



**SOUTH GEORGIA  
and the  
SOUTH SANDWICH ISLANDS**

**FINANCIAL STATEMENTS**

**for the year ended  
31 DECEMBER 2013**



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<b>CONTENTS</b>	<b>Page</b>
1. Introduction	1
2. Balance Sheet	2
3. Operating Cost Statement	3
4. Analysis of Revenue	4
5. Analysis of Expenditure	6
6. Tangible Fixed Assets	9
7. General Fund Summary	10

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**SOUTH GEORGIA**  
and the  
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**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**

**For the year ended 31 December 2013**

**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 2013 estimates were approved by the Secretary of State on 4 January 2013. A Revised General Warrant for Expenditure was approved on 11 November 2013

**SUMMARY OF THE FINANCIAL POSITION AS AT 31 DECEMBER 2013**

The statements show a surplus of £130,000 (2012 – deficit £93,000) for the year, compared to a budgeted cash surplus of £68,570 (2012 – deficit £781,756), to give a General Revenue Balance (before other realisations) at 31 December 2013 of £3,144,580 (2012 - £3,014,000).

Operating revenue was £368,693 above (2012 - £643,000 above) the approved estimated revenue of £5,965,850 (2012 - £4,792,000), mainly due to fishing licence revenue and landing charges

There was an over spend of £306,467 (2012 – £46,000 underspend) compared to the approved estimated expenditure of £5,897,280 (2012 - £5,574,000). 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 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.

**SOUTH GEORGIA**  
and the  
**SOUTH SANDWICH ISLANDS**  
**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**

For the year ended 31 December 2013

**2. BALANCE SHEET**

2012	2013
£000	£000
<b>Fixed Assets</b>	
<b>10,371</b> Tangible Fixed Assets	6 <b>10,695</b>
<b>Current Assets</b>	
69 Stock	144
607 Debtors falling due within 1 year	698
3,500 Short-term investment	4,000
1,631 Cash at bank and in hand	1,225
5,807 <b>Total Current Assets</b>	6,067
559 Creditors: Amounts falling due within 1 year	(713)
5,248 <b>Net Current Assets</b>	5,354
<b>15,619 Net Assets</b>	<b>16,049</b>
<b>Financed by Taxpayers' Equity:</b>	
15,619 Reserves	16,049
<b>15,619 Total Reserves</b>	<b>16,049</b>

**SOUTH GEORGIA**  
and the  
**SOUTH SANDWICH ISLANDS**  
**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**

For the year ended 31 December 2013

**3. OPERATING COST STATEMENT**

<b>2012</b>		<b>2013</b>
<b>£000</b>		<b>£000</b>
	<b>Operating Costs</b>	
416	Staff Costs	463
5,112	Other Operating Costs	5,742
5,528	Total Operating Costs	5 6,205
(5,435)	<b>Operating Revenue</b>	4 (6,335)
<b>93</b>	<b>TOTAL (SURPLUS)/DEFICIT FOR THE YEAR</b>	<b>(130)</b>

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**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**

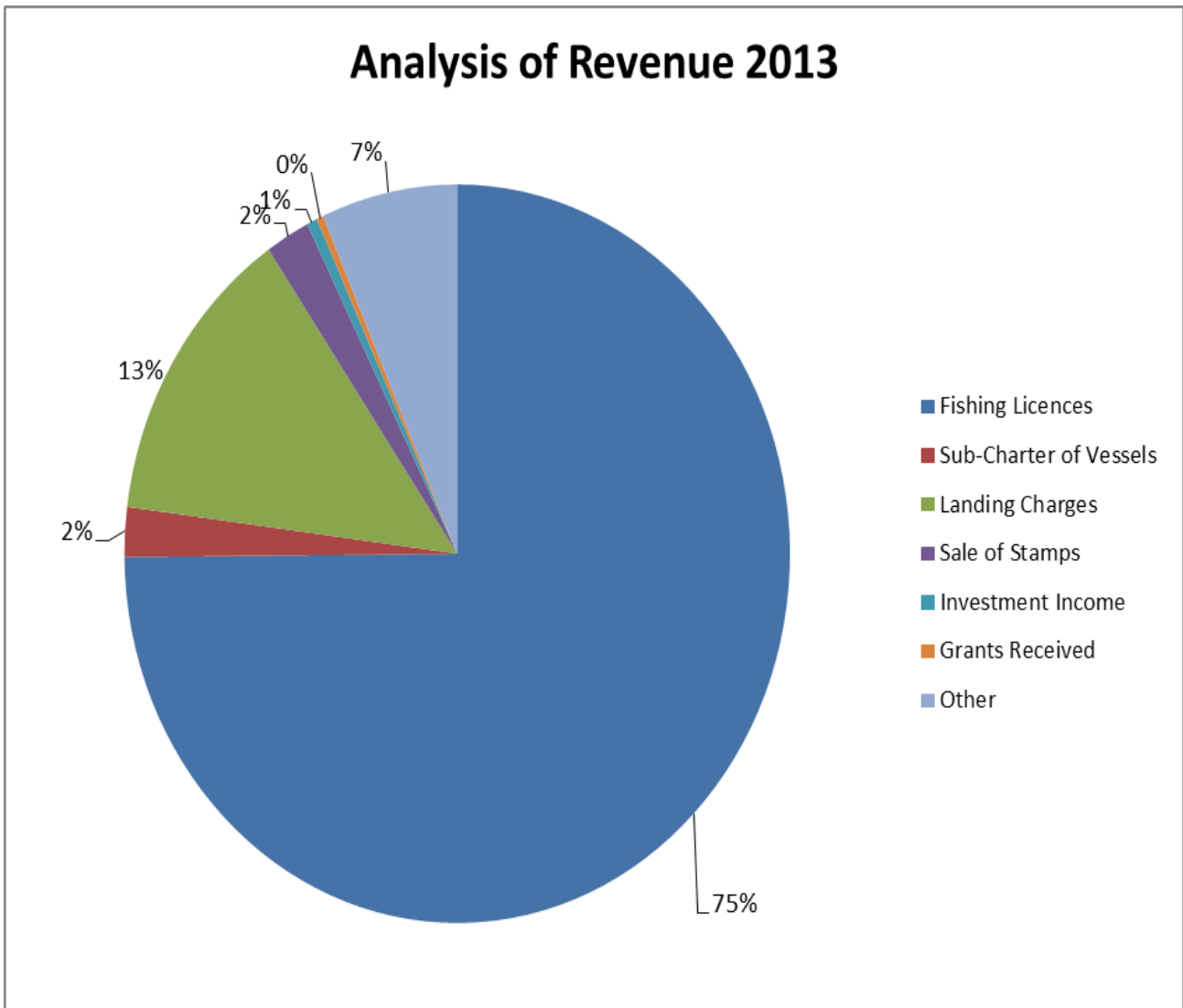
For the year ended 31 December 2013

**4. ANALYSIS OF REVENUE**

Actual 2012			Approved Estimate 2013	Actual 2013
£'000	Description	Note	£'000	£'000
697	Landing Charges		750	847
201	Sale of Stamps		180	136
13	KEP Post Office Non-Philatelic Revenue		10	23
163	Reimbursement Sub Charter Commercial		180	137
-	Recovery Staff Benefits/Costs		-	2
84	Customs Services/Harbour Dues		70	100
3,043	Fishing Licences - Toothfish		3,756	3,862
217	Fishing Licences - Icefish		267	269
420	Fishing Licences - Krill		245	611
17	Transshipment Fees		12	18
1	Sale of Water		-	-
1	Miscellaneous Revenue		2	62
6	Expedition Applications		6	6
-	Science Permits		-	1
-	Media/Film Fees		6	3
-	Recovery of Legal Costs		40	-
-	Sale of Publications		1	2
9	Seignorage on coins		15	7
-	Conservation Projects		-	6
35	Income Tax		30	50
49	Investment Income		38	32
20	Grants Received		50	21
90	OTEP1 Revenue		-	-
-	OTPF		40	30
-	OTEP Rats		15	16
72	Darwin Mouse		-	-
101	Norwegian Heritage Funding		-	20
-	Reindeer Meat Sales		80	26
-	Marine Protected Area Monitoring		10	-
150	Heritage Revenue Fund		100	-
30	Sponsorship - PhD Student		44	30
15	Accommodation Fees		18	17
-	Food Charges		1	-
1	Church Donations		-	1
<b>5,435</b>	<b>TOTAL OPERATING REVENUE</b>		<b>5,966</b>	<b>6,335</b>



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and the  
**SOUTH SANDWICH ISLANDS**  
**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**  
For the year ended 31 December 2013



**SOUTH GEORGIA**  
and the  
**SOUTH SANDWICH ISLANDS**

**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**

For the year ended 31 December 2013

**5. ANALYSIS OF EXPENDITURE**

Actual 2012		Approved Estimate 2013	Actual 2013
£'000	Description	Note	£'000
	<b>Personal Emoluments</b>		
406	Salaries Established Staff		449
3	Medical Services Tax		5
7	Retirement Pension Contributions		9
<b>416</b>	<b>Total Personal Emoluments</b>		<b>463</b>
	<b>Other Charges</b>		
66	Passages		69
4	Telecommunications		6
4	Maintenance of Buildings & Equipment		73
11	Incidental Expenses		4
(1)	Exchange Rates		2
1	Stationery & Printing		3
27	Insurance		31
1	Vehicle - Operational Costs		(1)
-	Plant & Machinery		11
8	Office Administration		1
4	Mail Services		3
80	Production of Stamps & Coins		93
5	KEP Post Office Non-Philatelic Expenditure		4
21	Overseas Agency Commission		9
3	Official Entertainment		2
6	Auditors Fees & Expenses		5
1	Bank Charges		1
(3)	Bad Debts Expenses		2
8	Profit/Loss on sale of Fixed Assets		2
5	Pensions		5
40	Contribution to FIG Administration		40
148	Medical Services		148
1	Specialist Consultancy		29
9	Fishing Licence Administration		9
2,814	Fisheries Patrol Costs		3,040
80	Fisheries Research		169
9	Catch Verification		14
85	Judicial Review		25
-	Observer Fees		8
209	Toothfish Observer Fees		240
24	Icefish Observer Fees		35
-	Krill Observer Fees		-
28	Project Atlantis		36
67	Stock Consumption		(106)
(1)	Provision Obs Stock		32
3	Ancillary Equipment		-
257	Depreciation Expense		68
28	Museum Trust		38
-	Flags for Commissioner		1

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**OVERVIEW OF FINANCIAL STATEMENTS  
and  
ANNUAL STATISTICS**

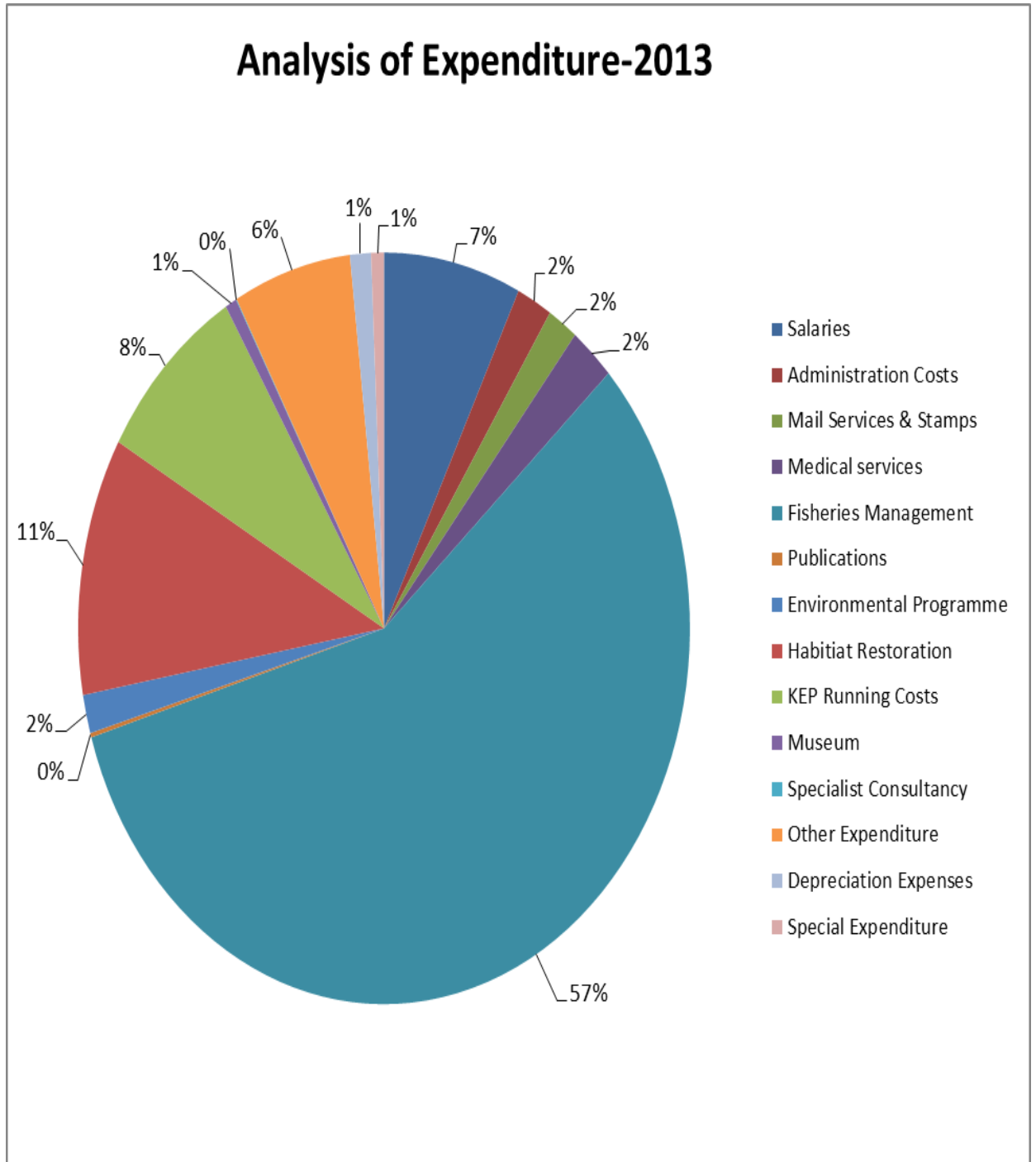
**For the year ended 31 December 2013**

**5. ANALYSIS OF EXPENDITURE (continued)**

Actual 2012			Approved Estimate 2013	Actual 2013
£'000	Description	Note	£'000	£'000
-	Domestic Equipment		1	1
20	Publications		2	12
-	OTEP 1		-	-
-	OTPF		50	-
38	OTEP Rats		-	-
11	Darwin Mouse		-	-
2	Groundfish Survey		172	160
17	Environmental Baseline Survey		5	-
6	Environmental Surveys		5	4
11	Environmental - Bio-Security		5	4
3	Environmental - ACAP		10	7
5	Environmental - South Georgia GIS (BAS C		14	-
11	Environmental - Data Management		40	51
-	Environmental - MPA Monitoring		10	11
19	Invasive Plant Management		15	8
8	Habitat Restoration Monitoring		50	17
500	Civilianisation		500	500
-	Whaling Station Removal		-	13
-	KEP Demolition		-	-
91	Heritage Fund		-	1
5	Expedition Consultancy		3	3
8	MSC Consultancy		8	39
1	Hydroelectric Scheme		2	-
27	Funding - PhD Student		44	26
-	Purchase of Scientific Equipment for BAS		75	5
<b>4,885</b>	<b>Total Operating Expenditure</b>		<b>4,824</b>	<b>5,013</b>
	<b>Special Expenditure</b>			
7	Management Plan		8	3
-	Reindeer Eradication		475	688
127	Habitat Remediation Project		-	-
20	Discovery House		50	4
6	Grytviken Clearance		5	7
-	Drukken Villa		-	-
38	Small Grants Scheme		15	15
28	Scientific Equipment		-	-
51	Norwegian Heritage Work		100	12
<b>227</b>	<b>Total Special Expenditure</b>		<b>653</b>	<b>729</b>
<b>5,528</b>	<b>Total Expenditure</b>		<b>5,898</b>	<b>6,205</b>

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**OVERVIEW OF FINANCIAL STATEMENTS  
and  
ANNUAL STATISTICS**

**For the year ended 31 December 2013**



**SOUTH GEORGIA**  
and the  
**SOUTH SANDWICH ISLANDS**

**OVERVIEW OF FINANCIAL STATEMENTS**  
and  
**ANNUAL STATISTICS**

For the year ended 31 December 2013

**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
<b>Cost or valuation</b>									
Capitalised in 2013 as bfwd	7,164	3,144	-	307	379	6	452	534	11,986
Additions	209	-	-	3	9	-	13	163	397
Disposals	-	-	-	-	(6)	-	-	-	(6)
Transfers between categories	472	-	14	5	43	-	-	(534)	-
At 31 <sup>st</sup> December 2013	7,845	3,144	14	315	425	6	465	163	12,377
<b>Depreciation</b>									
Capitalised in 2013 as bfwd	622	313	-	78	183	1	417	-	1,614
Bfwd Depreciation Adjustment	-	-	-	-	-	-	(211)	-	(211)
Charged in year	97	61	1	58	38	1	23	-	280
Disposals	-	-	-	-	(1)	-	-	-	(1)
At 31 <sup>st</sup> December 2013	719	374	1	137	220	2	229	-	1,682
<b>Net Book value at 31<sup>st</sup> December 2013</b>									
	<b>7,126</b>	<b>2,770</b>	<b>13</b>	<b>178</b>	<b>205</b>	<b>4</b>	<b>235</b>	<b>163</b>	<b>10,695</b>
Net Book value as bfwd									
	6,542	2,831	-	229	196	5	35	534	10,371

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SOUTH SANDWICH ISLANDS**

**OVERVIEW OF FINANCIAL STATEMENTS  
and  
ANNUAL STATISTICS**

**For the year ended 31 December 2013**

**7. GENERAL REVENUE ACCOUNT SUMMARY**

**GENERAL REVENUE ACCOUNT SUMMARY 1983 - 2013**

**UNAUDITED**

Year	Revenue £'000	Expenditure £'000	Asset Adjustment £'000	Stock Adjustment £'000	Surplus/ (Deficit) £'000	Balance at Year End £'000
1983	393	212			181	823
1984	200	132			68	891
1985	209	129			80	971
1986	371	168			203	1,174
1987	253	156			97	1,271
1988	306	119			187	1,458
1989	220	241			(21)	1,437
1990	272	271			1	1,438
1991	529	714			(185)	1,253
1992	283	623			(340)	913
1993	327	225			102	1,015
1994	670	630	@		40	1,055
1995	648	347			301	1,356
1996	1,164	563			601	1,957
1997	1,520	652			868	2,825
1998	1,830	1,411	*		419	3,244
1999	1,894	1,130			764	4,008
2000	3,012	2,526			486	4,494
2001	3,555	2,824			731	5,225
2002	3,923	3,117			806	6,031
2003	5,768	6,449			(681)	5,350
2004	3,665	5,525			(1,860)	3,490
2005	3,790	4,058			(268)	3,222
2006	4,847	5,145			(298)	2,924
2007	4,747	5,792			(1,045)	1,879
2008	5,974	4,703	9,327	202	10,800**	12,679
2009	5,365	4,610			755	13,435
2010	4,225	4,899	20		(654)	***12,781
2011	4,719	4,844	3,056		2,931	15,712
2012	5,432	5,525			(93)	15,619
2013	6,335	6,205			129	15,747

@ 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