



**SOUTH GEORGIA
and the
SOUTH SANDWICH ISLANDS**

OVERVIEW OF FINANCIAL STATEMENTS & ANNUAL STATISTICS

**for the year ended
31 DECEMBER 2012**

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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 2012 estimates were approved by the Secretary of State on 23 December 2011. A Provisional General Warrant for Expenditure was approved on 29 March 2012.

SUMMARY OF THE FINANCIAL POSITION AS AT 31 DECEMBER 2012

The statements show a deficit of £93,000 (2011 –deficit £125,000) for the year, compared to a budgeted cash deficit of £781,756 (2011 – surplus £7,027), to give a General Revenue Balance (before other realisations) at 31 December 2012 of £3,014,000 (2011 - £3,107,000).

Operating revenue was £643,000 above (2011 - £328,000 above) the approved estimated revenue of £4,792,000 (2011 - £4,391,000), mainly due to fishing licence revenue and landing charges.

There was an under spend of £46,000 (2011 – £459,000 overspend) compared to the approved estimated expenditure of £5,574,000 (2011 - £4,385,000). 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

2011	2012
£000	£000
Fixed Assets	
9,761 Tangible Fixed Assets	6 10,371
Current Assets	
135 Stocks	69
1,456 Debtors falling due within 1 year	607
4,313 Short term investment	3,500
381 Cash at bank and in hand	1,631
6,285 Total Current Assets	5,807
(334) Creditors: Amounts falling due within 1 year	(559)
5,951 Net Current Assets	5,248
15,712 Net Assets	15,619
Financed by Taxpayers' Equity:	
15,712 Reserves	15,619
15,712 Total Reserves	15,619

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3. OPERATING COST STATEMENT

2011		2012
£000		£000
	Operating Costs	
383	Staff Costs	416
4,461	Other Operating Costs	5,112
4,844	Total Operating Costs	5 5,528
(4,719)	Operating Revenue	4 (5,435)
125	TOTAL (SURPLUS)/DEFICIT FOR THE YEAR	93

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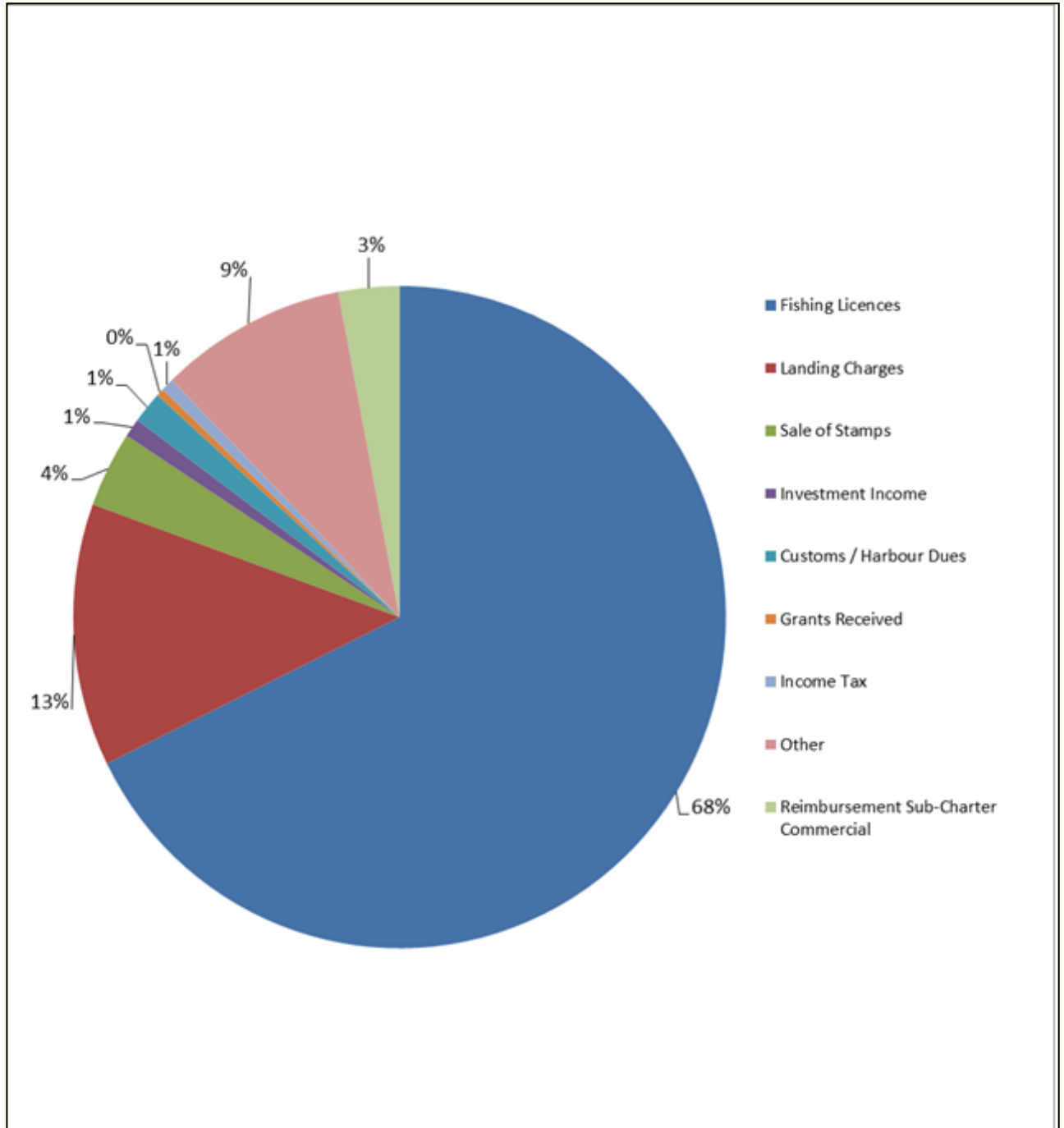
4. ANALYSIS OF REVENUE

Actual 2011			Approved Estimate 2012	Actual 2012
£'000	Description	Note	£'000	£'000
644	Landing Charges		730	697
189	Sale of Stamps		175	201
22	KEP Post Office Non-Philatelic Revenue		8	13
9	Reimbursement Sub Charter Commercial		15	163
1	Recovery Staff Benefits/Costs		-	-
98	Customs Services/Harbour Dues		75	84
2,436	Fishing Licences –Toothfish		3,036	3,043
179	Fishing Licences – Icefish		255	217
291	Fishing Licences – Krill		192	420
16	Transshipment Fees		10	17
-	Sale of Water		1	1
618	Miscellaneous Revenue		1	1
4	Expedition Applications		5	6
20	Media/Film Fees		12	-
6	Seignorage on Coins		10	9
35	Income Tax		32	35
8	Investment Income		12	49
62	Grants Received		-	20
42	OTEPI Revenue		88	90
-	Darwin Mouse		69	72
-	Heritage Fund Revenue		-	150
-	Norwegian Heritage Funding		-	101
-	Hydo-plan Revenue		-	-
24	Sponsorship – PhD Student		48	30
15	Accommodation Fees		18	15
-	Donations		-	1
4,719	TOTAL OPERATING REVENUE		4,792	5,435

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4. ANALYSIS OF REVENUE (continued)



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5. ANALYSIS OF EXPENDITURE

Actual 2011		Approved Estimate 2012	Actual 2012
£'000	Description	Note	£'000
	Personal Emoluments		
380	Salaries Established Staff		389
3	Medical Services Tax		3
-	Retirement Pension Contributions		7
383	Total Personal Emoluments		400
	Other Charges		
45	Passages		66
6	Telecommunications		4
1	Maintenance of Buildings and Equipment		4
8	Incidental Expenses		11
9	Exchange Rates		(1)
1	Stationery and Printing		1
26	Insurance		27
4	Vehicle-Operational Costs		1
2	Office Administration		8
6	Mail Services		4
88	Production of Stamps and Coins		80
4	KEP Post Office Non-Philatelic Expenditure		5
20	Overseas Agency Commission		21
1	Official Entertainment		3
5	Auditors Fees and Charges		6
1	Bank Charges		1
5	Bad Debt Expense		(3)
(10)	Profit/Loss on Sale of Fixed Assets		8
5	Pensions		5
40	Contribution to FIG Administration		40
145	Medical Services		148
9	Specialist Consultancy		1
7	Fishing Licence Administration		9
2,596	Fisheries Patrol Costs		2,814
200	Fisheries Research		80
9	Catch Verification		9
8	Judicial Review		85
-	Observer Fees		-
120	Toothfish Observer Fees		209
8	Icefish Observer Fees		24
26	Project Atlantis		28
23	Stock Consumption		11
-	Fuel Write Off		56
72	Provision for Obsolete Stock		(1)
39	Major Incident & Ancillary Equipment		3
191	Depreciation Expense		257
52	Museum Trust		28
-	Domestic Equipment		-
2	Publications		20

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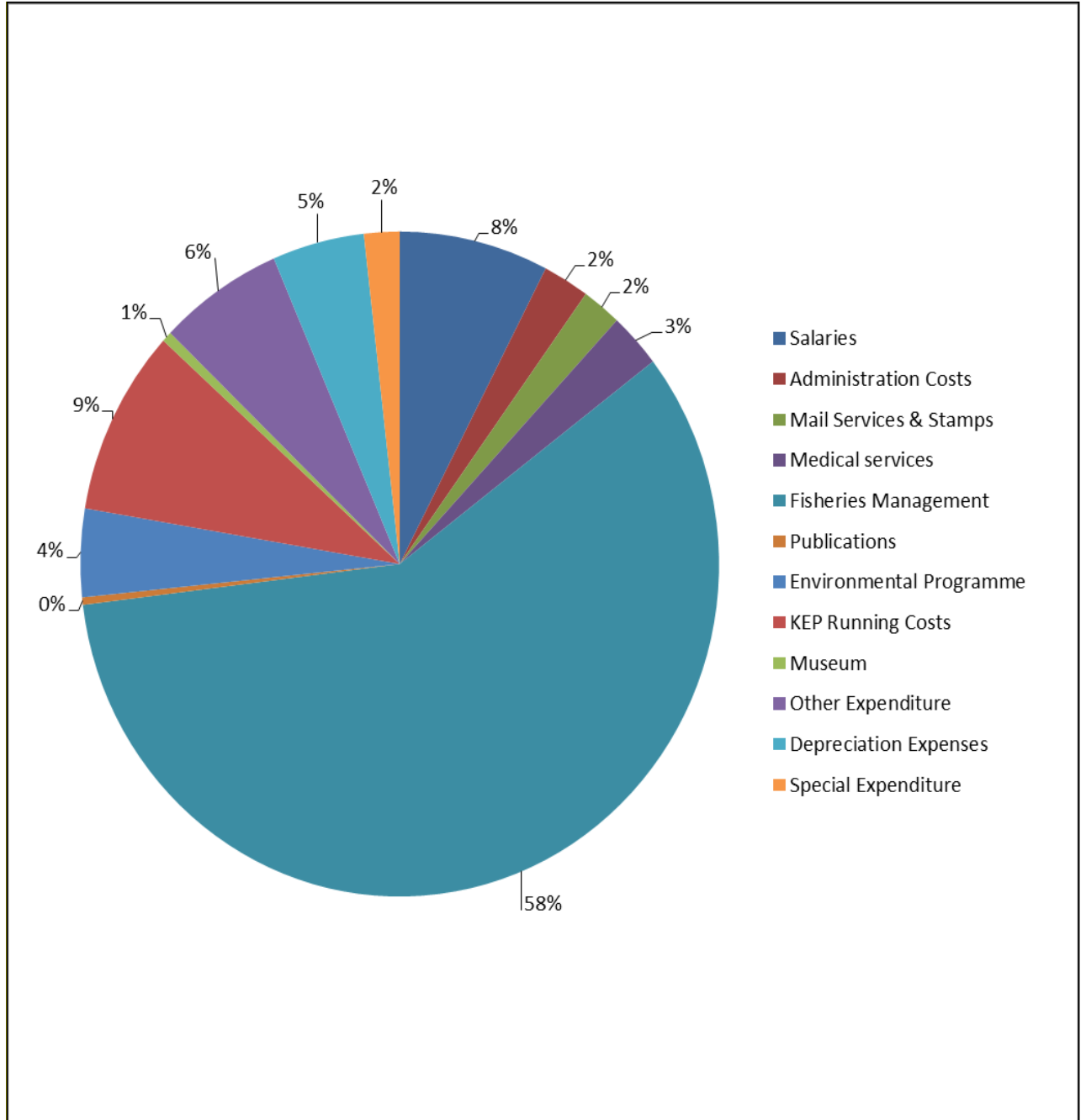
5. ANALYSIS OF EXPENDITURE (continued)

Actual 2011		Approved Estimate 2012	Actual 2012
£'000	Description	Note £'000	£'000
2	OTEP1	-	-
-	OTPF	30	-
5	OTEP Rats	27	38
-	Darwin Mouse	6	11
88	Groundfish Survey	21	2
5	Environmental Baseline – General	8	17
6	Environmental Surveys	10	6
10	Environmental – Bio Security	10	11
7	Environmental- ACAP	10	3
22	Environmental – South Georgia GIS	14	5
-	Data Management	26	11
-	MPA Monitoring	5	-
-	Invasive Species	10	19
-	Habitat Restoration Monitoring	-	8
500	Civilianisation	500	500
-	Heritage Fund	-	91
1	Expedition Consultancy	3	5
7	MSC Consultancy	8	8
21	Funding – PhD Student	49	27
-	Norwegian Heritage Work	-	51
4,448	Total Operating Expenditure	4,373	4,885
	Special Expenditure		
2	Management Plan	15	7
2	Habitat Remediation Project	100	127
-	Discovery House	150	20
-	Grytviken	2	6
4	Hydroelectric Scheme	2	1
5	Drukken Villa	-	-
-	Electric Boiler	30	-
-	Plant	22	-
-	Small Grants Scheme	50	38
-	Scientific Equipment	430	28
13	Total Special Expenditure	801	227
4,844	Total Expenditure	5,574	5,528

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5. ANALYSIS OF EXPENDITURE (continued)



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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 2012 as bfwd	7,158	3,165	81	188	6	452	107	11,157
Additions	6	-	258	87	-	-	534	885
Disposals	-	(20)	(33)	(3)	-	-	-	(56)
Transfers between categories	-	-	1	106	-	-	(107)	-
At 31 st December 2012	7,164	3,145	307	378	6	452	534	11,986
Depreciation								
Capitalised in 2012 as bfwd	539	254	55	152	1	395	-	1,396
Charged in year	83	61	56	33	1	23	-	257
Disposals	-	(2)	(33)	(3)	-	-	-	(38)
At 31 st December 2012	622	313	78	182	2	418	-	1,615
Net Book value at 31st December 2012	6,542	2,832	229	196	4	34	534	10,371
Net Book value as bfwd	6,619	2,911	26	36	5	57	107	9,761

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7. GENERAL REVENUE ACCOUNT SUMMARY

UNAUDITED GENERAL REVENUE ACCOUNT SUMMARY 1983 - 2012

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	13,435
2010	4,225	4,899		20		(654)	***12,781
2011	4,719	4,844		3,056		2,931	15,712
2012	5,435	5,528				(93)	15,619

@ 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