SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS

FINANCIAL STATEMENTS

and

AUDIT REPORT

for the year ended

31st DECEMBER 2015

CONTENTS	Page

SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS
FINANCIAL STATEMENTS

for the year ended

31st DECEMBER 2015

INTRODUCTION

SOUTH GEORGIA and the SOUTH SANDWICH ISLANDS FINANCIAL STATEMENTS

For the year ended 31st December 2015

INTRODUCTION AND SUMMARY OF FINANCIAL STATEMENTS

INTRODUCTION

South Georgia and the South Sandwich Islands are an Overseas Territory of the United Kingdom and are administered by a Commissioner appointed by Her Majesty the Queen.

The Commissioner is resident in the Falkland Islands. By arrangement between the Government of South Georgia and the South Sandwich Islands (GSGSSI) and the Falkland Islands Government, the services of some Falkland Islands Government officers are made available on a part time basis to the Government of South Georgia and the South Sandwich Islands.

FINANCIAL STATEMENTS

With the aim of modernising GSGSSI accounting framework the accounts from 2008 were moved from a cash basis to a resource accounting basis. The financial statements therefore now incorporate Fixed Assets, Debtors, Stock and Creditors.

Approval was received from the Secretary of State to deviate from Chapter VIII of Part II of the Colonial Regulations. These accounts are therefore prepared on the accruals basis as detailed in note 1.1.

AUTHORITY FOR EXPENDITURE

The 2015 estimates were approved by the Secretary of State on the 9th of January 2015. A Revised General Warrant for Expenditure was approved on the 15th of December 2015.

SUMMARY

The statements show a surplus of £542,238 (2014 – surplus £1,370,938) for the year, compared to a budgeted cash surplus of £214,560 (2014 – surplus £453,160), to give a General Revenue Balance (before other realisations) at 31 December 2015 of £5,057,756 (2014 - £4,515,518).

Operating revenue was £474,576 (2014 - £792,478 above) above the approved estimated revenue of £6,467,210 (2014 - £6,205,010), mainly due to fishing licence revenue and landing charges.

There was an over spend of £146,898 (2014 – £125,198 underspend) compared to the approved estimated expenditure of £6,252,650 (2014 - £5,751,850). Estimates are prepared on a cash basis whereas the accounts are prepared using resource accounting principles.

GSGSSI SENIOR MANAGEMENT

The members of GSGSSI Senior Management during the year ended 31 December 2015 were:

FCO Representative	
Commissioner	HE Colin Roberts

GSGSSI Senior Management	
Chief Executive	Martin Collins, (until 31st July 2015) James Jansen (from 2nd July 2015)
Executive Officer	Richard McKee
Operations Manager	Keiron Fraser (until 30th April 2015)
Financial Secretary	Nicola Granger

SOUTH GEORGIA and the SOUTH SANDWICH ISLANDS
FINANCIAL STATEMENTS

For the year ended 31st December 2015

STATEMENT OF FINANCIAL SECRETARY'S RESPONSIBILITIES

The Financial Secretary is responsible for supervising the finances of the Government by managing the General Revenue Balance Account and supervising, controlling and directing all matters relating to the financial affairs of the Government so as to ensure that a full account is made to the Commissioner.

The Financial Secretary is responsible for compiling and managing the financial statements of the Government. This includes ensuring that all monies received and paid by Government are brought promptly and properly to account, reporting to the Commissioner in writing any apparent defect in departmental controls of revenue, expenditure, cash, stamps, stores and other property of the Government and any breach or non-observance of Colonial Regulations. The Financial Secretary is also responsible for ensuring that adequate provisions exist for the safe custody of public monies, stamps, securities and other documents for which they are accountable.

Approved by

Nicola Granger ACA
Financial Secretary

SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS

FINANCIAL STATEMENTS

for the year ended

31st DECEMBER 2015

SOUTH GEORGIA and the SOUTH SANDWICH ISLANDS
FINANCIAL STATEMENTS

For the year ended 31st December 2015

SOUTH GEORGIA and the SOUTH SANDWICH ISLANDS
FINANCIAL STATEMENTS

For the year ended 31st December 2015

OPERATING COST STATEMENT
for the year ended 31st December 2015

2014 £000		Note	2015 £000
	Operating Costs		
731	Staff Costs		775
4,895	Other Operating Costs		5,625
5,626	Total Operating Costs	2	6,400
6,997	**Operating Revenue**	3	6,942
(1,371)	**OPERATING (SURPLUS)/DEFICIT FOR THE YEAR**		**(542)**
(1,371)	**TOTAL (SURPLUS)/DEFICIT FOR THE YEAR**		**(542)**

The main drivers for the change in results from a £1,379,735 cash surplus (2014 – £2,294,000 surplus) to a £542,238 (2014 – £1,371,000 surplus) resource surplus were:

2014 £000	Item	Main reasons for variance	2015 £000
(133)	Fixed Asset Recognition	Removing fixed asset costs from the operating cost statement and capitalising on the Balance Sheet	(233)
271	Depreciation	Depreciation on Fixed Assets being recognised as an expense through the Operating Cost Statement.	301
985	Accruals & Prepayments	Recognising income and expenditure in the year it relates to rather than the year processed or received	545
46	Stock	Provision for obsolete stock	(8)
(98)	Stock	The consumption of stock in the year	100
7	Sale of Stamps	Movement in credit card control	18
-	Exchange Rate	Exchange rate movements	-
72	Grants	Grant income taken straight to reserves	114

N Granger ACA
Financial Secretary

OPERATING COST STATEMENT FOR THE YEAR ENDED 31st December 2015 (continued)

Comparison of Cash (Surplus) to Resource (Surplus)/Deficit

2014 £000		Note	2015 £000
(2,294)	Net Cash (surplus) 31 December		(1,380)
923	Resource Accounting Adjustments	*	837
(1,371)	**TOTAL (SURPLUS)/DEFICIT FOR THE YEAR**		**(542)**

*** Reconciliation of Resource Accounting Adjustments**

2014 £000		2015 £000
	REVENUE	
375	Prepaid Income	292
(54)	Accrued Income	(16)
(16)	Debtors	2
72	Grant Income to Reserves	114
(170)	Other	10
207	**Total Revenue Adjustments**	**403**
	EXPENDITURE	
748	Accrued Expenditure	314
(84)	Prepaid Expenditure	(45)
(34)	Movements in Creditors & Provisions	-
138	Fixed Assets / Depreciation	68
(98)	Stock Consumption	100
46	Stock Provision	(8)
-	Other	6
716	**Total Expenditure Adjustments**	**435**
923	**TOTAL RESOURCE ACCOUNTING ADJUSTMENTS**	**837**

N Granger ACA

SOUTH GEORGIA and the SOUTH SANDWICH ISLANDS
FINANCIAL STATEMENTS

For the year ended 31st December 2015

Financial Secretary

BALANCE SHEET AS AT 31st DECEMBER 2015

2014				2015	
£000	£000		Notes	£000	£000
		Fixed Assets			
10,557		Tangible Fixed Assets	4	10,554	
	10,557	**Total Fixed Assets**			**10,554**
		Current Assets			
195		Stock	5	103	
715		Debtors falling due within 1 year	6	519	
6,109		Short-term investment	7	6,001	
1,045		Cash at bank and in hand	8	1,663	
	8,064	**Total Current Assets**			**8,286**
1,130		Creditors due within 1 year	9	627	
6,934		**Net Current Assets**		7,659	
	17,491	**Total Assets Less Current Liabilities**			**18,213**
	17,491	**NET ASSETS**			**18,213**
		Financed by Taxpayers' Equity:			
17,491		Reserves	10		18,213
17,491		**TOTAL RESERVERS**			**18,213**

N Granger ACA
Financial Secretary

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements on pages 5 to 7 and should be treated as such.

1. Accounting Policies

1.1 Basis of Accounting

These financial statements are prepared and published in accordance with approval from the Secretary of State. The financial statements generally follow UK generally accepted accounting practice (UK GAAP) to the extent it is meaningful and appropriate to the Government of South Georgia and South Sandwich Islands. Where there is a choice of accounting policies available, the accounting policy judged to be the most appropriate to the particular circumstances of the Government of South Georgia and South Sandwich Islands for the purposes of giving a true and fair view has been selected. The Government's accounting policies have been applied consistently in dealing with items considered material in relation to the financial statements. Where relevant, principles outlined in the pre- IFRS Financial Reporting Manual issued by HM Treasury have been followed. The financial statements are not required to comply fully with statements issued by the financial reporting and accounting standards setting bodies in the United Kingdom.

1.2 Accounting Convention

These financial statements have been prepared under the accruals concept of accounting and the historical cost convention for the measurement of fixed assets, as modified for the revaluation of listed fixed asset investments. Differences to the historical cost method of valuation for tangible fixed assets and stocks have been referred to in notes 1.8 and 1.13d.

1.3 Recognition of Income

Income is recognised on an accruals basis, accruing into the financial statements where late invoicing has occurred and deferring income not relating to the period of account. Operating income relates directly to the operating activities of the department. It principally comprises fees and charges for services provided on a full-cost basis to external customers.

With regards to taxation income, income from personal tax is recognised when an assessment is issued by the Taxation Department. Income from corporation tax and payments on account of tax (POAT) are recognised at the time payments are due and payable according to the taxation legislation. All penalties accruing for late payment of tax at 31 December form part of revenue.

1.4 Notional and other non cash charges

The Operating Cost Statement includes depreciation charged.

1.5 Recognition of Expenditure

Expenditure is recognised on an accruals basis, matching costs incurred to the period of account. Costs relating to a future accounting period are recognised as prepayments.

1.6 Foreign Currency Transactions

The financial statements are maintained and reported in Falkland Islands pounds, which are on par with the pound sterling, in accordance with the provisions of Section 4 of the Falkland Island Currency Ordinance 1987. Expenditure and revenue in other currencies are converted to Falkland Islands pounds at the foreign exchange rate on the date the transactions take place. Balances and investments held are converted at the closing mid-point foreign exchange rate of 31 December.

1.7 Intangible Fixed Assets

Mineral, oil and fishing rights are not capitalised. It is not possible to ascertain their value without incurring considerable cost. Purchased software licences are put through the operating cost statement as the majority of licences are renewed annually, and values of longer term licences are considered immaterial. As such, there are no intangible fixed assets accounted for within the Government of South Georgia and South Sandwich Islands.

1.8 Tangible Fixed Assets

With the exceptions stated below concerning non-operational heritage assets, tangible fixed assets are stated at historical cost including any costs such as delivery and installation directly attributable to bringing them into working condition. There are some fixed assets for which it has not been possible to identify historic cost. In these cases, an estimate of replacement cost has been made. As at 31 December 2015, the split of assets disclosed in this way was:

	Cost		NBV	
	£000	% of Cost	£000	% of NBV
Historical Cost	12,298	96%	10,211	97%
Estimated Values	506	4%	343	3%
Total Fixed Assets	**12,804**	**100%**	**10,554**	**100%**

No consideration of potential impairment in recoverable amount or value in use of tangible fixed assets has been made. All fixed assets of cost or estimated value over £1,000 are capitalised, with the exception of IT, which is capitalised at £50. Non-operational heritage assets have not been capitalised, either because it is impossible to obtain a reliable valuation, or because the cost of obtaining a reliable valuation would be greater than the benefit arising.

1.9 Assets under the Course of Construction

Assets under the course of construction are included in the fixed assets figure in the Balance Sheet and detailed in note 4 to the financial statements.

As a project is completed and the asset is brought into use, the asset is transferred out of the Assets under Construction class into the relevant asset category.

1.10 Donated Assets

Donated tangible fixed assets are capitalised at their current value on receipt, this value being credited to the Donated Assets Reserve. Each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Operating Cost Statement.

1.11 Depreciation Policy

Tangible fixed assets are depreciated at rates calculated to write them down to their estimated residual value on a straight-line basis over their estimated useful economic lives. Assets under the course of construction are not depreciated until the asset is brought into use and transferred out of that category. Leased assets are depreciated over the shorter of the lease term and their estimated useful economic lives. No depreciation is provided on freehold land since it has an unlimited useful life.

The initial cost of capital infrastructure is depreciated over 100 years, being management's current estimated useful life. All repairs expenditure in relation to such infrastructure is charged to the operating cost statement. In addition, annual condition reviews are performed by management in order to consider any further material consumption or deterioration of the infrastructure network during the year requiring to be charged to the operating cost statement as excess depreciation.

1.11 Depreciation Policy (Cont.)

The asset categories and their normal useful economic lives are:

Buildings	50 years
Infrastructure (Jetties, etc)	100 years
Furniture/Fittings	10 years
Equipment	5 years
Plant & Machinery	10 years
Vehicles	10 years
Air and Sea craft	20 years

1.12 Debtors

The sum of debtors shown in the balance sheet is made up of accrued income, advances, prepayments, trade debtors and loans advanced by Government of South Georgia and South Sandwich Islands.

1.13 Stocks

Government stocks are included in the financial statements using the following policy guidelines.

a. Aggregate stocks held by a type are excluded if less than £1,000 in value.

b. Minor assets held, which are below the fixed asset threshold, and which are of an inventory nature rather than consumable items, are not included within the stocks figure.

c. The initial recognition of stocks has been created and a corresponding entry in the General Fund represents the increase to the balance sheet value of Taxpayers' Equity.

d. Stocks are valued at the lower of cost or net realisable value on a first in first out basis. Where a cost figure is unknown, either a replacement cost value or an estimated or notional value has been assigned in order to establish the opening stocks position.

e. Stocks have been measured by way of an annual stock take.

f. Stocks recognised for the first time are accounted for as described in note 1.13c. All other movements in stock are accounted for under stock consumption in the operating cost statement. Negative stock consumption arises when in-year purchases exceed usage.

1.14 Provisions for Liabilities

The Government of South Georgia and South Sandwich Islands provides for legal and constructive obligations, which are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

1.15 Reserves

The Government's reserves represent the balance of assets and liabilities as shown on the balance sheet comprising the Revaluation Reserve, Donated Asset Reserve, Consolidated Fund, Capital Grant Reserve, and Earmarked Reserves consisting of the FCO Revenue Grant Reserve, the King Edward Point Reserve, and the Heritage Fund Reserve.

Revaluation Reserve
The Revaluation Reserve was created on 1 January 2008 when the Government changed from a cash accounting basis to a resource accounting basis. Since inception the reserve has been used to recognise unrealised revaluation gains and associated transactions.

Donated Asset Reserve
The Donated Asset Reserve exists to account for assets as noted in accounting policy 1.10.

1.15 Reserves (Cont.)

Consolidated Fund
The Consolidated Fund is a statutory reserve which represents the balance available to carry forward to meet expenditure in future years.

Capital Grant Reserve
Capital grant income used to fund the purchase of fixed assets is accounted for by crediting the Capital Grant Reserve in the Balance Sheet upon receipt of the grant. The grant is then recognised in the Consolidated Fund by a reserve transfer over the period of the useful economic life of the relevant assets purchased.

Earmarked Reserves
These represent amounts set aside from the Consolidated Fund in earmarked reserves to provide financing for specific future expenditure and comprise the FCO Revenue Grant Reserve, the King Edward Point Reserve and the Heritage Fund Reserve.

FCO Revenue Grant Reserve
This reflects grant income received from the FCO to which there are no specific conditions attached and which has been credited directly to reserves. This funding is restricted in that it can only be used to demonstrably further policy objectives for GSGSSI or to mitigate against contingencies. In order to use this reserve a formal warrant will need to be produced, supported by approval from the FCO and, for that reason, these grants are separately earmarked. Once approved expenditure is incurred a reserve transfer is made from the FCO Revenue Grant Reserve to the Consolidated Fund.

King Edward Point Reserve
This reserve reflects income received that can only be used to support work to encourage greater scientific use of the facilities at KEP. This is fully recognised as income in the year of receipt as it reflects a return of funding previously provided to BAS and accounted for through the OCS. This is represented on the balance sheet in an earmarked reserve to ensure the funding is used for the specific purpose it was intended. When expenditure is incurred to fund the scientific use of facilities at King Edward Point, a reserve transfer is made from the King Edward Point Reserve to the Consolidated Fund.

Heritage Fund Reserve
This reserve reflects income received that can only be used to fund heritage projects. This is fully recognised as income in the year of receipt as there are no conditions associated with its return, and it is accounted for through the OCS. This is represented on the balance sheet in an earmarked reserve to ensure the funding is used for the specific purpose it was intended. When applicable expenditure is incurred, a reserve transfer is made from the Heritage Fund Reserve to the Consolidated Fund.

1.16 Research and development

Expenditure on research and development is charged through the operating cost statement.

For the year ended 31st December 2015

2. STATEMENT OF EXPENDITURE

Actual 2014 £000	Code	Description	Note	Approved Estimate 2015 £000	Actual 2015 £000
		Personal Emoluments			
487	0995-0310-	Salaries Established Staff		480	455
223	0995-0311-	Builders Salaries		-	258
7	0995-0312-	Project Salaries		-	49
6	0995-0331-	Medical Services Tax		5	5
8	0995-0332-	Retirement Pension Contribs-		9	8
731		**Total Personal Emoluments**		**494**	**775**
		Other Charges			
90	0995-0334-	Passages		77	67
6	0995-0600-	Telecommunications		6	6
99	0995-0602-	Maintenance of Buildings & Equipment		100	97
6	0995-0604-	Incidental Expenses		15	28
(107)	0995-0605-	Exchange Rates		-	125
4	0995-0608-	Stationery & Printing		2	4
30	0995-0612-	Insurance		32	32
4	0995-0614-	Vehicle - Operational Costs		2	1
1	0995-0615-	Plant & Machinery		-	-
3	0995-0619-	Office Administration		5	1
5	0995-0700-	Mail Services		15	19
49	0995-0720-	Production of Stamps & Coins		62	42
21	0995-0721-	KEP Post Office Non-Philatelic Expenditu		15	12
1	0995-0721-0001	Purchase of Website Stock		-	-
16	0995-0722-	Overseas Agency Commission		20	15
3	0995-1171-	Official Entertainment		3	3
5	0995-1201-	Auditors Fees & Expenses		6	4
2	0995-1203-	Bank Charges		2	2
7	0995-1204-	Bad Debts Expenses		-	2
-	0995-1205-	Profit/Loss on sale of Fixed Assets		-	4
5	0995-1300-	Pensions		5	6
40	0995-1320-	Contribution to FIG Administration		52	52
150	0995-1400-	Medical Services		147	151
17	0995-1429-	Specialist Consultancy		15	11
2,788	0995-1501-0001	Fisheries Patrol Costs		3,232	2,962
217	0995-1501-0002	Fisheries Research		206	161
16	0995-1501-0003	Catch Verification		15	17
2	0995-1503-	Observer Fees		13	2
232	0995-1503-0001	Toothfish Observer Fees		245	234

2. STATEMENT OF EXPENDITURE (CONT.)

Actual 2014 £000	Code	Description	Note	Approved Estimate 2015 £000	Actual 2015 £000
41	0995-1503-0002	Icefish Observer Fees		48	29
21	0995-1503-0003	Krill Observer Fees		19	14
22	0995-1505-	Project Atlantis		25	27
(98)	0995-1600-	Stock Consumption		-	82
46	0995-1601-	Provision Obs Stock		-	10
271	0995-1708-	Depreciation Expense		-	301
62	0995-1903-	Museum Trust		47	47
1	0995-1951-	Domestic Equipment		1	2
5	0995-1954-	Publications		2	-
26	0995-1963-0001	OTPF		-	11
3	0995-1963-0005	Darwin Weed Management		48	23
-	0995-1964-	Groundfish Survey		213	122
-	0995-1966-	Environmental Baseline Survey		5	-
12	0995-1966-0001	Environmental Surveys		33	96
1	0995-1966-0002	Environmental - Bio-Security		3	5
8	0995-1966-0003	Environmental - ACAP		8	6
-	0995-1966-0004	Environmental - South Georgia GIS (BAS C		14	-
28	0995-1966-0005	Environmental - Data Management		60	52
-	0995-1966-0006	Environmental - MPA Monitoring		10	-
6	0995-1966-0007	Invasive Plant Management		-	2
2	0995-1966-0008	Habitat Restoration Monitoring		88	-
500	0995-1968-	Civilianisation		500	500
3	0995-1975-	Expedition Consultancy		3	6
4	0995-1976-	MSC Consultancy		9	33
-	0995-1979-	Hydroelectric Scheme		1	14
21	0995-1981-	Funding - Phd Student		20	34
4,697		**Total Operating Expenditure**		**5,449**	**5,476**
		Special Expenditure			
121	0995-1967-	Reindeer Eradication		35	4
72	0995-1983-	Heritage Work		275	137
5	0995-1985-	Stanley Biosecurity / Storage-		-	8
198		**Total Special Expenditure**		**310**	**149**
5,626		**Total Expenditure**		**6,253**	**6,400**

SOUTH GEORGIA and the SOUTH SANDWICH ISLANDS
FINANCIAL STATEMENTS

For the year ended 31st December 2015

3. STATEMENT OF REVENUE

Actual 2014 £	Code	Description	Note	Approved Estimate 2015 £	Actual 2015 £
930	0995-0001-	Landing Charges		880	1,142
106	0995-0020-	Sale of Stamps		170	153
31	0995-0021-	KEP Post Office Non-Philatelic Revenue		25	16
-	0995-0037-	Reimbursement SubCharter Commercial		10	5
1	0995-0058-	Recovery Staff Benefits/Costs		-	-
128	0995-0061-	Customs Services/Harbour Dues		80	111
4,114	0995-0070-0001	Fishing Licences - Toothfish		4,205	4,159
391	0995-0070-0002	Fishing Licences - Icefish		307	232
895	0995-0070-0003	Fishing Licences - Krill		404	768
27	0995-0071-	Transhipment Fees		15	24
64	0995-0079-	Miscellaneous Revenue		5	83
6	0995-0120-	Expedition Applications		6	9
1	0995-0120-0001	Science Permits		1	1
6	0995-0120-0002	Media/Film Fees		5	4
75	0995-0130-	Court Fees & Fines		-	10
-	0995-0137-	Recovery of Legal Costs		10	-
5	0995-0153-	Seignorage on coins		7	3
50	0995-0185-	Income Tax		35	37
52	0995-0204-	Investment Income		82	30
30	0995-0263-0001	OTPF		10	20
26	0995-0263-0002	Darwin Weed Management		46	54
20	0995-0263-0006	Reindeer Meat Sales		15	11
0	0995-0273-	Heritage Revenue Fund		120	50
14	0995-0280-	Sponsership - Phd Student		10	2
24	0995-0281-	Accommodation Fees-		18	17
-	0995-0281-0001	Food Charges		1	-
1	0995-0282-	Church Donations		0	1
6,997		**Total Revenue**		**6,467**	**6,942**

4. TANGIBLE FIXED ASSETS

	Buildings 002 £000	Infrastructure 003 £000	Furniture 004 £000	Equipment 005 £000	Plant & Machinery 006 £000	Vehicles 008 £000	Air and Seacraft 009 £000	Assets Under Construction 010 £000	Total £000
Cost or valuation									
Capitalised in 2014 as bfwd	8,070	3,144	14	327	428	6	452	66	12,507
Additions	6	6	147	11	16	5	61	53	305
Disposals	(8)	-	-	-	-	-	-	-	(8)
Transfers between categories	-	-	-	-	-	-	-	-	-
At 31 December 2015	8,068	3,150	161	338	444	11	513	119	12,804
Depreciation									
Capitalised in 2014 as bfwd	820	435	3	197	241	2	252	-	1,950
Charged in year	101	61	16	63	33	1	26	-	301
Disposals	(1)	-	-	-	-	-	-	-	(1)
At 31 December 2015	920	496	19	260	274	3	278	-	2,250
Net Book value at 31 Dec 2015	**7,148**	**2,654**	**142**	**78**	**170**	**8**	**235**	**119**	**10,554**
Net Book value as bfwd	7,250	2,709	11	130	187	4	200	66	10,557

5. ANALYSIS OF STOCK

2014 £000		Note	2015 £000
90	Philatelic Stock		96
19	Non Philatelic Stock		26
17	Emergency Stores		24
23	Reindeer Meat		-
46	Provision Obsolete Stock		(43)
195			**103**

6. ANALYSIS OF DEBTORS FALLING DUE WITHIN 1 YEAR

2014 £000		Note	2015 £000
54	Accrued Income		21
62	Remittances Falkland Islands Government		-
5	Pobjoy		7
84	Prepayments		43
450	Trade Debtors		430
7	Credit Card Control		18
53	Suspense Movements		-
715			**519**

7. SHORT TERM INVESTMENTS

2014 £000		Note	2015 £000
5,001	SCB Fixed Deposit		2,000
1,108	SCB Jersey Deposits		4,001
6,109			**6,001**

8. CASH IN HAND, AT BANKS AND IN TRANSIT

2014 £000		Note	2015 £000
	Cash in Hand -		
3		Treasury	9
-		Post Office	-
3	**Cash in Hand**		9
	Cash at Banks -		
	Standard Chartered Bank -		
1,225		SCB Short Call	419
157		SCB Jersey	1,234
(340)		SCB Current Account	1
1,042	**Cash at Banks**		1,654
1,045			**1,663**

9. ANALYSIS OF CREDITORS

2014 £000		Note	2015 £000
	AMOUNTS FALLING DUE WITHIN 1 YEAR		
	Deposits held on Behalf of Other Administrations		
375	Income Received in Advance		292
750	Accruals		316
-	Remittances Falkland Islands Government		19
5	Trade Creditors		-
1,130	Amounts Falling Due Within 1 Year		**627**

10. RESERVES

2014 £000		Note	2015 £000
8,174	Fixed Asset Revaluation Reserve	11	8,017
49	Donated Asset Reserve	12	106
5,427	Consolidated Fund	13	6,240
1,175	Capital Fund	14	1,185
2,666	Earmarked Reserves	15	2,665
17,491			**18,213**

11. FIXED ASSET REVALUATION RESERVE

2014 £000		Note	2015 £000
8,310	Opening brought forward		8,174
-	Assets added from prior years (not previously recognised)		-
7	Bfwd Depreciation Adjustment		-
(143)	Realised element of Fixed Asset Revaluation Reserve		(157)
-	Fixed Asset Revaluation Reserve Disposals		-
8,174			**8,017**

12. DONATED ASSET RESERVE

2014 £000		Note	2015 £000
54	Opening brought forward		49
-	Assets additions		65
(5)	Realised element of Donated Asset Revaluation Reserve		(8)
49			**106**

13. CONSOLIDATED FUND

2014 £000	2014 £000		Note	2015 £000	2015 £000
		Cash and Operating Cost Statement Resource Accounting			
	3,145	Balance 1 Jan, brought forward			4,516
	1,371	Surplus/(Deficit) for the year			542
	4,516	Balance 31 December, carried forward			5,058
		Other Realisations and Transfers			
		(Balance Sheet Resource Accounting Adjustments)			
678		Balance 1 Jan, brought forward		912	
1		Transfer to/from earmarked reserves		1	
92		Utilisation of Capital Grant		104	
140		Realised element of fixed asset & donated asset revaluation reserves		165	
	911	Balance 31 December, carried forward			1,182
	5,427				**6,240**

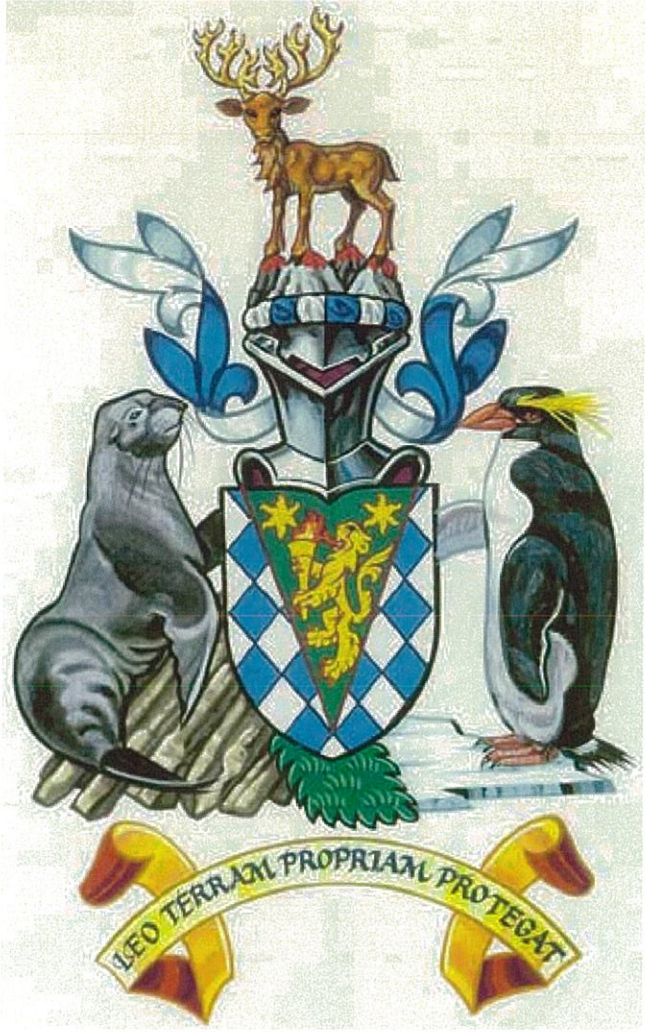
14. CAPITAL GRANT RESERVE

2014 £000		Note	2015 £000
1,195	Opening brought forward		1,175
72	Capital Grant Received in Year		114
(92)	Capital Grant Utilised in Year		(104)
1,175			**1,185**

15. EARMARKED RESERVES

2014 £000		Note	2015 £000
2,000	FCO Revenue Grant Reserve		2,000
607	King Edward Point Reserve		606
59	Heritage Fund Reserve		59
2,666			**2,665**

It should be noted that due to the difference in their nature the FCO Revenue Grant has been credited directly to reserves whilst the King Edward Point Reserve and the Heritage Fund Reserve have been transferred to earmarked reserves from the Consolidated Fund.



SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS

AUDIT REPORT

for the year ended

31st DECEMBER 2015

INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF SOUTH GEORGIA & THE SOUTH SANDWICH ISLANDS YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of the Government of South Georgia and the South Sandwich Islands for the year ended 31 December 2015 which comprise the operating cost statement, the balance sheet and the related notes. The financial statements generally follow UK generally accepted accounting practice (UK GAAP) to the extent it is meaningful and appropriate to the Government of South Georgia and South Sandwich Islands.

Respective responsibilities of the Financial Secretary and Independent auditors

As described more fully in the Financial Secretary's statement on page 2, the Financial Secretary is responsible for supervising the finances of the Government so as to ensure that a full account is made to the Commissioner, managing the General Fund and supervising, controlling and directing all matters relating to the financial affairs of the Government.

The Financial Secretary is responsible for the preparation of the financial statements in accordance with applicable law, managing the financial statements of the Government, ensuring the regularity of financial transactions, ensuring that all monies received and paid by Government are brought promptly and properly to account, reporting to the Commissioner in writing any apparent defect in departmental controls of revenue, expenditure, cash, stamps, stores and other property of the Government and any breach or non observance of Colonial Regulations and ensuring that adequate provisions exist for safe custody of public monies, stamps, securities and other accountable documents.

Our responsibility is to audit and express and opinion on the financial statements prepared by the Financial Secretary in accordance with relevant law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the government's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates; and the overall presentation of the financial statements. In addition, we read all financial and non-financial information in the introduction to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implications for our audit report.

Opinion on the financial statements

In our opinion:

- the financial statements properly present the assets and liabilities, in accordance with the accounting policies detailed in note 1 to the financial statements;
- its revenue and expenditure for the year then ended have been properly prepared in accordance in accordance with the Colonial Regulations subject to the change to the accruals basis; and
- the information given in the introduction is consistent with the financial statements.

Mazars LLP
Chartered Accountants and Statutory Auditors
90 Victoria Street
Bristol
BS1 6DP