORATION INFORMATION**

---

<b>Registered office</b>	Ruperts Valley St Helena
<b>Independent auditors</b>	Audit St Helena 1st Floor New Porteous House Jamestown St Helena
<b>Bankers</b>	Bank of St Helena Market Street Jamestown St Helena

---

ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)

---

---

CONTENTS

---

	Page
Administrator's Report	1 - 3
Administrator's Responsibilities Statement	4
Statement of Income and Retained Earnings	5
Statement of Financial Position	6
Notes to the Financial Statements	7 - 16

---

**ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)**

---

**ADMINISTRATOR 'S REPORT FOR THE  
YEAR ENDED 31 MARCH 2019**

---

The Administrator presents this report and the financial statements for the year ended 31 March 2019.

**Principal activity**

The St Helena Fisheries Corporation (SHFC) was established (by the Fisheries Corporation Ordinance Cap. 90, as amended) in 1979. Since October 2015 SHFC has amalgamated with the Coldstore Operations. Under the Ordinance the role of the SHFC is to engage in fishing and fish marketing. SHFC is also the principal buyer and retailer of fish on St. Helena, with fishermen obliged to first offer their catch to the SHFC.

**Activities**

The principal aims of the Corporation are as follows:

"to facilitate the harnessing of all maritime resources in the island's territorial waters in the most effective and sustainable way through the provision, on a commercial basis, of fish marketing to include the domestic and export markets; and to provide regulatory and support services to the local fishing sector and the island."

Our activities comprise:

- The collection and purchasing of fish from local inshore and offshore commercial fishing vessels.
- The production, packaging, sale and delivery of ice to local commercial, sports and recreational fishermen and general public.
- The storage, dispensing, sale and delivery of fuel to local commercial fishermen.
- The production, packaging, sale and delivery of chummed bait (Squeezing) to local commercial, sports and recreational fishermen.
- The procurement, storage and sale of fishing equipment to fishermen and general public.
- The processing, storage, packaging and sale of various processed fish either fresh or frozen through export clients, local retailers or directly to the general public.
- The processing, storage, packaging, transporting and sale of frozen fish for export clients.
- The payment of all commercial fishermen for fish landed and proper allocation of fuel rebates.

---

**ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)**

---

**ADMINISTRATOR 'S REPORT (CONTINUED) FOR THE  
YEAR ENDED 31 MARCH 2019**

---

**Operational and Financial Review**

Turnover for the year was £578,828, with Cost of Sales of £724,596 resulting in a Gross loss of £145,768 with Overheads totaling £354,600 Distribution Costs £100,363, which was predominately export freight; Administrative Expenses £254,237, which is dominated by Salaries and repair costs; and Other Operating Income of £490,911 consisting primarily of SHG subsidy. This led to a loss before tax of £32,992. In 2018/19, the total landed catch was 295,574 kilograms at an average of £1.96 for every kilograms sold in comparison to 2017/18 where the total landed catch was 305,145 kilograms at an average of £1.85 for every kilogram sold which reflects a slightly better result in sale of fish prices.

**Board Members and Management**

The Board was appointed by the Governor of St Helena, Ascension and Tristan da Cunha in accordance with section 6(1) of the St Helena Fisheries Corporation Ordinance. The following were board members during the year under review:

L A Henry MLC, (resigned June 2018)  
J Thomas, (SHCFA Rep) (appointment ended 31 March 2019)  
G Benjamin, (SFO) (appointment ended 31 December 2018)  
N Yon, (SHG Rep) (appointment ended 30 June 2018)  
M Henry  
K Hercules MLC (resigned 30 November 2018)  
C Scipio MLC (Chairperson) (appointed 27 June 2018)

SHFC Management for the year under review:

General Manager – Elizabeth Clingham (resigned 8 November 2018)  
General Manager – Anthony Van Rensburg (appointed 12 November 2018)  
Finance Manager – Graeme Beckett  
Operations Manager – Terri Clingham.

**Subsequent Events after Year End**

On the 30<sup>th</sup> of January 2020, the Governor in Council issued a section 5(b) directive for the cessation of trading of the SHFC on the 31<sup>st</sup> of January 2020. The Board of Management was relieved of its duties and an Administrator appointed for the orderly closure of SHFC.

**Disclosure of information to auditors**

The Administrator at the time when this report was approved confirmed that:

- so far as the Administrator is aware, there is no relevant audit information of which the Corporation's auditors are unaware, and
- the Administrator has taken all the necessary steps that ought to have been taken by the Board of St Helena Fisheries Corporation in order to be aware of any relevant audit information and to establish that the Corporation's auditors are aware of that information.

---

ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)

---

ADMINISTRATOR 'S REPORT (CONTINUED) FOR THE  
YEAR ENDED 31 MARCH 2019

---

**Independent audit**

Audit St Helena will continue to Audit the accounts of the organisation in accordance with the organisation's governing legislation (St. Helena Fisheries Corporation Ordinance CAP 90).



Anesu Happyman Makamure  
Administrator

Date: 16/09/2020



---

**ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)**

---

**ADMINISTRATOR 'S RESPONSIBILITIES STATEMENT FOR THE  
YEAR ENDED 31 MARCH 2019**

---

The Administrator is responsible for preparing the Administrator's Report and the financial statements in accordance with applicable laws and regulations.

The SHFC Ordinance requires management to prepare financial statements for each financial year. Under the Ordinance, the Management has elected to prepare the financial statements in accordance with Financial Reporting Standard 102, section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In preparing these financial statements, the Administrator is required to:

- select suitable accounting policies for the Corporation's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Administrator is responsible for keeping adequate accounting records that are sufficient to show and explain the Corporation's transactions and disclose with reasonable accuracy at any time the financial position of the Corporation. The Administrator is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)

STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover		578,828	564,678
Cost of sales		(724,596)	(751,549)
Gross loss		(145,768)	(186,871)
Distribution costs		(100,363)	(67,291)
Administrative expenses	4	(254,237)	(215,068)
Operating loss		(500,368)	(469,230)
Other Operating Income	5	490,911	340,074
Interest receivable and similar income		494	719
Interest payable and expenses		(24,029)	(14,289)
Loss for the year		(32,992)	(142,726)
Retained earnings at the beginning of the year		(534,088)	(391,362)
Loss for the year		(32,992)	(142,726)
Retained earnings at the end of the year		(567,080)	(534,088)

**ST HELENA FISHERIES CORPORATION**  
(UNDER ADMINISTRATION)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>CURRENT ASSETS</b>			
Current assets held for sale	7	125,693	72,419
Inventories	8	103,414	107,999
Debtors	9	64,328	96,228
Cash at bank and in hand	10	10,757	17,453
		304,192	294,099
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	389,677	363,983
Loans	12	174,000	177,123
Deferred income	13	84,285	63,772
		647,962	604,878
<b>NET LIABILITIES</b>		(343,770)	(310,779)
<b>CAPITAL AND RESERVES</b>			
Capital reserve		223,310	223,310
Retained loss		(567,080)	(534,089)
		(343,770)	(310,778)

The financial statements have been prepared in accordance with the St Helena Fisheries Corporation Ordinance and in accordance with the provisions of FRS 102 Section 1A - small entities.



.....  
**Anesu Happyman Makamure**  
Administrator

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**1. General information**

St Helena Fisheries Corporation is a body corporate established in November 1979 through the St Helena Fisheries Corporation Ordinance. It is domiciled on St Helena Island. The registered office is at Ruperts, Ruperts Valley. It is wholly owned by St Helena Government which is the ultimate parent of the Corporation. The address of the parent's registered office and principal place of business is The Castle, Jamestown, St Helena Island, STHL 1ZZ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

In accordance with FRS 102, paragraph 3.9, the organisation changed the basis of preparing its financial statements from going concern to an alternative basis of accounting that included the following judgments and estimates:

- the reclassification from non-current assets to current,
- reassessment of the amortization of deferred grants over the revised useful life of the corresponding grant funded assets
- the reassessment of the remaining useful life and residual values of Property, Plant & Equipment to cessation of trading to 31 January 2020

**2.2 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied

- the Corporation has transferred the significant risks and rewards of ownership to the buyer;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Corporation will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**2. Accounting policies (continued)**

**2.3 Expenditure**

Expenditure is recognised when it is incurred, upon delivery of goods or when services are employed. Goods and services received during the year that have not been paid for by the reporting date have been accounted for as Accrued Expenses.

**2.4 Current assets held for sale and Depreciation**

Tangible current assets held for sale (fixed assets) under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Depreciation has been charged based on the revised residual values and useful lives up to the date of cessation of operations being 31 January 2020.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

Property, Plant and Equipment costing less than £500 are charged directly to the income statement.

**2.5 Inventory**

Inventory are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

Cost of fish is determined as the costs of purchase, costs of conversion and other costs incurred in bringing the fish to its present location and condition

Cost of spares is the cost that was incurred upon purchase of the stock.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment and are measured subsequently at amortised cost using the effective interest method, less any impairment. Any losses arising from impairment are recognised in the income statement in other operating expenses

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**2. Accounting policies (continued)**

**2.8 Financial instruments**

The Corporation only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates up to the date of cessation of trading being 31 January 2020. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

**2.11 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**2. Accounting policies (continued)**

**2.12 Operating leases: the Corporation as lessee**

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Property, plant and equipment acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

**2.13 Pensions**

**Defined contribution pension plan**

The Corporation operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Corporation pays fixed contributions into a separate entity. Once the contributions have been paid the Corporation has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

**2.14 Interest income**

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

**2.15 Borrowing costs**

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

**3. Effects of change in accounting basis arising from either a change in estimate or effects of changing from Going Concern to alternative basis**

During 2018/19, owing to the financial statements of SHFC not being prepared on the going concern basis, SHFC reassessed its judgements and estimates with the effect of these changes summarized as follows:

	<b>2019</b>
	<b>£</b>
Reclassification of non-current assets to current assets	125,693
Decrease in deferred grant income and increase in other income	58,802
Increase in depreciation expenses and Accumulated depreciation	2,121
Increase in derecognized assets expense and decrease in PPE	30,357
Reclassification of non-current liabilities to current liabilities	469,708

ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

4. Administrative expenses

	2019 £	2018 £
Staff costs	85,895	86,382
Staff training and welfare	4,984	2,332
Motor running costs	6,252	4,107
Entertainment and travel	1,794	2,102
Consultancy	10,166	-
Stationery, post, tel, computer, office	10,572	12,173
Subscriptions and donations	60	-
Professional fees	20,540	28,457
Finance charges	2,155	2,080
Bad debts	6,330	(9,430)
Sundry expenses	1,912	5,186
Rent	38	294
Rates and water	1,440	6,879
Cleaning	11,352	1,590
Insurances	7,051	5,224
Repairs and maintenance	21,382	38,399
Derecognised partitioning costs for the freezer	30,357	-
Depreciation	24,276	29,180
Profit/loss on sale of assets	7,234	(49)
Spares	447	162
	<u>254,237</u>	<u>215,068</u>

5. Other operating income

	2019 £	2018 £
Government grants receivable	486,029	340,074
Other income	4,665	-
Foreign exchange difference - gain	217	-
	<u>490,911</u>	<u>340,074</u>



**ST HELENA FISHERIES CORPORATION**  
(UNDER ADMINISTRATION)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**6. Employees**

Staff costs for employees who earned an income and PAYE deducted for the year ended 31 March 2019 amounted to £210,427.

The monthly number of employees, including senior management, during the year was 22 (2018 - 24)

**7. Current assets held for sale**

	Buildings	Plant and Equipment	Motor vehicles	Furniture, Fixtures and Fittings	Total
Cost	£	£	£	£	£
At 1 April 2018	41,589	69,264	141,096	20,429	272,378
Additions	-	79,182	-	843	80,025
Disposals/ write-off	-	(100)	-	(7,234)	(7,334)
At 31 March 2019	41,589	148,346	141,096	14,038	345,069
Accumulated Depreciation					
At 1 April 2018	41,587	30,110	119,610	8,652	199,959
Eliminated on disposal/ write-off	-	(100)	-	-	(100)
Charge for the year	-	23,761	(4,851)	607	19,517
At 31 March 2019	41,587	53,771	114,759	9,259	219,376
Net book value					
At 31 March 2019	2	94,575	26,337	4,779	125,693
At 31 March 2018	2	39,154	21,486	11,777	72,419

ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

8. Inventories

	2019 £	2018 £
Fuel	11,131	4,581
Stores	47,827	36,339
Fish	46,808	67,079
	<u>105,766</u>	<u>107,999</u>
Provision for obsolete stock	(2,352)	-
Total	<u><u>103,414</u></u>	<u><u>107,999</u></u>

9. Debtors

	2019 £	2018 £
Trade debtors	82,167	146,590
Other debtors	1,737	4,668
Provision for bad debts	(19,576)	(55,030)
	<u>64,328</u>	<u>96,228</u>

10. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	10,757	17,453
Total	<u><u>10,757</u></u>	<u><u>17,453</u></u>

ST HELENA FISHERIES CORPORATION  
(UNDER ADMINISTRATION)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

11. Trade and other payables

	2019	2018
	£	£
Trade creditors: SHG and related parties	103,332	208,292
Trade creditors: Connect	267,645	139,940
Other creditors and accruals	18,700	15,751
Total	389,677	363,983

12. Loans

	2019	2018
	£	£
SHG Loan	174,000	174,000
Bank loans	-	3,123
Total	174,000	177,123

13. Deferred Income

	2019	2018
	£	£
Opening balance	63,772	43,610
SHG	54,026	-
ENRD	16,000	-
FAD Fabrication grant	-	6,286
Longline Equipment grant	-	9,214
ESH development grant	6,000	12,861
Capital grant income amortised during the year	(55,513)	(8,199)
Total	84,285	63,772

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**14. Pension commitments**

The Corporation operates a defined contribution pension scheme through Solomon & Co. (St. Helena) PLC on behalf of its employees. Pension costs during the year amounted to £3,015 (2017/18 £7,828), there were no outstanding or prepaid contributions at 31 March 2019.

**15. Remuneration of key management**

The key management personnel of SHFC are the Board of Management working together with the General Manager, Operations Manager, Financial Manager and the Fisheries Improvement Group.

The aggregate remuneration for the General Manager during the year was £19,988. The aggregate is split between two appointments during the financial year.

The aggregate remuneration for the Operations Manager during the year was £14,760

The aggregate remuneration for the Financial Manager during the year was £12,300.

**16. Commitments under operating leases**

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

	2019	2018
	£	£
Not later than 1 year	60	60

**17. Transactions with Board of Management**

The Board of Management does not receive monetary and non-monetary benefits or compensation.

**18. Related party transactions**

SHFC is controlled by SHFC through SHG ability to appoint the Board members of SHFC. SHFC is exempt from disclosures requirements of paragraph 33.9, related party transactions, under FRS 102 S1A.

**ST HELENA FISHERIES CORPORATION**  
**(UNDER ADMINISTRATION)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

---

**19. Post balance sheet events**

On the 30<sup>th</sup> of January 2020, the Governor in Council issued a section 5(b) directive for the cessation of trading of the SHFC on the 31<sup>st</sup> of January 2020. The Board of Management was relieved of its duties and an Administrator appointed for the orderly closure of SHFC.

**Board Members:**

The Board was appointed by the Governor of St Helena, Ascension and Tristan da Cunha in accordance with section 6(1) of the St Helena Fisheries Corporation Ordinance.

L A Henry MLC, (resigned June 2018)  
J Thomas, (SHCFA Rep) (appointment ended 31 March 2019)  
G Benjamin, (SFO) (appointment ended 31 December 2018)  
N Yon, (SHG Rep) (appointment ended 30 June 2018)  
M Henry  
K Hercules MLC (resigned 30 November 2018)  
C Scipio MLC (Chairperson) (appointed 27 June 2018)

The above mentioned members of the board were removed on 31 January 2020.





**AUDIT ST HELENA**  
External Auditors

**St Helena Fisheries Corporation**  
**Financial Statements for the year ended 31 March 2019**

## **INDEPENDENT AUDITOR'S REPORT**

**To the Administrator of the St Helena Fisheries Corporation**

### **Opinion**

I have audited the financial statements of the St Helena Fisheries Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2019, 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, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 March 2019, and its financial performance for the year then ended in accordance with the Financial Reporting Standard 102 (FRS 102) Section 1A Small Entities.

### **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 the St Helena Fisheries Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in St Helena and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Emphasis of Matter**

I draw attention to three specific note disclosures in the financial statements. The decision was made to cease trading operations of the Corporation on 31 January 2020 as disclosed in note 19, Post balance sheet events. The assumption that the Corporation would continue as a going concern was thus no longer appropriate and the annual financial statements were prepared on an alternative basis of accounting as detailed in accounting policy note 2.1 Basis of preparation of financial statements. The effects of applying this alternative basis of accounting are disclosed in note 3, Effects of change in accounting basis arising from either a change in estimate or effects of changing from going concern to alternative basis. My opinion is not modified in respect of this matter.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with FRS 102 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our 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 our 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 our auditor's report.



Brendon Hunt CA (SA)  
Deputy Chief Auditor

16 September 2020

Audit St Helena  
New Porteous House, Jamestown, St Helena Island, South Atlantic Ocean, STHL 1ZZ



## **Annex to the Independent Auditor's 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 our 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 the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 the 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 our 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.





