



Bank of St. Helena

www.sainthelenabank.com

Directors' Report and Audited Financial Statements **for the Financial Year 2009/2010**

Bank of St. Helena – Building for the Future

Head Office: Market Street, Jamestown, Island of St. Helena, South Atlantic, STHL 1ZZ

Tel: +290 2390, Fax: +290 2553, e-mail: info@sainthelenabank.com

Established and regulated in St. Helena under the *Banking Ordinance 2003* and the *Bank of St. Helena Ordinance 2003*.

CONTENTS

Directors' Report

Independent Auditor's Report

Audited Financial Statements

Directors' Report, for the Financial Year 2009/2010

CONTENTS

1. Principal Activities.....	3
2. Business Review.....	3
3. Corporate Structure.....	3
4. Financial Performance.....	4
5. Key Management Ratios.....	7
6. Risk Management.....	7
7. The Bank as a responsible citizen of the community.....	9
8. Directors.....	9
9. Statement of the Directors' responsibility in respect of the Accounts and Audit and Annual Report.....	9

The Directors are pleased to present their report and the audited financial statements for the year ended 31 March 2010.

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

The object of the bank is “to engage in the business of banking within St. Helena and its dependencies”. The bank provides retail banking services which includes current accounts, savings, investments and secured and unsecured lending.

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 last year, the financial services sector has shown small signs of recovery but, as the global financial crisis continues, many countries including the United Kingdom face the challenges associated with reducing national debt. St. Helena has already felt the repercussion of these global events, the most significant being the extended ‘pause’ on air access. The island’s continuing dependence on UK aid and public sector spending makes the whole of the local economy vulnerable to UK political agendas.

The Bank has taken cognisance of these threats and action to minimise the potential impact.

Fortunately during the last year Bank of St. Helena continued to efficiently manage its operating costs as well as realise reasonable returns on its overseas investments, which in turn enabled the Bank to maintain the savings rate of 3% per annum throughout the financial year. The bank remains well capitalised with policies and practices that foster stability and sustainable development.

During the last year, the Bank’s strategic focus has been on the development of the Bank’s infrastructure – location, systems and personnel – thus providing a sound base for business growth. During the last quarter the Bank also purchased ‘Harrisons’ (ex Cafe St. Helena property in Napoleon Street). This building will be developed during the next two to three years and will cater for the medium to longer term requirements of the bank.

The Bank’s Strategic Plan has been reviewed and approved by the Financial Services Regulatory Authority whose last review was undertaken in December 2009.

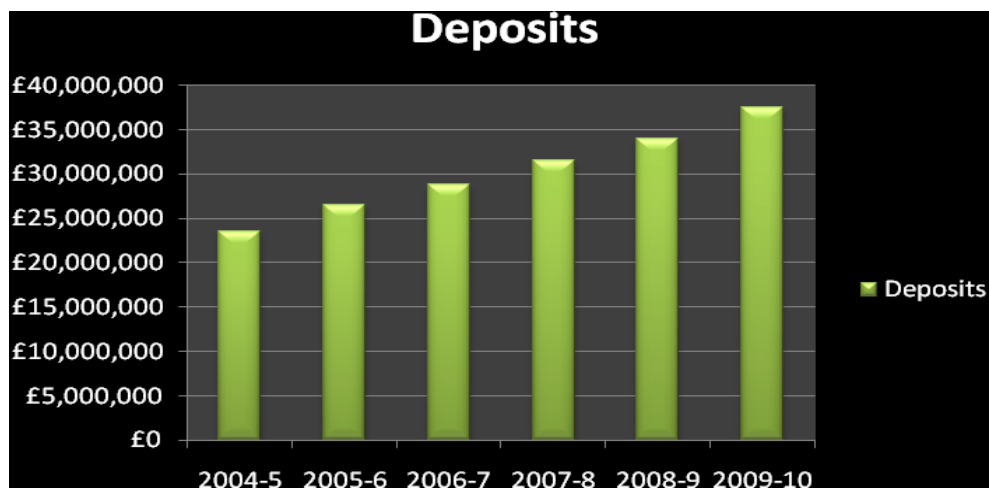
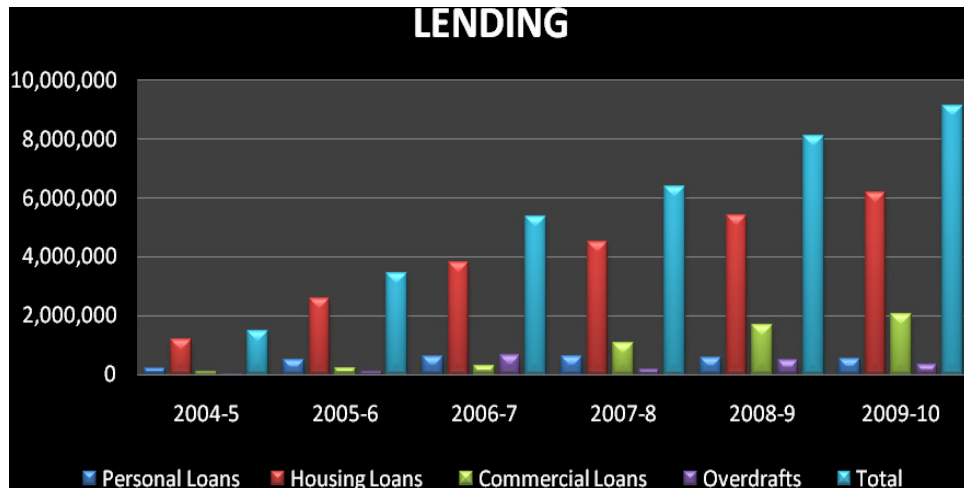
3. Corporate Structure

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

4. Financial Performance

Although Bank of St. Helena is the only financial institution on the island that has the capacity to provide banking services and products, the directors apply good corporate governance principles and ensure that this advantageous position is not adversely exploited.

The financial year 2009/10 has seen an overall growth in lending with the total value of housing loans increasing by 14.6% and commercial loans increasing by 22.1%. There has also been a 10.3% growth in the value of deposits.



4.1 Commentary on the Profit & Loss Account

4.1.1 *Net Interest Income*

There has been a 28.0% increase in net interest income. The interest receivable shows a decrease because last year the bank was able to realise a profit of £290,638 from the one-off sale of a portion of the gilt portfolio. The interest payable has decreased due to the savings rate being set at 3% per annum from 1 April 2009. Had the interest rate not been reduced by 1%, the bank would have been facing a loss on ordinary activities before tax of around £206,000. The increase in interest on Money Market Placements reflects a movement of funds to take advantage of higher returns being available from Fixed Term Deposits rather than Government Gilts.

4.1.2 *Income from Fees and Commissions*

There has been a 35.7% increase over last year's figures due to a combination of the bank offering an enhanced service to businesses with the processing of credit card transactions and a review of the bank's charging practices.

4.1.3 *Operating Expenditure*

There has been an overall increase in expenditure of 11.1% over last year. This includes an increase of 25.4% in employee costs, a 98% increase in premises costs and a 56.1% decrease in the provisions against doubtful debts. The operating costs of the bank's branch on Ascension Island continue to be subsidised from income generated on St. Helena. Towards the latter part of the last quarter, the Bank took over the processing of financial transactions previously undertaken by the Ascension Government Cash Office. This will generate a small increase in fees and commissions earned. The management of the bank remain committed to providing banking services for the residents of Ascension and continue to review options for improving the cost effectiveness of the service.

A summary of the Income Statement is shown below:

	Year to 31 March 2010	Year to 31 March 2009
Total Income	£729,051	£860,981
Total Expenditure	£571,561	£514,287
Profit before Tax	£157,490	£346,694
Taxation	£44,242	£104,769
Profit after Tax	£113,248	£241,925

The profit before tax in the previous year was inflated by the £290,638 profit on the sale of a portion of the UK investments.

4.1.4 Employee Costs and Numbers

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

	To 31 March 2010		To 31 March 2009	
	Numbers	Costs	Numbers	Costs
Teller Services	9	£120,563	10	£110,124
Lending	4	£44,570	3	£29,799
Accounts	4	£32,611	2	£19,132
Management	4	£74,254	3	£57,144
TOTAL	21	£271,998	18	£216,199

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 and two full-time staff on Ascension Island. Tellers from St. Helena have thus far acted as relief tellers whilst the Ascension based tellers are on leave. The management is exploring more cost effective means of providing this. 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 6%.

4.2 Commentary on the Balance Sheet

4.2.1 Fixed Assets

The increase in fixed assets includes the renovation of and equipment for the new bank premises, new banking software and the purchase of 'Harrisons'. All will help to ensure that the products and services offered meet current and future demands of the banks customers.

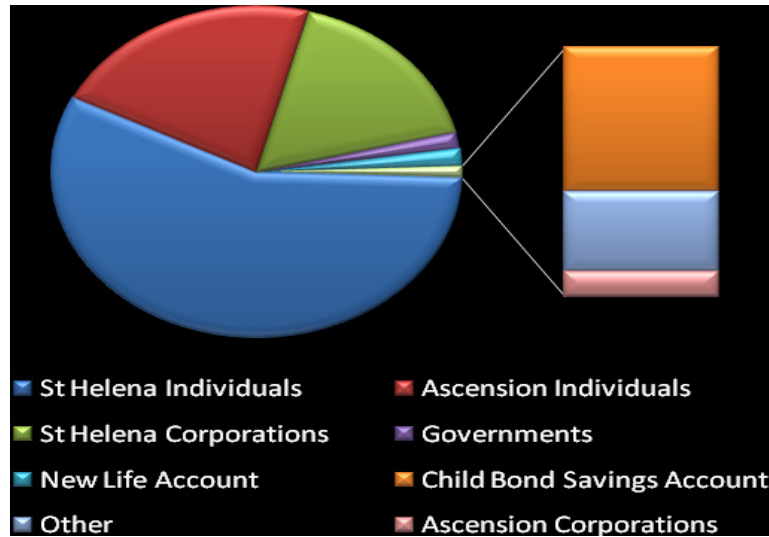
4.2.2 Investments versus Placements with Other Banks

Bank placements continue to yield higher returns than UK Gilts. The management regularly monitor movements in interest rates on the overseas markets and make investment proposals that reap the highest possible returns without jeopardising the risk to bank funds.

4.2.3 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. This has resulted in an overall increase of 10.3% in the balance on current and savings accounts. The most significant growth has been in St. Helena Corporations 38% and Child Bond Savings Accounts 39% with the New Life Account also showing an above average increase of 13.9%. The two latter products are long-term savings accounts and therefore offer higher interest rates.

The graphs below show the proportion of savings held by the different categories of depositors.



5. Key Management Ratios

Ratio	Limit	Average	Minimum	Maximum
Risk Assets	8%	35.23%	32.9%	37.6%
Total Liquid Assets in St. Helena:Total Liabilities	0.5%	1.65%	0.90%	2.10%
Total Liquid Assets:Total Liabilities	25%	75.36%	73.90%	77.60%

The operations of the Bank are overseen by the Financial Services Regulatory Authority (FSRA). An annual review of the bank is undertaken on-island and the report from this year's review states:

"The Financial Services Regulatory Authority received regular financial information from the bank and reviewed the Bank's operations in December 2009. The review covered a wide range of issues including the bank's long term strategy, the largest loans and the investment strategy. The review of the Bank's investment strategy, forced on the bank by the low level of returns on UK Government securities, was the subject of a wide ranging consultation. The revised strategy was fully supported by the Regulatory Authority. The Authority confirmed that the Bank had met all the requirements of the Financial Services Ordinance 2008." [*Financial Services Regulator January 2010*]

6. Risk Management

The Bank has identified the following factors as being those that could significantly affect future actual results. This does not mean that these are the only risks but rather that they are the primary ones.

6.1 The Economy in General

The bank's ability to remain profitable will be dependant on a number of factors which include the political agenda of the UK, its impact on the recovery of the British Economy and, in the short-term for Bank of St. Helena, the returns that can be achieved on UK investments. The interest rates payable on current and savings accounts are reviewed every quarter. Although one of the Board's key priorities is to maintain a stable interest rate payable on current and savings accounts, these rates may need to be revised during the financial year 2010/2011.

During the year under review, the Bank's commercial loan portfolio has grown by 22.1% so it would appear that local businesses remain optimistic about the future of the local economy and their ability to make a return on their investments. The bank is pleased with this upward trend as investing in the development of local businesses is a more beneficial alternative to investing in UK gilts. However analysis shows that 60% of the commercial loan portfolio is concentrated in two sectors – construction and tourism accommodation – two sectors whose continued success is highly dependant on significantly improved access to St. Helena and a growth in the resident population.

New businesses appear to have limited access to personal equity and so debt finance forms the higher proportion of the capital required. Policies and practices that aid the generation of wealth remains a challenge for politicians on St. Helena as it does for those in the wider global economy.

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.

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 currently running parallel with the old system with a view to 'going live' by the end of the first quarter of this new financial year.

The Bank's Manager is competently supported by a Chief Operations Officer and Human Resource & Executive Support Officer who collectively strive to ensure consistency and continuity in the delivery of banking products and services that are responsive to customer requests and executed speedily and accurately.

7. The Bank as a Responsible Citizen of the Community

During 2009/10 the bank was unable to appropriate additional finance to this fund due to the uncertainty with UK interest rates and the need to retain profits and maintain stability with the savings rate. The bank remains committed to contributing to community development projects and, following a successful year of trading, the Bank's Community Projects Fund has now been replenished. The fund is designed to encourage the development of St. Helena's Young People, the Natural Environment and Arts and Culture. During the year £520 was paid in donations.

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.

The directors of the bank during the year to 31 March 2010 were:

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

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

Independent Auditor's Report



BANK OF SAINT HELENA
Financial Statements for the year ended 31 March 2010
Independent Auditor's Report

The Chairman and Board Members,
Bank of Saint Helena,
Market Street,
Jamestown.

Audit Scope

In accordance with the St. Helena Audit Ordinance (Chapter 143) and the Banking Ordinance, I have audited the Bank of St. Helena Financial Statements which incorporate the Balance Sheet as at 31 March 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended 31 March 2010, 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.

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, these 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 2010, and of the results of its operations for the year then ended in accordance with laws in force in St Helena.

20 May 2010

Anthony Kilner
Chief Auditor



St Helena Audit Service
Castle Gardens
Jamestown
Island of St. Helena

13 May 2010

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of Bank of St. Helena for the year ended 31 March 2010 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Bank of St. Helena as of 31 March 2010.

We acknowledge responsibility for the fair presentation of the financial statements in accordance with the Banking Ordinance 2003, Bank of St Helena Ordinance 2003, Banking Directives (as amended) and generally accepted accounting practice.

We confirm to the best of our knowledge and belief, the following representations:

- There have been no irregularities (proven or alleged) involving management or employees who have a significant role in internal control that could have a material effect on the financial statements.
- Internal controls are designed and implemented to prevent and detect fraud.
- We have made available to you all books of account and supporting documentation.
- The financial statements are free of material misstatements, including omissions.
- The organisation has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements.
- We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- We are not aware of any significant contingent liabilities in particular, in relation to guarantees or letters of credit.
- The carrying value of the café St Helena debt is the best estimate of the Board.

For and on behalf of the Directors of the Bank of St. Helena.

Rosemary J Bargo
Managing Director

Audited Financial Statements
for the Financial Year 2009/2010

Profit and Loss Account for the year ended 31 March 2010

	£ 2009/2010	£ 2008/2009	Notes
Income			
Interest Receivable	1,565,319	1,684,247	2
Interest Payable	(1,043,778)	(1,276,782)	13
Net Interest Income	521,541	407,465	
Fees & Commissions	166,103	122,408	
Profits on Sale of Securities	1,952	290,638	
Other Income	39,455	40,470	3
Total Income	729,051	860,981	
Expenditure			
Employee Costs	278,515	222,087	4
Premises Costs	17,577	8,881	
Investment Management Fees	21,382	20,486	
Depreciation	17,066	9,365	7
Provisions	23,429	53,396	
Audit Fees	8,850	8,819	
Financial Services Authority Fees	10,000	8,500	
Other Expenses	194,742	182,753	5
Total Expenses	571,561	514,287	
Profit on ordinary activities, before tax	157,490	346,694	
Taxation	(44,242)	(104,769)	6
Profit on ordinary activities, after tax	113,248	241,925	

Balance Sheet as at 31 March 2010

	£ 2009/2010	£ 2008/2009	Notes
Assets			
Fixed Assets	562,940	260,689	7
Investments	17,820,584	17,825,131	16
Other Assets	264,203	220,830	12
Bank Balances	14,255,982	12,485,714	8
Cash	343,333	96,987	9
Lending	9,122,250	8,125,066	10
Total Assets	42,369,292	39,014,417	
Liabilities			
Savings Accounts	37,552,468	34,057,800	13
Other Liabilities	1,000,991	1,254,032	14
Total Liabilities	38,553,459	35,311,832	
TOTAL NET ASSETS	3,815,833	3,702,585	
REPRESENTED BY:			
GENERAL RESERVE	3,815,833	3,702,585	15

Signed:		
Name: Carolyn Thomas	Title: Chairman	Date: 20 May 2010

Cash Flow Statement for the year ended 31 March 2010

	£ 2009/2010	£ 2008/2009	Notes
Net cash inflow/(outflow) from operating activities	(1,052,971)	7,554,415	1 (below)
Net cash inflow from financing activities	3,494,668	2,505,949	2 (below)
Taxation	(105,766)	(46,720)	
Net cash outflow from investing activities	(319,317)	(254,574)	3 (below)
Increase in Cash for the period	2,016,614	9,759,070	4 (below)

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

Profit on ordinary activities, before tax	157,490	346,694
Depreciation Charge	17,066	9,365
Movement on Provisions	28,318	46,248
Investment Premium Amortisation	4,547	54,778
Increase/Decrease in Investments	0	8,023,300
(Increase) in Lending	(997,184)	(1,758,601)
(Increase)/Decrease in Other Assets	(43,373)	614,285
Increase/(Decrease) in Other Liabilities	(219,835)	218,346
Net cash inflow/(outflow) from operating activities	(1,052,971)	7,554,415

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

Increase in Savings Accounts	3,494,668	2,505,949
------------------------------	-----------	-----------

Note 3 to the Cash Flow Statement: Net cash outflow from investing activities

Purchase of fixed assets	(319,317)	(254,574)
--------------------------	-----------	-----------

Note 4 to the Cash Flow Statement: Analysis of change in cash and cash equivalents

Cash in hand and Bank	14,599,315	12,582,701
Increase in Cash for the period	2,016,614	

Notes to the Accounts for the year ended 31 March 2010

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.

2 Interest Receivable

	£ 2009/2010	£ 2008/2009
Interest on Overdrafts	32,602	22,994
Interest on Money Market Placements	275,014	116,405
Interest on Investments	757,837	1,138,261
Investment Premium Amortisation	(4,547)	(54,778)
Interest on Commercial Lending	105,076	79,031
Interest on Personal/Housing Loans	399,337	382,334
	<u>1,565,319</u>	<u>1,684,247</u>

3 Other Income

Foreign Exchange	39,455	40,470
	<u>39,455</u>	<u>40,470</u>

4 Employee Costs

Staff Costs	271,998	216,199
Directors' Remuneration	6,517	5,888
	<u>278,515</u>	<u>222,087</u>

5 Other Expenses

Licence Fees	41,412	38,176
Communication Expenses	32,205	30,331
Bank Charges	48,765	47,763
Computer & Equipment	19,763	13,488
Other Fees	14,418	13,194
Other	38,179	39,801
	<u>194,742</u>	<u>182,753</u>

Notes to the Accounts for the year ended 31 March 2010

6 Tax Calculation	£	£
	2009/2010	2008/2009
Profit on ordinary activities, before tax	157,490	346,694
Add: Non-allowable deduction - Provisions	24,455	45,959
Bad Debts recovered less write-offs FY 2009/10	1,026	0
Write-Offs Previous years	<u>(18,000)</u>	<u>0</u>
Profit for tax purposes	<u>164,971</u>	<u>392,653</u>
Tax Calculated as Due at 1 April	105,766	47,717
Revision of Tax Computation for 2007/08	0	(997)
Total Tax Due for year	44,242	105,766
Less Tax Paid in year	<u>(105,766)</u>	<u>(46,720)</u>
Tax Liability as at 31 March	<u>44,242</u>	<u>105,766</u>

7 Fixed Assets

	TANGIBLE ASSETS		INTANGIBLE ASSETS	
	Land & Buildings	Furniture & Equipment	Total	Software
	£	£	£	£
COST				
At 1 April 2009	247,816	69,579	317,395	176,862
Additions	229,618	45,351	274,969	44,348
At 31 March 2010	<u>477,434</u>	<u>114,930</u>	<u>592,364</u>	<u>221,210</u>
DEPRECIATION				
At 1 April 2009	1,737	54,969	56,706	176,862
Charge for year	7,280	4,840	12,120	4,946
At 31 March 2010	<u>9,017</u>	<u>59,809</u>	<u>68,826</u>	<u>181,808</u>
NET BOOK VALUE				
At 31 March 2010	<u>468,417</u>	<u>55,121</u>	<u>523,538</u>	<u>39,402</u>
At 31 March 2009	<u>246,079</u>	<u>14,610</u>	<u>260,689</u>	<u>0</u>

8 Bank Balances	£	£
	2009/2010	2008/2009
Crown Agents: Cash & Call	2,166,572	2,497,193
Crown Agents: Placement with other Banks	11,300,000	9,300,000
Lloyds TSB: Currency Accounts	30,010	39,513
Lloyds TSB: GBP Account	759,400	649,008
	<u>14,255,982</u>	<u>12,485,714</u>

Notes to the Accounts for the year ended 31 March 2010

9 Cash	£ 2009/2010	£ 2008/2009
St Helena Currency	296,232	82,997
Other Currencies	47,101	13,990
	<u>343,333</u>	<u>96,987</u>

10 Lending

Personal Loans	528,871	563,724
Housing Loans	6,177,203	5,389,347
Commercial Loans	2,069,309	1,694,828
Overdrafts	346,867	477,167
	<u>9,122,250</u>	<u>8,125,066</u>

11 Lending Maturity Analysis

	From 31st March 2010	From 31st March 2009
Maturing in less than 1 year	683,588 07%	723,509 09%
Maturing in 1 to 3 years	1,062,202 12%	899,944 11%
Maturing in 3 to 7 years	1,388,485 15%	630,680 08%
Maturing in 7 to 15 years	3,070,567 34%	1,863,113 23%
Maturing in 15 to 20 years	2,917,408 32%	4,007,820 49%
	<u>9,122,250</u>	<u>8,125,066</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	193,512	114,032
Debtors (Balance held with SHG/AIG)	0	70,616
Prepayments	16,518	14,168
Items in the course of collection from Lloyds TSB	54,194	21,189
Other	(21)	825
	<u>264,203</u>	<u>220,830</u>

13 Savings Accounts

Balance at 1 April	34,057,800	31,551,851
Interest On Depositors' Accounts	1,043,778	1,276,782
Net Deposits received in year	2,450,890	1,229,167
Balance at 31 March	<u>37,552,468</u>	<u>34,057,800</u>

Comprising:

St Helena Individuals	21,373,384	19,918,528
Ascension Individuals	8,140,673	7,878,951
St Helena Corporations	6,406,120	4,637,188
Ascension Corporations	39,620	55,817
Governments	593,933	757,015
Child Bond Savings Accounts	231,831	166,515
New Life Account	637,841	559,900
Other	129,066	83,886

Notes to the Accounts for the year ended 31 March 2010

14 Other Liabilities	£ 2009/2010	£ 2008/2009
Loan Disbursement Accounts	703,514	935,635
Provisions	213,306	184,988
Credit Suspense	3,173	3,644
Tax Due	44,242	105,766
Community Project Funds	3,214	2,704
Accrued Bonus Payable	8,289	11,877
Accrued Investment Management Fees	5,605	0
Audit Fees	8,500	8,500
Creditors (Balance held with SHG)	10,898	0
Accrued Interest Payable	250	918
	<u>1,000,991</u>	<u>1,254,032</u>
15 Reserve Account		
Balance at 1 April	3,702,585	3,460,660
Profit on ordinary activities after tax	<u>113,248</u>	<u>241,925</u>
Balance at 31 March	<u>3,815,833</u>	<u>3,702,585</u>

Notes to the Accounts for the year ended 31 March 2010

16 UK Government Security Investments Holdings (GBP)

UK GOVERNMENT SECURITY INVESTMENT HOLDINGS (GBP)	Nominal Held		Market Value		Net Book Value £ 31/03/09	Purchases		Amortisation £	Maturities £	Net Book Value £ 31/03/10	Analysis of Net book Value 31/03/10	
	£ 31/03/09	£ 31/03/10	£ 31/03/09	£ 31/03/10		£ Nominal	£ Premium/ (Discount)				£ Nominal	£ Unam premium/ (Discount)
UK Govt 4.75% 07/06/10	513,000	513,000	537,126	517,000	507,710			4,450		512,160	513,000	(831)
UK Govt 4.25% 07/03/11	17,300,000	17,300,000	18,311,410	17,878,356	17,317,421			(9,006)		17,308,415	17,300,000	8,415
TOTALS:	17,813,000	17,813,000	18,848,536	18,395,356	17,825,131	0	0	(4,547)	0	17,820,584	17,813,000	7,584