



Directors' Report and Audited Financial Statements for the Financial Year 2010-2011

Bank of St Helena – Building for the
Future

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Established and regulated in St Helena under the Financial Service Ordinance 2008 and the Bank of St Helena Ordinance 2003

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Directors' Report and Audited Financial Statements for the Financial Year 2010/2011

The Directors are pleased to present their report and the audited financial statements of Bank of St. Helena ("the Bank") for the year ended 31 March 2011

This report on the business of the Bank and its performance during the year, will allow readers to assess how the directors have carried out their duty of managing the affairs of the Bank as set out in the Bank of St. Helena Ordinance 2003.

1. Principal Activities

One of the objects of the Bank, as defined by the Bank of St. Helena Ordinance 2003, is "to engage in the business of banking within St. Helena and its dependencies". The Bank provides retail banking services wholly within the South Atlantic islands of St. Helena and Ascension Island. During the year the Bank continued to develop what it has to offer to its customers through sales of its core products: savings accounts, personal loans and commercial loans.

2. Business Review

The mission of the Bank of St. Helena is to develop and deliver banking products and services that are appropriate, affordable and accessible to all.

During the year April 2010 to March 2011, the Bank has continued to successfully grow its lending portfolio (14%); savings accounts (17.1%) and maintain a savings rate payable of 3% per annum. The bank remains well capitalised with policies and practices that foster stability and sustainable development.

During the last quarter of the financial year, the investment market in the UK showed signs of improvement but the directors continue to closely monitor the Bank's investments in, what is still, a rather uncertain market.

The Bank remains committed to delivering excellent customer service and during the year started a mobile banking service at three out-of-town locations: Offices of the Agricultural & Natural Resources in St. Pauls; Half Tree Hollow Supermarket and Longwood Supermarket. These are well utilised by customers. Reducing time-to-queue at the Bank remains a challenge which will be addressed as new services are introduced. New services will include internet banking which is scheduled for development and piloting during the next financial year.

The Bank welcomed the decision of the UK's new coalition Government to proceed, subject to the fulfilment of certain conditions, with air access to St. Helena. If such is realised, the Bank sees opportunities for further growth in its core products as well as the expansion of its range of services. During the next financial year, April 2011 to March 2012, the Bank will be reviewing and revising its strategic plan in the light of this significant change in the overall economic environment.

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3. Corporate Structure

The Bank of St Helena Ordinance defines the Bank as a body corporate which means it has its own legal identity. The Bank is owned by the Government of St. Helena; managed by a Chairman and Directors who are appointed by the Governor and, as an additional safeguard, regulated by the Financial Services Regulatory Authority.

4. Financial Performance

The Bank's financial performance for the year to 31 March 2011 is presented in the Income Statement on page 14. A summary of the Income statement is reproduced below:

	Year to 31 March 2011	Year to 31 March 2010
Total Income	£852,808	£729,051
Total Expenditure	£642,603	£571,561
Profit before Tax	£210,205	£157,490
Taxation	£66,268	£44,242
Profit after Tax	£143,937	£113,248

The Bank's profit before tax has increased by £52,715 when compared with the previous financial year. This includes an additional profit of £80,781 resulting from the sale of an investment, being the difference between the capital gain and the effect on the interest receivable.

4.1 Commentary on the Profit & Loss Account

4.1.1 *Net Interest Income*

There has been a 63% decrease in net interest income. Part of this was accounted for by the reduction in average interest rates achievable after the sale of the final gilt. Although there was a 13.5% increase (£72,469) in interest derived from lending, this was minimal when compared with the cumulative effect of a 23.2% (£239,961) decrease in the interest earned on the Bank's UK investments and a 15.8% (£164,799) increase in the interest paid on depositors accounts.

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4.1.2 *Income from Fees and Commissions and Other Income*

There has been an 11.7% increase in income earned from fees and commissions and a 14.1% increase from foreign exchange transactions due to an increase in volume of business in these two services.

4.1.3 *Profit on Sale of Securities*

This was the profit realised on the sale of the Bank's last gilt holding. It was decided to sell the gilt 8 months before maturity which resulted in an additional profit of £80,781. This was the last opportunity for windfall profits and was possible only because of investment market conditions at that time. It was this that helped to maintain the savings rate of 3% throughout the 2010/2011 financial year - a luxury that can no longer be afforded with the Bank's current level of income.

4.1.4 *Operating Expenditure*

There has been an overall increase in expenditure of 12.4% over last year. This includes an increase of 10% in employee costs.

4.1.5 *Employee Costs and Numbers*

As at 31 March, the bank had the following staff:

	At 31 March 2011		At 31 March 2010	
	Numbers	Costs for the year	Numbers	Costs for the year
Teller Services	11	£132,863	9	£120,563
Lending	4	£38,274	4	£44,570
Accounts and Admin	4	£48,067	4	£32,611
Management	3	£79,388	3	£74,254
Directors	4	£7,802	4	£6,517
TOTAL	26	£306,394	24	£278,515

The increase in Staff numbers is commensurate with the increase in demand for products and services. The numbers and costs include part-time executive support provided by the Chairman, two full-time staff and one part-time relief teller on Ascension Island. Staff costs also include overseas business trips and the cost of staff professional development which will support the achievement of both personal and corporate goals. Incentives and employee rewards are aligned with individual and corporate performance and the average staff salary increase during the year was 7.9%.

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4.2 Commentary on the Balance Sheet

The financial year 2010/11 has seen an overall growth of 3.8% (£143,937) in the Bank's Net Assets.

4.2.1 *Investments versus Bank Placements*

The most significant change has been the total shift away from investing in UK Government gilts to a combination of fixed term deposits and certificates of deposits with UK banks. The only reason for this is the higher return that can be realised on bank placements. The bank's investment intentions remain the same which is to hold the investments to maturity. As such the portfolio has been staggered to enable a rolling programme with investments maturing at regular intervals thus providing greater flexibility for reinvestment as market conditions change. There has been a 13.7% (£4,392,748) increase in the value of the Bank's overseas investments as a direct result of the 17.1% (£6,415,085) growth in balances on Savings Accounts.

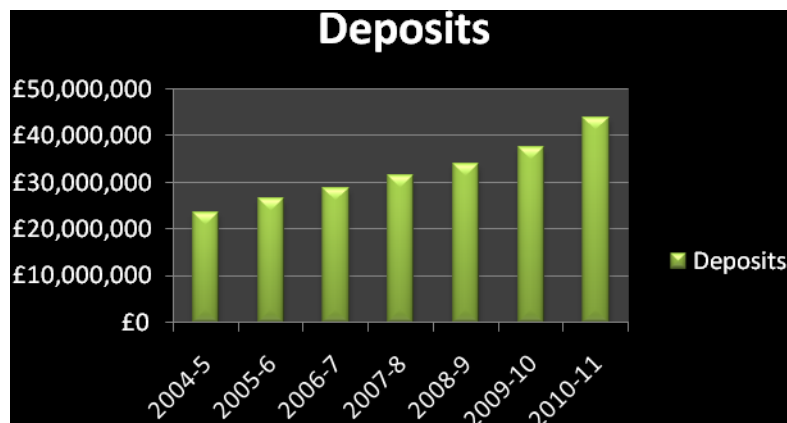
4.2.2 *Savings Accounts*

During the last year, the bank has seen a number of its customers move their offshore banking to St. Helena, due primarily to the lower risk higher return option that Bank of St. Helena offers, when compared with similar products offered by overseas banks. This has resulted in an overall increase of 17.1% in the balance on current and savings accounts. The most significant growth has been in Government Accounts 652% and St Helena Individuals Savings Accounts 12.5%.

The graphs below show:

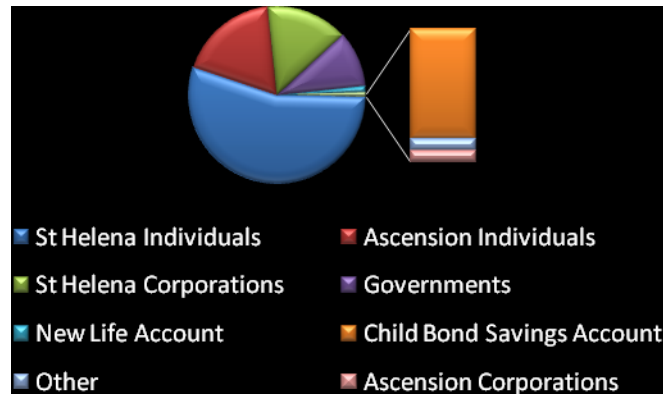
- The growth in the overall value of deposits [*Figure 1*] and
- The proportion of savings held by the different categories of depositors [*Figure 2*]

Figure 1



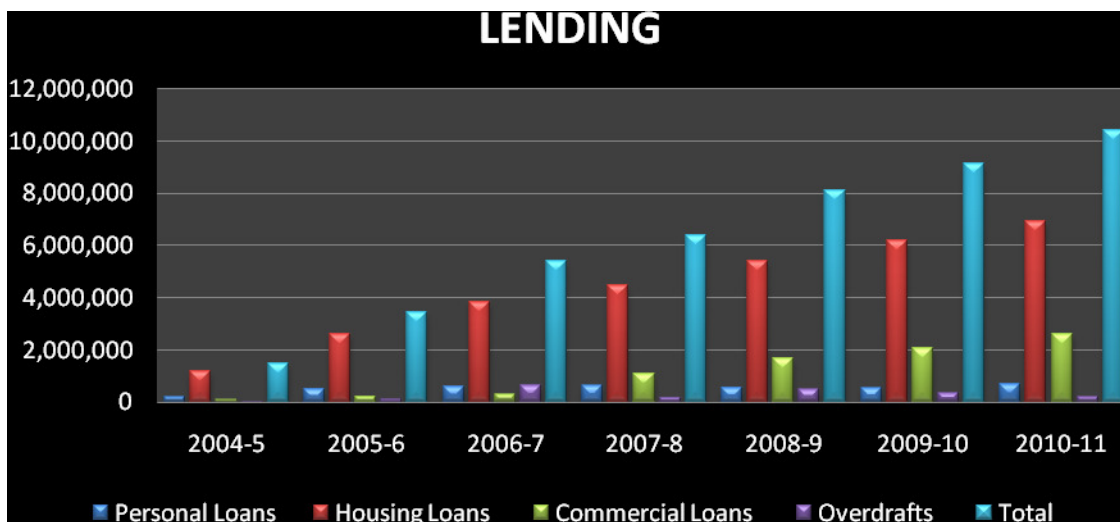
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Figure 2



4.2.3 Lending

The overall lending portfolio has grown by 14% (£1,276,193) with the value of personal loans increasing by 30.4% (£160,904); housing loans increasing by 12% (£739,316) and commercial loans by 25.5% (£527,987). Overdrafts has decreased by 43.8% (£152,014) indicating a decrease in demand for short term working capital. The provisions for doubtful debts have increased by 17.1%.



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5. Key Management Ratios

Ratio	Limit	Average	Minimum	Maximum
Risk Assets	8%	28.83%	25.4%	32.6%
Total Liquid Assets in St. Helena:Total Liabilities	0.5%	1.62%	1.0%	2.5%
Total Liquid Assets:Total Liabilities	25%	70.46%	67.1%	73.9%

The table above shows the Bank's regulatory capital position as at 31 March 2011. The Financial Services Regulatory Authority (FSRA) sets and monitors the capital requirements for the Bank which is required to maintain a prescribed level of capital with reference to risk weighted assets and the perceived risk management framework. Throughout the year the Bank has complied with all of these imposed capital requirements. An annual review of the bank is undertaken on-island and the report from this year's review states:

"The Financial Services Regulatory Authority confirmed that the Bank of St Helena met the requirements of the Financial Services Ordinance 2008 and of the Directives issued by the Authority under section 4 (5) of that Ordinance"

6 Risk Management

The Bank aims to manage all risks that arise from the activities that it undertakes. The primary risks that are likely to arise in the normal course of business are credit risk, interest rate risk and operational risk. Liquidity risk is not an issue at this time [see section 5 above].

The Board is responsible for the overall strategy, performance and risk management of the Bank. There are a number of policies in place to manage key risks which reflect the risk appetite of the Board.

The execution of the Bank's strategy, business performance, day to day operations, implementation of policy and internal controls are delegated to the Managing Director and her Senior Management Team. An Internal Auditor regularly reviews the bank's financial results and systems as well as adherence to approved policies and procedures. Independent and objective assurance on the effectiveness of the Bank's financial records, systems and risk management is provided by the St. Helena Audit Service.

6.1 The Bank as a Going Concern

The economy of St. Helena is financed by British Aid. As such, the political agenda of the British Government and the spending capacity of the St. Helena Government have a major impact on the overall wellbeing of the local business environment. St Helena's geographical isolation, small domestic market and limited natural resources present many challenges for stimulating economic development.

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The bank's ability to remain profitable, within such an environment, will be dependant on a number of factors which include, when considering the long term prospects, whether or not air access is realised. In the short term, the returns that can be achieved on UK investments will determine the interest rates payable on current and savings accounts held at the Bank. These are reviewed every quarter with the overall aim of maintaining a stable interest rate payable as well as a stable rate of interest charged on loans.

During the year under review, the Bank's commercial loan portfolio has grown by 25.5% which was 3.4% more than the percentage growth between April 2009 and March 2010. 60% of new loans approved were for the construction industry, 16% for the retail sector and 10% for transport services. The commercial loan portfolio is dominated by two sectors – construction (33.6%) and tourism accommodation (20.3%) – two sectors whose continued success is linked directly to significantly improved access to St. Helena and the expected growth in visitors as well as the resident population.

In relation to the housing loan portfolio, the bank has seen a steady growth during the last three years of around £800,000 per year with two thirds of this being for the construction or purchase of new dwellings.

The funding and liquidity of the Bank remained robust throughout the year. Net customer deposits have been four times more than customer lending. The directors are therefore satisfied that the Bank has adequate resources to continue in business for the foreseeable future.

6.2 Credit Risk

If there is a downturn in the local economy, business and personal customers could face difficulties with servicing their financial commitments. This would have an adverse impact on the bank's profitability.

In addition, if there is a downturn in the economy and property prices fall, the value of collateral offered for loans may be insufficient to cover the value of the capital plus interest amounts due.

To reduce the probability of this risk materialising, the bank maintains responsible lending practices ensuring a healthy balance between risk and reward. 98% of the total loans portfolio has adequate security and the percentage of defaults on housing and commercial loan repayments are less than 1%.

6.3 Operational Risk

These risks include losses due to human error, IT systems security failure, reliability of internal processes and procedures, training and retention of staff, fraud, and other social and environmental impacts.

During the last year the Bank's Internal Auditor has reviewed, and recommended revisions where required, to internal control procedures and the bank's risk management strategy. New banking software has been installed and is operating successfully. Additional modules will be introduced during the current financial year which will aid more timely and comprehensive management information.

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The Bank values the contribution of colleagues and recognises that business objectives can only be achieved by attracting and developing high quality staff. The Bank's Manager is competently supported by a Chief Operations Officer and Human Resource & Executive Support Officer who collectively strive to ensure that staff are engaged in the development of the Bank and have access to a wide range of training resources. They continue to aim for the delivery of banking products and services that meet operational excellence standards of timeliness, accuracy and reliability.

7. The Bank as a Responsible Citizen of the Community

The bank remains committed to contributing to community development projects and, following a successful year of trading in 2009/10, the Bank's Community Projects Fund was replenished for 2010/11. The fund is designed to encourage the development of St. Helena's Young People, the Natural Environment and Arts and Cultural activities. The table below lists the projects that were funded from the Community Projects Fund for the year to 31 March 2011.

Girl Guides	Assist with sending Girl Guide members to the Centenary Celebrations	£500
Natwest Island Games	Assist with sending a team to the Island Games	£1,000
St Helena Cricket Association	Assist with sending a team to compete offshore	£1,000
St Helena Rifle Club- Jamestown	Assist with purchase of equipment	£1,000
SHAPE	Assist with purchase of Bus	£1,000
Food Festival	Set up costs for food festival	£500
St Helena Rifle Association	Ammunition for Competitions	£1,000
Total		£6,000

In addition £868 was paid in donations. This includes the finance provided for the 'Bank of St Helena Youth Games', organised annually by New Horizons, with the Bank as the lead sponsor.

8. Directors

In accordance with the Bank of St. Helena Ordinance, the Managing Director and the non-executive directors are appointed by the Governor in consultation with the Supervisor of the Financial Services Regulatory Authority.

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The directors of the bank during the year to 31 March 2011 were:

Miss Rosemary Bargo	Managing Director
Mrs Carolyn Thomas	Chairman
Mr Peter Francis	Member
Mr Terrence Richards	Member
Mrs Emma Bennett	Member
Miss Kerry Stevens	Member

Mrs Emma Bennett and Mr Terrence Richards relinquished their directorships at 15 December 2010 and 31 March 2011 respectively. Miss Kerry Stevens and Mr Desmond Wade were appointed as directors from 16 December 2010 and 1 April 2011 respectively.

9. Statement of the Directors' responsibility in respect of the Accounts and Audit and Annual Report

In accordance with the Bank of St. Helena Ordinance 2003, the directors have a responsibility to:

1. keep accounts of its transactions;
2. have its accounts audited annually and
3. not later than four months from the closing of its financial year or at any other time as may be exceptionally authorised by the Regulatory Authority, publish a copy of its audited financial statements in accordance with section 30 of the Banking Ordinance.

In addition:

Within 12 months after the 31st day of March in any year submit to the Governor

- (a) a report on its activities during the year preceding that 31st March; and
- (b) a statement of the accounts of the Bank audited in accordance with section 11(2).

The directors, as at the date when this report is approved, each confirm that as far as is possible, each director has satisfied his/herself that the financial information is accurate and that there is no relevant audit information of which the auditors have not been made aware and that financial controls and systems of risk management are robust.

By order of the Board

Carolyn Thomas

Chairman

Rosemary Bargo

Managing Director


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Independent Auditor's Report

Directors' Report and Audited Financial Statements for the Financial Year 2010/2011

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Bank Of Saint Helena

Financial Statements for the year ended 31 March 2011

Independent Auditor's Report

The Chairman and Directors

Bank of Saint Helena

Market Street

Jamestown

Audit Scope

In accordance with the Public Finance Ordinance 2010 and the Financial Services Ordinance 2008, I have audited the Bank of Saint Helena Financial Statements which incorporate the Balance Sheet as at 31 March 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended 31 March 2011, together with the related Accounting Policies and Notes to the accounts.

Responsibilities of Management and the Chief Auditor

The Financial Statements are the responsibility of the Management of the Bank of Saint Helena. My responsibility is to express an Opinion on these Financial Statements based upon the audit work undertaken.

Basis of Audit Opinion

The audit was conducted in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes addressing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation.

Directors' Report and Audited Financial Statements for the Financial Year 2010/2011

I have obtained all the information and explanations I considered necessary for the purposes of the audit. I believe that the audit has provided a reasonable basis for my Opinion.

Audit Opinion

In my Opinion, the Financial Statements give the information required by law and are in all material respects in agreement with the books of account which have been properly kept as far as appears from my examination of them.

In my Opinion the Financial Statements give a true and fair view of the financial position of the Bank of Saint Helena as of 31 March 2011, and of the results of its operations for the year then ended in accordance with laws in force in St Helena.

July 2011

Colin Owen
Chief Auditor, St. Helena Audit Service, Jamestown, St Helena

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Audited Financial Statements
for the Financial Year 2010/2011

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Profit and Loss Account for the year ended 31 March 2011

	£	£	
	2010/2011	2009/2010	Notes
Income			
Interest Receivable	1,400,910	1,565,319	2
Interest Payable	(1,208,577)	(1,043,778)	13
Net Interest Income	192,333	521,541	
Fees & Commissions	185,598	166,103	
Profits on Sale of Securities	429,841	1,952	
Other Income	45,036	39,455	3
Total Income	852,808	729,051	
Expenditure			
Employee Costs	306,394	278,515	4
Premises Costs	17,043	17,577	
Investment Management Fees	23,780	21,382	
Depreciation	30,238	17,066	7
Provisions	36,467	23,429	
Audit Fees	9,500	8,850	
Financial Services Authority Fees	10,500	10,000	
Other Expenses	208,681	194,742	5
Total Expenses	642,603	571,561	
Profit on ordinary activities, before tax	210,205	157,490	
Taxation	(66,268)	(44,242)	6
Profit on ordinary activities, after tax	143,937	113,248	

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Balance Sheet as at 31 March 2011

	£ 2010/2011	£ 2009/2010	Notes
Assets			
Fixed Assets	599,953	562,940	7
Investments	0	17,820,584	16
Other Assets	1,070,946	264,203	12
Bank Balances	36,469,314	14,255,982	8
Cash	467,979	343,333	9
Lending	10,398,443	9,122,250	10
Total Assets	49,006,635	42,369,292	
Liabilities			
Savings Accounts	43,967,553	37,552,468	13
Other Liabilities	1,079,312	1,000,991	14
Total Liabilities	45,046,865	38,553,459	
TOTAL NET ASSETS	3,959,770	3,815,833	
REPRESENTED BY:			
GENERAL RESERVE	3,959,770	3,815,833	15

Signed:		
Name: Carolyn Thomas	Title: Chairman	Date:

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Cash Flow Statement for the year ended 31 March 2011

	£ 2010/2011	£ 2009/2010	Notes
Net cash inflow/(outflow) from operating activities	16,034,386	(1,052,971)	1 (below)
Net cash inflow from financing activities	6,415,085	3,494,668	2 (below)
Taxation	(44,242)	(105,766)	
Net cash outflow from investing activities	(67,251)	(319,317)	3 (below)
Increase in Cash for the period	22,337,978	2,016,614	4 (below)

Note 1 Reconciliation of Operating Profit to net Cash Flow from Operating Activities

Profit on ordinary activities, before tax	210,205	157,490
Depreciation Charge	30,238	17,066
Movement on Provisions	36,467	28,318
Investment Premium Amortisation	0	4,547
(Increase)/Decrease in Investments	17,820,584	0
(Increase) in Lending	(1,276,193)	(997,184)
(Increase) in Other Assets	(828,864)	(43,373)
Increase/(Decrease) in Other Liabilities	41,949	(219,835)
<i>Net cash inflow/(outflow) from operating activities</i>	<u>16,034,386</u>	<u>(1,052,971)</u>

Note 2 to the Cash Flow Statement: Net Cash inflow from Financing Activities

Increase in Savings Accounts	<u>6,415,085</u>	<u>3,494,668</u>
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Note 3 to the Cash Flow Statement: Net cash outflow from investing activities

Purchase of fixed assets	<u>(67,251)</u>	<u>(319,317)</u>
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Note 4 to the Cash Flow Statement: Analysis of change in cash and cash equivalents

Cash in hand and Bank	<u>36,937,293</u>	14,599,315
<i>Increase in Cash for the period</i>	<u>22,337,978</u>	

Directors' Report and Audited Financial Statements for the Financial Year 2010/2011

Notes to the Accounts for the year ended 31 March 2011

1 Accounting Policies

The Financial statements are prepared under the historical cost convention.

Receipts and payments are accounted for on an accruals basis.

The Investment Premium Amortisation is netted off interest receivable.

The accounting conventions are in accordance with the Bank of St. Helena Ordinance and CAP 111.

Investments are stated in the balance sheet at the original cost price, less the amortised acquisition premium from nominal value which is spread over the holding period of the investment. Market value is not used as the intention is to hold the investments until maturity, at which point their nominal value will be recovered.

Assets with a value of £1,000 and over are capitalised, and are then depreciated. Assets acquired before August 2006 are depreciated over 3 years; Assets acquired on and after August 2006 are depreciated over 5 years. Buildings are depreciated over 50 years using the straight line method

Foreign Currency Values are converted to St. Helenian Pounds at the market rate prevailing on the reporting date.

The Bank of St Helena Ordinance defines the Bank as a body corporate which means it has its own legal identity. The Bank is owned by the Government of St. Helena.

2 Interest Receivable	£	£
	2010/2011	2009/2010
Interest on Overdrafts	20,902	32,602
Interest on Money Market Placements	602,528	275,014
Interest on Investments	190,362	757,837
Investment Premium Amortisation	(1,464)	(4,547)
Interest on Commercial Lending	134,799	105,076
Interest on Personal/Housing Loans	453,783	399,337
	<u>1,400,910</u>	<u>1,565,319</u>
3 Other Income		
Foreign Exchange	45,036	39,455
	<u>45,036</u>	<u>39,455</u>
4 Employee Costs		
Staff Costs	299,592	271,998
Directors' Remuneration	6,802	6,517
	<u>306,394</u>	<u>278,515</u>

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5 Other Expenses

Licence Fees	46,555	41,412
Communication Expenses	41,111	32,205
Bank Charges	52,160	48,765
Computer & Equipment	12,511	19,763
Other Fees	13,851	14,418
Other	42,493	38,179
	<u>208,681</u>	<u>194,742</u>

6 Tax Calculation

	£ 2010/2011	£ 2009/2010
Profit on ordinary activities, before tax	210,205	157,490
Add: Non-allowable deduction - Provisions	36,467	24,455
Bad Debts recovered less write-offs FY 2010/11	60	1,026
Write-Offs Previous years	0	(18,000)
Profit for tax purposes	<u>246,732</u>	<u>164,971</u>
Tax Calculated as Due at 1 April	44,242	105,766
Total Tax Due for year	66,268	44,242
Less Tax Paid in year	(44,242)	(105,766)
Less Tax Prepaid in year	(22,121)	0
Tax Liability as at 31 March	<u>44,147</u>	<u>44,242</u>

7 Fixed Assets

	TANGIBLE ASSETS			INTANGIBLE ASSETS
	Land & Buildings £	Furniture & Equipment £	Total £	Software £
COST				
At 1 April 2010	477,434	114,930	592,364	221,210
Additions	49,146	12,930	62,076	5,175
At 31 March 2011	<u>526,580</u>	<u>127,860</u>	<u>654,440</u>	<u>226,385</u>
DEPRECIATION				
At 1 April 2010	9,017	59,809	68,826	181,808
Charge for year	9,185	14,562	23,747	6,491
At 31 March 2011	<u>18,202</u>	<u>74,371</u>	<u>92,573</u>	<u>188,299</u>
NET BOOK VALUE				
At 31 March 2011	<u>508,378</u>	<u>53,489</u>	<u>561,867</u>	<u>38,086</u>
At 31 March 2010	<u>468,417</u>	<u>55,121</u>	<u>523,538</u>	<u>39,402</u>

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	£	£
	2010/2011	2009/2010
8 Bank Balances		
Crown Agents: Cash & Call	2,110,741	2,166,572
Crown Agents: Placement with other Banks	33,800,000	11,300,000
Lloyds TSB: Currency Accounts	38,968	30,010
Lloyds TSB: GBP Account	519,605	759,400
	<u>36,469,314</u>	<u>14,255,982</u>
9 Cash		
	£	£
	2010/2011	2009/2010
St Helena Currency	343,889	296,232
Other Currencies	124,090	47,101
	<u>467,979</u>	<u>343,333</u>
10 Lending		
Personal Loans	689,775	528,871
Housing Loans	6,916,519	6,177,203
Commercial Loans	2,597,296	2,069,309
Overdrafts	194,853	346,867
	<u>10,398,443</u>	<u>9,122,250</u>
11 Lending Maturity Analysis		
	From 31st March 2011	From 31st March 2010
Maturing in less than 1 year	405,587 04%	683,588 07%
Maturing in 1 to 3 years	1,034,213 10%	1,062,202 12%
Maturing in 3 to 7 years	1,232,850 12%	1,388,485 15%
Maturing in 7 to 15 years	3,329,539 32%	3,070,567 34%
Maturing in 15 to 20 years	4,396,254 42%	2,917,408 32%
	<u>10,398,443</u>	<u>9,122,250</u>

Note: 'Maturity' for repayment loans is the date on which the final repayment is made. For overdrafts it is the next renewal date. The Savings Bank Loan portfolio adopted from SHG from the 1 April 2004 is calculated using a single time period 1-3 years.

12 Other Assets

Accrued Interest Receivable	318,184	193,512
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Directors' Report and Audited Financial Statements for the Financial Year 2010/2011

Debtors (Balance held with SHG)	724,499	0
Prepayments	17,755	16,518
Items in the course of collection from Lloyds TSB	10,508	54,194
Other	0	(21)
	<u>1,070,946</u>	<u>264,203</u>

13 Savings Accounts

Balance at 1 April	37,552,468	34,057,800
Interest On Depositors' Accounts	1,208,577	1,043,778
Net Deposits received in year	5,206,508	2,450,890
Balance at 31 March	<u>43,967,553</u>	<u>37,552,468</u>

Comprising:

St Helena Individuals	24,052,451	21,373,384
Ascension Individuals	8,004,465	8,140,673
St Helena Corporations	6,578,027	6,406,120
Ascension Corporations	26,897	39,620
Governments	4,464,035	593,933
Child Bond Savings Accounts	278,771	231,831
New Life Account	527,788	637,841
Other	35,119	129,066

14 Other Liabilities

	£	£
	2010/2011	2009/2010
Loan Disbursement Accounts	750,494	703,514
Provisions for Doubtful Debts	249,773	213,306
Credit Suspense	1,145	3,173
Tax Due	44,147	44,242
Community Project Funds	3,214	3,214
Accrued Bonus Payable	11,063	8,289
Accrued Investment Management Fees	6,335	5,605
Audit Fees	9,500	8,500
Creditors (Balance held with SHG)	0	10,898
Accrued Interest Payable	3,641	250
	<u>1,079,312</u>	<u>1,000,991</u>

Directors' Report and Audited Financial Statements for the Financial Year 2010/2011

15 Reserve Account

Balance at 1 April	3,815,833	3,702,585
Profit on ordinary activities after tax	143,937	113,248
Balance at 31 March	<u>3,959,770</u>	<u>3,815,833</u>

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Notes to the Accounts for the year ended 31 March 2011

UK Government Security Investments Holdings (GBP)

UK GOVERNMENT SECURITY INVESTMENT HOLDINGS (GBP)	Nominal Held		Market Value		Net Book Value	Purchases		Sales		Amortisation	Maturities	Net Book Value	Analysis of Net book Value 31/03/11	
	£ 31/03/10	£ 31/03/11	£ 31/03/10	£ 31/03/11	£ 31/03/10	£ Nominal	£ Premium/ (Discount)	£ Nominal	£ Profit on sale less unamortised premium paid	£	£	£ 31/03/11	£ Nominal	£ Un/am premium/ (Discount)
UK Govt 4.75% 07/06/10	513,000	0	517,009	0	512,169			0	0	831	(513,000)	0	0	0
UK Govt 4.25% 07/03/11	17,300,000	0	17,878,356	0	17,308,415		(17,300,000)		435,961			0	0	0
									(6,120)	(2,295)				
TOTALS:	17,813,000	0	18,395,365	0	17,820,584	0	0	(17,300,000)	429,841	(1,464)	(513,000)	0	0	0