



Unaudited Report and Financial Statements

31 March 2014



Corporate Information

Directors

Non-executive

Mark Stevenson (Chairman)

Dax Richards

Julie Lawrence

Executive

Barry Hubbard (Chief Executive Officer)

Leon de Wet (Operations Director)

Secretary

Sarah Thomson

Auditors

Saint Helena Audit Service

Jamestown

Saint Helena

STHL 1ZZ

Bankers

Bank of Saint Helena

Market Street, Jamestown

Saint Helena

STHL 1ZZ

Solicitors

Attorney General's Chambers

The Castle House, Jamestown

Saint Helena

STHL 1ZZ

Registered Office

Seales Corner, Jamestown

Saint Helena

STHL 1ZZ

Strategic Report

The directors present their strategic report for the year ended 31 March 2014.

Review of the business

The company's principal activities during the year continued to be the provision of utility services on Saint Helena island as mandated at its formation when Saint Helena Government privatised the service. The early months of trading were complicated by a severe drought that threatened security of supply in the Redhill area. It was clear that the historical methods of monitoring the raw water reserves were inadequate and very quickly systems were developed for monitoring and reporting water reserves. Improvements were made in reporting water usage with further improvements being made over the year providing enhanced levels of management information so that informed business decisions can be made. The water shortage was treated as a National Emergency and forced Connect into a reactionary mode for approximately four months until water reserves were restored. This distracted the business from focusing on planned works in the short term but has had the benefit of enacting a real life disaster management exercise that left the business in a better position to mitigate and cope with a similar situation in the future.

The key financial and other performance indicators during the year were:

	2014 SHP
Financial	
Turnover	3,626,825
Operating loss before subsidies	(638,685)
Operating profit after subsidies	470,829
Profit after tax	328,244
Current assets as a percentage of current liabilities (quick ratio)	375%
Average number of employees	60

Operational

Electricity Generation

	000kWh	%
Units generated by diesel generators	8,838	90%
Units generated by wind turbines	958	10%
Units generated by solar	68	1%
	<u>9,864</u>	<u>100%</u>

While operating leanly during the transition from public sector to the corporate culture, the company managed to record significant efficiency gains that resulted in the recording of the £0.328 million profit after tax and met most of the critical service delivery standards set by the regulators during the year with the exception of microbiological integrity tests at consumer premises where a failure rate of 21% was attained against a target of 12%. Some of the key Regulatory Authority (URA) service reliability and quality targets the company attained and exceeded during the year are shown in the table below:

	Actual	URA Target
Number of disruptions to the electricity distribution network	93	121
Number of leakages on the water distribution network	689	1,424
Percentage of water samples found clear at water treatment works	100%	100%
Microbiological Integrity failure rate at water treatment works	1.3%	1.5%

Initially since the exact financial position of the company was not clear, spending was limited to essential and critical areas only with some elective maintenance schedules being put on hold. This strategy worked out well as evidenced by the healthy current ratio of 375%.

Strategic Report (continued)

Review of the business (continued)

Having inherited some fully depreciated infrastructure from the government, the company had to adopt a depreciation based asset replacement strategy where depreciation charges are accumulated into a fund that will be used to fund the asset replacement programme. Developmental capital programmes will however continue to be funded through further capital injection by the shareholders. In this respect £3.79 million was spent during the year on various water and electricity projects as follows:

	SHP
Electricity infrastructure	1,812,958
Water infrastructure	1,890,393
Waste water infrastructure	84,230
	<u>3,787,581</u>

Principal risks and uncertainties

The company manages its risks through monthly board meetings where key risks are discussed through management accounts and operational reports. The principal risks facing the company are broadly classified as regulatory, financial and human capital risks.

Regulatory risk

The provision of the utilities on the island is regulated and monitored by the Utilities Regulator who sets standards of service delivery and holds the company accountable in delivering to these standards. These standards form the basis of the company’s key performance indicators and are reported to the board on a monthly basis with any variance from set standards discussed and corrective action taken. The Chief Executive Officer is directly responsible for managing the company's compliance with the regulator's standards and reports every month to the board.

Financial risks

The main financial risks faced by the company are credit risk, exchange risk and oil price risk. Credit risk lies in the collection of debts incurred by the utilities consumers who are billed for services consumed in arrears. This risk is managed via the company's Debt Recovery-Utility Bills policy and summaries of outstanding debtors tabled at each board meeting as part of the key performance indicators.

Exchange risk is born by the company each time materials and supplies are ordered abroad. Almost all of the materials and parts used in the operations of the company are imported from South Africa and the United Kingdom. While imports from UK do not present any exchange risk those from South Africa present exchange risk. This risk is managed through performance bonds when payments are made before delivery and through payment terms where the supplier is exposed to the currency risk rather than the company.

Currently over 70 percent of the electricity generated by the company is through the diesel generator powered power station. As such variations in international oil prices affect the cost at which the company produces electricity the extent of which cannot immediately be passed on to consumers due to regulated tariffs. To reduce the impact this might have on the company and the island at large, the company has been and will continue to invest in renewable energy infrastructure.

Human Capital Risk

Due to its size and isolation Saint Helena has critical skills shortages in almost all types of vocations. The company is not spared from this especially at the executive and professional levels where both the executive directors are expatriates. This risk is managed by the Board's Remuneration Committee and an arrangement with the shareholder where special funding is availed to attract and retain such critical skills.

By order of the Board

Sarah Thomson
Company Secretary



Directors Report

The Directors present their report for the year ended 31 March 2014.

Directors of the company

The current directors are shown on page 1.

Dividend

Directors are not recommending any dividend in light of the need to build up cash resources for the asset replacement strategy referred to in the strategic report.

Research and Development

During the year the company undertook various developmental projects that are still ongoing in respect of renewable energy capacity development, water and sewer infrastructure upgrades.

Future Developments

In the short to medium term the company will be seeking land for establishing a solar farm and building a modern sewage treatment plant. While the investment in renewable energy will certainly drive electricity unit costs down it is not so for the sewage treatment plant which will be the first on the island. The later will come with running and maintenance costs which will put pressure on tariffs.

Events since the balance sheet date

Two major events since the balance sheet date are the commissioning of the £2 million wind turbines which were under construction on the balance sheet date and the awarding of the solar farm contract which is scheduled to commence production in mid 2016.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to price, credit, and exchange risk are described in the Strategic Report on pages 2 to 3. The company has considerable financial resources together with a secure and growing consumer base which will continue to require the utilities provided by the company. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the risks highlighted in the strategic report. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disabled Employees

The company focuses on the person's abilities rather than their disability and they are entitled not to be discriminated against nor to be denied opportunities. This may mean making reasonable adjustments to the working environment for a disabled person, accommodating other variations to working arrangements or taking some other positive action which would enable them to be effective in the job.

The company currently employs one employee who is registered disabled.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Appointment of the auditors

Currently the company's auditor is the Saint Helena Audit Service but unfortunately, due to temporary resources constraints have no capacity to audit these financial statements and was therefore authorised by the Board at the last Annual General Meeting to identify a suitably qualified audit firm to perform a back to back audit of these accounts together with next year's accounts.

By order of the Board

Sarah Thomson
Company Secretary



Directors' responsibility statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company Ordinance 2004 requires the directors to prepare the financial statements for each financial year. Under that ordinance the directors are required to prepare financial statements in accordance with International Financial Reporting Standards (IFRSs). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the company's financial position and the profit or loss of the company for that period.

In preparing the company's financial statements, the directors are required to:

- i) select suitable accounting policies and apply them consistently,
- ii) make judgements and accounting estimates that are reasonable and prudent,
- iii) state whether applicable Financial Reporting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- iv) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In preparing these financial statements, International Accounting Standard 1 requires that the directors:

- i) properly select and apply accounting policies,
- ii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- iii) provide additional disclosures when compliance with specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- iv) make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Ordinance.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation on Saint Helena Island governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

-the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and

-the strategic report includes a fair view of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that they face.

Mark Stevenson
Chairman

Barry Hubbard
Chief Executive Officer



Auditors Report

Comprehensive Income Statement for the year ended 31 March 2014

	Notes	2014 SHP
Turnover	3.	3,626,825
Raw materials used	4.	(2,229,869)
Staff Costs	5.	(933,343)
Depreciation and amortisation expenses	9.	(524,710)
Administrative expenses	6.	(577,588)
		(638,685)
Other Operating Income	7.	1,109,514
Operating Profit		470,829
Bank interest receivable		14,257
Finance costs		(4,579)
Profit on Ordinary Activities Before Taxation		480,507
Tax charge for the year		(145,579)
Deferred tax credit	13.	(6,685)
Profit/(loss) for the Financial Year		328,244

Financial Statements for the year ended 31 March 2014

Statement of Financial Position

	Notes	31-Mar-14 SHP	01-Apr-13 SHP
Fixed Assets			
Assets under construction	8.	3,787,581	0
Tangible fixed assets	9.	9,024,167	9,474,738
		12,811,748	9,474,738
Current Assets			
Inventories	10.	1,294,914	1,206,658
Debtors			
amounts falling due within one year	11.	806,467	559,784
amounts falling due after one year	11.	26,532	
		832,999	559,784
Cash and Bank Balances		2,105,058	4,152
		4,232,971	1,770,593
Creditors: amounts falling due within one year	12.	1,128,463	
Net current assets		3,104,508	1,770,593
Total assets less current liabilities		15,916,256	11,245,331
Provisions for other payables and charges		15,000	
Deferred Tax Liabilities	13.	33,217	
Net assets		15,868,039	11,245,331
Capital And Reserves			
Share Capital	18.	15,539,795	11,245,331
Share Premium			
Retained Profits		328,244	
Total Shareholders Equity		15,868,039	11,245,331
		-	-

Financial Statements for the year ended 31 March 2014

Statement of Cash Flows

	Notes	SHP
Net cash flows from operating activities	14.	1,668,162
Cash flows from investing activities		
Investment in Property, Plant and Equipment		(74,139)
Investment in Assets Under Construction		(3,787,581)
Net cash used in investing activities		(3,861,720)
Cash flows from financing activities		
Ordinary Share capital issued		4,294,464
Net cash used in financing activities		4,294,464
Net increase (decrease) in cash and cash equivalents		2,100,906
Cash and cash equivalents at the beginning of year		4,152
Cash and cash equivalents at end of year		2,105,058
		-

Statement of Changes in Equity for the year ended 31 March 2014

	Share Capital	Retained Income	Total Equity
	SHP	SHP	SHP
At 1 April 2013	11,245,331	-	11,245,331
Issue of Ordinary Shares	4,294,464		0
Retained Profits for the year		328,244	328,244
At 31 March 2014	15,539,795	328,244	15,868,039



Financial Statements for the year ended 31 March 2014

Accounting policies and explanatory notes to the financial statements for the year ended 31st March 2014.

1. General Information

Connect saint Helena Limited (the Company) is a limited company incorporated on the British Overseas Territory of Saint Helena Island. The address of its registered office and principal place of business is Seales Corner, Jamestown, South Atlantic Ocean, STHL 1ZZ. The Company's principal activities are the provision of electricity, water and sewerage services on the island.

2. Accounting Policies

a) Basis of preparation and accounting policies

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and applicable in the United Kingdom and Republic of Ireland. They are presented in Saint Helena Pounds (SHP) the currency of Saint Helena that is pegged at par with the British Pound Sterling.

b) Revenue recognition

Revenue from sales of goods and services is recognised when the goods or services are delivered by the company. Expenditure is recognised when it is incurred, upon delivery of goods or when services are employed. Revenue is measured at fair value of the consideration received or receivable. Turnover includes an estimate of the electricity and water charges unbilled at year end. The accrual is estimated using a defined methodology based on historical consumption levels of the unbilled consumer groups and average tariffs.

c) Fixed Assets

These comprise those assets that are held by the Company for current and future use to deliver Company services and meet statutory obligations. The capitalisation threshold used during this financial year is £1000 or above. Fixed Assets of the Company are disclosed on the Statement of Financial Position and depreciated over the estimated useful economic life of the asset.

A comprehensive exercise to identify all Company properties was undertaken during the year to identify all assets transferred from Saint Helena Government to the Company on its formation. The majority of these assets were electricity and water infrastructure. These assets were brought onto the Company's Statement of Financial Position at net book values and remaining useful lives as they were recorded on Saint Helena Government's Statement of Financial Position at 31st March 2013. The total net book value of these transferred assets was recognised on the Company's Statement of Financial Position as Tangible Assets opening balances with the equivalent amount being recognised as an increase in Shareholders Capital.

Financial Statements for the year ended 31 March 2014

Accounting policies and explanatory notes to the financial statements for the year ended 31st March 2014.

All tangible fixed assets have been depreciated. Depreciation is calculated on the “Straight Line” basis, based on their useful economic life and charged to the Statement of Comprehensive Income in the year.

The following table shows the range of estimated economic useful lives of each class of asset disclosed in these financial statements:

Class of Asset	Estimated Useful Economic Life (Years)
Infrastructure Electricity	25
Infrastructure Water	10-50
Buildings	40
Plant, Machinery and Equipment	10
Furniture and Fittings	10-50
IT Networks and Equipment	5
Motor Vehicles	10

d) Impairment of Assets

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

e) Assets under the Course of Construction

Assets under the course of construction have not been depreciated and are separately accounted for on the Statement of Financial Position. These assets, once completed, will be transferred to completed assets within the class of assets stated above and depreciated over their useful economic life.

f) Intangible Assets

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of five years using the straight-line method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

Financial Statements for the year ended 31 March 2014

Accounting policies and explanatory notes to the financial statements for the year ended 31st March 2014.

g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the average cost method.

h) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profits in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss. Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which the company expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

i) Trade and Other Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

j) Trade Payables

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in a foreign currency are translated into CU using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

k) Provisions

Provisions are recognised where there is a present obligation as a result of a past event, it is probable that there will be an outflow of economic benefits to settle this obligation and a reliable estimate of this amount can be made.

Financial Statements for the year ended 31 March 2014

Notes to the Financial Statements (continued)

	2014
	SHP
3 Turnover	
Unit Charges-Water	277,454
Unit Charges-Electricity	2,800,900
Service Charges	322,906
Other Service Income	<u>225,565</u>
	<u><u>3,626,825</u></u>
4 Raw Materials and Consumables used	
Electricity Generation Fuel	1,882,276
Maintenance Materials and Parts	<u>347,592</u>
	<u><u>2,229,869</u></u>
5 Staff costs	
Salaries and wages	835,665
Pension costs	52,639
Other staff costs	<u>45,039</u>
	<u><u>933,343</u></u>
The average monthly number of employees during the year was made up as follows:	
Electricity	24
Water	23
Administration	<u>13</u>
	<u><u>60</u></u>
6 Administrative expenses	
Administrative Costs	340,807
Premises Related Costs	89,151
Freight Costs	48,739
Provisions for Doubtful Debts	<u>98,891</u>
	<u><u>577,588</u></u>

Financial Statements for the year ended 31 March 2014

Notes to the Financial Statements (continued)

7 Other Operating Income

Other Income include subsidy from Saint Helena Government and a revenue grant from the UK Department of International Development received to support the company's revenues in light of the current subdued population-based consumer base and the cost of service delivery.

	2014 SHP
Government Subsidies	1,109,514
Interest Earned on Bank Balances	
Total Other Income	<u>1,109,514</u>

8. Assets Under Construction

Assets Under Construction include significant ongoing water, electricity and sewerage infrastructural projects valued at cost that will result in long term assets the value of which will be transferred to Tangible Fixed Assets and start being depreciated once they are commissioned and begin contributing economically.

	2014 SHP
Water Infrastructure Projects	1,890,393
Electricity Infrastructure Projects	1,812,958
Sewerage Infrastructure Projects	84,230
Total Assets Under Construction	<u>3,787,581</u>

9. Tangible Fixed Assets

Tangible fixed assets include significant investment in power stations, water treatment plants, water storage assets and buildings. The values at 1st April 2013 represent the cost or valuation and depreciation values of property, plant and equipment that were formally owned by Saint Helena Government and were recognized by the company when it started to operate with the equivalent value of shares being issued for the consideration. At the time of reporting legal transfer and registration of land and buildings was not yet finalized although the assets that are reported in these financial statements were agreed for transfer to the Company. All assets are depreciated over their useful economic lives.

	Land & Buildings	Equipment & Vehicles	Electricity Infrastructure	Water Infrastructure	Total
Cost	SHP	SHP	SHP	SHP	SHP
01 April 2013	1,095,561	399,589	13,358,390	9,605,570	24,459,111
Additions		74,139			74,139
Disposals					0
31 March 2014	1,095,561	473,729	13,358,390	9,605,570	24,533,250
Accumulated Depreciation					
01 April 2013	42,211	301,538	7,452,724	7,187,900	14,984,373
Charge for the year	25,074	29,008	277,916	192,711	524,710
31 March 2014	67,286	330,546	7,730,640	7,380,611	15,509,083
Carrying Amounts					
At 31 March 2014	1,028,276	143,182	5,627,750	2,224,959	9,024,167
At 31 March 2013	1,053,350	98,051	5,905,666	2,417,670	9,474,738

Financial Statements for the year ended 31 March 2014

Notes to the Financial Statements (continued)

10. Inventories

Inventories represent assets, held at cost, that we intend to use in future electricity generation and water treatment or by using it to replace parts worn out on infrastructural assets. The bulk of these assets include spares and parts together with items such as electricity cables, poles and fittings and water pipeworks and fittings held for repairs and replacements.

	2014	2013
	SHP	SHP
Electricity Generation Inventories	243,556	226,956
Electricity Distribution Inventories	903,490	841,912
Water Treatment, and Distribution Inventories	147,498	137,445
Other Inventories	370	345
	<hr/>	<hr/>
Total Inventories	<u>1,294,914</u>	<u>1,206,658</u>

11. Debtors

Debtors include accrued income, and are amounts owed by our customers for goods we have delivered or services we have provided. These balances are valued net of expected irrecoverable debts. Fuel duty refunds due from Saint Helena Government represent duty rebates for electricity generation diesel refundable to the company under Saint Helena law.

	2014	2013
	SHP	SHP
Trade Debtors	731,994	551,577
Fuel Duty Refunds Due from Saint Helena Government	140,476	
Other Receivables and Prepayments	32,888	8,207
	<hr/>	<hr/>
	905,358	559,784
Less: Provision for credit losses	(98,891)	
	<hr/>	<hr/>
Amounts falling due within one year	806,467	559,784
Amounts falling due after more than year:		
Deferred tax assets	26,532	
	<hr/>	<hr/>
Total Debtors	<u>832,999</u>	<u>559,784</u>

12. Creditors

Trade and other payables include accruals, and are principally amounts we owe to our suppliers. Deferred income represents monies received from customers in advance of the delivery of goods or the performance of services by the Company.

	2014
	SHP
Trade Payables	577,254
Corporate tax	145,579
Deferred Income	41,119
Accruals	364,512
	<hr/>
Amounts falling due within one year	<u>1,128,463</u>

Financial Statements for the year ended 31 March 2014

Notes to the Financial Statements (continued)

13. Deferred Tax Assets and Liabilities

The following are the deferred tax liabilities and (assets) that have been recognized by the company due to temporary differences between the accounting net book values and the tax written down values.

	Electricity Infrastructure	Water Infrastructure	Vehicles and equipment	Land and Buildings	Total
	SHP	SHP	SHP	SHP	SHP
Charge to profit and loss for the year	11,212	697	17,034	4,274	33,217
(Credit) to profit and loss for the year	<u>(6,870)</u>	<u>(18,654)</u>	<u>(849)</u>	<u>(160)</u>	<u>(26,532)</u>
31 March 2014	<u>4,342</u>	<u>(18,654)</u>	<u>16,185</u>	<u>4,114</u>	<u>6,685</u>

14. Cash from operating activities

Profit for the year	328,244
Adjustments to reconcile profit for the year to net cash flow from operating activities	
Depreciation of tangible fixed assets	524,710
Provision for doubtful debts	98,891
Increase in corporate tax payable	145,579
Increase in provisions	15,000
Decrease (increase) in trade and other receivables	(345,574)
Increase (decrease) in trade and other payables	982,884
Decrease (increase) in inventories	(88,256)
Movements in deferred tax balances	6,685
Net cash flows from operating activities	<u>1,668,162</u>

15. Retirement Benefit Scheme

A total of £52,639 was charged to employee salaries and benefit costs and recognised in the Income Statement in respect of the company's contribution towards a Defined Contribution Scheme on behalf of eligible employees. The Company is not a member of the scheme which is run and managed by a third party on behalf of employees and as such, there are no assets or future obligations recognisable by the company in respect of the scheme.

16. Key Management Compensation

A total of £299,633 included in employee salaries and benefits was paid to key management and executive directors as compensation for their services to the company. This amount was funded through a technical cooperation funding arrangement between the government of Saint Helena and the United Kingdom's Department of International Development.



Financial Statements for the year ended 31 March 2014

Notes to the Financial Statements (continued)

17. Related Party Transactions

The Company provides utility services to its controlling shareholders, Saint Helena Government (SHG) which is a related party while the government provides IT, legal and payroll services to the company on service level agreements terms. The following amounts relate to transactions between the Company and SHG during the financial year:

	SHP
Value of utility services supplied to SHG included in Revenue	378,309
Amounts paid to SHG for services rendered	71,404
Amounts outstanding and included in Trade and Other receivables:	
	SHP
Fuel Import Duty refunds	140,476
Outstanding Utility Bills receivable	<u>4,721</u>
Total receivables from SHG	<u><u>145,197</u></u>

18. Share Capital

The company's authorised share capital is 25 million of ordinary shares issuable at £1 each. Balances as at 31st March 2014 and 1st April 2013 of £15,539,795 and £11,245,331 respectively comprise of 15,539,795 ordinary shares (at 31st March 2014) and 11,245,331 ordinary shares (at 1st April 2013) at £1 per share. The April 2013 balance of £11,245,331 represents the value of assets transferred from the Saint Helena Government to the company in the form of underlying infrastructure, outstanding debtors and inventories. Three pieces of land valued in total at £55,146 were not transferred but agreed to be transferred to the company in future upon which more shares to the same value will be issued. During the year ended 31 March 2014 a total of 4,294,464 shares were due to be issued to the shareholders for £4,294,464 funding for infrastructural development projects.

19. Approval of Financial Statements

These financial statements were approved by the board of directors and authorised for issue on 16 October 2014.