



**SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS**

FINANCIAL STATEMENTS

**for the year ended
31 DECEMBER 2011**

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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 2011 estimates were approved by the Secretary of State on 31st December 2010. A Provisional General Warrant for Expenditure was approved on 23 December 2011.

SUMMARY OF THE FINANCIAL POSITION AS AT 31 DECEMBER 2011

The statements show a deficit of £125,000 (2010 –deficit £674,000) for the year, compared to a budgeted cash surplus of £7,027 (2010 – deficit £397,000), to give a General Revenue Balance (before other realisations) at 31 December 2011 of £3,107,000 (2010 - £3,232,000).

Operating revenue was £328,000 above (2010 - £316,000 below) the approved estimated revenue of £4,391,000 (2010 - £4,541,000), mainly due to fishing licence revenue and landing charges.

In addition to operating revenue GSGSSI also received a grant of £3,050,000 from the Foreign and Commonwealth Office (FCO).

There was an over spend of £459,000 (2010 – £335,000) compared to the approved estimated expenditure of £4,385,000 (2010 - £4,564,000). 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 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

2010	2011
£000	£000
Fixed Assets	
9,883 Tangible Fixed Assets	6 9,761
Current Assets	
230 Stocks	135
608 Debtors falling due within 1 year	1,456
1,454 Short term investment	4,313
858 Cash at bank and in hand	381
3,150 Total Current Assets	6,285
(252) Creditors: Amounts falling due within 1 year	(334)
2,898 Net Current Assets	5,951
12,781 Net Assets	15,712
Financed by Taxpayers' Equity:	
12,781 Reserves	15,712
12,781 Total Reserves	15,712

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3. OPERATING COST STATEMENT

2010		2011
£000		£000
	Operating Costs	
360	Staff Costs	383
4,539	Other Operating Costs	4,461
4,899	Total Operating Costs	5 4,844
(4,225)	Operating Revenue	4 (4,719)
674	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	125

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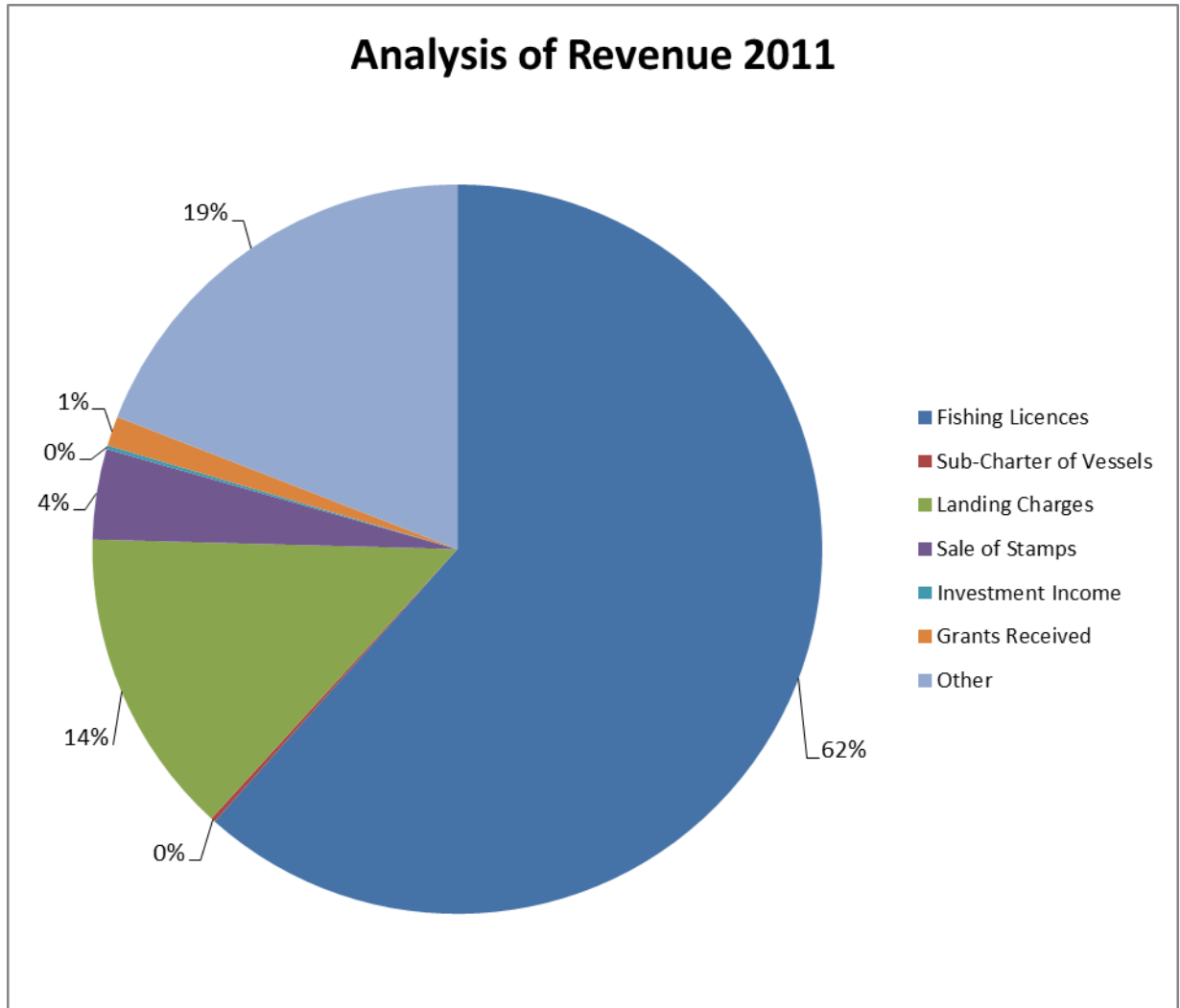
For the year ended 31 December 2011

4. ANALYSIS OF REVENUE

Actual 2010			Approved Estimate 2011	Actual 2011
£'000	Description	Note	£'000	£'000
687	Landing Charges		750	644
152	Sale of Stamps		125	189
4	KEP Post Office Non-Philatelic Revenue		8	22
5	Reimbursement Sub Charter Commercial		238	9
-	Recovery Staff Benefits/Costs		-	1
68	Customs Services/Harbour Dues		75	98
2,917	Fishing Licences –Toothfish		2,409	2,436
155	Fishing Licences – Icefish		248	179
55	Fishing Licences – Krill		224	291
52	Fishing Licences - Crab		72	-
1	Transshipment Fees		10	16
2	Sale of Water		2	-
2	Miscellaneous Revenue		-	618
3	Expedition Applications		5	4
7	Media/Film Fees		12	20
25	Court Fees and Fines		-	-
4	Seignorage on Coins		15	6
36	Income Tax		35	35
4	Investment Income		4	8
37	Grants Received		10	62
-	OTEPI Revenue		42	42
1	Heritage Fund Revenue		-	-
-	Hydo-plan Revenue		65	-
8	Sponsorship – PhD Student		24	24
-	Accommodation Fees		18	15
4,225	TOTAL OPERATING REVENUE		4,391	4,719

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5. ANALYSIS OF EXPENDITURE

Actual 2010		Approved Estimate 2011	Actual 2011
£'000	Description	£'000	£'000
	Personal Emoluments		
355	Salaries Established Staff	390	380
-	Medical Services Tax	3	3
<u>355</u>	Total Personal Emoluments	<u>393</u>	<u>383</u>
	Other Charges		
55	Passages	44	45
6	Telecommunications	6	6
3	Maintenance of Buildings and Equipment	5	1
3	Incidental Expenses	3	8
-	Exchange Rates	-	9
1	Stationery and Printing	-	1
27	Insurance	27	26
-	Vehicle-Operational Costs	7	4
5	Office Administration	4	2
8	Mail Services	8	6
102	Production of Stamps and Coins	86	88
11	KEP Post Office Non-Philatelic Expenditure	3	4
18	Overseas Agency Commission	-	20
1	Official Entertainment	2	1
5	Auditors Fees and Charges	5	5
1	Bank Charges	1	1
2	Bad Debt Expense	-	5
5	Profit/Loss on Sale of Fixed Assets	-	(10)
5	Pensions	5	5
40	Contribution to FIG Administration	40	40
142	Medical Services	142	145
5	Specialist Consultancy	20	9
11	Fishing Licence Administration	11	7
197	Fisheries Research and Protection	-	-
2,268	Fisheries Patrol Costs	2,420	2,596
189	Fisheries Research	180	200
18	Catch Verification	12	9
-	Judicial Review	-	8
1	Observer Fees	2	-
263	Toothfish Observer Fees	120	120
28	Icefish Observer Fees	47	8
13	Krill Observer Fees	23	-
15	Crab Observer Fees	23	-
37	Project Atlantis	20	26
104	Stock Consumption	-	23
-	Provision for Obsolete Stock	-	72
-	Major Incident & Ancillary Equipment	-	39
214	Depreciation Expense	-	191
49	Museum Trust	55	52
-	Domestic Equipment	1	-
15	Publications	15	2
6	OTEP1	-	2

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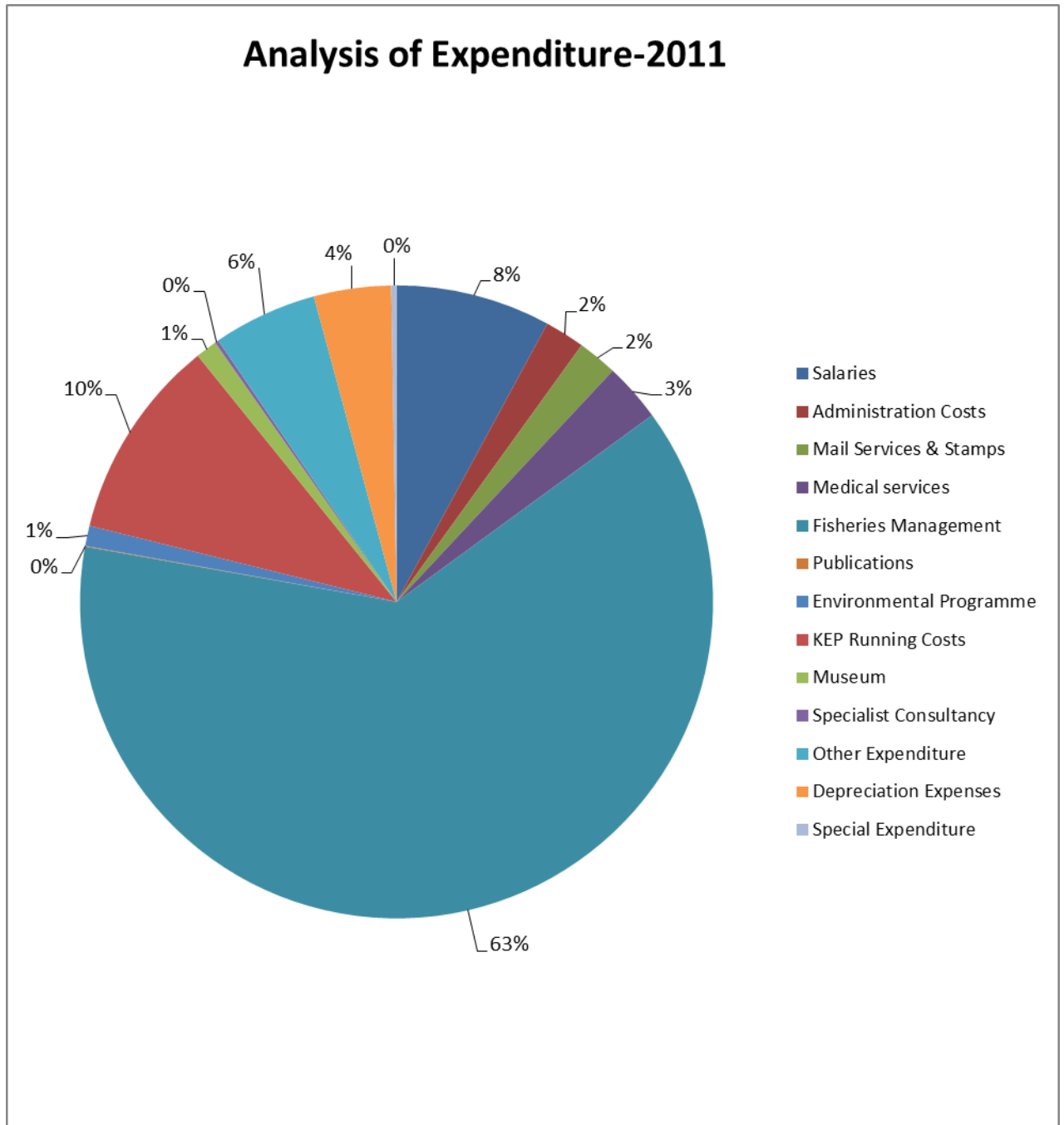
5. ANALYSIS OF EXPENDITURE (continued)

Actual 2010			Approved Estimate 2011	Actual 2011
£'000	Description	Note	£'000	£'000
-	OTEP Rats		-	5
9	Groundfish Survey		45	88
17	Environmental Baseline – General		10	5
17	Environmental Surveys		15	6
18	Environmental – Bio Security		10	10
22	Environmental- ACAP		10	7
21	Environmental – South Georgia GIS		28	22
-	Invasive Species		-	-
550	Civilianisation		500	500
2	Expedition Consultancy		3	1
5	MSC Consultancy		6	7
6	Funding – PhD Student		24	21
4,540	Total Operating Expenditure		3,988	4,448
	Special Expenditure			
-	Management Plan		1	2
-	Habitat Remediation Project		-	2
1	Grytviken		1	-
3	Hydroelectric Scheme		2	4
-	Drukken Villa		-	5
4	Total Special Expenditure		4	13
4,899	Total Expenditure		4,385	4,844

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Analysis of Expenditure-2011



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6. TANGIBLE FIXED ASSETS

	Buildings	Infrastructure	Equipment	Plant & Machinery	Vehicles	Air and Seacraft	Assets Under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
Capitalised in 2011 as bfwd	7,147	3,165	78	446	-	452	-	11,288
Additions	11	-	3	-	6	-	107	127
Disposals	-	-	-	(258)	-	-	-	(258)
Transfers between categories	-	-	-	-	-	-	-	-
At 31 st December 2011	7,158	3,165	81	188	6	452	107	11,157
Depreciation								
Capitalised in 2011 as bfwd	457	192	46	338	-	372	-	1,405
Charged in year	82	62	9	14	1	23	-	191
Disposals	-	-	-	(200)	-	-	-	(200)
At 31 st December 2011	539	254	55	152	1	395	-	1,396
Net Book value at 31st December 2011								
	6,619	2,911	26	36	5	57	107	9,761
Net Book value as bfwd								
	6,690	2,973	32	108	-	80	-	9,883

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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	20		(654)	***12,781
2011	4,719	4,844	3,056		2,931	15,712

@ 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