



**Government of South Georgia
& the
South Sandwich Islands**

FINANCIAL STATEMENTS

and

AUDIT REPORT

for the year ended

31st DECEMBER 2023

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**Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS**

**INTRODUCTION AND SUMMARY OF FINANCIAL STATEMENTS
for the year ended 31st December 2023**

INTRODUCTION

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

The Commissioner is resident in the Falkland Islands. By arrangement between the Government of South Georgia & 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 & the South Sandwich Islands.

FINANCIAL STATEMENTS

With the aim of modernising the GSGSSI accounting framework, the accounts from 2008 were transitioned from a cash basis to a resource accounting basis. The financial statements 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 2023 estimates were approved on behalf of the Secretary of State on the 21st December 2022 and with a mid year financial review signed on the 11th July 2023, giving consent for an allowable expenditure in the sum of £8,995,324.

SUMMARY

The statements show an accrual accounting Suplus of £743k (2022 deficit of £377k) for the year after necessary adjustments, compared to a cash accounting Surplus of £711k (2022 deficit of £88k), to give a General Revenue Balance (before other realisations) at 31 December 2023 of £16,655k (2022 £15,912k).

GSGSSI SENIOR MANAGEMENT

The members of GSGSSI Senior Management during the year ended 31 December 2023 were:

FCDO Representative

Commissioner

Alison Blake CMG

GSGSSI Senior Management

Chief Executive

Laura Sinclair Willis

Executive Officer

Steve Winn

Financial Secretary

Tracey Prior Left January 2024

Patrick Clunie Appointed February

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

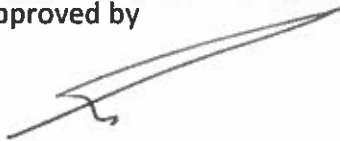
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STATEMENT OF FINANCIAL SECRETARY'S RESPONSIBILITIES

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



Patrick Clunie
Financial Secretary

**Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS**

**OPERATING COST STATEMENT
for the year ended 31st December 2023**

2022 £000		Note	2023 £000
	Operating Costs		
617	Staff Costs		661
7,763	Other Operating Costs		7,479
8,380	Total Operating Costs	2	8,140
8,003	Operating Revenue	3	8,883
377	OPERATING (SURPLUS)/DEFICIT FOR THE YEAR		(743)
377	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR		(743)

The main drivers for the change in results from a £711k cash Suplus (2022 £88k cash deficit) to a £743k (2022 deficit £377k) resource Suplus were:

Item £000	Main reasons for variance	£000
(109) Fixed Asset Recognition	Removing fixed asset costs from the operating cost statement and capitalising on the Balance Sheet	(166)
12 Fixed Asset Disposals	Loss on Disposal on Fixed Assets being recognised as an expense through the Operating Cost Statement	29
354 Depreciation	Depreciation on Fixed Assets being recognised as an expense through the Operating Cost Statement	347
36 Accruals & Prepayments	Recognising income and expenditure in the year it relates to rather than the year processed or received	(241)
9 Stock	Provision for obsolete stock	14
(13) Stock	Stock movement	(15)
- Grants	Grant income taken straight to reserves	-

OPERATING COST STATEMENT

**Government of South Georgia & the South Sandwich Islands
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for the year ended 31st December 2023 (continued)

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

2022		2023
£000		£000
88	Net Cash (Surplus)/Deficit 31 December	(711)
289	Resource Accounting Adjustments	(32)
377	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	(743)

Reconciliation of Resource Accounting Adjustments

2022		2023
£000		£000
	REVENUE	
594	Deferred Income	662
(163)	Accrued Income	(205)
11	Debtors	25
(239)	Reversal of prior year accruals	(431)
	Other	
203	Total Revenue Adjustments	51
	EXPENDITURE	
242	Accrued Expenditure	138
(102)	Prepaid Expenditure	(331)
(21)	Movements in Creditors & Provisions	40
257	Fixed Assets / Depreciation	209
(13)	Stock Consumption	(15)
9	Stock Provision	14
(286)	Reversal of prior year accruals	(140)
86	Total Expenditure Adjustments	(85)
289	TOTAL RESOURCE ACCOUNTING ADJUSTMENTS	(34)


 Patrick Clunie
 Financial Secretary

**Government of South Georgia & the South Sandwich Islands
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BALANCE SHEET AS AT 31st DECEMBER 2023

2022			2023	
£000	£000		£000	£000
			Notes	
		Fixed Assets		
20,063		Tangible Fixed Assets	4	19,812
	20,063	Total Fixed Assets		19,812
		Current Assets		
206		Stock	5	206
603		Debtors falling due within 1 year	6	1,552
1,023		Short-term investment	7	1,000
19,365		Cash at bank and in hand	8	19,119
	21,197	Total Current Assets		21,877
	(1,130)	Creditors due within 1 year	9	(859)
	20,067	Net Current Assets		21,018
40,130		Total Assets Less Current Liabilities		40,830
Financed by Taxpayers' Equity:				
40,130		Reserves	10-15	40,830
40,130		TOTAL RESERVES		40,830



Patrick Clunie
Financial Secretary

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements on pages 4 to 6.

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 follow UK generally accepted accounting practice (UK GAAP) to the extent it is meaningful and appropriate to the GSGSSI. Where necessary, the accounting policy judged to be the most appropriate to the particular circumstances of the GSGSSI has been applied for the purposes of giving a true and fair view. The Government's accounting policies have been applied consistently to material items in 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, and 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.

Government of South Georgia & the South Sandwich Islands
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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 occur. 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 immaterial. As such, there are no intangible fixed assets accounted for within the Government of South Georgia & the 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 2021, the split of assets disclosed in this way was:

	Cost		Net Book	
	£000	% of cost	Value £000	% of NBV
Historical Cost	23,449	98%	19,632	99%
Estimated Values	500	2%	180	1%
Total Fixed Assets	23,949	100%	19,812	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 £200. 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.

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

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 its estimated useful life of 100 years. 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, which requires to be charged to the operating cost statement as excess depreciation.

The asset categories and their useful economic lives are:

Infrastructure	100 years
Buildings	50 years
Wharf	50 Years
Air and Sea craft	20 years
Furniture/Fittings	10 years
Plant & Machinery	10 years
Vehicles	10 years
Equipment	5 years
Information Technology	3 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 & the South Sandwich Islands.

**Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.13 Stocks

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

- 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 & the 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 FCDO 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.

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Donated Asset Reserve

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

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 FCDO Revenue Grant Reserve, the King Edward Point Reserve and the Heritage Fund Reserve.

FCDO Revenue Grant Reserve

This reflects grant income received from the FCDO 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 FCDO and, for that reason, these grants are separately earmarked. Once approved expenditure is incurred a reserve transfer is made from the FCDO 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 British Antarctic Survey 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

**Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS (continued)

1.15 Reserves (Continued)

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.

King Edward Point Wharf Reserve

This reserve reflects income granted to fund the upgrade of the wharf at King Edward Point to accommodate the new Antarctic Research vessel the Sir David Attenborough. 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 Reserve to the Consolidated Fund.

1.16 Research and development

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

2. STATEMENT OF EXPENDITURE

ACTUAL EXPENDITURE 2022 £000	Code	Description	ACTUAL 2023 £000
		Personal Emoluments	
431	0995-0310-	Salaries Established Staff	571
181	0995-0311-	Builders Salaries	86
5	0995-0332-	Retirement Pension Contributions	4
617		Total Personal Emoluments	661

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NOTES TO THE FINANCIAL STATEMENTS (continued)

Other Charges			
11	0995-0334-	Passages	23
15	0995-0334-0001	Contract Flights - SG based staff & partners	14
10	0995-0334-0002	Contract Flights - FI based staff	15
44	0995-0334-0003	Pharos Travel GSGSSI Staff	47
2	0995-0334-0004	Accommodation / Subsistence	-
11	0995-0334-0006	Passage to FI for UK based staff	7
51	0995-0334-0007	Accommodation Charges	86
1	0995-0337-0001	Clothing and Equipment - Government Officers	2
1	0995-0337-0002	Clothing and Equipment - Building Team	-
9	0995-0338-0001	Accommodation/Subsistence - International	21
4	0995-0600-	Telecommunications	4
16	0995-0602-0002	Maintenance of Buildings & Equipment - Grytviken	(2)
-	0995-0602-0003	Maintenance of Buildings & Equipment - Stanley	(1)
6	0995-0604-	Incidental Expenses	12
1	0995-0608-	Stationery & Printing	1
(2)	0995-0612-	Insurance	73
2	0995-0614-	Vehicle - Operational Costs	1
-	0995-0615-0001	Plant on South Georgia	4
21	0995-0619-	Office Administration	21
33	0995-0700-	Mail Services	25
24	0995-0720-	Production of Stamps & Coins	24
38	0995-0721-	KEP Post Office Non-Philatelic Expenditure	55
7	0995-0722-	Overseas Agency Commission	6
1	0995-0724-	Installation of EPOS system	-
1	0995-0759-	In Service Training	12
3	0995-1171-	Official Entertainment	1
15	0995-1201-	Auditors Fees & Expenses	-
1	0995-1203-	Bank Charges	1
11	0995-1204-	Bad Debts Expenses	25
2	0995-1205-	(Profit)/Loss on sale of Fixed Assets	29
5	0995-1300-	Pensions	5
37	0995-1320-	Contribution to FIG Administration	61
227	0995-1400-	Medical Services	138
2	0995-1400-0001	Covid 19 Expenses	-
212	0995-1429-	Specialist Consultancy	178
4	0995-1500-	Fishing Licence Administration	-
5,166	0995-1501-0001	Fisheries Patrol Costs	4,393
177	0995-1501-0002	Fisheries Research	298
12	0995-1501-0003	Catch Verification	17
-	0995-1502-	Judicial Review	35
191	0995-1503-0001	Toothfish Observer Fees	162
26	0995-1505-	Website development	36
(13)	0995-1600-	Stock Consumption	(15)
9	0995-1601-	Provision Obs Stock	14

Government of South Georgia & the South Sandwich Islands
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	- 0995-1702-	Ancillary Equipment	1
354	0995-1708-	Depreciation Expense	347
52	0995-1903-	Museum Trust	50
1	0995-1951-	Domestic Equipment	-
6	0995-1954-	Publications	1
-	0995-1964-	Groundfish Survey	229
2	0995-1966-0002	Environmental - Bio-Security	-
11	0995-1966-0003	Environmental - ACAP	11
36	0995-1966-0005	Environmental - Data Management	27
-	0995-1966-0006	Environmental - MPA Monitoring	1
58	0995-1966-0007	Invasive Plant Management	59
-	0995-1966-0011	Environmental - Biodiversity Monitoring	33
500	0995-1968-	KEP Project	500
1	0995-1975-0001	Expedition Consultancy	4
6	0995-1975-0002	Tourism Expenditure	8
-	0995-1976-	MSC Consultancy	50
8	0995-1987-	Outreach, Collaboration & Knowledge Sharing	14
	7,429		7,163
		Special Expenditure	
5	0995-0602-0006	IT Equipment	7
124	0995-1982-0001	Science Research	128
4	0995-1983-	Heritage Work	-
5	0995-1985-	Stanley Biosecurity / Storage-	12
73	0995-1985-0001	Bio-security - Detector Dog Programme	81
2	0995-1985-0002	Pre-border Biosecurity	4
3	0995-1985-0003	Post-border Biosecurity	4
16	0995-1986-	Miscellaneous and Project Support	1
31	0995-1988-0001	Special expenditure - Bio-security Facility KEP	(31)
61	0995-1988-0003	EM - Oil Removal Project	-
-	0995-1988-0006	GSGSSI Albatross Survey	98
10	0995-1990-	Satellite Monitoring Surveys	12
	334		316
8,380	Total Expenditure		8,140

**Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS**

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. STATEMENT OF REVENUE

ACTUAL REVENUE 2022 £000	Code	Description	ACTUAL REVENUE 2023 £000
1,494	0995-0001-	Landing Charges	2,063
87	0995-0020-	Sale of Stamps	92
72	0995-0021-	KEP Post Office Non-Philatelic Revenue	166
9	0995-0058-	Recovery of Staff Benefits/Costs	18
142	0995-0061-	Customs Services/Harbour Dues	168
4,286	0995-0070-0001	Fishing Licences - Toothfish	4,211
103	0995-0070-0002	Fishing Licences - Icefish	-
752	0995-0070-0003	Fishing Licences - Krill	934
132	0995-0070-0004	Environmental - South Georgia	83
15	0995-0071-	Transshipment Fees	29
9	0995-0079-	Miscellaneous Revenue	318
4	0995-0131-	Court Fees & Fines	8
(7)	0995-0153-	Seignorage on coins	5
37	0995-0185-	Income Tax	32
27	0995-0204-	Investment Income	177
2	0995-0281-	Accommodation Fees-	34
1	0995-0282-	Church Donations	1
30	0995-0283-	Accommodation Fees- Pharos	30
533	0995-0335-	Funding from external partners	364
275	0995-0336-	Micro Hydro Project funding	150
8,003		TOTAL REVENUE	8,883

Government of South Georgia & the South Sandwich Islands
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For the year ended 31st December 2023

4. TANGIBLE FIXED ASSETS

	Buildings 002	Infrastructure 003	Furniture 004	Equipment 005	Plant & Machinery 006	Vehicles 008	Air and Seacraft 009	Assets Under Construction 010	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
bfwd	8,367	14,107	177	618	477	18	490	67	24,321
Additions		31	-	57	7	-	-	71	166
Disposals	(3)	(249)	-	(271)	(15)	-	-	-	(538)
Transfers between	-	-	-	-	-	-	-	-	-
At 31 December 2023	8,364	13,889	177	404	469	18	490	138	23,949
Depreciation									
bfwd	1,682	1,192	143	384	415	14	426	-	4,257
Charged In year	115	159	15	22	11	1	24	-	347
Disposals	-	(181)	-	(270)	(15)	-	-	-	(467)
At 31 December 2023	1,797	1,170	158	136	411	15	450	-	4,137
Net Book value at 31 Dec 2023	6,567	12,719	19	268	58	3	40	138	19,812
Net Book value as bfwd	6,684	12,914	35	233	61	4	65	66	20,063

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. ANALYSIS OF STOCK

2022	2023
£000	£000
150 Philatelic Stock	159
58 Non Philatelic Stock	63
28 Emergency Stores	28
(30) Provision Obsolete Stock	(44)
206	206

6. ANALYSIS OF DEBTORS

2022	2023
£000	£000
AMOUNTS FALLING DUE WITHIN 1 YEAR	
164 Accrued Income	205
102 Prepayments	331
192 Trade Debtors	886
49 Credit Card Control	27
96 Remittances Falkland Islands	103
603	1,552

7. SHORT TERM INVESTMENTS

2022	Note	2023
£000		£000
1,023 SCB Jersey Deposits		1,000
1,023		1,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. CASH IN HAND, AT BANKS AND IN TRANSIT

2022		2023
£000		£000
Cash in Hand -		
1	Post Office	0
<u>1</u>	Cash in Hand	<u>0</u>
Cash at Banks -		
Standard Chartered Bank -		
46	SCB Short Call	144
19,318	SCB Jersey	18,912
-	SCB Current Account	-
-	Gibraltar Bank Account	63
<u>19,364</u>	Cash at Banks	<u>19,119</u>
19,365	TOTAL	19,119

9. ANALYSIS OF CREDITORS

2022		2023
£000	Note	£000
AMOUNTS FALLING DUE WITHIN 1 YEAR		
Deposits held on Behalf of Other Administrations		
594	Income Received in Advance	662
328	Accruals	147
-	- Sundry Debtors	(4)
147	SCB Current Account	-
61	Trade Creditors	54
	Credit Card Control	
<u>1,130</u>	Amounts Falling Due Within 1 Year	<u>859</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. GENERAL FUND

2022			2023	
£000			Note	£000
7,040	Fixed Asset Revaluation Reserve		11	6,869
4,726	Donated Asset Reserve		12	4,718
18,596	Consolidated Fund		13	19,649
976	Capital Fund		14	1,185
8,792	Earmarked Reserves		15	8,409
40,130				40,830

11. FIXED ASSET REVALUATION RESERVE

2022			2023	
£000				£000
7,176	Opening brought forward			7,040
-	disposal of revaluated asset			(42)
(136)	Realised element of Fixed Asset Revaluation Reserve			(129)
7,040				6,869

12. DONATION ASSET RESERVE

2022			2023	
£000				£000
4,734	Opening brought forward			4,726
(8)	Realised element of Donated Asset Revaluation Reserve			(8)
4,726				4,718

13. CONSOLIDATED

2022			2023	
£000	£000		£000	£000
Cash and Operating Cost Statement Resource				
16,289	Balance 1 Jan, brought forward			15,912
(377.00)	Surplus/(Deficit) for the year			743
15,912	Balance 31 December, carried forward			16,655
Other Realisations and Transfers (Balance Sheet Resource Accounting Adjustments)				
2,500	Balance 1 Jan, brought forward		2,684	
-	Transfer to/from earmarked reserves		383	
39	Utilisation of Capital Grant		(209)	
145	Realised element of fixed asset & donated asset		136	
2,684	Balance 31 December, carried forward			2,994
18,596				19,649

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. CAPITAL GRANT RESERVE

2022		2023
£000		£000
1,015	Opening brought forward	976
-	Capital Grant Received in Year	-
(39)	Capital Grant Utilised in Year	209
976		1,185

15. EARMARKED RESERVES

2022		2023
£000		£000
4,150	FCO Revenue Grant Reserve	4,150
603	King Edward Point Reserve	603
59	Heritage Fund Reserve	59
3,980	KEP Wharf Reserve	3,597
8,792		8,409

End of
The Government of South Georgia
and South Sandwich Islands
Financial Statements



**Government of South Georgia
& the
South Sandwich Islands**

AUDIT REPORT

for the year ended

31st DECEMBER 2023

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF
SOUTH GEORGIA & THE SOUTH SANDWICH ISLANDS
YEAR ENDED 31 DECEMBER 2023**

Opinion

We have audited the financial statements of The Government of South Georgia & the South Sandwich Islands for the year ended 31 December 2023 which comprise the operating cost statement, the balance sheet and the notes to the financial statements. 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Government of South Georgia & the South Sandwich Islands' affairs as at 31 December 2023 and of its surplus for the year then ended;
- have been properly prepared in accordance with the Colonial Regulations subject to the change to the accrual's basis

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Government of South Georgia & the South Sandwich Islands in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that those charged with governance use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Government of South Georgia & the South Sandwich Islands' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of those charged with governance with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the introduction, other than the financial statements and our auditor's report thereon. Those charged with governance are responsible for the other

information contained within the introduction. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Government of South Georgia & the South Sandwich Islands and its environment obtained in the course of the audit, we have not identified material misstatements in the other information.

Responsibilities of Financial Secretary

As explained more fully in the Statement of Financial Secretary's responsibilities set out on page 2, the Financial Secretary is responsible for the preparation of the financial statements and for 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 Regulation. 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.

In preparing the financial statements, the Financial Secretary is responsible for assessing the Government of South Georgia & the South Sandwich Islands' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Financial Secretary either intends to cease operations, or has no realistic alternative but to do so.

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 (UK) 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the corporation and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the corporation is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the corporation which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Falkland Islands Tourist Board Ordinance 2014.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

Our audit work has been undertaken so that we might state to the corporation's members 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 corporation and the corporation's members as a body for our audit work, for this report, or for the opinions we have formed.

Forvis Mazars
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol, BS1 6DP, United Kingdom
Date