



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

FINANCIAL STATEMENTS

and

AUDIT REPORT

for the year ended

31st DECEMBER 2025

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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 2025

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 2025 estimates were approved on behalf of the Secretary of State on the 30th January 2025 giving consent for an allowable expenditure in the sum of £8,077,263.

SUMMARY

The statements show an accrual accounting Surplus of £1,870k (2024 surplus of £2,057k) for the year after necessary adjustments, compared to a cash accounting Surplus of £1,144k (2024 surplus of £2,986k), to give a General Revenue Balance (before other realisations) at 31 December 2025 of £20,582k (2024 £18,712k).

GSGSSI SENIOR MANAGEMENT

The members of GSGSSI Senior Management during the year ended 31 December 2025 were:

FCDO Representative	
Commissioner	Colin Martin-Reynolds C.M.G
GSGSSI Senior Management	
Chief Executive	Laura Sinclair Willis
Executive Officer	Mairi Macleod
Financial Secretary	Patrick Clunie

Government of South Georgia & the South Sandwich Islands
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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

Pat Clunie

Pat Clunie (Jun 26, 2026 15:45:29 ADT)

Patrick Clunie
Financial Secretary

26/06/2026

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

OPERATING COST STATEMENT
for the year ended 31st December 2025

2024			2025
£000		Note	£000
	Operating Costs		
725	Staff Costs		909
7,745	Other Operating Costs		7,046
8,470	Total Operating Costs	2	7,955
10,527	Operating Revenue	3	9,825
(2,057)	OPERATING (SURPLUS)/DEFICIT FOR THE YEAR		(1,870)
(2,057)	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR		(1,870)

The main drivers for the change in results from a £1,144k cash surplus (2024 £2,986k cash surplus) to a £1,870k (2024 surplus £2,057k) resource surplus were:

£000	Item	Main reasons for variance	£000
(135)	Fixed Asset Recognition	Removing fixed asset costs from the operating cost statement and capitalising on the Balance Sheet	(224)
1	Fixed Asset Disposals	Loss on Disposal on Fixed Assets being recognised as an expense through the Operating Cost Statement	4
354	Depreciation	Depreciation on Fixed Assets being recognised as an expense through the Operating Cost Statement	318
698	Accruals & Prepayments	Recognising income and expenditure in the year it relates to rather than the year processed or received	(876)
8	Stock	Provision for obsolete stock	13
3	Stock	Stock movement	39
-	Grants	Grant income taken straight to reserves	-

Government of South Georgia & the South Sandwich Islands
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OPERATING COST STATEMENT
for the year ended 31st December 2025 (continued)

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

2024		2025
£000		£000
(2,986)	Net Cash (Surplus)/Deficit 31 December	(1,144)
929	Resource Accounting Adjustments	(726)
(2,057)	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	(1,870)

Reconciliation of Resource Accounting Adjustments

2024		2025
£000		£000
	REVENUE	
765	Deferred Income	-
(27)	Accrued Income	(176)
-	Debtors	6
-	Grant Income to Reserves	-
-	Fixed Asset Sales	-
(493)	Reversal of prior year accruals	(738)
	Other	
245	Total Revenue Adjustments	(908)
	EXPENDITURE	
558	Accrued Expenditure	839
(376)	Prepaid Expenditure	(369)
41	Movements in Creditors & Provisions	23
221	Fixed Assets / Depreciation	98
3	Stock Consumption	39
9	Stock Provision	13
228	Reversal of prior year accruals	(461)
684	Total Expenditure Adjustments	182
929	TOTAL RESOURCE ACCOUNTING ADJUSTMENTS	(726)

Pat Clunie
Pat Clunie (Jun 26, 2026 15:45:29 ADT)

26/06/2026

Patrick Clunie
Financial Secretary

BALANCE SHEET AS AT 31st DECEMBER 2025

2024		2025	
£000	£000	Notes	£000
			£000
	Fixed Assets		
19,591	Tangible Fixed Assets	4	19,365
-	Intangible Fixed Assets	4	202
19,591	Total Fixed Assets		19,567
	Current Assets		
195	Stock	5	144
1,049	Debtors falling due within 1 year	6	873
-	Short-term investment	7	5,000
22,800	Cash at bank and in hand	8	19,282
24,044	Total Current Assets		25,299
(1,614)	Creditors due within 1 year	9	(880)
22,430	Net Current Assets		24,419
42,021	Total Assets Less Current Liabilities		43,986
Financed by Taxpayers' Equity:			
42,021	Reserves	10-15	43,986
42,021	TOTAL RESERVES		43,986

Pat Clunie
Pat Clunie (Jun 26, 2026 15:45:29 ADT)

26/06/2026

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. 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 identified 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. New process of landing licence has decreased deferred income requirement. 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.

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.

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

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. There is only one intangible fixed asset accounted for within the Government of South Georgia & the South Sandwich Islands which is a purpose-built entry permit database of which South Georgia has ownership.

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 2025, the split of assets disclosed in this way was:

1.8 TANGIBLE FIXED ASSETS

	Cost £000	% of cost	Net Book Value £000	% of NBV
Historical Cost	15,275.28	63%	12,904	66%
Estimated Values	8,801.00	37%	6,663	34%
Total Fixed Assets	24,076	100%	19,567	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.

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.

Government of South Georgia & the South Sandwich Islands
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
Intangible Assets	25 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. 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 Fixed Asset 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, the Heritage Fund Reserve and the KEP Wharf Reserve.

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

Fixed Asset 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.

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, the Heritage Fund Reserve and the KEP Wharf 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 Operating Cost Statement. 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.

Government of South Georgia & the South Sandwich Islands
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NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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 2024 £000				ACTUAL EXPENDITURE 2025 £000
	Code	Description		
		Personal Emoluments		
634	0995-0310-	Salaries Established Staff		759
85	0995-0311-	Builders Salaries		144
6	0995-0332-	Retirement Pension Contributions		6
725		Total Personal Emoluments		909

Government of South Georgia & the South Sandwich Islands
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NOTES TO THE FINANCIAL STATEMENTS (continued)

Other Charges		
15	0995-0334-	Passages 10
18	0995-0334-0001	Contract Flights - SG based staff & partners 30
17	0995-0334-0002	Contract Flights - FI based staff 16
29	0995-0334-0003	Pharos Travel GSGSSI Staff 34
1	0995-0334-0004	Accommodation / Subsistence 7
22	0995-0334-0006	Passage to FI for UK based staff 16
86	0995-0334-0007	Accommodation Charges 89
4	0995-0337-0001	Clothing and Equipment - Government Officers 5
12	0995-0338-0001	Accommodation/Subsistence - International 11
7	0995-0600-	Telecommunications 8
10	0995-0602-	Maintenance of Buildings & Equipment 4
2	0995-0602-0002	Maintenance of Buildings & Equipment - Grytviken 1
(2)	0995-0604-	Incidental Expenses 2
41	0995-0612-	Insurance 47
-	0995-0614-	Vehicle - Operational Costs 5
9	0995-0615-0001	Plant on South Georgia 12
21	0995-0619-	Office Administration 28
24	0995-0700-	Mail Services 28
42	0995-0720-	Production of Stamps & Coins 24
117	0995-0721-	KEP Post Office Non-Philatelic Expenditure 73
19	0995-0724-	Installation of EPOS system 1
8	0995-0759-	In Service Training 2
7	0995-1171-	Official Entertainment 1
26	0995-1201-	Auditors Fees & Expenses 14
4	0995-1203-	Bank Charges 31
-	0995-1204-	Bad Debts Expenses 6
1	0995-1205-	(Profit)/Loss on sale of Fixed Assets 2
1	0995-1300-	Pensions 1
50	0995-1320-	Contribution to FIG Administration 25
236	0995-1400-	Medical Services 217
202	0995-1429-	Specialist Consultancy 100
4,157	0995-1501-0001	Fisheries Patrol Costs 4,186
272	0995-1501-0002	Fisheries Research 267
1	0995-1501-0003	Catch Verification -
38	0995-1502-	Judicial Review 3
167	0995-1503-0001	Toothfish Observer Fees 156
26	0995-1505-	Website development 8
3	0995-1600-	Stock Consumption 39
9	0995-1601-	Provision Obs Stock 13
1	0995-1702-	Ancillary Equipment (3)
354	0995-1708-	Depreciation Expense 318

Government of South Georgia & the South Sandwich Islands
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33	0995-1903-	Museum Trust	77
1	0995-1908-	Flags for Commissioner	1
1	0995-1951-	Domestic Equipment	1
-	0995-1964-	Groundfish Survey	335
13	0995-1966-0003	Environmental - ACAP	6
26	0995-1966-0005	Environmental - Data Management	19
-	0995-1966-0006	Environmental - MPA Monitoring	29
74	0995-1966-0007	Invasive Plant Management	55
-	0995-1966-0010	Environmental - Sustainability	5
6	0995-1966-0011	Environmental - Biodiversity Monitoring	-
	0995 1966 0014	Immigration System	57
1,080	0995-1968-	KEP Project	451
-	0995-1969-	Removal of Contaminants	3
6	0995-1975-0001	Expedition Consultancy	2
7	0995-1975-0002	Tourism Expenditure	2
23	0995-1976-	MSC Consultancy	7
-	0995-1979-	Hydroelectric Scheme	2
2	0995-1987-	Outreach, Collaboration & Knowledge Sharing	1
7,329			6,890
Special Expenditure			
20	0995-0602-0006	IT Equipment	9
130	0995-1982-0001	Science Research	3
5	0995-1983-	Heritage Work	8
17	0995-1985-	Stanley Biosecurity / Storage-	15
84	0995-1985-0001	Bio-security - Detector Dog Programme	78
2	0995-1985-0002	Pre-border Biosecurity	1
2	0995-1985-0003	Post-border Biosecurity	1
-	0995-1986-	Miscellaneous and Project Support	2
1	0995-1988-0001	Special expenditure - Bio-security Facility KEP	5
40	0995-1988-0005	Special Expenditure - Bore Valley Micro Hydro	31
105	0995-1988-0006	GSGSSI Albatross Survey	-
10	0995-1990-	Satellite Monitoring Surveys	3
416			156
8,470			7,955
Total Expenditure			

Government of South Georgia & the South Sandwich Islands
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. STATEMENT OF REVENUE

ACTUAL REVENUE 2024			ACTUAL REVENUE 2025		
£000	Code	Description	£000		
2,607	0995-0001-	Landing Charges	3,716		
80	0995-0020-	Sale of Stamps	120		
202	0995-0021-	KEP Post Office Non-Philatelic Revenue	251		
24	0995-0058-	Recovery of Staff Benefits/Costs	22		
274	0995-0061-	Customs Services/Harbour Dues	174		
4,371	0995-0070-0001	Fishing Licences - Toothfish	4,420		
-	0995-0070-0002	Fishing Licences - Icefish	33		
2,347	0995-0070-0003	Fishing Licences - Krill	256		
57	0995-0070-0004	Environmental - South Georgia	65		
73	0995-0071-	Transshipment Fees	-		
177	0995-0079-	Miscellaneous Revenue	113		
17	0995-0131-	Administration Charges	2		
36	0995-0185-	Income Tax	33		
10	0995-0204-	Investment Income	229		
-	0995-0273-	Heritage Fund Revenue	1		
27	0995-0281-	Accommodation Fees-	38		
6	0995-0282-	Church Donations	1		
31	0995-0283-	Accommodation Fees- Pharos	26		
179	0995-0335-	Funding from external partners	326		
9	0995-0336-	Micro Hydro Project funding	-		
<u>10,527</u>		TOTAL REVENUE	<u>9,825</u>		

Government of South Georgia & the South Sandwich Islands
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For the year ended 31st December 2025

4. TANGIBLE & INTANGIBLE FIXED ASSETS

	Buildings	002	Infrastructure	Furniture	004	Equipment	005	Plant & Machinery	006	Vehicles	008	Air and Seacraft	009	Assets Under Construction	010	Intangible Assets	011	Total
	£000's		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation																		
bfwd	8,364		13,889		177		406		463		18		490		271		-	24,078
Additions	-		-		-		95		-		-		-		48		153	296
Disposals	-		-		-		-		(12)		-		-		-		-	(12)
Transfers between categories	-		-		-		-		-		-		-		(57)		57	-
At 31 December 2025	8,364		13,889		177		501		451		18		490		262		210	24,362
Depreciation																		
bfwd	1,911		1,330		173		170		433		16		453		-		-	4,486
Charged in year	108		158		2		31		6		1		4		-		8	318
Disposals	-		-		-		-		(8)		-		-		-		-	(8)
At 31 December 2025	2,019		1,488		175		201		431		17		457		-		8	4,796
Net Book value at 31 Dec 2025	6,345		12,401		2		300		20		1		33		262		202	19,567
Net Book value as bfwd	6,453		12,559		4		236		30		2		37		271		-	19,593

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. ANALYSIS OF STOCK

2024	2025
£000	£000
117 Philatelic Stock	125
102 Non Philatelic Stock	57
28 Emergency Stores	27
(52) Provision Obsolete Stock	(65)
195	144

6. ANALYSIS OF DEBTORS

2024	2025
£000	£000
AMOUNTS FALLING DUE WITHIN 1 YEAR	
44 Accrued Income	294
376 Prepayments	369
527 Trade Debtors	108
- Credit Card Control	-
102 Remittances Falkland Islands	102
1,049	873

7. SHORT TERM INVESTMENTS

2024	2025
£000	£000
- SCB Jersey Deposits	5,000
-	5,000

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. CASH IN HAND, AT BANKS AND IN TRANSIT

2024		2025
£000		£000
Cash in Hand -		
-	Post Office	-
-	Cash in Hand	-
Cash at Banks -		
Standard Chartered Bank -		
816	SCB Short Call	1,171
21,766	SCB Jersey	12,105
1	SCB Current Account	1
217	Gibraltar Bank Account	6,005
22,800	Cash at Banks	19,282
22,800	TOTAL	19,282

9. ANALYSIS OF CREDITORS

2024		2025
£000		£000
AMOUNTS FALLING DUE WITHIN 1 YEAR		
Deposits held on Behalf of Other Administrations		
765	Income Received in Advance	-
849	Accruals	844
-	- Sundry Debtors	-
-	- SCB Current Account	-
-	- Trade Creditors	-
-	- Credit Card Control	-
-	- Sales Suspense	36
1,614	Amounts Falling Due Within 1 Year	880

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. GENERAL FUND

2024			2025
£000		Note	£000
6,762	Fixed Asset Revaluation Reserve	11	6,654
4,710	Donated Asset Reserve	12	4,529
21,873	Consolidated Fund	13	24,090
1,297	Capital Fund	14	1,103
7,379	Earmarked Reserves	15	7,609
42,021			43,985

11. FIXED ASSET REVALUATION RESERVE

2024		2025
£000		£000
6,869	Opening brought forward	6,762
(107)	Realised element of Fixed Asset Revaluation Reserve	(108)
6,762		6,654

12. DONATION ASSET RESERVE

2024		2025
£000		£000
4,718	Opening brought forward	4,710
	Assets additions	72
(8)	Realised element of Donated Asset Revaluation Reserve	(253)
4,710		4,529

13. CONSOLIDATED FUND

2024			2025
£000	£000	£000	£000
Cash and Operating Cost Statement Resource			
16,655	Balance 1 Jan, brought forward		18,712
2,057	Surplus/(Deficit) for the year		1,870
18,712	Balance 31 December, carried forward		20,582
Other Realisations and Transfers (Balance Sheet Resource Accounting Adjustments)			
3,107	Balance 1 Jan, brought forward	3,161	
50	Transfer to/from earmarked reserves	47	
(112)	Utilisation of Capital Grant	168	
116	Realised element of fixed asset & donated asset	132	
	3,161 Balance 31 December, carried forward		3,508
21,873			24,090

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. CAPITAL GRANT RESERVE

2024		2025
£000		£000
1,185	Opening brought forward	1,297
-	Capital Grant Received in Year	-
112	Capital Grant Utilised in Year	(194)
1,297		1,103

15. EARMARKED RESERVES

2024		2025
£000		£000
3,167	FCO Revenue Grant Reserve	3,167
603	King Edward Point Reserve	603
59	Heritage Fund Reserve	59
3,550	KEP Wharf Reserve	3,780
7,379		7,609

Note 16. Contingent Liabilities

Contingent Liability - Asbestos

The Government of South Georgia and the South Sandwich Islands acknowledges an Obligating Event has arisen related to clearing aging asbestos identified in Vessels/hulks at Grytviken. The Government has previously dealt with asbestos as it became needed and has a policy on how to deal with Asbestos for staff and its safe disposal. A review undertaken in 2012 identified asbestos as being a potential future issue, this has now materialised, and given the current situation, it is reasonable to consider this meets the definition of a Contingent Liability. Planning to address the asbestos issue is in its early stages and with the approach to redress being identified.

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 2025

**INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF
SOUTH GEORGIA & THE SOUTH SANDWICH ISLANDS
YEAR ENDED 31 DECEMBER 2025**

Opinion

We have audited the financial statements of The Government of South Georgia & the South Sandwich Islands for the year ended 31 December 2025 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 2025 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 3, 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 completeness of landing fee income and the cut off assertion for all other income), 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 LLP (Jul 2, 2026 15:53:00 GMT+1)

Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

8th Floor, Assembly Building C, Cheese Lane, Bristol, BS2 0JJ, United Kingdom

Date 02/07/2026