



**SOUTH GEORGIA  
and the  
SOUTH SANDWICH ISLANDS**

**FINANCIAL STATEMENTS**

**for the year ended  
31 DECEMBER 2010**

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**OVERVIEW OF FINANCIAL STATEMENTS**  
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**1. INTRODUCTION TO SOUTH GEORGIA**

**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 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 the GSGSSI accounting framework the accounts from 2008 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.

**AUTHORITY FOR EXPENDITURE**

The 2010 estimates were approved by the Secretary of State on 21<sup>st</sup> December 2009. There were no Provisional General Warrants for Expenditure required for 2010.

**SUMMARY OF THE FINANCIAL POSITION AS AT 31 DECEMBER 2010**

The statements show a deficit of £674,000 for the year, compared to a budgeted cash deficit of £397,000, to give a General Revenue Balance at 31st December 2010 of £3,232,000.

Overall revenue was £316,000 below the approved estimated revenue of £4,541,000, mainly due to: fishing licence revenue and landing charges

There was an overspend of £335,000 compared to the approved estimated expenditure of £4,564,000. Estimates are prepared on a cash basis whereas the accounts are prepared using resource accounting principals. Therefore this overspend mainly arose due to resource adjustments of £277,000.

**STATEMENT OF FINANCIAL SECRETARY'S RESPONSIBILITIES**

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 for managing the General Revenue Balance Account and supervising, controlling and directing all matters relating to the financial affairs of the Government.

The Financial Secretary is responsible for compiling and managing the financial statements of the Government, 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 the safe custody of public monies, stamps, securities and other accountable documents.

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**2. BALANCE SHEET**

<b>2009</b>	<b>2010</b>
<b>£000</b>	<b>£000</b>
<b>Fixed Assets</b>	
<b>10,013</b> Tangible Fixed Assets	6 <b>9,883</b>
<b>Current Assets</b>	
334 Stocks	230
689 Debtors falling due within 1 year	608
2,565 Cash at bank and in hand	2,312
<b>3,588</b> <b>Total Current Assets</b>	<b>3,150</b>
(166) Creditors: Amounts falling due within 1 year	(252)
<b>3,422</b> <b>Net Current Assets</b>	<b>2,898</b>
<b>13,435</b> <b>Net Assets</b>	<b>12,781</b>
<b>Financed by Taxpayers' Equity:</b>	
13,435 General Fund	7 12,781
<b>13,435</b> <b>Total Reserves</b>	<b>12,781</b>

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**3. OPERATING COST STATEMENT**

<b>2009</b>		<b>2010</b>
<b>£000</b>		<b>£000</b>
	<b>Operating Costs</b>	
371	Staff Costs	360
4,239	Other Operating Costs	4,539
4,610	Total Operating Costs	5 4,899
(5,365)	<b>Operating Revenue</b>	4 4,225
<b>(755)</b>	<b>TOTAL (SURPLUS)/DEFICIT FOR THE YEAR</b>	<b>674</b>

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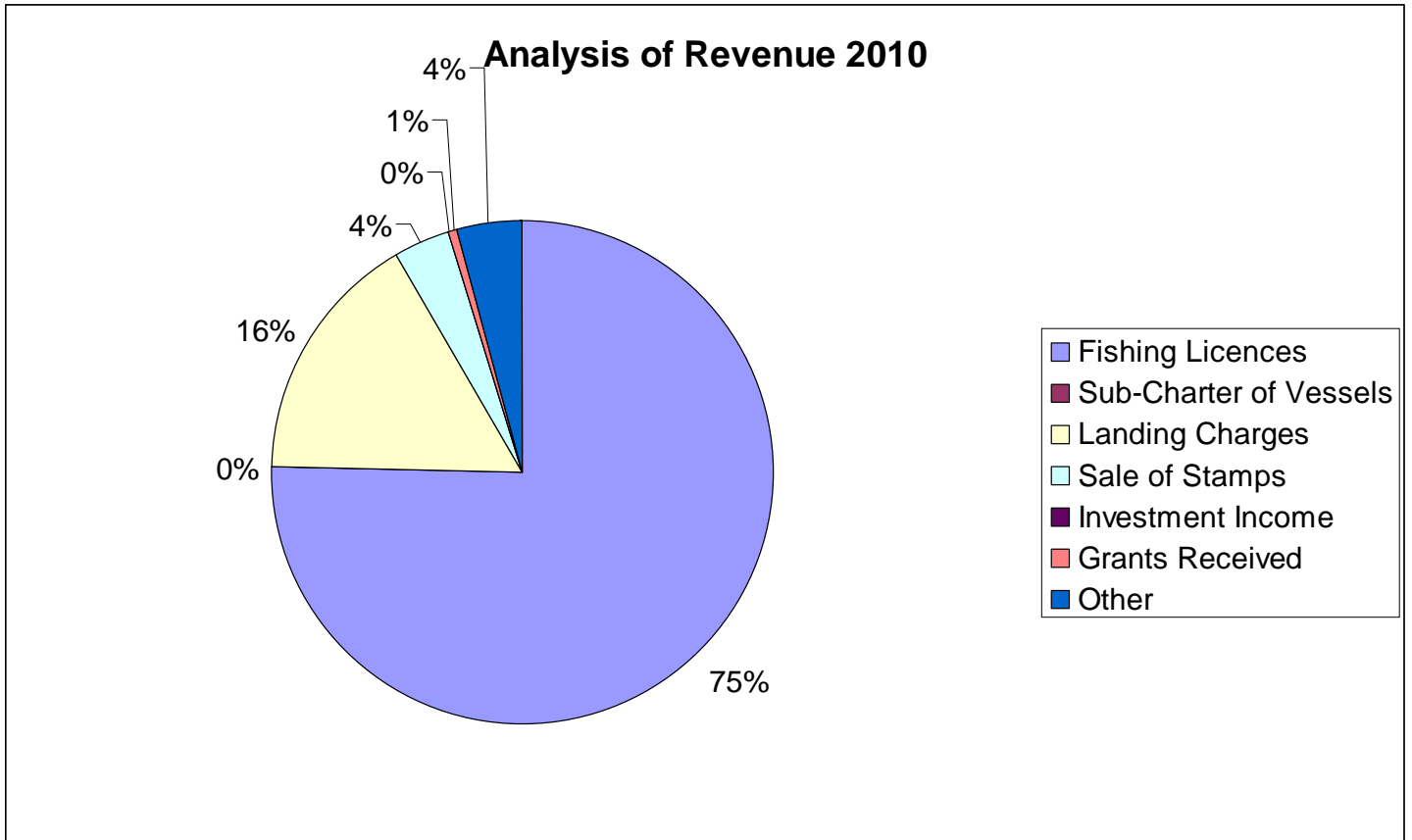
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**4. ANALYSIS OF REVENUE**

Actual 2009				Approved Estimate 2010	Actual 2010
£'000	Code	Description	Note	£'000	£'000
846	0001	Landing Charges		750	687
162	0020	Sale of Stamps		110	152
22	0021	KEP Post Office Non-Philatelic Revenue		12	4
59	0037	Reimbursement Sub Charter Commercial		85	5
4	0058	Recovery Staff Benefits/Costs		-	-
95	0061	Customs Services/Harbour Dues		75	68
4,071	0070	Fishing Licences		-	-
	- 0070-0001	Fishing Licences –Toothfish		2,904	2,917
	- 0070-0002	Fishing Licences – Icefish		224	155
	- 0070-0003	Fishing Licences – Krill		250	55
	- 0070-0005	Fishing Licences - Crab		-	52
3	0071	Transshipment Fees		15	1
1	0075	Sale of Water		1	2
3	0079	Miscellaneous Revenue		-	2
2	0120	Expedition Applications		2	3
	- 0120-0002	Media/Film Fees		-	7
	- 0130	Court Fees and Fines		-	25
27	0137	Recovery of Legal Costs		-	-
2	0150	Sale of Publications		1	-
9	0153	Seignorage on Coins		12	4
44	0185	Income Tax		40	36
6	0204	Investment Income		10	4
5	0261	Grants Received		-	37
	0273	Heritage Fund Revenue		-	1
4	0279	Hydo-plan Revenue		50	-
	- 0280	Sponsorship – PhD Student		-	8
<b>5,365</b>		<b>TOTAL OPERATING REVENUE</b>		<b>4,541</b>	<b>4,225</b>

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**5. ANALYSIS OF EXPENDITURE**

Actual 2009			Approved Estimate 2010	Actual 2010
£'000	Code	Description	Note	£'000
		<b>Personal Emoluments</b>		
335	0310	Salaries Established Staff		355
<b>335</b>		<b>Total Personal Emoluments</b>		<b>355</b>
		<b>Other Charges</b>		
51	0334	Passages	47	55
5	0600	Telecommunications	4	6
9	0602	Maintenance of Buildings and Equipment	5	3
1	0604	Incidental Expenses	-	3
-	0608	Stationery and Printing	-	1
26	0612	Insurance	27	27
17	0619	Office Administration	2	5
3	0700	Mail Services	8	8
63	0720	Production of Stamps and Coins	65	102
9	0721	KEP Post Office Non-Philatelic Expenditure	3	11
16	0722	Overseas Agency Commission	-	18
3	1171	Official Entertainment	3	1
6	1201	Auditors Fees and Charges	5	5
2	1203	Bank Charges	1	1
43	1204	Bad Debt Expense	-	2
6	1205	Profit/Loss on Sale of Fixed Assets	-	5
5	1300	Pensions	5	5
40	1320	Contribution to FIG Administration	40	40
139	1400	Medical Services	142	142
4	1429	Specialist Consultancy	-	5
9	1500	Fishing Licence Administration	10	11
2,525	1501	Fisheries Research and Protection	-	197
-	1501-0001	Fisheries Patrol Costs	2,374	2,268
-	1501-0002	Fisheries Research	150	189
-	1501-0003	Catch Verification	18	18
439	1503	Observer Fees	5	1
-	1503-0001	Toothfish Observer Fees	205	263
-	1503-0002	Icefish Observer Fees	65	28
-	1503-0003	Krill Observer Fees	45	13
-	1503-0005	Crab Observer Fees	-	15
20	1505	Project Atlantis	20	37
(132)	1600	Stock Consumption	-	104
220	1708	Depreciation Expense	-	214
34	1903	Museum Trust	75	49
1	1951	Domestic Equipment	1	-
22	1954	Publications	20	15
-	1963	OPEP1	-	6
18	1964	Groundfish Survey	100	9
71	1966	Environmental Baseline – General	10	17
-	1966-0001	Environmental Surveys	15	17
-	1966-0002	Environmental – Bio Security	10	18
-	1966-0003	Environmental – ACAP	22	22



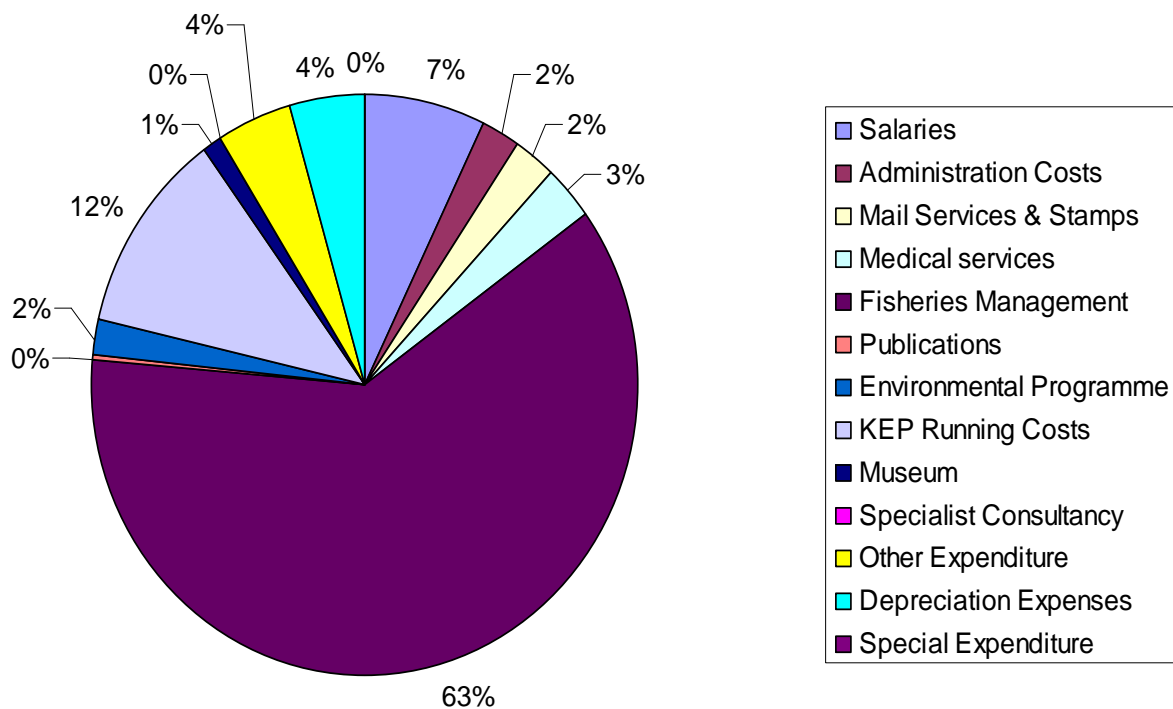
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Actual 2009			Approved Estimate 2010	Actual 2010
£'000	Code	Description	£'000	£'000
	- 1966-0004	Environmental – South Georgia BIS	28	21
550	1968	Civilianisation	550	550
2	1975	Expedition Consultancy	3	2
31	1976	MSC Consultancy	20	5
-	1981	Funding – PhD Student	-	6
<u>4,258</u>		<b>Total Operating Expenditure</b>	<u>4,103</u>	<u>4,540</u>
		<b>Special Expenditure</b>		
-	1972	Discovery House	75	-
-	1978	Grytviken	-	1
17	1979	Hydroelectric Scheme	-	3
-	1980	Drukken Villa	50	-
<u>17</u>		<b>Total Special Expenditure</b>	<u>125</u>	<u>4</u>
<b>4,610</b>		<b>Total Expenditure</b>	<b>4,564</b>	<b>4,899</b>

### Analysis of Expenditure - 2010



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**6. TANGIBLE FIXED ASSETS**

	Buildings	Infrastructure	Equipment	Plant & Machinery	Air and Seacraft	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
Capitalised in 2010 as bfwd	7,024,850	3,140,630	85,067	454,712	452	55	11,212
Additions	67,894	23,401	-	-	-	-	91
Disposals	-	-	(6,958)	(8,630)	-	-	(16)
Transfers between categories	54,511	-	-	-	-	(55)	-
At 31 <sup>st</sup> December 2010	7,147,255	3,164,031	78,109	446,082	452	-	11,288
<b>Depreciation</b>							
Capitalised in 2010 as bfwd	375,984	130,306	41,841	301,464	350	-	1,199
Charged in year	81,012	61,958	8,115	40,008	23	-	214
Disposals	-	-	(4,042)	(3,781)	-	-	(8)
At 31 <sup>st</sup> December 2010	456,996	192,264	45,914	337,691	372	-	1,405
<b>NBV at 31<sup>st</sup> December 2010</b>	<b>6,690,259</b>	<b>2,971,767</b>	<b>32,195</b>	<b>108,391</b>	<b>80</b>	<b>-</b>	<b>9,883</b>
Net Book value as bfwd	<b>6,649</b>	<b>3,010</b>	<b>43</b>	<b>153</b>	<b>103</b>	<b>55</b>	<b>10,013</b>

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**7. GENERAL REVENUE ACCOUNT SUMMARY**

**GENERAL REVENUE ACCOUNT SUMMARY 1983 - 2010**

**UNAUDITED**

Year	Revenue £'000	Expenditure £'000	Asset Adjustment £'000	Stock Adjustment £'000	Surplus/ (Deficit) £'000	Balance at Year End £'000
1983	393	212			181	823
1984	200	132			68	891
1985	209	129			80	971
1986	371	168			203	1,174
1987	253	156			97	1,271
1988	306	119			187	1,458
1989	220	241			(21)	1,437
1990	272	271			1	1,438
1991	529	714			(185)	1,253
1992	283	623			(340)	913
1993	327	225			102	1,015
1994	670	630	@		40	1,055
1995	648	347			301	1,356
1996	1,164	563			601	1,957
1997	1,520	652			868	2,825
1998	1,830	1,411	*		419	3,244
1999	1,894	1,130			764	4,008
2000	3,012	2,526			486	4,494
2001	3,555	2,824			731	5,225
2002	3,923	3,117			806	6,031
2003	5,768	6,449			(681)	5,350
2004	3,665	5,525			(1,860)	3,490
2005	3,790	4,058			(268)	3,222
2006	4,847	5,145			(298)	2,924
2007	4,747	5,792			(1,045)	1,879
2008	5,974	4,703	9,327	202	10,800**	12,680
2009	5,365	4,610			755	13,435
2010	4,225	4,899			(674)	12,763

@ Income from Fishing Licences first received

\* 1998 figures covered an 18 month period; all other figures cover 12 month periods

\*\* Surplus/(Deficit) including capitalisation of assets and stock