



**SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS**

FINANCIAL STATEMENTS

**for the year ended
31 DECEMBER 2014**

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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 2014 estimates were approved by the Secretary of State on 19 December 2013. A Revised General Warrant for Expenditure was approved on 16 December 2014.

SUMMARY OF THE FINANCIAL POSITION AS AT 31 DECEMBER 2013

The statements show a surplus of £1,370,938 (2013 – surplus £130,000) for the year, compared to a budgeted cash surplus of £453,160 (2013 – surplus £68,570), to give a General Revenue Balance (before other realisations) at 31 December 2014 of £4,515,518 (2013 - £3,144,580).

Operating revenue was £792,478 above (2013 - £368,693 above) the approved estimated revenue of £6,205,010 (2013 - £5,965,850), mainly due to fishing licence revenue and landing charges.

There was an under spend of £125,198 (2013 – £306,467 underspend) compared to the approved estimated expenditure of £5,751,850 (2013 - £5,897,280). Estimates are prepared on a cash basis whereas the accounts are prepared using resource accounting principles.

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.

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2. BALANCE SHEET

2013	2014
£000	£000
Fixed Assets	
10,695 Tangible Fixed Assets	6 10,557
Current Assets	
144 Stock	195
698 Debtors falling due within 1 year	715
4,000 Short-term investment	6,109
1,225 Cash at bank and in hand	1,045
6,067 Total Current Assets	8,064
(713) Creditors: Amounts falling due within 1 year	(1,130)
5,354 Net Current Assets	6,934
16,049 Net Assets	17,491
Financed by Taxpayers' Equity:	
16,049 Reserves	17,491
16,049 Total Reserves	17,491

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3. OPERATING COST STATEMENT

2013		2014
£000		£000
	Operating Costs	
463	Staff Costs	731
5,742	Other Operating Costs	4,895
6,205	Total Operating Costs	5 5,626
(6,335)	Operating Revenue	4 (6,997)
(130)	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	(1,371)

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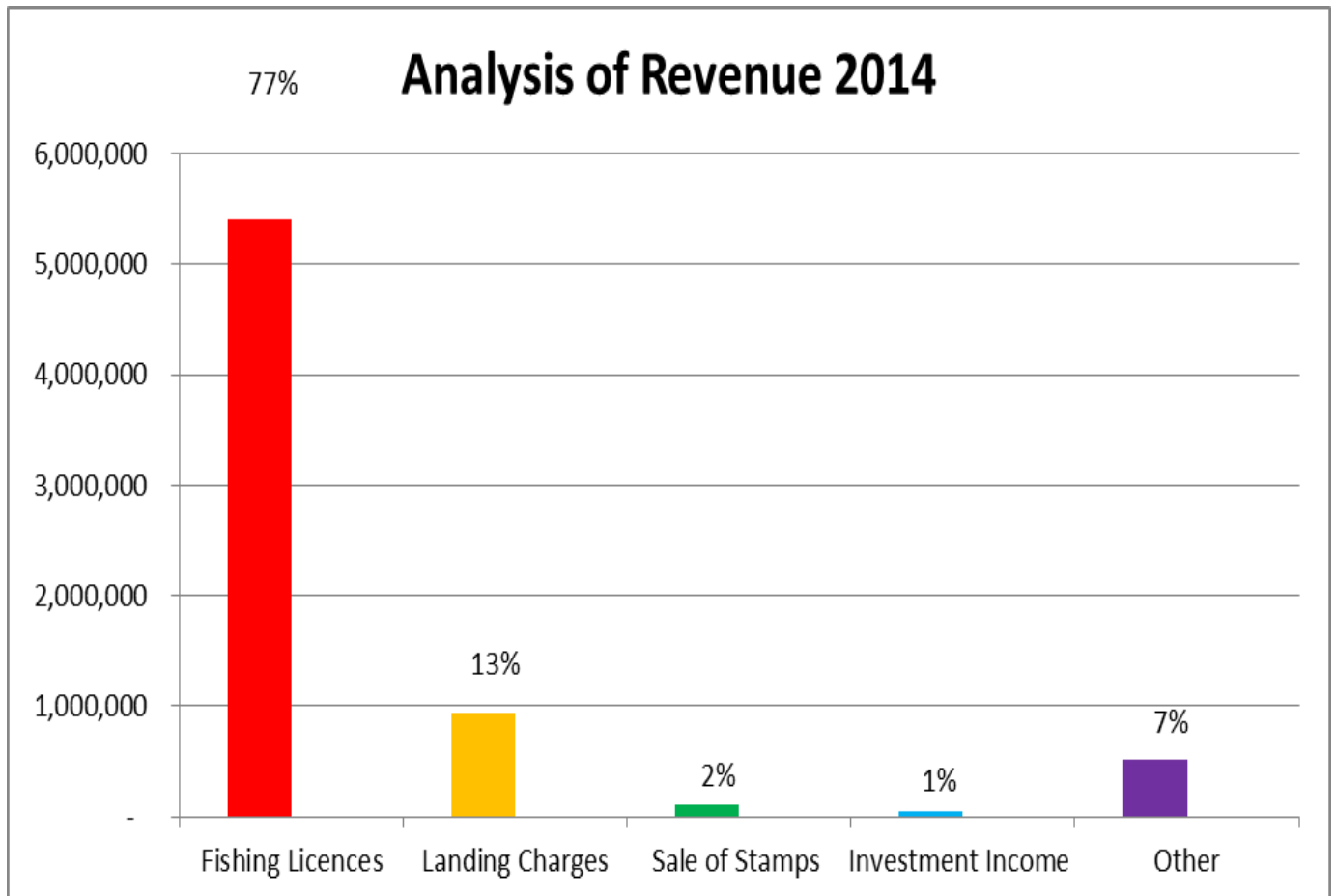
For the year ended 31 December 2014

4. ANALYSIS OF REVENUE

Actual 2013			Approved Estimate 2014	Actual 2014
£'000	Description	Note	£'000	£'000
847	Landing Charges		751	930
136	Sale of Stamps	*	180	106
23	KEP Post Office Non-Philatelic Revenue		12	31
137	Reimbursement Sub Charter Commercial		10	-
2	Recovery Staff Benefits/Costs		-	1
100	Customs Services/Harbour Dues		75	128
3,862	Fishing Licences –Toothfish		4,095	4,114
269	Fishing Licences – Icefish		334	391
611	Fishing Licences – Krill		380	895
18	Transshipment Fees		12	27
62	Miscellaneous Revenue		1	64
6	Expedition Applications		6	6
1	Science Permits		1	1
3	Media/Film Fees		5	6
-	Courts Fees and Fines		-	75
-	Recovery of Legal Costs		32	-
2	Sale of Publications		-	-
7	Seignorage on Coins		10	5
6	Conservation Projects		-	-
50	Income Tax		35	50
32	Investment Income		38	52
21	Grants Received		-	-
30	OTPF		45	30
-	Darwin Weed Management		15	26
16	OTEP Rats		-	-
20	Norwegian Heritage Funding		-	-
26	Reindeer Meat Sales		25	20
-	Heritage Fund Revenue		100	-
30	Sponsorship – PhD Student		24	14
17	Accommodation Fees		18	24
-	Food Charges		1	-
1	Donations		-	1
6,335	TOTAL OPERATING REVENUE		6,205	6,997

*Following the Audit it was discovered that £14k philatelic revenue had been included in non-philatelic revenue. The accounts have not been adjusted for this.

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5. ANALYSIS OF EXPENDITURE

Actual 2013		Approved Estimate 2014	Actual 2014
£'000	Description	Note	£'000
	Personal Emoluments		
449	Salaries Established Staff		487
-	Builders Salaries	*	223
-	Project Salaries		7
5	Medical Services Tax		6
9	Retirement Pension Contributions		8
463	Total Personal Emoluments		731
	Other Charges		
69	Passages		90
6	Telecommunications		6
73	Maintenance of Buildings and Equipment		99
4	Incidental Expenses		6
2	Exchange Rates		(107)
3	Stationery and Printing		4
31	Insurance		30
(1)	Vehicle – Operational Costs		4
11	Plant		1
1	Office Administration		3
3	Mail Services		5
93	Production of Stamps and Coins		49
4	KEP Post Office Non-Philatelic Expenditure		21
-	Purchase of Website Stock		1
9	Overseas Agency Commission		16
2	Official Entertainment		3
5	Auditors Fees and Charges		5
1	Bank Charges		2
2	Bad Debt Expense		7
2	Profit/Loss on Sale of Fixed Assets		-
5	Pensions		5
40	Contribution to FIG Administration		40
148	Medical Services		150
29	Specialist Consultancy		17
9	Fishing Licence Administration		-
3,040	Fisheries Patrol Costs		2,788
169	Fisheries Research		217
14	Catch Verification		16
25	Judicial Review		-
8	Observer Fees		2
240	Toothfish Observer Fees		232
35	Icefish Observer Fees		41
-	Krill Observer Fees		21
36	Project Atlantis		22
(106)	Stock Consumption		(98)
32	Provision for Obsolete Stock		46
68	Depreciation Expense		271
38	Museum Trust		62
1	Flags for Commissioner		-
1	Domestic Equipment		1

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5. ANALYSIS OF EXPENDITURE (continued)

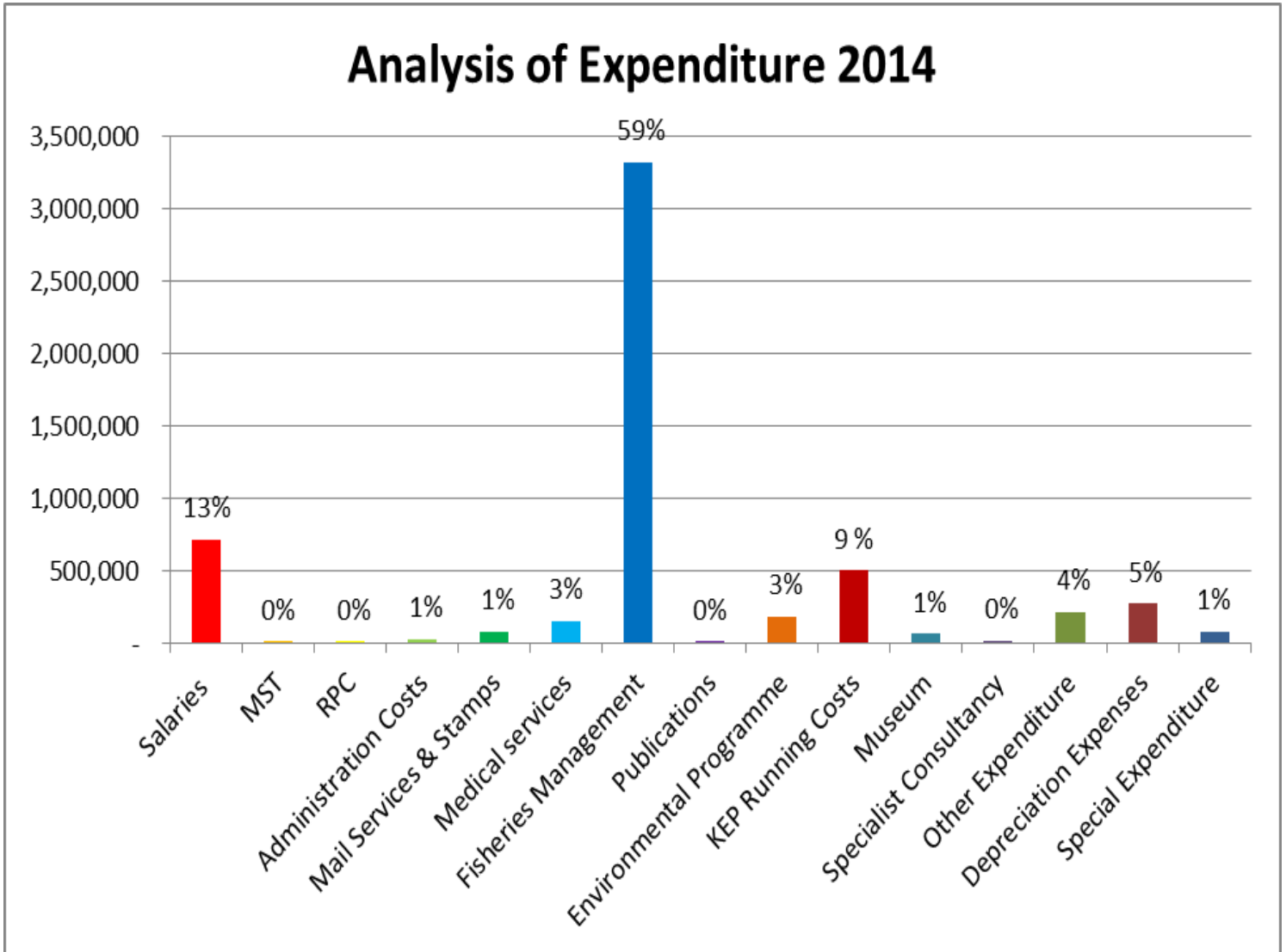
Actual 2013			Approved Estimate 2014	Actual 2014
£'000	Description	Note	£'000	£'000
12	Publications		5	5
-	OTPF		-	26
-	Darwin Weed Management		15	3
160	Groundfish Survey		-	-
-	Environmental Baseline – General		5	-
4	Environmental Surveys		35	12
4	Environmental – Biosecurity		6	1
7	Environmental – ACAP		10	8
-	Environmental – South Georgia GIS		14	-
51	Data Management		26	28
11	MPA Monitoring		10	-
8	Invasive Species		8	6
17	Habitat Restoration Monitoring		27	2
500	King Edward Point		500	500
13	Whaling Station Removal		-	-
1	Heritage Fund		-	-
3	Expedition Consultancy		3	3
39	MSC Consultancy		18	4
-	Hydroelectric Scheme		2	-
26	Funding – PhD Student		24	21
5	Purchase of Scientific Equipment for BAS		-	-
5,013	Total Operating Expenditure		4,929	4,697
	Special Expenditure			
3	Management Plan		5	-
688	Reindeer Eradication		149	121
4	Discovery House		-	-
7	Grytviken		-	-
15	Small Grants Scheme		-	-
12	Heritage Work		150	72
-	Stanley Biosecurity / Storage		50	5
729	Total Special Expenditure		354	198
6,205	Total Expenditure		5,752	5,626

* Previously Builders salaries had been included in major refurbishment works and therefore capitalised. Many of the major refurbishment projects were completed during 2013 and in 2014 the builders work was largely spent on maintenance, so only a very small proportion of the 2014 Builders salaries was capitalised, with the rest in salaries, hence the large increase in total Personal Emoluments for the financial period.

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6. TANGIBLE FIXED ASSETS

	Buildings	Infrastructure	Furniture	Equipment	Plant & Machinery	Vehicles	Air and Seacraft	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
Capitalised in 2013 as bfwd	7,845	3,144	14	315	425	6	465	163	12,378
Additions	14	-	-	12	6	-	-	113	145
Disposals	-	-	-	-	(3)	-	(13)	-	(16)
Transfers between categories	211	-	-	-	-	-	-	(211)	-
At 31 December 2014	8,070	3,144	14	327	428	6	452	66	12,507
Depreciation									
Capitalised in 2013 as bfwd	719	374	1	137	220	2	230	-	1,683
Bfwd Depreciation Adjustment	-	-	-	(0)	(7)	-	-	-	(7)
Charged in year	101	61	1	60	31	1	23	-	278
Disposals	-	-	-	-	(3)	-	(1)	-	(4)
At 31 December 2014	820	435	3	197	241	2	252	-	1,950
Net Book value at 31st December 2014	7,250	2,709	11	130	187	4	200	66	10,557
Net Book value as bfwd	7,126	2,770	13	178	205	4	235	163	10,695

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7. GENERAL REVENUE ACCOUNT SUMMARY

GENERAL REVENUE ACCOUNT SUMMARY 1983 - 2014

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	** 12,679
2009	5,365	4,610			755	13,434
2010	4,225	4,899	20		(654)	12,780 ***
2011	4,719	4,844	3,056		2,931	15,712
2012	5,432	5,525			(93)	15,619
2013	6,335	6,205	302		129	16,049
2014	6,997	5,626	71		1,371	17,491

@ 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

*** Restated in 2011