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St Helena Government Financial Statements 2024/2025

Issue Date: 26/03/2026

These are the financial statements of St Helena Government laid before Legislative Council pursuant to section 109(3) of the Constitution of St Helena, Ascension and Tristan Da Cunha.

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1. Financial Secretary's Report

1.1 Introduction

Welcome to Saint Helena Government's (SHG) Financial Statements for the year ended 31 March 2025.

The Financial Statements are a statutory document providing information on the cost of services provided by SHG to the people of St Helena and how those services are financed. It provides information, within the Statement of Financial Position, of the value of the assets the Government owns and the liabilities that it owes. It is in essence, a statement of how well it has managed its money over the last 12 months.

These financial statements provide, in accordance with International Public Sector Accounting Standards (IPSAS), the accounts for the Consolidated Fund, the Special Funds and all of the reserves held within them. Supporting statements and notes are provided to help explain the figures in the financial statements. In addition, a glossary can be found at the back of this document to help explain some of the technical terms.

The purpose of this report, which can also be referred to as a Financial Statement Discussion and Analysis, is to highlight information and provide explanations of significant items, transactions and events affecting the financial position, financial performance and cash flows of SHG. It is designed to complement and enhance understanding of the financial statements and provide information useful to users for accountability and decision making purposes.

These financial statements and all relevant documents are audited by the SHG's external auditors, Audit St Helena. The auditor's opinion on the financial statements is provided in the Independent Auditor's Report (Section 2).

1.2 Overview

SHG is the governing body of the Island of St Helena. Executive authority is vested in His Majesty and is exercised on behalf of His Majesty by the Governor either directly or indirectly through officers subordinate to him or her. The Governor chairs the Executive Council but is not a voting member. The Executive Council is the highest policy-making body on St Helena and currently consists of the Chief Minister, four Ministers and the Attorney General, who is a non-voting Member. Ministers have executive responsibility of the portfolios to which they have been appointed by the Chief Minister. The Governor is therefore obliged to follow the advice of ministers in all decisions taken by Executive Council unless in his or her opinion the advice threatens non-compliance with the partnership values or the special responsibilities of the Governor set out in the constitution (with the exception of where these responsibilities have been delegated to a minister).

SHG is domiciled and operates within the Island of St Helena in the South Atlantic Ocean. SHG's principle activity is the provision of essential public services, which include:

- Health and Social Care;
- Education;
- Environment and Natural Resources management
- Land Planning
- Emergency Response services
- Border Control Services
- Access
- Crown Estates Management including housing and critical infrastructure.
- Treasury including local and international mail services

SHG receives a significant proportion of its funding each year from the UK Government, through the Foreign and Commonwealth Development Office (FCDO). On an annual basis discussions are held between the Financial Aid Mission team (FAM), which is made up of delegates from FCDO and representatives from St Helena to inform the UKG decision on a financial aid settlement.

Representatives from St Helena involved in discussions include the Ministers, Elected Members, senior SHG officials, the private sector and civil society organisations. For the financial year 2024/25 an aid settlement was agreed in February 2024.

SHG's annual budget is approved each year by Legislative Council and is developed through the Medium Term Expenditure Framework (MTEF) process. The Appropriation Ordinance 2024, enacted by the Governor of St Helena on the advice and consent of Legislative Council, sets out the approved budget for Portfolios in the financial year commencing 1 April 2024. Financial performance against the approved budget is reported to Ministers and FCDO in the form of Budget Execution Reports.

SHG controls, from an accounting perspective, a number of entities. These controlled entities have not been consolidated in accordance with IPSAS 34 Separate Financial Statements or IPSAS 35 Consolidated Financial Statements. No adjustments have been made for transactions between entities. These financial statements cover the transactions of SHG as an individual entity and the net assets of entities in which SHG holds an ownership interest, has been recognised on the Statement of Financial Position as a Non-current Investment.

1.3 Review of 2024/25

1.3.1 Financial performance

SHG's financial performance for 2024/25 resulted in a **£4.064 million deficit,** representing a 19% increase from the **£3.427 million deficit** reported in 2023/24.

Performance summary

	2024/25 £000	2023/24 £000	Movement £000	Movement %
Revenue	64,799	60,249	4,550	8%
Expenditure	68,863	63,676	5,187	8%
Surplus/(Deficit)	**(4,064)**	**(3,427)**	**(637)**	**19%**

1.3.2 Budget execution

Budget execution outperformed expectations, achieving a **£0.523 million deficit** instead of the projected **£2.707 million deficit**, driven by higher-than-anticipated revenue and effective expenditure control.

	Budget £000	Actual £000	Variation £000
Revenue	**48,972**	**50,573**	**1,601**
Appropriated Recurrent Expenditure	45,651	45,036	(615)
Appropriated Capital Expenditure	293	235	(58)
Non-Appropriated Expenditure	5,735	5,825	90
Total Expenditure	**51,679**	**51,096**	**(583)**
Surplus / (Deficit)	**(2,707)**	**(523)**	**2,184**

1.3.3 The General Reserve

The General reserve decreased by **£0.332 million** and stood at **£4.224 million** (2023/24 £4.556 million), below the £5 million benchmark, highlighting the need for fiscal prudence.

General Reserve Reconciliation

	£000
Balance at 1 April 2024	**4,556**
Actual Budget Deficit	(523)
Income Tax collected during the year but relating to prior years	239
Increase in Staff leave liability	(166)
Increase in Provision for Doubtful Debts	(60)
Increase in Provision for Stock Obsolescence	(79)
Gain on Investments	212
Other movements	45
Balance at 31 March 2025	**4,224**

1.3.4 Capital expenditure

Capital expenditure during the year totalled **£5.686 million** (2023/24 £7.605 million).In 2024/25, capital investment continued to support the delivery of essential public services, with expenditure focused on critical infrastructure, transport assets, IT systems, and operational equipment.

With strong revenue performance and controlled spending, SHG remains on track, but careful fiscal management is needed to maintain stability in 2025/26.

1.4 The Financial Statements

These financial statements are made up of the following core financial statements as well as the accompanying notes to the core financial statements:

- Statement of Financial Performance - a statement which incorporates all recurrent income and expenditure relating to the year.
- Statement of Financial Position - which records all the assets and liabilities as at 31 March.
- Statement of Changes in Net Assets/Reserves - which details the movements between the opening and closing balances on the reserves.
- Statement of Cash Flows - a statement which shows the inflows and outflows of cash during the year reconciled to the year-end cash position.
- Statement of Comparison of Budget and Actual Amounts - a statement showing the budgeted figures against the actuals.

The core financial statements are shown in sections 4. to 8.Comparative figures for the previous financial year are provided.

The core financial statements are shown in sections 4.0 to 8.0 and further detailed information is presented in the notes to the core financial statements. Comparative figures for the previous financial year are provided.

It should be noted that the financial statements do not align to the way in which financial information is reported in the Budget Execution Report (BER report). This is due to the BER report being prepared on a modified cash basis and the financial statements being prepared on an accruals basis. Note 9.4 to the financial statements sets out a reconciliation between the financial performance reported in the March 2025 BER report and the Statement of Financial Performance.

1.5 Statement of Financial Performance

This statement sets out the expenditure and revenues of SHG during the financial year. It shows the expenditure incurred in the delivery of services and projects and the revenues received to fund services and projects. Notes 9.1 and 9.2 to the financial statements show a breakdown of revenue and expenditure by category.

1.6.1 Revenue

Total Revenue for the year amounted to **£64.799 million**, representing an increase of **£4.550 million (8%)** compared to the **£60.249 million** realised in 2023/24. Non-exchange income constituted **85%** of total revenue and relates to funds received by SHG without it giving value in return. Total revenue from Non-exchange transactions was **£54.952 million** (£50.524 million in 2023/24). Exchange income was **£9.847 million** (£9.725 million in 2023/24).

REVENUE	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000	Increase/ (Decrease) %
Exchange Revenue				
Fines, Fees and Licenses	1,265	1,268	(3)	0%
Other Local Revenue	1,539	1,588	(49)	-3%
Trading Activities	7,043	6,869	174	3%
Total Exchange Revenue	**9,847**	**9,725**	**122**	1%
Non-exchange Revenue				
Taxation	13,994	11,949	2,045	17%
Movements in Investments	990	728	262	36%
FCDO Grant in Aid	34,060	33,031	1,029	3%
FCDO Development Aid	5,080	4,174	906	22%
Other Development Aid	828	642	186	29%
Donated Asset Funding	0	0	0	0%
Total Non-exchange Revenue	**54,952**	**50,524**	**4,428**	9%
Total Revenue	**64,799**	**60,249**	**4,550**	**8%**

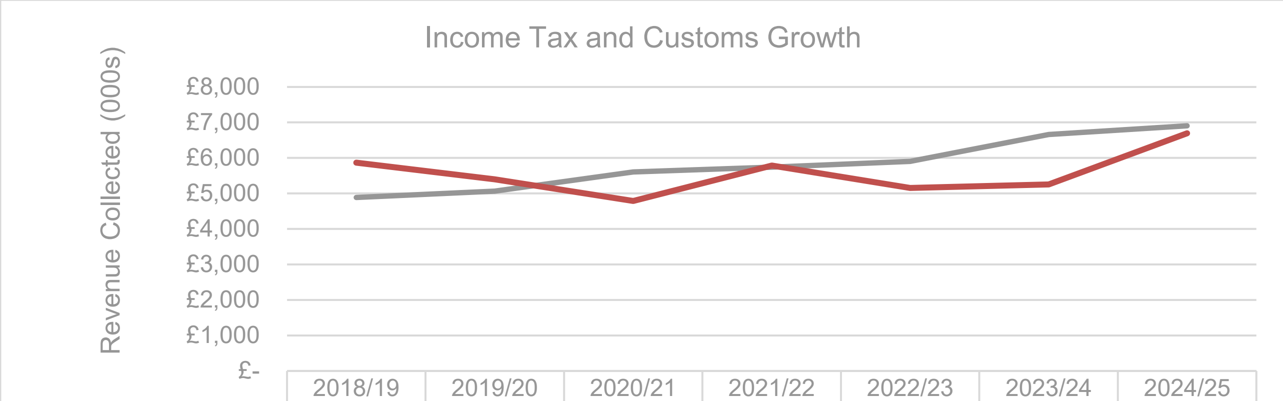
Analysis of major increases and decreases

Trading Activities: Trading revenues rose 3%, driven by a £0.135 million rise in fuel sales from £5.932 million to £6.067 million.

Taxation: Revenues from Taxes rose 17% to £13.994 million in 2024/25, driven chiefly by a 27% surge in Customs Duties, with more modest gains in Taxation 9% and Stamp Duty 15%. The table below contains a breakdown.

	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000	Increase/ (Decrease) %
Taxation	7,260	6,664	596	9%
Customs Duties	6,695	5,251	1,444	27%
Stamp Duty	39	34	5	15%
Total	**13,994**	**11,949**	**2,045**	**17%**

Revenue budgets were developed for Taxation and Customs Duties based on a series of detailed discussions and an agreed macro-economic model adjusted for changes in policies. The model was developed by the Government Economist for economic forecasting, and is expected to provide a consistent basis on which to estimate future tax revenues. The following chart shows the revenue collected from Taxation and Customs Duties over the past seven years.



	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Taxation	£4,887	£5,063	£5,604	£5,738	£5,904	£6,664	£6,905
Customs Duties	£5,865	£5,394	£4,788	£5,784	£5,152	£5,251	£6,695

FCDO Grant in Aid: The FCDO Grant in Aid rose 3% to £34.060 million in 2024/25, primarily driven by an £0.853 million increase in core support. While a new £0.676 million allocation was earmarked for Policing in 2024/25. This funding had previously been included within the broader core support in 2023/24. The overall increase was partially offset by a £0.500 million reduction in critical needs funding.

FCDO Grant in Aid	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000	%
Core Support (excluding ring fenced amounts)	28,685	27,832	853	3%
St Helena Policing Operational Costs	676	0	676	100%
Tourism Development Fund	500	500	0	0%
St Helena Airport Operating Costs	2,995	2,995	0	0%
Critical needs	1,204	1,704	(500)	-29%
Total	**34,060**	**33,031**	**1,029**	**3%**

FCDO Development Aid: FCDO Development Aid rose by 22% to £5.081 million in 2024/25.

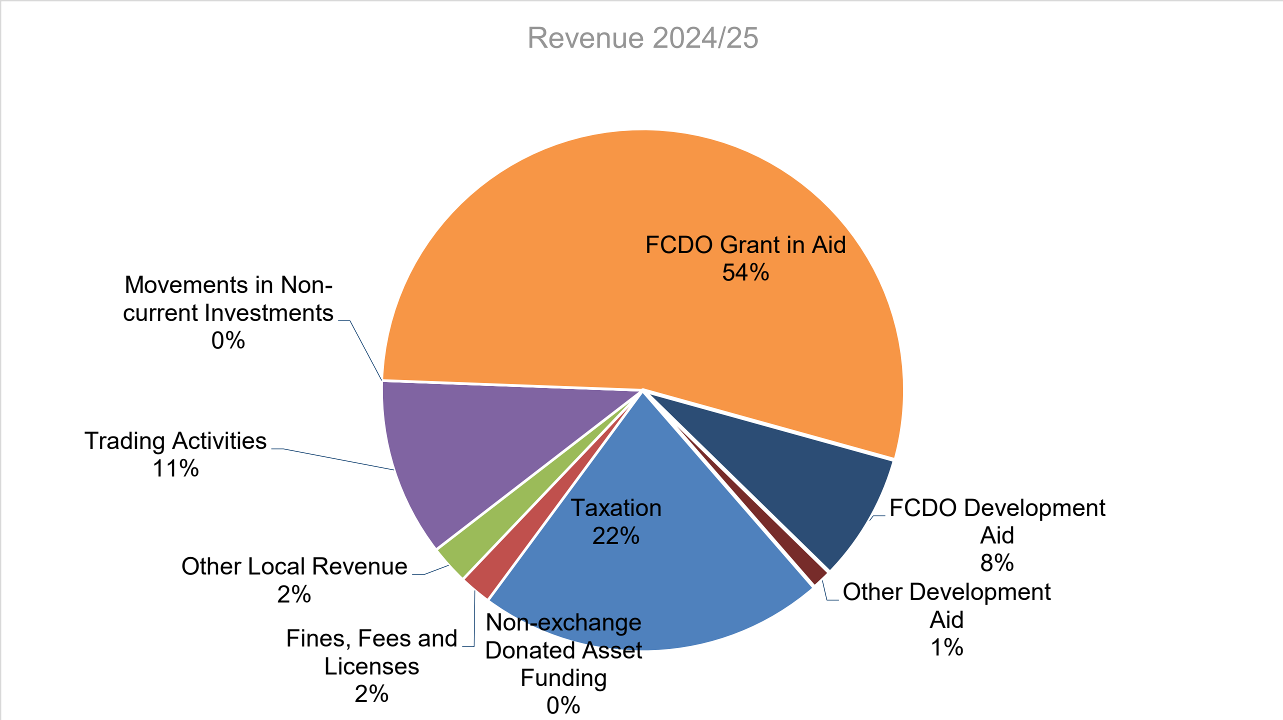
FCDO Development Aid	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000	%
Air Access	506	220	286	130%
Improving Essential Equipment	790	525	265	51%
EDIP Funding Received	3,784	3,429	355	10%
Total	**5,080**	**4,174**	**907**	**22%**

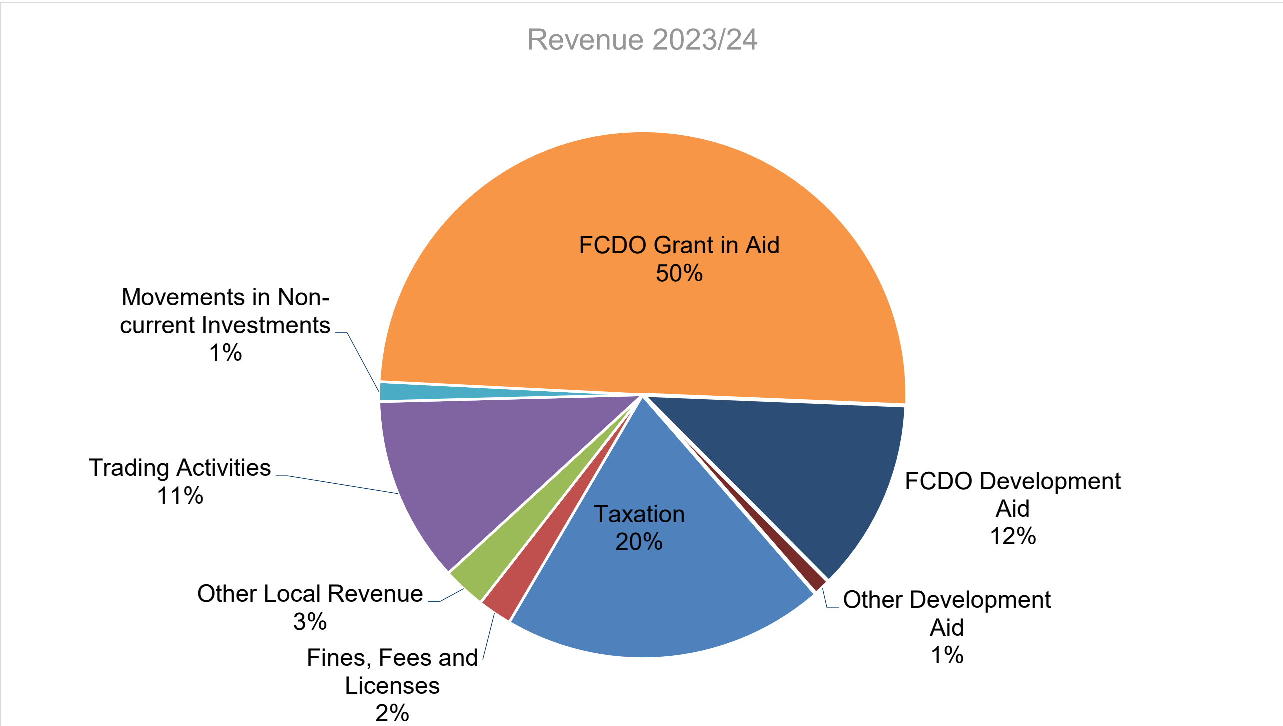
Other Developmental Aid: Other Developmental Aid rose 29% to £0.828 million in 2024/25.

	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000
Centre for Agriculture and Bioscience International (CABI)	24	17	7
Conflict, Stability and Security Fund (CSSF)	668	592	76
Department for Environment, Food & Rural Affairs (DEFRA)	50	31	19
Joint Nature Conservation Committee (JNCC)	8	0	8
Zoological Society of London (ZSL)	2	2	0
UK-St Helena Heritage Trust	28	0	28
UK Health Security Agency	48	0	48
Total	**828**	**642**	**186**

Movements in Non-current Investments: the results of controlled entities for the year are not yet available.

The following charts show the proportion of revenue received from each funding source during the year:





We have assessed the total revenue collected during the financial year (excluding non-cash items, internal sales, FCDO Development Aid and Other Development Aid) against budgeted revenue. This has allowed us to assess the degree to which SHG achieved the revenue projected during the budget setting process. Our ability to deliver key services is dependent on our ability to appropriately forecast revenues.

1.6.2 Expenditure

Total Expenditure in 2024/25 was **£68.863 million** representing an increase of **£5.187 million** (7%) compared to £63.676 million in 2023/24. The tables below present the year-on-year movements in expenditure, disaggregated by functional classification and economic classification, providing a clearer view of where spending increases occurred across government activities and cost categories.

Expenditure Classification by Functional Area

	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000	%
Benefit Payments	4,220	4,029	191	5%
Central Support Service	4,293	3,898	395	10%
Education, Skills & Employment	4,270	3,960	310	8%
Environment, Natural Resources & Planning	2,352	2,110	242	11%
Health & Social Care	12,887	14,760	(1,873)	-13%
Public Sector Pensions	3,118	3,387	(269)	-8%
Safety, Security & Home Affairs	7,492	3,763	3,729	99%
Trading Activities	17,230	14,205	3,025	21%
Treasury & Economic Development	13,001	13,564	(563)	-4%
Total Expenditure	**68,863**	**63,676**	**5,187**	**8%**

Expenditure Classification by Economic Type

	2024/25 £000	2023/24 £000	Increase/ (Decrease) £000	%
Employee Costs	22,284	21,154	1,130	5%
Property Costs	1,229	971	258	27%
Transport & Plant Costs	178	105	73	70%
Supplies & Services Costs	13,735	12,433	1,302	10%
Administration Costs	1,443	1,443	0	0%
Payments to Other Agencies and Bodies	8,824	9,178	(354)	-4%
Finance & Other Expenditure	2,656	2,440	216	9%
Payment to Contractors	9,164	7,798	1,366	18%
Depreciation of Assets	7,299	6,793	506	7%
Impairment of Assets	0	13	(13)	-100%
Devaluation of Assets	445	0	445	0%
Loss on Disposal Assets	0	0	0	0%
Share of Loss of Subsidiaries	418	929	(511)	-55%
Provisions Recognised/ (Released)	1,147	154	993	645%
Provisions Recognised for Doubtful Debts	41	265	(224)	-85%
Total Expenditure	**68,863**	**63,676**	**5,187**	**8%**

Analysis of major increases and decreases

Employee Costs: Employee Costs increased by **5%** in 2024/25, primarily driven by a general salary increase across the public service following the uplift in the minimum wage from £3.65 to £4.00 per hour, effective 1 July 2024. Additional contributing factors included a **£0.401 million** increase in Technical Cooperation (TC) Programme expenditure, a **£0.195 million** rise in accrued staff leave liabilities, and a **£0.340 million** decrease in public sector pension costs.

Supplies & Services Costs: Supplies and Services Costs increased by 10% in 2024/25, rising by £1.302 million compared to the previous year. This was primarily driven by a £0.901 million increase in fuel-related expenditure under the BFI. Additional increases included £0.685 million in

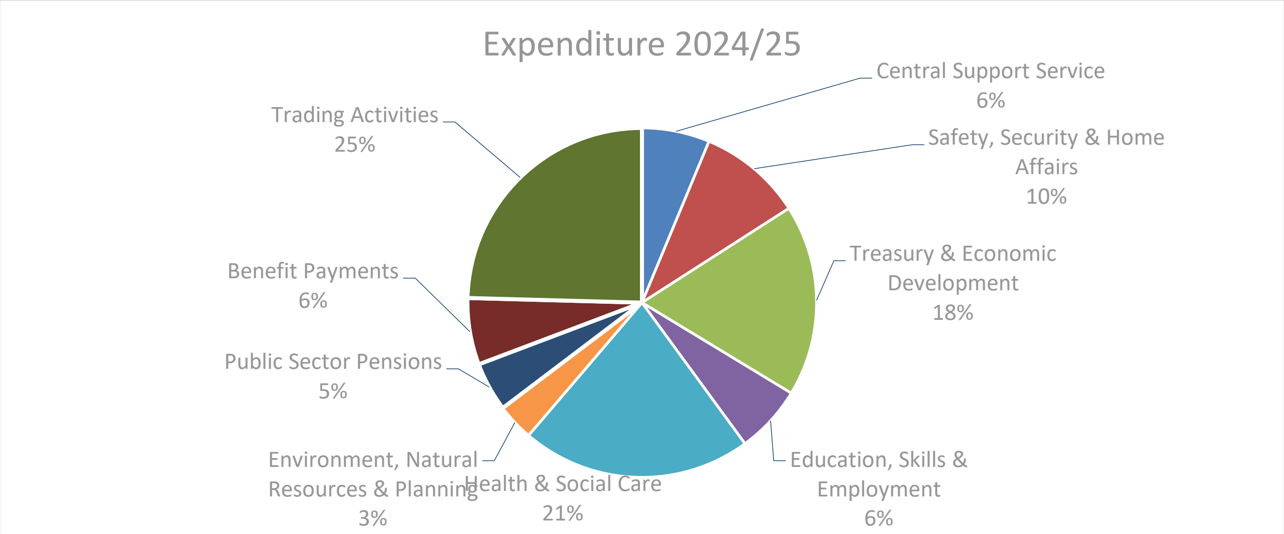
Local Medical expenses, £0.288 million for the Improving Essential Equipment programme, and £0.119 million under the IT Trading Account. These increases were partially offset by a £1.037 million reduction in Overseas Medical expenditure.

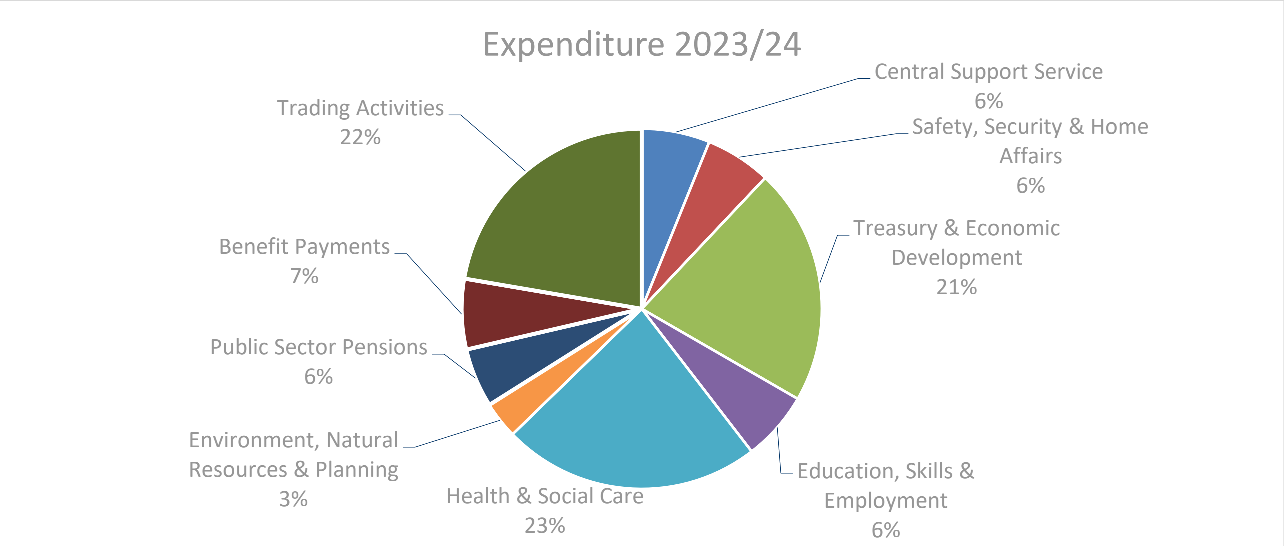
Payment to Contractors: Payments to Contractors increased by 18% in 2024/25. This increase of £1.366 million was primarily driven by higher expenditure under the Bulk Fuel Installation Trading Account £0.277 million and the St Helena Airport Trading Account £0.547 million. Additional contributors included new contractor payments of £0.891 million relating to the EDF Ascension project. These increases were partially offset by the cessation of payments under the St Helena Cable Project, which accounted for a reduction of £0.618 million compared to the prior year.

Provisions Recognised: The movement in Provisions during the year was higher than in the previous year by 927%. Provisions as at 31 March 2024 were £7.159 million and as at 31 March 2025 were £8.741 million.

	2024/25 £000	**2023/24 £000**	**Movement £000**
Litigation claims	4,335	3,285	1,050
BFI Decommissioning	3,931	3,834	97
Overseas medical treatment	40	40	0
	8,306	**7,159**	**1,147**

The following chart shows how total expenditure in 2024/25 was distributed by Head of Expenditure:





1.6.3 Surplus or deficit

The Statement of Financial Performance shows an overall **deficit** of **£4.064 million** in 2024/25.The overall deficit is analysed and allocated between the Consolidated Fund and Special Funds in the table below and in 8.1 Statement showing each head of expenditure paid out of and each category of revenue accruing to the Consolidated Fund and Special Funds.

1.7 Statement of Financial Position

The Statement of Financial Position summarizes SHG's financial position as of 31 March 2025, indicating a net worth of **£284.685 million.**

	2024/25 £000	2023/24 £000	Movement £000
Tangible and Intangible Assets owned	281,054	275,206	5,848
Cash, Investments and Inventories	48,191	50,150	(1,959)
Pension Liabilities	(32,711)	(35,910)	3,199
Money SHG owes	(17,369)	(19,664)	2,295
Money SHG is owed	5,520	7,038	(1,518)
Net Worth of SHG at 31 March	**284,685**	**276,820**	**7,865**

1.7.1 Tangible and Intangible assets

The total value of Tangible and Intangible Assets increased by **£5.848 million**, below is a summary of the movement:

	Tangible Assets £000	Intangible Assets £000	Total £000
Net Book Value as at 1 April 2024	**274,705**	**501**	**275,206**
Additions	5,620	66	5,686
Disposals	(341)	0	(341)
Depreciation/ Ammortisation charge for year	(7,159)	(149)	(7,308)
Impairment losses	0	0	0
Net Revaluation Gain	7,724	0	7,724
Depreciation on Disposals	87	0	87
Net movement in Net Book Value	**5,931**	**(83)**	**5,848**
Net Book Value as at 31 March 2025	**280,636**	**418**	**281,054**

1.7.2 Cash, Investments, and Inventories

The total value of Cash, Investments, and Inventories decreased by £1.959 million, dropping from £50.150 million at 31 March 2024 to £48.191 million at 31 March 2025. More cash was spent than was collected during the year.

1.7.3 Money owed to SHG

The total amount of Money owed to SHG decreased by **£1.518 million**, primarily due to a reduction in receivables from non-exchange transactions, and decrease in prepayments.

1.7.4 Money SHG owes

The total liabilities of SHG (excluding Pension liabilities) decreased by £2.293 million, from £19.661 million as at 31 March 2024 to £17.369 million as at 31 March 2025. The primary driver of this reduction was a £3.604 million decrease in the bank overdraft, which fell from £3.671 million to £0.067 million. This was partially offset by an increase in payables from non-exchange transactions (£0.837 million). Payables from exchange transactions decreased by (£0.673 million), while Provisions increased by £1.147 million.

1.7.5 Pension Liabilities

A roll-forward valuation of SHG's Defined Benefit Pension Scheme liability has been included in the 2024/25 financial statements. This is based on an updated discount rate of 5.2% (2023/24: 4.4%).

1.8 Statement of Changes in Net Assets/Reserves

This statement sets out the movements in the Funds and Reserves of SHG. There is a statutory authority for SHG to maintain only two forms of Funds and Reserves:

- Consolidated Fund; and
- Special Funds

1.8.1 Consolidated Fund

The Consolidated Fund is analysed into eight reserves. An explanation of each of the reserves and a detailed analysis of the movements on each reserve is shown in Note 10 to the financial statements.

Included in the Consolidated Fund is the General Reserve which is the only Useable Reserve. The General Reserve is used to provide services, subject to the need to maintain a prudent level of reserves to meet unforeseen circumstances. The other seven reserves are Unusable Reserves. These are reserves that SHG is not able to use to provide services.

At **31 March 2025**, the balance on the Consolidated Fund was **£280.045 million** (£271.764 million at 31 March 2024).

1.8.2 Special Funds

Special Funds are established by order and enable individual projects and trading activities to be accounted for separately to the Consolidated Fund. Special Funds are split between Projects, Trading Activities and Other Funds. A detailed analysis of the movements on each of the Special Funds can be found within Note 10.15.2 to the financial statements.

At **31 March 2025** the balance of Special Funds was **£4.640 million** (£5.056 million at 31 March 2024).

The analysis of funds is as follows:

	31 March 2025 £000	31 March 2024 £000	Movement £000
Consolidated Fund			
General Reserve	4,224	4,556	(332)
Capital Reserve	91,050	90,116	935
Revaluation Reserve	14,572	6,442	8,130
Pension Reserve	(32,711)	(35,910)	3,199
Investments in Subsidiaries Reserve	32,076	31,504	572
Aid Funded Infrastructure Reserve	175,973	179,119	(3,145)
Donated Asset Reserve	220	249	(29)
Litigation Reserve	(5,359)	(4,309)	(1,050)
	280,045	**271,764**	**8,281**
Special Funds			
Projects	822	272	550
Trading Accounts	2,518	3,781	(1,263)
Other Funds	1,301	1,005	296
	4,640	**5,056**	**(416)**
Total Funds and Reserves	**284,685**	**276,820**	**7,865**

1.9 Statement of Cash Flows

The Cash Flow Statement shows the changes in Cash & Cash Equivalents of SHG during the reporting period. The Statement shows how SHG generates and uses Cash & Cash Equivalents by classifying cash flows as operating and investing activities.

The cash flows from operating activities are a key indicator of the extent to which the operations of SHG are funded by way of taxation and grant income or from the recipients of services provided by SHG. Investing activities represent the extent to which cash outflows have been made for the purchase of resources which are intended to contribute to SHG's future service delivery.

SHG's Cash and Cash Equivalents decreased by £2.637 million from £9.915 million at 31 March 2024 to £7.278 million at 31 March 2025. This decrease is summarised in the table below.

	31 March 2025 £000	**31 March 2024 £000**
Net Cash Flows from Operating Activities	5,863	9,456
Net Cash Flows from Investing Activities	(8,500)	(2,048)
Net Cash Flow for the year	**(2,637)**	**7,408**
Cash & Cash Equivalents at 1 April	9,915	2,507
Cash & Cash Equivalents at 31 March	**7,278**	**9,915**

1.10 Statement of Comparison of Budget and Actual Amounts

This statement shows the original budget, final budget and the expenditure and revenues of SHG services, reported in SHG's March 2025 BER Report. Note 9.3 to the financial statements provides an explanation of the reasons for changes between the original and final budget and an explanation of the material differences between the final budget and the actual expenditure and revenues reported in the March 2025 BER Report.

Summary Statement of Comparison of Budget and Actual Amounts

	Expenditure			Revenue		
	Final Budget £000	Actual £000	Variance £000	Final Budget £000	Actual £000	Variance £000
Central Support Service	10,804	10,782	(22)	44	27	(17)
Attorney General's Chambers	109	106	(3)	0	0	0
Safety, Security & Home Affairs	3,004	2,902	(102)	116	214	98
Judicial Services	153	153	0	39	40	1
Treasury	8,217	7,982	(235)	44,745	46,070	1,325
Police	902	956	54	374	403	29
Economic Development	7,189	6,888	(301)	3,216	3,206	(10)
Education, Skills & Employment	3,630	3,619	(11)	2	22	20
Health & Social Care	10,237	10,209	(28)	309	464	155
Environment, Natural Resources & Planning	1,699	1,673	(26)	127	127	0
Pensions and Benefits	5,735	5,825	90	0	0	0
Total	**51,679**	**51,095**	**(584)**	**48,972**	**50,573**	**1,601**
Surplus / (Deficit)	**(2,707)**	**(523)**	**2,184**			

Key Highlights:

✓ **Revenue: £50.573 million (£1.601 million above budget)**, boosted by higher-than-expected tax collections and a one-off customs duty receipt (£1.1 million).

✓ **Expenditure: £51.096 million (£0.584 million below budget)**, with overspending in Police (£0.054 million) and Pensions and Benefits (£0.090 million).

⚠ **Deficit**: The actual budget deficit for the year was **£0.523 million**, significantly lower than the projected deficit of **£2.707 million**.

⚠ **Airlink Losses: £1.029m** in operating losses, requiring continued close monitoring.

⚠**Technical Cooperation Posts:** Due to labour market constraints and the urgency of filling statutory positions, additional funding was required despite close budget monitoring. The original budget included a 16% over-programming buffer, but a 4.8% uplift was still needed during the year.

⚠**Pensions and benefits:** A number of employees opted for early retirement, which was not anticipated during budget preparation. As a result, the pensions and benefits budget exceeded its original allocation by 2%.

1.11 Capital Expenditure and Disposals

During the period, SHG received financial support from external bodies, including the Foreign, Commonwealth & Development Office (FCDO), to fund specific capital projects. In addition, SHG disposed of various items of property, plant, and equipment.

1.11.1 Summary of additions for the year ended 31 March 2025

	Infrastructure	Computer Hardware	Other	AUC	Total Property, Plant & Equipment	Intangible Assets	Grand Total
	£000	£000	£000	£000	£000	£000	£000
EDF Projects	40	0	0	8	48		**48**
FCDO Funded	0	0	0	3,714	3,714		**3,714**
General Reserve	0	0	153	82	235		**235**
Housing Service Trading Account	0	0	0	132	132		**132**
Transport Trading Account	0	0	860	0	860		**860**
FCO Funded Projects Reserve	0	0	32	0	32		**32**
IT Trading Account	0	69	0	0	69	**66**	**135**
FCDO Essential Equipment	0	1	486	0	487		**487**
BFI Trading Account	0	0	7	0	7		**7**
Locally Funded Projects	0	0	36	0	36		**36**
Grand Total	**40**	**70**	**1,574**	**3,936**	**5,620**	**66**	**5,686**

1.11.2 Summary of disposals for the year ended 31 March 2025

	Disposal proceeds	Net Book Value	Surplus on Disposal
	£000	£000	£000
Buildings	227	159	68
Land	66	26	39
Plant and equipment	103	68	34
Total	**396**	**254**	**142**

1.12 Conclusion

In closing I would like to acknowledge the hard work of the finance team in pulling together these financial statements, and the work of departments and counterparts within the group. I hope the information is helpful in allowing you to have a clear understanding of how SHG’s money has been spent during 2024/25.

I hope you find these financial statements interesting and may I take the opportunity of thanking you for taking time to read them.

We have tried to present information as clearly as possible, but if you would like to find out more about these financial statements you can:

- Visit our website at www.sainthelena.gov.sh
- Email the Deputy Financial Secretary nicholas.yon@sainthelena.gov.sh
- Call the Financial Reporting Team on (00290) 22470;
- Write to us at:
  The Castle,
  Jamestown,
  St Helena,
  STHL 1ZZ; or

Dax Richards
Financial Secretary
26/03/2026

2. Independent Auditor's Report

AUDIT ST HELENA
External Auditors

INDEPENDENT AUDITOR'S REPORT

To the Members of Legislative Council for the Government of St Helena

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of St Helena Government (SHG), which comprise the statement of financial position as at 31 March 2025 and the statement of financial performance, statement of changes in net assets and reserves, statement of cash flows and statement of comparison of budget and actual amounts, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described below, the accompanying financial statements present fairly, in all material respects, the financial position of SHG as at 31 March 2025 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Qualified Opinion

Bulk Fuel Facility

As disclosed in Note 10.8.8 to the financial statements, SHG terminated the external contract to build the Bulk Fuel Installation (BFI) and assumed responsibility for the project in October 2019. Accumulated construction costs of £75.6m have been capitalised on this project to 31 March 2025. A feasibility study finalised on 9 September 2024 confirmed that certain elements of the BFI will not be commissioned. In accordance with IPSAS 21, *Impairment of Non-Cash-Generating Assets*, management performed an impairment assessment using the Depreciated Replacement Cost approach to determine the Recoverable Service Amount (RSA) of the BFI.

IPSAS 21 requires the RSA calculation to be performed on the BFI that would be constructed today on an optimised basis. The RSA calculation identified the potential impairment of components valued at £14.354m (as these would not ultimately be commissioned) and inflation indexing that increased the initially recognised costs by £23.495m. In these circumstances, the calculation determined that the BFI's recoverable service amount exceeded its carrying value, and thus no impairment was indicated.

I have been unable to obtain sufficient appropriate audit evidence to conclude that the methods and assumptions used in the RSA calculation are appropriate, due to the following factors:

- An inability to obtain sufficient appropriate evidence to confirm that the calculation was performed on an optimised facility as at the reporting date;
- The materiality of the BFI facility in the context of the financial statements as a whole;
- The period of time over which the inflation uplift was applied; and
- The potential that the index used in the calculation is not representative of the expected mix of local and international construction costs were the facility to be built today.

As a result, I have been unable to determine whether an impairment loss should be recognised under IPSAS 21, or the amount of any such impairment, which could affect the net carrying value of Property, Plant and Equipment (including the BFI), impairment expenses, the Consolidated Fund and related disclosures.

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of SHG in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my other ethical responsibilities in accordance with the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note 11.2 in the financial statements which indicates that SHG is reliant on recurrent funding through UK grant-in-aid for the continued operation of public services in St Helena. Whilst the Government of the United Kingdom, through the Foreign, Commonwealth & Development Office (FCDO) has a responsibility to meet the reasonable assistance needs of St Helena the level of financial support for the financial year to 31 March 2027 has yet to be formalised.

In the absence of sufficient grant-in-aid and with limited usable reserves SHG would not be in a position to meet its liabilities as they fall due within the foreseeable future without significant curtailment of services. As stated in Note 11.2 these circumstances indicate that a material uncertainty exists which may cast doubt on SHG's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Emphasis of Matter

Material Uncertainty Related to the Fibre Network

I draw attention to Note 10.8.10 in the financial statements which highlights the significant estimation uncertainty associated with the new Fibre Network which is carried at a cost of £0.950m and included within assets under construction in Note 10.8.13. The note details that works on the project was halted during the 2023/24 financial year which has resulted in uncertainty as to the future use of designs and equipment on this project. Accordingly, management has not been able to determine whether impairment indicators exist for these construction costs, in accordance with IPSAS 21, at 31 March 2025. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for other information. The other information includes the Financial Secretary's Report but does not include the financial statements and my audit report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

In connection with my audit of the financial statements my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of this other information, I am required to report the fact. I have nothing to report in this regard.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

1. **Defined Benefit Pension Fund Liability**

As explained in note 10.14.2 the present value of the Defined Benefit Pension Fund liability was calculated by the UK Government Actuary's Department. Note 10.14 discloses that the results of any actuarial valuation are inherently uncertain because of the assumptions that are made whilst performing the valuation. The uncertainty inherent in these varied assumptions together with the magnitude of the liability at 31 March 2025 resulted in this matter being one of most significance during the audit.

I applied specific audit procedures to address the identified significant risk which included reviewing the assumptions used in the valuation, ensuring the completeness of data provided to the actuary and assessing the reasonableness of the methodology used by the actuary via recalculation procedures.

2. **Revaluation of land and buildings**

As explained in Note 10.8.5 management appointed a professional valuer to measure these assets in accordance with the requirements of IPSAS and provide a fair value basis for the revaluation of land and buildings. I identified the revaluation of these assets as a key audit matter because the determination of fair value involves the use of significant management judgement, complex valuation methodologies, and assumptions that are inherently subjective.

I applied specific audit procedures to review the professional valuation assumptions, methodology and resultant output to address the identified significant risk of material error in the net revaluation adjustment of £7.724m recognised against the carrying value of Property, Plant and Equipment.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing SHG's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing SHG's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I also read all the financial and non-financial information published with the financial statements to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

A further description of the auditor's responsibilities for the audit of the financial statements is located in the Annex to my report. This description forms part of my auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Auditor's Other Responsibilities arising from Law and Regulation

Section 29(1)(b)(i) of the Public Finance Ordinance requires me to assess whether in all material respects the expenditure and income have been applied to the purposes intended and conform to the authorities which govern them; and whether the accounts and financial statements have been prepared in accordance with all relevant laws and policies.

Qualified Opinion on Regularity

In my opinion, except for the effect of the matter described below, in all material respects, the expenditure and income has been applied to the purposes intended, and conforms to the authorities which govern them.

Basis for Qualified Opinion on Regularity

As summarised in the Statement of Comparison of Budget and Actual Amounts the expenditure on Head of Expenditure: Police exceeded the statutory authority by £54,102. Furthermore, had an audit adjustment been passed and recorded in the financial statements, the expenditure in excess of statutory authority would have increased by a further £374. However, the adjustment was not passed due to its immaterial effect arising from rounding in the financial statements.

Opinion on Other Matters Required by Statute

In my opinion, the financial statements have been prepared in accordance with all relevant laws or policies.

Brendon Hunt
Chief Auditor CA (SA)

Audit St Helena
New Porteous House, Jamestown, St Helena, STHL 1ZZ

26 March 2025

ANNEX TO THE INDEPENDENT AUDITORS REPORT

Further description of the auditor's responsibilities for the audit of the financial statements

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SHG's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SHG's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause SHG to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

3. Financial Secretary's Statement of Responsibilities

The Financial Secretary is responsible for the overall management and control of St Helena Government (SHG) finances. This includes responsibility for preparing an annual statement of accounts and submitting them to the Chief Auditor.

In preparing these financial statements, the Financial Secretary is required to:

- observe the directions in the Public Finance Ordinance, including the relevant accounting and disclosure requirements, applying suitable accounting policies on a consistent basis and explaining any material non-compliance with International Public Sector Accounting Standards;
- make judgements and estimates on a reasonable basis;
- ensure that proper and adequate systems exist for bringing to account all transactions of SHG, including all revenues, expenditures, cash flows, and transfers of stores and assets;
- maintain systems of internal control to promote the efficient and economical conduct of SHG;
- be responsible for the propriety and regularity of the public expenditure and for the keeping of property and safeguarding of assets belonging to or entrusted to SHG as required by the Public Finance Ordinance; and
- prepare the accounts on a going concern basis.

The Financial Secretary confirms that the above responsibilities and obligations have been properly discharged in preparing these financial statements.

Dax Richards
Financial Secretary

26/03/2026

4. Statement of Financial Performance

	Note	2024/25 £000	2023/24 £000
REVENUE	9.1.		
Exchange Revenue			
Fines, Fees and Licenses		1,265	1,268
Other Local Revenue		1,539	1,588
Trading Activities		7,043	6,869
Total Exchange Revenue		**9,847**	**9,725**
Non-exchange Revenue			
Taxation		13,994	11,949
Movements in Non-current Investments		990	728
FCDO Grant in Aid		34,060	33,031
FCDO Development Aid		5,080	4,174
Other Development Aid		828	642
Total Non-exchange Revenue		**54,952**	**50,524**
Total Revenue		**64,799**	**60,249**
EXPENDITURE	9.2.		
Benefit Payments		4,220	4,029
Central Support Service		4,293	3,898
Education, Skills & Employment		4,270	3,960
Environment, Natural Resources & Planning		2,352	2,110
Health & Social Care		12,887	14,760
Public Sector Pensions		3,118	3,387
Safety, Security & Home Affairs		7,492	3,763
Trading Activities		17,230	14,205
Treasury & Economic Development		13,001	13,564
Total Expenditure		**68,863**	**63,676**
SURPLUS/(DEFICIT) FOR THE PERIOD		**(4,064)**	**(3,427)**

5. Statement of Financial Position

	Note	31 March 2025 £000	Restated 31 March 2024 £000
ASSETS			
Current Assets			
Cash & Cash Equivalents	10.1.	7,346	13,586
Investments	10.2.1	5,457	1,816
Receivables from Non-exchange Transactions	10.3.	2,264	3,783
Receivables from Exchange Transactions	10.4.1	2,725	2,451
Inventories	10.5.	3,313	3,245
Prepayments	10.6.1	522	729
		21,627	25,610
Non-current Assets			
Non-current Investments	10.2.2	32,075	31,503
Receivables from Exchange Transactions	10.4.2	8	0
Prepayments	10.6.2	1	75
Property, Plant & Equipment	10.8.	280,636	274,705
Intangible Assets	10.9.	418	501
		313,138	306,784
Total Assets		**334,765**	**332,394**
LIABILITIES			
Current Liabilities			
Bank overdraft	10.1.	67	3,671
Payables from Non-exchange Transactions	10.11.	2,048	1,211
Payables from Exchange Transactions	10.12.1	6,947	7,620
Provisions	10.13.	0	4
		9,062	12,506
Non-current Liabilities			
Payables from Exchange Transactions	10.12.2	1	3
Pension Liabilities	10.14.	32,711	35,910
Provisions	10.13.	8,306	7,155
		41,018	43,068
Total Liabilities		**50,080**	**55,574**
NET ASSETS		**284,685**	**276,820**
FUNDS AND RESERVES			
Consolidated Fund	10.15.1	280,045	271,764
Special Funds	10.15.2	4,640	5,056
TOTAL FUNDS AND RESERVES		**284,685**	**276,820**

Comparative information at 31 March 2024 has been restated. See Note 10.8.13 – Restatement of Comparative Information.

6. Statement of Changes in Net Assets/Reserves

	Consolidated Fund £000	Special Funds £000	Total Reserves £000
Balance at 1 April 2023	**265,331**	**6,638**	**271,969**
Surplus/(Deficit) for the Period	(2,231)	0	(2,231)
Funds Received	0	11,799	11,799
Funds Applied	0	(12,995)	(12,995)
Use of Funds to Finance Capital Expenditure	6,665	(6,665)	0
Actuarial Losses	1,031	0	1,031
Pensions: Changes in Financial Assumptions	5,014	0	5,014
Pensions: Changes in Demographic Assumptions	2,239	0	2,239
Recharges	(735)	735	0
Transfers between reserves	(5,547)	5,547	0
Other movements	(2)	(1)	(3)
Balance at 31 March 2024	**271,765**	**5,058**	**276,823**
Surplus/(Deficit) for the Period	(1,715)	0	(1,716)
Funds Received	0	13,727	13,727
Funds Applied	0	(16,075)	(16,075)
Use of Funds to Finance Capital Expenditure	5,451	(5,451)	0
Actuarial Losses	(240)	0	(240)
Pensions: Changes in Financial Assumptions	3,927	0	3,927
Pensions: Changes in Demographic Assumptions	69	0	69
Recharges	(702)	702	0
Transfers between reserves	(6,679)	6,679	0
Other movements	0	0	0
Non-current Asset Revaluations	8,169		8,169
Balance at 31 March 2025	**280,045**	**4,640**	**284,685**

7. Statement of Cash Flows

	Note	2024/25 £000	2023/24 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(Deficit) for the Period		(4,064)	(3,427)
Interest Received	9.1.	(182)	(278)
Dividend Received	9.1.1	(250)	(97)
Non Cash Movements			
Depreciation Charged on Non-current Assets	9.2.	7,299	6,793
Impairment of Non-current Assets	9.2.	0	13
Devaluation of Non-current Assets	9.2.	445	0
Net (Gain)/Loss on Disposal of Non-current Assets	9.1, 9.2	(142)	(86)
Donated Asset Funding	9.1.	0	0
Share of Net (Profit)/Loss of Subsidiaries	9.1, 9.2	(572)	201
Difference in Pensions Earned and Benefits Paid Relating to the Defined Benefit Pension Scheme	10.14.	557	974
Movements in Working Capital			
(Increase)/Decrease in Receivables	10.3, 10.4	1,245	1,742
(Increase)/Decrease in Inventories	10.5.	(68)	(226)
(Increase)/Decrease in Prepayments	10.6	280	1,274
Increase/(Decrease) in Payables	10.12	163	2,325
Increase/(Decrease) in Provisions	10.13	1,147	255
Other Movements		6	(7)
Net Cash Flows from Operating Activities		**5,862**	**9,456**
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend Received	9.1	250	97
Interest Received	9.1	182	278
Capital Expenditure		(5,686)	(7,601)
Proceeds from the Sale of Non-current Assets		395	125
(Increase)/Decrease in Investments		(3,641)	5,053
Net Cash Flows from Investing Activities		**(8,500)**	**(2,048)**
NET CASH FLOW FOR THE FINANCIAL YEAR		**(2,638)**	**7,408**
Cash & Cash Equivalents at 1 April		9,915	2,507
Net Cash Flows		(2,638)	7,408
Cash & Cash Equivalents at 31 March		**7,279**	**9,915**

8. Statement of Comparison of Budget and Actual Amounts

This Statement of Comparison of Budget and Actual Amounts is prepared on the budget basis. The actual expenditure and revenue of SHG's services as reported in the March 2025 Budget Execution Report, which is on a comparable basis to the budget is shown below.

	Original Budget £000	Final Budget £000	Actual £000
Revenue			
Central Support Service	44	44	27
Attorney General's Chambers	0	0	0
Safety, Security & Home Affairs	116	116	214
Judicial Services	39	39	40
Treasury	44,745	44,745	46,070
Police	374	374	403
Economic Development	3,216	3,216	3,206
Education, Skills & Employment	2	2	22
Health & Social Care	309	309	464
Environment, Natural Resources & Planning	127	127	127
Total Revenue	**48,972**	**48,972**	**50,573**
Appropriated Recurrent Expenditure			
Central Support Service	10,411	10,804	10,783
Attorney General's Chambers	105	109	106
Safety, Security & Home Affairs	2,854	2,934	2,882
Judicial Services	146	153	153
Treasury	7,927	8,217	7,982
Police	872	902	956
Economic Development	5,778	7,109	6,808
Education, Skills & Employment	3,562	3,562	3,553
Health & Social Care	9,466	10,188	10,160
Environment, Natural Resources & Planning	1,651	1,673	1,653
Total Appropriated Recurrent Expenditure	**42,772**	**45,651**	**45,036**
Appropriated Capital Expenditure			
Safety, Security & Home Affairs	102	70	20
Economic Development	325	80	80
Education, Skills & Employment	68	68	66
Health & Social Care	73	49	49
Environment, Natural Resources & Planning	0	26	20
Total Appropriated Capital Expenditure	**568**	**293**	**235**
Non-Appropriated Expenditure			
Pensions and Benefits	**5,735**	**5,735**	**5,825**
Total Expenditure	**49,075**	**51,679**	**51,096**
Deficit	**(103)**	**(2,707)**	**(523)**

The budget for Pensions and Benefits is not appropriated from the Consolidated Fund. The Pensions and Social Security Ordinances state that expenditure can be charged directly to the Consolidated Fund, rather than budget being appropriated.

The budget is approved on a modified cash basis by functional classification. The approved budget covers the financial year from 1 April 2024 to 31 March 2025.

The Appropriation Ordinance 2024, enacted by the Governor of St Helena with the advice and consent of Legislative Council, provided for the services of Government in the financial year. No Supplementary Appropriations, Withdrawal Warrants and Special Warrants have been issued in the year and these amendments, added to the original budget, make up the final budget.

The budget and the accounting basis are different. The budget is prepared on a modified cash basis and the financial statements are prepared on the accrual basis.

A reconciliation between the actual amounts on a comparable basis as presented in the note Comparison of Budget and Actual Amounts, and the actual amounts in the Statement of Cash Flows for the year ended 31 March 2025 is presented below.

	Operating £000	**Investing £000**	**Net Cash Flow £000**
Surplus in Comparable Basis as Presented in the Budget and Actual Comparative Statement	5,537	(235)	5,302
Basis Differences	1,683	(3,209)	(1,526)
Entity Differences	(1,357)	(5,056)	(6,413)
Actual Amount in the Statement of Cash Flows	**5,863**	**(8,500)**	**(2,637)**

The financial statements and budget are prepared for the same period and so there are no timing differences. There are entity differences: the budget is prepared for the revenue and expenditure generated and incurred by SHG through normal government business, which excludes funds received and applied in relation to Special Funds. The financial statements also include SHG's share of the profit/loss of subsidiaries, which do not form part of the budget. There is also a basis difference: the budget is prepared on a modified cash basis and the financial statements are prepared on the accrual basis.

Note 9.3 Comparison of Budget and Actual Amounts, provides an explanation of the reasons for changes between the original and final budget and an explanation of the material differences between the final budget and actual expenditure and revenue.

8.1 Statement showing each head of expenditure paid out of and each category of revenue accruing to the Consolidated Fund and Special Funds for 2024/25

	Consolidated Fund	Special Funds	Total
	£000	£000	£000
REVENUE			
Taxation	13,994	0	13,994
Fines, Fees and Licences	1,265	0	1,265
Other Local Revenue	762	778	1,539
Trading Activities	1	7,042	7,043
Movements in Non-current Investments	990	0	990
FCDO Grant in Aid	34,060	0	34,060
FCDO Development Aid	0	5,080	5,080
Other Development Aid	0	828	828
Total Revenue	51,072	13,727	64,799
EXPENDITURE			
Central Support Service	4,293	0	4,293
Safety, Security & Home Affairs	7,441	51	7,492
Treasury & Economic Development	11,167	1,834	13,001
Education, Skills & Employment	4,241	29	4,270
Health & Social Care	12,887	0	12,887
Environment, Natural Resources & Planning	1,787	565	2,352
Public Sector Pensions	3,093	25	3,118
Benefit Payments	4,220	0	4,220
Trading Activities	3,659	13,571	17,230
Total Expenditure	52,788	16,075	68,863
SURPLUS/(DEFICIT) FOR THE PERIOD	**(1,716)**	**(2,348)**	**(4,064)**

8.2 Statement showing Revenue, Expenditure and Surplus/(Deficit) by Fund and Reserve for 2024/25

	Revenue £000	Expenditure £000	Surplus/ (Deficit) £000
Consolidated Fund			
General Reserve	50,335	(43,054)	7,281
Capital Reserve	(253)	(4,537)	(4,790)
Revaluation Reserve	0	0	0
Pension Reserve	0	(557)	(557)
Investments in Subsidiaries Reserve	990	(418)	572
Aid Funded Infrastructure Reserve	0	(3,145)	(3,145)
Donated Asset Reserve	0	(29)	(29)
Litigation Reserve	0	(1,050)	(1,050)
Total Consolidated Fund	**51,072**	**(52,788)**	**(1,716)**
Special Funds			
Projects			
Locally Funded Projects	76	(57)	19
UNDP Projects	0	0	0
FCDO Funded	5,180	(871)	4,309
EDF Projects	0	(903)	(903)
Environmental Management Projects Fund	83	(79)	4
FCO Funded Projects Reserve	669	(575)	94
Projects Total	**6,008**	**(2,485)**	**3,523**
Trading Accounts			
IT Trading Account	5	(9)	(4)
Internal Audit Trading Account	20	(58)	(39)
Transport Trading Account	23	(7)	16
Audit St Helena Trading Account	160	(455)	(295)
Housing Service Trading Account	260	(150)	110
Bulk Fuel Installation Trading Account	6,469	(8,125)	(1,656)
Airport Trading Account	78	(4,254)	(4,176)
Cable Landing Station	363	(471)	(108)
St Helena Research Institute Trading Account	2	(3)	(2)
Public Transport Service Trading Account	25	(39)	(15)
Trading Accounts Total	**7,405**	**(13,571)**	**(6,166)**
Other Funds			
Improvements and New Construction Revolving Fund	12	0	12
Animal Husbandry Fund	9	(8)	1
Government Landlord Housing Capital Fund	0	0	0
Capital Receipts Fund	293	(9)	284
Other Funds Total	**314**	**(17)**	**297**
Total Special Funds	**13,727**	**(16,075)**	**(2,348)**
Grand total	**64,799**	**(68,863)**	**(4,064)**

9. Notes to the Statement of Financial Performance

9.1 Revenue by Category

Revenue is accounted for on an accruals basis meaning that revenue is recognised when goods and services are supplied or rendered by SHG. Revenue generated during the financial year but not received by the year end has been recognised as Accrued Income. Monies received in this financial year which relate to the next financial year have been recognised as Income Received in Advance. Taxation revenue collected from Self Employment and Corporation Tax is based on the actual annual self-assessment forms submitted to SHG by businesses and self-employed persons.

In accordance with IPSAS 23 *Revenue from Non Exchange Transactions*, revenue is recognised equal to the inflow of resources from a non-exchange transaction recognised as an asset. The fair value of Non-current Assets donated to SHG is recognised as revenue in the Statement of Financial Performance.

When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred.

A non-exchange transaction is one in which one party receives something of value without directly giving value in exchange.

Exchange Revenue	**2024/25 £000**	**2023/24 £000**
Fines, Fees and Licenses:		
Immigration Fees	129	61
Planning Fees	7	10
Other Fines, Fees and Licences	1,129	1,197
	1,265	1,268
Other Local Revenue:		
Earnings Government Departments	55	70
Interest Received	182	276
Other Treasury Receipts	2	301
Dividends Received	250	98
Profit on Disposal of Non-current Assets	142	86
Charter Flight Income	0	0
Royalties	252	237
Other Income Received	656	520
	1,539	1,588
Trading Activities:		
Operating Revenue	7,030	6,850
Interest Received	0	2
Other Income Received	13	17
Profit on Disposal of Non-current Assets	0	0
	7,043	6,869
Total Exchange Revenue	**9,847**	**9,725**

Non-Exchange Revenue	**2024/25 £000**	**2023/24 £000**
Taxation:		
Income Tax (PAYE)	5,138	4,764
Self Employed Tax	340	317
Corporation Tax	1,324	1,099
Service Tax	426	455
Withholding Tax	32	29
Customs Duty - Alcohol	1,290	1,127
Customs Duty - Tobacco	589	1,147
Customs Duty - Petrol & Diesel	737	755
Other Customs Duties	4,079	2,222
Stamp Duty	39	34
	13,994	11,949
Movements in Non-current Investments:		
Share of Profit of Subsidiaries	990	728
	990	728
FCDO Grant in Aid	34,060	33,031
FCDO Development Aid	5,080	4,174
Other Development Aid	828	642
Non-exchange Donated Asset Funding	0	0
	39,968	37,847
Total Non-Exchange Revenue	**54,952**	**50,524**
Total Revenue	**64,799**	**60,249**

A reclassification of £2.995 million has been made in the 2023/24 comparatives to reflect the correct classification of FCDO-funded St Helena Airport Operating Costs under "FCDO Grant in Aid" rather than "FCDO Development Aid." This adjustment has no impact on total revenue or the financial result for the year. Further details are provided in Note 9.1.2.

9.1.1 Tax Waivers and Variations

Other Customs Duties amounting £16k (2023/24 £8k) were waived under the Approved Investment Scheme in accordance with the Customs & Excise (Approved Investment) Regulations, made pursuant to the Customs & Excise Ordinance. The table below provides a comparative summary of revenue from taxation for the financial year, showing the amounts that would have been collected in the absence of waivers, the value of any waivers granted, and the actual revenue recognised:

	2024/25			**2023/24**		
	Revenue Without Waiver £000	**Waiver £000**	**Actual Revenue £000**	**Revenue Without Waiver £000**	**Waiver £000**	**Actual Revenue £000**
Taxation:						
Income Tax (PAYE)	5,138	0	5,138	4,764	0	4,764
Self Employed Tax	340	0	340	317	0	317
Corporation Tax	1,324	0	1,324	1,099	0	1,099
Service Tax	426	0	426	455	0	455
Withholding Tax	32	0	32	29	0	29
Customs Duty - Alcohol	1,290	0	1,290	1,127	0	1,127
Customs Duty - Tobacco	589	0	589	1,147	0	1,147
Customs Duty - Petrol & Diesel	737	0	737	755	0	755
Other Customs Duties	4,095	(16)	4,079	2,230	(8)	2,222
Stamp Duty	39	0	39	34	0	34
Total	**14,010**	**(16)**	**13,994**	**11,957**	**(8)**	**11,949**

9.1.2 Reclassification of FCDO Financial Aid – Correction of Comparative Amounts

In the prior year, St Helena Airport Operating Costs, funded by the FCDO, were incorrectly classified under FCDO Development Aid. These costs relate to the ongoing operational support for the airport and should have been included under FCDO Grant in Aid, in line with the nature of the support and the terms of the funding agreement.

As a result, a reclassification has been made to the 2023/24 comparative figures to correct this misstatement. The correction involves a reclassification of £2.995 million from FCDO Development Aid to FCDO Grant in Aid. There is no impact on the total revenue reported for 2023/24 or on the overall financial result for the year.

The restated comparative figures are as follows:

	As previously reported 2023/24	Restated 2023/24	Adjustment
Revenue classification	**£000**	**£000**	**£000**
FCDO Grant in Aid	30,036	33,031	2,995
FCDO Development Aid	7,169	4,174	(2,995)
Total Revenue (unchanged)	**37,205**	**37,205**	**0**

9.2 Expenditure by Category and by Function

9.2.1 Expenditure by Category

Expenditure is accounted for on an accruals basis meaning that expenditure is recognised when it is incurred, upon delivery of goods or when services are received. Goods and services paid for during the financial year but not yet received at the year-end have been accounted for as Prepayments. Goods and services received during the year that has not been paid for by the reporting date have been accounted for as Accrued Expenses.

During the normal course of business, Government portfolios provide services to each other e.g. transport services. Internal sales during the year are eliminated in the financial statements by way of an internal recharge transaction. The portfolio providing such services recognises those sales within their cost centre at the predetermined transfer price, which is subsequently netted out with the originating expenditure within their cost centre. The receiving portfolio then recognises the expenditure for the service received. The cost of service provision is then accounted for as a transfer between reserves in the Statement of Financial Position.

The fee for the audit of the 2024/25 financial statements is expected to be £121,000 (2023/24 £121,000). Audit St Helena is a trading activity of SHG, the revenues and expenditures of which being included within these financial statements. As such, no accrual for the audit fee is included in these financial statements and an appropriation from the Consolidated Fund to the St Helena Audit Service Special Fund will be made in the financial period in which the costs of the audit are incurred.

EXPENDITURE BY CATEGORY

	2024/25	**2023/24**
	£000	**£000**
Employee Costs	22,284	21,154
Property Costs	1,229	971
Transport & Plant Costs	178	105
Supplies & Services Costs	13,735	12,433
Administration Costs	1,443	1,443
Payments to Other Agencies, Bodies or Persons	8,824	9,178
Finance & Other Expenditure	2,656	2,440
Payment to Contractors	9,164	7,798
Depreciation of Non-current Assets	7,299	6,793
Impairment of Non-current Assets	0	13
Devaluation of Non-current Assets	445	0
Loss on Disposal of Non-current Assets	0	0
Share of Loss of Subsidiaries	418	929
Provisions Recognised/(Released)	1,147	154
Provisions Recognised/(Released) for Doubtful Debts	41	265
Total Expenditure	**68,863**	**63,676**

Total expenditure on Social Benefit Payments is disclosed within the Statement of Financial Performance and included in the total of Payments to Other Agencies, Bodies or Persons above. A breakdown of expenditure on Social Benefit Payments is disclosed separately in Note 11.6 to enhance the understanding of the financial statements.

9.2.2 Functional Classification and Restructure

In previous years, functions now presented under Treasury and Economic Development were grouped under the Treasury, Infrastructure & Sustainable Development (TI&SD) Portfolio. As part of a wider Public Service restructure announced in August 2023, the TI&SD Portfolio was formally disbanded with effect from 1 April 2024.

The key structural changes included:

- The establishment of a standalone Treasury Function
- The creation of a new Economic Development Portfolio, responsible for property, tourism, access, and enterprise development
- The transfer of Works, Roads and Rock Guards and the Shipping Registry from TI&SD to the Safety, Security & Home Affairs (SS&HA) Portfolio
- The reallocation of Technical Services to the Programme Management Office
- The reassignment of GIS and Marketing functions to Central Support Services

The 2024/25 Approved Budget reflects these changes. Consequently, the Statement of Financial Performance for 2024/25 presents a combined functional line: "Treasury and Economic Development". This grouping is for presentation purposes only, as both functions fall under the same ministerial responsibility.

To enhance transparency and support comparability, the table below provides a sub-functional analysis of expenditure for 2024/25 and 2023/24.

EXPENDITURE BY FUNCTION

	2024/25 £000	**2023/24 £000**
Benefit Payments	4,220	4,029
Central Support Service	4,293	3,898
Attorney General's Chambers	85	94
Central Support Service	4,070	3,667
Judicial Services	138	137
Education, Skills & Employment	4,270	3,960
Environment, Natural Resources & Planning	2,352	2,110
Health & Social Care	12,887	14,760
Public Sector Pensions	3,118	3,387
Safety, Security & Home Affairs	7,492	3,763
Police	853	794
Safety, Security & Home Affairs	6,639	2,969
Trading Activities	17,230	14,205
Treasury & Economic Development	13,001	13,564
Economic Development	2,310	22
Treasury	10,691	13,542
Total Expenditure	**68,863**	**63,676**

9.3 Comparison of Budget and Actual Amounts

The following table provides an analysis and explanation of the reasons for changes between the original and final budgets appropriated from the Consolidated Fund and non-appropriated statutory expenditure.

	Original Budget	Supplementary Appropriations	Withdrawal Warrants	Special Warrants	Final Budget
	£000	£000	£000	£000	£000
Appropriated Recurrent Expenditure					
Central Support Service	10,411	393	0	0	**10,804**
Attorney General's Chambers	105	4	0	0	**109**
Safety, Security and Home Affairs	2,854	120	(40)	0	**2,934**
Judicial Services	146	7	0	0	**153**
Treasury	7,927	788	(1,098)	600	**8,217**
Police	872	30	0	0	**902**
Economic Development	5,778	1,331	0	0	**7,109**
Education, Skills and Employment	3,562	0	0	0	**3,562**
Health	9,466	722	0	0	**10,188**
Environment, Natural Resources & Planning	1,651	22	0	0	**1,673**
	42,772	3,417	(1,138)	600	**45,651**
Appropriated Capital Expenditure					
Safety, Security & Home Affairs	102	40	(72)	0	**70**
Economic Development	325	80	(325)	0	**80**
Education, Skills & Employment	68	0	0	0	**68**
Health & Social Care	73	31	(55)	0	**49**
Environment, Natural Resources & Planning	0	26	0	0	**26**
	568	177	(452)	0	**293**
	43,340	**3,594**	**(1,590)**	**600**	**45,944**
Non-appropriated					
Pensions and Benefits	5,735	0	0	0	**5,735**
Total Expenditure	**49,075**	**3,594**	**(1,590)**	**600**	**51,679**

	Final Budget £000	Actual £000	Variation £000	Variation %
Revenue				
Central Support Service	44	27	(17)	(39%)
Attorney General's Chambers	0	0	0	0
Safety, Security & Home Affairs	116	214	98	84%
Judicial Services	39	40	1	3%
Treasury	44,745	46,070	1,325	3%
Police	374	403	29	8%
Economic Development	3,216	3,206	(10)	(0%)
Education, Skills & Employment	2	22	20	1000%
Health & Social Care	309	464	155	50%
Environment, Natural Resources & Planning	127	127	0	0%
Total Revenue	**48,972**	**50,573**	**1,601**	3%
Appropriated Recurrent Expenditure				
Central Support Service	10,804	10,781	(23)	(0%)
Attorney General's Chambers	109	106	(3)	(3%)
Safety, Security & Home Affairs	2,934	2,882	(52)	(2%)
Judicial Services	153	153	0	0%
Treasury	8,217	7,982	(235)	(4%)
Police	902	956	54	6%
Economic Development	7,109	6,808	(301)	(4%)
Education, Skills & Employment	3,562	3,553	(9)	(0%)
Health & Social Care	10,188	10,160	(28)	1%
Environment, Natural Resources & Planning	1,673	1,653	(20)	(1%)
Total Appropriated Recurrent Expenditure	**45,651**	**45,036**	**(615)**	**(1%)**
Appropriated Capital Expenditure				
Safety, Security & Home Affairs	70	20	(50)	(71%)
Economic Development	80	80	0	0%
Education, Skills & Employment	68	66	(2)	(3%)
Health & Social Care	49	49	0	0%
Environment, Natural Resources & Planning	26	20	(6)	(23%)
Total Appropriated Capital Expenditure	**293**	**235**	**(58)**	**(20%)**
Non-Appropriated Expenditure				
Pensions and Benefits	**5,735**	**5,825**	**90**	**2%**
Total Expenditure	**51,679**	**51,096**	**(583)**	**(1%)**
Deficit	**(2,707)**	**(523)**	**2,184**	**(81%)**

Explanation of significant variances

9.3.1 **Revenue** outperformed budget:

- **Taxes** exceeded expectations by **£1.803 million (13%)**, driven by a one-off customs duty and higher PAYE receipts linked to the minimum wage rise.

- **Fines, fees, duties, and rents** collectively outperformed, reflecting improved collection and activity levels.

- **Income Received** and **Treasury Receipts** fell short of budget by **£0.222 million and £0.163 million**, respectively, due to delayed fund transfers and lower investment income.

9.3.2 **Recurrent Expenditure** was below budget**:**

- **Treasury** achieved an underspend amounting to **£235k (3%)** due to savings on employee costs and unused fuel risk provision.

- **Economic Development** and **Safety, Security & Home Affairs** reported positive variances mainly from lower-than-expected Airlink compensation and MCA funding of Ruperts Jetty, respectively.

- Minor underspends were also observed in **Education** and **ENRP** portfolios.

- **Police Operations overspent** by **£54k (-6%)** due to unbudgeted costs associated with the policing of Ascension Island. These costs include travel, accommodation, freight, utilities, and medical expenses. The expenditure is treated as pass-through and is expected to be fully recovered from the Ascension Island Government (AIG) in accordance with the existing Memorandum of Understanding (MOU) between AIG and the Royal St Helena Police Service (SHPS).

9.3.3 **Capital Expenditure** was below budget:

- **Safety, Security & Home Affairs** reported a **£50k (71%)** underspend due to MCA funding and reduced building maintenance costs.

- **ENRP** saved **£6k (23%)** on imaging equipment purchases.

- Minor underspend of **£2k (3%)** was also observed in **Education.**

9.4 Segment Reporting

Inter-segment transfers are priced on the basis of full cost recovery. Where transport costs are recharged, an allowance is added for the cost of replacement capital assets. Non-exchange revenues for customs recharges are calculated in accordance with the Customs Ordinance. Inter-segment transactions are not eliminated when financial performance is reported to management.

2024/25	Central Support Service	Education, Skills and Employment	Health & Social Care	Environment, Natural Resources & Planning	Safety, Security and Home Affairs	Treasury & Economic Development	**Management Accounts**	Not included in Management Accounts but included in Financial Statements	Included in Management Accounts but not included in Financial Statements	Unallocated Assets and Liabilities	**Financial Statements**
	£000	£000	£000	£000	£000	£000	**£000**	£000	£000	£000	**£000**
Segment Revenue:											
Revenue from External Sources	453	16	464	123	214	49,274	**50,544**	14,255	0		**64,799**
Inter-segment Transfers	17	6	0	4	0	2	**29**	0	(29)		**0**
Total Segment Revenue	470	22	464	127	214	49,276	**50,573**	14,255	(29)		**64,799**
Total Segment Expenditure	11,997	3,619	10,209	1,673	2,902	20,695	**51,095**	17,533	235		**68,863**
Surplus/(Deficit)	**(11,527)**	**(3,597)**	**(9,745)**	**(1,546)**	**(2,688)**	**28,581**	**(522)**	**(3,278)**	**(264)**		**(4,064)**
Other Information:											
Segment Assets	10,177	5,847	10,413	933	47,122	178,290				81,975	**334,757**
Segment Liabilities	1,271	119	1,129	497	357	3,146				43,561	**50,080**
Costs to acquire Segment Assets	1,173	79	445	27	18	464				3,480	**5,686**

SEGMENT ASSETS WORKINGS

2024/25	Central Support Service	Education, Skills and Employment	Health & Social Care	Environment, Natural Resources & Planning	Safety, Security and Home Affairs	Treasury & Economic Development	Unallocated Assets and Liabilities	**Financial Statements**
Cash & Cash Equivalents							7,346	**7,346**
Investments							5,457	**5,457**
Receivables from Non-exchange Transactions							2,264	**2,264**
Receivables from Exchange Transactions	0	0	(1)	0	0	0	2,726	**2,725**
Inventories	860	0	814	122	0	423	1,094	**3,313**
Other Financial Assets	190	23	62	51	60	135	2	**523**
Discontinued Operations							0	**0**
Non-Current Investments							32,075	**32,075**
PPE and Intangibles	9,127	5,823	9,538	760	47,062	177,732	31,011	**281,054**
	10,177	**5,847**	**10,413**	**933**	**47,122**	**178,290**	**81,975**	**334,757**

SEGMENT LIABILITY WORKINGS

2024/25	Central Support Service	Education, Skills and Employment	Health & Social Care	Environment, Natural Resources & Planning	Safety, Security and Home Affairs	Treasury & Economic Development	Unallocated Assets and Liabilities	**Financial Statements**
Bank overdraft							(67)	**(67)**
Payables from Non-exchange Transactions	0	0	(24)	0	(5)	0	(2,019)	**(2,048)**
Payables from Exchange Transactions	(1,271)	(119)	(1,105)	(497)	(351)	(3,146)	(459)	**(6,948)**
Provisions	0	0	0	0	0	0	(8,306)	**(8,306)**
Pensions	0	0	0	0	0	0	(32,711)	**(32,711)**
	(1,271)	**(119)**	**(1,129)**	**(497)**	**(357)**	**(3,146)**	**(43,561)**	**(50,080)**

10 Notes to the Statement of Financial Position

10.1 Cash and Cash Equivalents

Cash and Cash Equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and Cash Equivalents comprise the funds held with Bank of Saint Helena Ltd, Barclays Bank PLC, Lloyds Bank, Crown Agents Bank Ltd and Crown Agents Investment Management Ltd.

These financial statements are prepared using the St Helena Pound (SHP). Revenue and expenditure earned or incurred are translated into SHP at the rate of exchange prevailing on the date the transaction occurred. Exchange differences are recognised in the Statement of Financial Performance in the period in which they arise.

	31 March 2025 £000	31 March 2024 £000
Bank Deposits	865	1,998
Overseas Call/Current Accounts	5,593	10,758
Cash	888	830
Per Statement of Financial Position	7,346	13,586
Overdraft - Bank of Saint Helena	(67)	(3,671)
Per Statement of Cash Flows	**7,279**	**9,915**

SHG also administers a number of trust funds. However these assets are not disclosed within SHG's Statement of Financial Position. Details of balances and movements on trust funds are provided separately in section 13.0 of these Financial Statements.

10.2 Investments

10.2.1 Current Investments

The investments held at Crown Agents Investment Management Ltd, including amounts invested in Floating-Rate Notes are classed as Current Investments.

These investments are highly liquid financial assets and as such are measured at fair value. The fair value of bank deposits and other cash equivalents is the amount receivable on demand at the reporting date. Funds managed by Crown Agents Investment Management Ltd are measured at market value.

The maturity dates of these investments vary and may be more than 12 months from the reporting date but as they are readily convertible to cash they are classed as Current Investments.

	31 March 2025 £000	31 March 2024 £000
Certificates of Deposits	5,457	1,816
	5,457	**1,816**

10.2.2 Non-current Investments

Non-current Investments represent SHG's interests in subsidiaries, these include controlled entities where SHG has an ownership interest and those in which SHG has no ownership interest. SHG's interest in the controlled entity is recognised as an investment in the Statement of Financial Position. Additional information on controlled entities is disclosed in 12.0 Controlled Entities of these Financial Statements. Investments in subsidiaries are measured using the direct equity method whereby the investment is initially recognised at cost and subsequently adjusted to recognise the profit/loss and other equity movements of the underlying entity based on the latest available financial statements of the subsidiary.

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**31,503**	**31,704**
Net Share of Profit/(Loss) of Subsidiaries	572	(201)
Balance at 31 March	**32,075**	**31,503**

At the 31 March, SHG's net assets from investment in subsidiaries was made up as follows:

	31 March 2025 £000	31 March 2024 £000
Bank of St Helena Ltd	8,611	8,101
Currency Fund	1,406	1,339
Enterprise St Helena	875	875
Connect St Helena Ltd	14,913	14,677
Solomon & Company (St Helena) Plc	5,100	5,262
St Helena Hotel Development Ltd	332	588
St Helena Airport Limited	838	662
Balance at 31 March	**32,075**	**31,503**

IPSAS 34 *Separate Financial Statements* states that SHG must account for the balances and movements from the latest available audited financial statements of its entities. These investments are measured on the basis of the latest available financial statements of each entity.

10.3 Receivables from Non-exchange Transactions

SHG recognises revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognised instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Revenues from non-exchange transactions with UK Government entities are measured at fair value and recognised on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to SHG and can be measured reliably.

	31 March 2025 £000	31 March 2024 £000
Income Tax Debtors	1,216	1,355
Other Taxes and Duties	142	151
Grant Funding	1,848	3,178
	3,206	4,684
Less Provision for Doubtful Debts:		
Income Tax Debtors	(455)	(395)
Grant Funding	(487)	(506)
	(942)	(901)
	2,264	**3,783**

10.4 Receivables from Exchange Transactions

Trade and Other Receivables (excluding those arising under legislation) and Housing and House Purchase Loans are deemed to be loans and receivables.

Trade Receivables are initially recognised at their original invoice amount. An appropriate allowance is made for doubtful receivables based on an assessment of all outstanding amounts at the reporting date. Debts that are considered doubtful have been provided for in full through the Statement of Financial Performance. Bad debts are written off when identified. No adjustments are made to discount the receivable to present value as it has been concluded that the effect would not be material based on the short payment terms relating to these balances.

Housing and House Purchase Loans are initially recognised at their principal amounts and interest accrues on the balance using the effective interest rate. An allowance is made for doubtful loan balances based on an assessment of all outstanding loans at the reporting date.

10.4.1 Amounts falling due within one year

	31 March 2025 £000	31 March 2024 £000
Receivables:		
Trade and Other Receivables	1,577	1,702
Government Landlord Housing	222	225
Bulk Fuel Installation	598	634
Currency Fund	0	0
	2,397	2,561
Accrued Income:		
Interest	1	14
Other	928	496
	929	510
Loans:		
House Purchase Loans	147	133
Staff Advances	177	175
Other Advances	127	116
	451	424
	3,777	3,495
Less Provision for Doubtful Debts:		
Trade and Other Receivables	(906)	(919)
House Purchase Loans	(146)	(125)
	(1,052)	(1,044)
	2,725	**2,451**

10.4.2 Amounts falling due after one year

	31 March 2025 £000	31 March 2024 £000
Housing and House Purchase Loans	8	7
Less: Provision for Doubtful Debts:		
House Purchase Loans	0	(7)
	8	**0**

10.4.3 Reconciliation of Provision for Doubtful Debts

SHG reassess its Provision for Doubtful Debts at each reporting date. Trade Receivables are provided against on the basis of age. Significant arrears on loans and advances are provided for where arrears are significant the loan is provided against in full. Debts which have been authorised by the Financial Secretary to be written off following the reporting period are provided for in full at the reporting date.

	Short-term £000	Long-term £000	Total £000
Balance at 1 April 2024	1,044	7	1,051
Provisions Recognised	48	(7)	41
Provisions Released	0	0	0
Amounts written off during the year	(40)	0	(40)
Balance at 31 March 2025	**1,052**	**0**	**1,052**

10.5 Inventories

Inventories are assets in the form of materials or supplies that will be consumed in the provision of services or sold or distributed as part of SHG's ordinary business. Inventories are valued at the lower of cost and net realisable value except for:

- Pharmacy inventory, which is measured at the lower of cost and current replacement cost as it is distributed at no charge or for a nominal charge; and
- Stamps inventory, which is measured at the lower of printing cost and face value.

A provision is made against the carrying value of Inventories where inventory obsolescence is identified during inventory count procedures performed at the end of the financial period. For pharmaceutical items any items identified as being past or close to its use by date are provided against until removed from the inventory system. Additionally, any spare parts held in transport inventories that are identified as being faulty, rusted or damaged are also provided for in full until removed from the inventory system. The assessment as to the condition of these items is performed by relevant supervisors experienced in that area of operations.

	31 March 2025 £000	31 March 2024 £000
Consolidated Fund:		
Pharmacy	893	1,076
Stamps	83	82
Fish Processing	0	0
Infrastructure	176	180
Other	121	171
	1,273	1,509
Special Funds:		
Information Technology	94	74
Transport	829	778
Aviation Fuel	247	161
Bulk Fuel Installation	1,284	1,052
	2,454	2,065
	3,727	**3,574**
Less Provision for Slow Moving and Obsolete Inventories:		
Consolidated Fund:		
Pharmacy	(79)	0
Special Funds:		
Information Technology	0	0
Transport	(63)	(65)
Bulk Fuel Installation	(272)	(264)
	(335)	**(329)**
Total	**3,313**	**3,245**

The amount of inventories recognised as expenses during the year consists of those costs previously included in the measurement of inventory that has now been sold, issued, exchanged, or distributed. The table below shows the values of inventory recognised in expenditure for the year.

	31 March 2025 £000	31 March 2024 £000
Consolidated Fund:		
Pharmacy	1,313	741
Stamps	5	13
Infrastructure	13	17
Other	57	45
	1,388	816
Special Funds:		
Information Technology	57	54
Transport	185	120
Aviation Fuel	539	264
Bulk Fuel Installation	7,142	4,969
	7,923	5,407
	9,311	**6,223**

10.6 Prepayments

10.6.1 Current Assets

	31 March 2025 £000	31 March 2024 £000
Short-term Prepayments	522	729
	522	**729**

Short-term Prepayments are amounts paid for by SHG in advance of the goods or services being received within the next 12 months.

10.6.2 Non-current Assets

	31 March 2025 £000	31 March 2024 £000
Long-term Prepayments	1	75
	1	**75**

SHG held other prepayments that were not due until 12 months after the reporting date. These have been classified as long-term prepayments within Non-current Prepayments on the Statement of Financial Position.

10.7 Discontinued Operations

SHG has not disposed of, nor is it in the process of disposing of, any component of its operations during the reporting period that would meet the definition of a discontinued operation in accordance with IPSAS 1 Presentation of Financial Statements and IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors.

Accordingly, no discontinued operations occurred, and no related disclosures (such as results, cash flows, assets or liabilities of discontinued operations) are required for the reporting period.

10.8 Property, Plant and Equipment

Property, Plant and Equipment are tangible items that (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes: and (b) are expected to be used during more than one reporting period. Assets held by SHG are predominantly held for public benefit or are mixed use assets. As such, all assets are deemed to be non-cash generating and are not held for investment purposes.

SHG holds assets in classes Land & Buildings, Infrastructure, Infrastructure – Roads, Computer Hardware & Software, Service Concessions, Assets under Construction and Other. Within 'Other' is Plant & Machinery, Equipment, Motor Vehicles and Furniture & Fittings.

10.8.1 Recognition

Property, Plant and Equipment of SHG is disclosed in the Statement of Financial Position. The capitalisation threshold used during the financial year is £5,000 or above per stand-alone item or total expected value of a project. When a number of the same stand-alone items are purchased at the same time, these items are purchased as a group of assets and economic consumption is recognised over the period that these will generate income, providing that the group of assets still meets the £5,000 threshold. Assets transferred from St Helena Fisheries Corporation and those purchased or constructed after are recognised as a group subdivided into Equipment, Plant Machinery and Motor Vehicles.

Expenditure associated with the construction of a new asset or the improvement, enhancement or extension of an existing asset is capital expenditure and will be added to the carrying value of the relevant asset. Expenditure associated with the repair, maintenance, renovation or refurbishment of an existing asset is recurrent expenditure and will be charged to the Statement of Financial Performance.

A capital project enhances the value of the existing asset, either by contributing substantially to an increase in its useful economic life, boosting its productivity or expanding its capacity. A capital project is not undertaken on a recurring basis.

The existence and condition of all assets are verified on an annual basis except for land and buildings which is done at least every 5 years as part of the revaluation exercise. There are no restrictions on title of any items of property, plant & equipment neither are any assets pledged as security for liabilities. SHG did not receive any compensation from third parties for items of property, plant and equipment that were impaired, lost or given up.
Gains or losses arising from the disposal of an item of Property, Plant and Equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. Any gain or loss on disposal is credited or charged to the Statement of Financial Performance.

SHG had an item of property, plant and equipment, Barnview Building, which was temporarily idle during 2024/25. An application for re-adaptive use as key worker accommodation, and the disposal of Barnview Building for these purposes was approved on 8 December 2023, for a Term of 10 years, on the basis of a commercial rent and wider letting where full occupancy is not achieved. The property was independently revalued as at 31 March 2025 to £288,000 under the revaluation model.

10.8.2 Measurement

Assets are initially measured at cost, comprising the purchase price plus any costs associated with bringing the asset into use. The measurement of an asset acquired other than through purchase is deemed to be its fair value at the recognition date.

After initial recognition as an asset the asset classes land and buildings are carried at revalued amount being the fair value at date of valuation less accumulated depreciation and accumulated impairment losses. All other asset classes are carried at cost less accumulated depreciation and accumulated depreciation impairment losses.

10.8.3 Depreciation

Depreciation is calculated on a straight line basis, based on the useful economic life of each asset and is charged to the Statement of Financial Performance. Each component of an asset with a cost that is significant in relation to the total cost of the item is depreciated separately. Depreciation is charged in the month of addition but not in the month of disposal.

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

Class of Asset	**Estimated Useful Economic Life (Years)**
Land & Buildings (Land element not subject to depreciation)	1-100
Infrastructure	15-65
Infrastructure – Roads	15-20
Plant & Machinery, Equipment, Motor Vehicles and Furniture & Fittings	2-15
Computer Hardware and Software	5
Service Concessions	3-55
Intangibles	3-10

IPSAS 17 *Property, Plant & Equipment* states that SHG must disclose the gross carrying amount of fully depreciated assets that are still in use. SHG holds a number of fully depreciated assets in various categories.

	Number of assets	**Gross carrying amount £000**	**Number of assets**	**Gross carrying amount £000**
Computer Hardware	99	1,498,440	81	1,169
Infrastructure	1	60,000	1	60
Buildings	40	232,897	0	0
Other	222	7,932,386	204	7,583
Service Concession	16	5,566,916	16	5,567
Fisheries Assets	59	243,296	0	0
Total	**437**	**15,533,935**	**302**	**14,379**

10.8.4 Change in Useful Lives of Assets

The estimated useful economic life of land and building assets were considered and changed as necessary following the revaluation by the professional valuer. For all other classes of asset, they are based on management's experience of the lifespan of similar assets and are reconsidered each year. Due to the long life of many assets and the uncertainty of future events, the allocated useful economic lives remain an estimate only. During the annual existence and impairment testing exercise, it was found that there were no non-property assets that needed their estimated remaining useful lives changing.

10.8.5 Revaluations

Revaluations apply to land and buildings.

SHG carries out a revaluation programme that ensures all property, plant and equipment required to be measured at fair value are revalued at least every five years and all assets within a class are revalued simultaneously. The last assets revaluation was carried out for the financial year ending 31 March 2025, land and buildings were externally valued by independent valuer DM Hall LLP Chartered Surveyors. The valuations were carried out in accordance with methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors (RICS), specifically the RICS Valuation - Global Standards 31 January 2025, and RICS Valuation – Global Standards 2025 - UK national supplement, effective from 1 May 2024.

Assets can go up in value (revaluation) as well as down in value (devaluation). Devaluation is not the same as impairment. Where devaluations are identified, they are accounted for as follows:

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance on the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant expenditure line according to Directorate in the Statement of Financial Performance.

Where an asset has suffered devaluation, Secretary of State Approval has not been sought as these devaluations are unrealised losses and not impairments. Secretary of State Approval would only be requested once a loss over £50,000 is realised i.e. the asset is sold.

10.8.5.1 Basis of Valuation

In estimating the market value of land and buildings revalued the following was adopted;

- Non-operational property is valued at fair value;
- Assets held for sale are valued at fair value less costs to sell;
  Subject to any assumptions that the Standards require, fair value is the same as market value;
- Where it is difficult to establish assets fair value due to the specialised nature of the asset or because no market-based evidence is available, the depreciated replacement cost (DRC) method is to be applied, subject to the prospect and viability of continuing occupation and use by SHG.

10.8.5.2 Valuation Methodology

- **Existing Use Value (EUV**); for operational land and buildings, current value falls to be interpreted as the amount that would be paid for the asset in its existing use. This means that these assets have been measured at existing use value, existing use value social housing (EUV-SH) or by adopting the depreciated replacement cost (DRC) approach in order to arrive at their fair value. Existing use value was only applied on owner-occupied property held by SHG.
- **The Depreciated Replacement Cost (DRC) Approach**; for assets which are rarely traded in the open market and for which there would be limited (if any) useful comparable transaction evidence. For the buildings and land improvements we have adopted a cost approach which is appropriate for assets which are rarely traded in the open market and for which there would be limited (if any) useful comparable transaction evidence.

10.8.6.1 Initial valuation of Strategic Assets

For strategic assets (Rupert's Wharf & St. Helena Airport), re-estimated cost of construction for the assets have been arrived at by utilising the industry cost sources and indices. As part of the DRC methodology we have compared with Basil Read's tender schedule of prices to ascertain the difference in the re-estimate construction costs and the rebased original costs. For the vast majority of assets, even allowing for the inflated cost of construction in St Helena, the comparable data indicates lower re-construction cost estimates as at valuation date.

The single variable to this is the runway and taxiway asset where the re-estimate cost obtained through the same industry cost information sources slightly exceeds the rebased Basil Read's tender schedule of price cost. There are a number of reasons as to why the re-estimate cost is greater than the rebased Basil Read original cost.

We consider the re-estimated cost, calculated in line with the DRC methodology, is accurate for the purposes of this valuation.

Land included in Service Concession assets has been valued at fair value.

10.8.6.2 Functional Obsolescence

In order to manage the safety challenges posed by the existence of windshear at the airport, the loading weight of aircraft is often limited, and therefore the number of passengers is limited. The runway design is based on aircraft model types including, B737-800, the A319, and the B757-200. The length of the runway is therefore appropriate for larger aircraft, with the shortest runway design option having been adopted. No discount has been applied for functional obsolescence, as the design still fulfils the function for which it was originally designed.

Rupert's Wharf was also considered. To facilitate the airport development, a temporary jetty was constructed for the purposes of berthing a vessel to enable the import of materials. Work was then undertaken to expand upon the small temporary jetty to construct a permanent Wharf. The Wharf is in use daily by the local fishing sector, monthly by the call of the MV Helena and at all other times (whenever a larger vessel is not berthed alongside) by the public. Therefore, we have not applied functional obsolescence to the Wharf.

10.8.6.3 Economic Obsolescence

A DRC methodology has been used to value the Airport as it is a specialised asset with no recent comparable evidence and the value of the asset is intrinsically linked to its use.

Economic obsolescence relates to any loss of utility caused by economic or locational factors external to the asset, which can be either temporary or permanent. In this instance, the economic/financial consequences associated with reduced capacity/efficiency of the asset necessitates a form of discount. It can also apply in relation to changing market conditions for use of an asset.

We have considered issues of economic obsolescence and have considered that:

- Flights to the island are on a minimum one day a week basis ; however, the airport has to be staffed for reasons of health and safety and if a private jet is required to land;
- Passenger numbers are often limited, due to weight restrictions (particularly when there is a tailwind), and as such flights are often not operated to their full capacity
- Construction data that we have obtained (mainly based on Johannesburg) assume facilities that are operational on a 7 day a week basis.
- St Helena airport has the capacity to take a greater number of flights, but the island and its services are still building the capacity to handle increased numbers of visitors. The Airport Director notes there is excess capacity in off-peak season and insufficient capacity in the peak season.
- Windshear difficulties at the airport have limited passenger numbers due to weight restrictions since the opening of the airport. Having said that, St Helena Airport is a fully certified international airport with capacity to expand volume of traffic going forwards.

For these reasons we have applied a discount of 10% to the valuation of the airport buildings valuation to represent economic obsolescence.

10.8.7 Assets under Construction

Assets under Construction are classified separately within Property, Plant and Equipment and are not subject to depreciation. These assets, once completed are transferred to the relevant class of completed assets and are measured as per note 10.8.2.

Assets under Construction acquired through an exchange transaction, as defined under IPSAS 9 *Revenue from Exchange Transactions*, are valued at the cost of completed works as at the reporting date. Assets under Construction acquired through a non-exchange transaction, as defined under IPSAS 23 *Revenue from Non-Exchange Transactions*, are initially measured at fair value as at the date of acquisition. Where an asset is acquired through both an exchange and non-exchange transaction, the proportion of the asset acquired through each component transaction is initially recognised at cost and fair value respectively.

10.8.8 Bulk Fuel Installation

Construction costs of £75.6m related to the construction of the Bulk Fuel Installation (BFI) and other fuel system assets are included within Assets under Construction in Note 10.8.12. SHG terminated the external contract to build the BFI and assumed responsibility for the project in October 2019.

An independent review was completed before 31 March 2021 and recommended that not all components of the fuel system should be commissioned. Various proposals were put forward in the review, which may result in certain components of the system being rendered obsolete. A Feasibility Study, finalized on 9 September 2024, assessed the optimal engineering solution and confirmed that certain elements of the BFI will not be commissioned. These include infrastructure associated with Jet A1 fuel storage and transfer, as well as potential modifications to the fuel transfer pipeline system and removal of redundant assets.

The estimated cost of commissioning the BFI and associated infrastructure is £15 million, subject to further approvals and procurement of a main contractor. The commissioning strategy includes a phased approach, with an initial system health check identifying required modifications, repairs, and replacements.

In these circumstances, management is aware that the initial recognition of capital costs relating to the BFI on a construction cost basis carries significant estimation uncertainty. The extent of the uncertainty cannot currently be quantified, but will depend upon:

- The final configuration of the commissioned system,
- Any potential write-down of redundant assets, and
- The valuation of the infrastructure on an optimized depreciated replacement cost basis.

10.8.9 St Helena Fibre Optic Cable Project

On 24 December 2019, SHG signed a contract with Google Singapore Pte. Ltd (Google), to connect St Helena to Phase 1 of the Equiano Subsea Cable Project. This project has been financed by the 11th European Development Fund. In June 2018, SHG signed a Financing Agreement with the European Commission for budget support of €21.5m for ‘Supporting better Connectivity for Saint Helena’.

The contract with Google is a key component in the development of fibre optic connectivity from St Helena to the outside world. The construction of an extension of the Equiano System to Ruperts Bay in St Helena includes the Branch, Cable Landing Station, Terminal facilities and Outside Plant. On 29 August 2021, the St Helena branch of the Equiano Subsea Cable was landed at Ruperts Beach. Following the landing at St Helena, the branch was attached to the main trunk of the cable connecting Europe and South Africa. The Cable Landing Station at Ruperts Bay was commissioned in June 2023. The finalisation of all the activities, which needed to be undertaken to interconnect the island’s internet feed to the Equiano System was on 1st October 2023.

The Branch includes four fibre pairs, two of which are designated to Google. SHG retains all of its right, title and interest on the designated fibre pairs and Google has exclusive possession, use, control and is the equitable owner.

10.8.9.1 Accounting Treatment:

Construction costs for the St Helena Fibre Optic Cable totalling £16.3m are included within Infrastructure in Note 10.8.12.The asset has initially been valued at cost.

10.8.9.2 Rationale behind Accounting Treatment:

1. Separate Assets:
SHG holds and controls two separate assets in relation to the fibre optic cable project:

i. **Tangible Asset**: This represents the two fibre pairs controlled by SHG, along with the associated infrastructure, including the cable branch, landing station, and related works. This asset is accounted for under IPSAS 17 – Property, Plant, and Equipment as a tangible asset.
ii. **Intangible Asset:** SHG also holds access rights to the main cable, which would typically be classified as an intangible asset under IPSAS 31 – Intangible Assets. However, as this intangible component is not significant, the entire asset is accounted for under IPSAS 17 – Property, Plant, and Equipment as a tangible asset.

2. Market Participants and Valuation Assumptions:
There is no active market for these assets, and SHG is relying on the most advantageous market for valuation as outlined in IPSAS 46.3D. The two market participants in this transaction are SHG and Google. In line with IPSAS 43.3D, the valuation of the fibre optic cable assets is based on the assumptions market participants would use, acting in their economic best interest.

SHG has attributed a value to the two fibre pairs it controls, based on the payments made to Alcatel and the granting of the Indefeasible Right of Use (IRU) over these fibre pairs to Google. The value reflects SHG's rights to the physical infrastructure and Google's rights to the use of the fibre pairs.

There is no evidence that the asset is not intended to be used in its highest and best use, as per IPSAS 43.14. As such, the asset is valued based on its current configuration, with no consideration for alternative uses.

10.8.10 Telecommunications Project

Included in Assets under construction is £0.950m spent on designs and equipment to facilitate the building of a fibre network across the Island. Work was later halted during 2023/24. SHG is now considering options on the way forward for the project. Given the uncertainty around the project in terms of the future use of the designs and equipment, Management are not able to determine whether the designs and equipment should be impaired in accordance with IPSAS 21 par 31 and 27(e).

10.8.11 Service Concessions

IPSAS 32 Service Concession Arrangements states that SHG must show as a separate class of assets any items of property, plant and equipment which an operator is using to provide public services on behalf of a grantor. SHG (the grantor) has appointed St Helena Airport Ltd (SHAL) to operate the airport at Prosperous Plain from 5 October 2018, to facilitate air access to St Helena. SHAL has agreed to operate and maintain the airport and other related facilities in accordance with the provisions of a service concession agreement. SHG shall provide funding to support the ongoing operation and maintenance of St Helena Airport by SHAL, This will be by way of a quarterly funding mechanism. SHAL shall manage on SHG's behalf all property, plant & equipment assets at St Helena Airport and shall have exclusive rights to these for the duration of the agreement. All property, plant and equipment assets shall remain the property of SHG for the duration of the agreement unless otherwise specified by SHG. The maintenance and operation of the assets shall be planned, managed and delivered by SHAL, the airport operator.

The service concession agreement shall remain in force until such time as the expiry date of 31 May 2026 or an expiry date is mutually agreed between both parties; or the agreement is terminated in accordance with the operating agreement. By mutual agreement between SHG and SHAL, the agreement can be extended for a further three-year period. The Airport Operator shall hand back the Airport to SHG on the agreement expiry date in a condition that meets the requirements 'fit for purpose' with no backlog of maintenance.

10.8.12 Impairments

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. Impairment can be compared to accelerated depreciation. It is different from a devaluation of the asset. Assets are reviewed annually for any impairment losses, no assets were determined to be impaired at the end of 2024/25.

10.8.13 Restatement of Comparative Information – Property, Plant and Equipment

Basis of Restatement

As part of the 2024/25 five-yearly revaluation exercise, management reviewed the classification and presentation of PPE balances. This exercise identified refinements which have been retrospectively adjusted in accordance with IPSAS 3 – Accounting Policies, Changes in Accounting Estimates and Errors and IPSAS 17 – Property, Plant and Equipment.

Summary of Adjustments

- Airport land (£5.632 million) – reclassified from *Land and Buildings* to *Service Concession Assets* to reflect its restricted use. This change is a reclassification only and has no effect on total assets or net assets.

- Bulk Fuel Installation (BFI) assets (£52k net increase) – prior year balances understated cost (£137k) and accumulated depreciation (£85k).

- Retention fees on the Medical Store converted into a Mortuary (£4k) – previously omitted from the capitalised cost of the building. These fees have now been included in accordance with IPSAS 17 requirements.

Reconciliation of Adjustments

ASSETS **Non-current Assets** **Property, Plant & Equipment**	**Land & Buildings** **£000**	**Infrastructure** **£000**	**Other** **£000**	**Service Concessions** **£000**	**Totals** **£000**
Cost	(5,628)	117	20	5,632	141
Accumulated Depreciation	0	(101)	16	0	(85)
	(5,628)	16	36	5,632	56
LIABILITIES					
Current Liabilities					
Payables from Exchange Transactions	4	0	0	0	4
NET ASSETS	**(5,632)**	**16**	**36**	**5,632**	**52**
FUNDS AND RESERVES					
Consolidated Fund					
General Reserve	(4)	0	0	0	(4)
Capital Reserve	4	0	0	0	4
	0	**0**	**0**	**0**	**0**
Special Funds					
Bulk Fuel Installation Trading Account	52				52
	52	**0**	**0**	**0**	**52**

Statement of Financial position as at 31 March 2024

	As previously reported £000	Corrections £000	Restated £000
Non-current Assets			
Property, Plant & Equipment			
Cost	323,082	141	323,223
Accumulated Depreciation	(48,433)	(85)	(48,518)
	274,649	**56**	**274,705**
Total Assets	**332,338**	**56**	**332,394**
LIABILITIES			
Current Liabilities			
Payables from Exchange Transactions	7,616	4	7,620
Total Liabilities	**55,570**	**4**	**55,574**
NET ASSETS	**276,768**	52	276,820
FUNDS AND RESERVES			
Consolidated Fund			
General Reserve	4,560	(4)	4,556
Capital Reserve	90,111	4	90,115
Special Funds			
Bulk Fuel Installation Trading Account	(802)	52	(750)
TOTAL FUNDS AND RESERVES	**276,768**	**52**	**276,820**

Statement of Changes in Net Assets/Reserves for the year ended 31 March 2024

	As previously reported £000	Corrections £000	Restated £000
Consolidated Fund	271,765	0	271,765
Special Funds	5,003	52	5,055
	276,768	**52**	**276,820**

10.8.13 Movements in Property, Plant & Equipment

2024/25	Land & Buildings £000	Infrastructure £000	Infrastructure - Roads £000	Computer Hardware & Software £000	Other £000	Service Concessions £000	Assets Under Construction £000	Totals £000
Cost								
Balance at 1 April 2024	41,643	36,777	20,026	2,151	18,689	118,052	85,885	**323,223**
Recategorisation	(1,188)	0	0	0	1,188	0	0	**0**
Additions	1	40	0	70	1,574	0	3,935	**5,620**
Transferred to completed assets	306	73	0	0	0	252	(631)	**0**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	2,604	0	0	0	0	0	0	**2,604**
Devaluations recognised in the Statement of Financial Performance	(445)	0	0	0	0	0	0	**(445)**
Disposals	(194)	0	0	0	(147)	0	0	**(341)**
Balance at 31 March 2025	**42,727**	**36,890**	**20,026**	**2,221**	**21,304**	**118,304**	**89,189**	**330,661**
Accumulated Depreciation & Impairment								
Balance at 1 April 2024	(4,755)	(4,455)	(5,764)	(1,717)	(12,667)	(18,083)	(1,077)	**(48,518)**
Recategorisation	466	0	0	0	(466)	0	0	**0**
Charge for year	(1,268)	(1,151)	(984)	(176)	(1,126)	(2,454)	0	**(7,159)**
Impairment losses recognised in the Statement of Financial Performance	0	0	0	0	0	0	0	**0**
Accumulated depreciation written-back to the Revaluation Reserve	5,565	0	0	0	0	0	0	**5,565**
Disposals	9	0	0	0	78	0	0	**87**
Balance at 31 March 2025	**17**	**(5,606)**	**(6,748)**	**(1,893)**	**(14,181)**	**(20,537)**	**(1,077)**	**(50,025)**
Net Book Value at 31 March 2025	**42,744**	**31,284**	**13,278**	**328**	**7,123**	**97,767**	**88,112**	**280,636**

2023/24	**Land & Buildings**	**Infrastructure**	**Infrastructure - Roads**	**Computer Hardware & Software**	**Other**	**Service Concessions**	**Assets Under Construction**	**Totals**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cost								
Balance at 1 April 2023	40,985	20,251	20,026	1,945	16,854	118,044	98,106	**316,211**
Additions	22	0	0	206	2,012	8	4,979	**7,227**
Transferred to completed assets	674	16,526	0	0	0	0	(17,200)	**0**
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	0	0	0	0	0	0	**0**
Disposals	(42)	0	0	0	(177)	0	0	**(219)**
Balance at 31 March 2024	**41,643**	**36,777**	**20,026**	**2,151**	**18,689**	**118,052**	**85,885**	**323,223**
Accumulated Depreciation & Impairment								
Balance at 1 April 2023	(3,522)	(3,642)	(4,780)	(1,536)	(11,757)	(15,646)	(1,077)	**(41,960)**
Recategorisation	0	0	0	0	0	0	0	**0**
Charge for year	(1,236)	(813)	(984)	(181)	(1,073)	(2,437)	0	**(6,724)**
Impairment losses recognised in the Statement of Financial Performance	0	0	0	0	(13)	0	0	**(13)**
Accumulated depreciation written-back to the Revaluation Reserve	0	0	0	0	0	0	0	**0**
Disposals	3	0	0	0	176	0	0	**179**
Balance at 31 March 2024	**(4,755)**	**(4,455)**	**(5,764)**	**(1,717)**	**(12,667)**	**(18,083)**	**(1,077)**	**(48,518)**
Net Book Value at 31 March 2024	**36,888**	**32,322**	**14,262**	**434**	**6,022**	**99,969**	**84,808**	**274,705**

10.9 Intangible Assets

Intangible Assets are created when expenditure on non-monetary assets that do not have physical substance but are controlled by SHG as a result of past events (e.g. software licences), are capitalised and it is expected that future economic benefits or service potential will flow from the intangible asset to the government. Intangible assets are measured initially at cost. The cost is amortised over its useful life to the relevant service area in the Statement of Financial Performance. IPSAS 31 *Intangible Assets* states that SHG must disclose the gross carrying amount of fully amortised assets that are still in use. There were 16 fully amortised intangible assets still in use at 31 March 2024 with a gross carrying amount of £0.135 million (16 assets at 31 March 2024 at £0.135 million). Each asset is tested for impairment annually. Any gain or loss arising on the disposal or obsolescence of an intangible asset is posted to the relevant service area in the Statement of Financial Performance.

SHG accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system. If it is integral, it is accounted for as part of the computer hardware item of Property, Plant and Equipment. All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the government. The useful life assigned to the major software suites used by the government is five years. The carrying amount of intangible assets is amortised on a straight-line basis and is charged to the relevant cost centres within the Statement of Financial Performance.

	2024/25 £000	2023/24 £000
Balance at 1 April		
Cost	865	491
Amortisation	(364)	(294)
Additions	66	374
Amortisation for the period	(149)	(70)
Net Carrying Amount at 31 March	**418**	**501**
Comprising:		
Gross Carrying Amounts	931	865
Accumulated Amortisation	(513)	(364)
	418	**501**

Fully amortised assets	**2024/25**		**2023/24**	
	Number of assets	**Gross carrying amount £000**	**Number of assets**	**Gross carrying amount £000**
Intangible Assets	22	198	16	135

10.10 Leases

SHG has not entered into any lease agreements with a third party to lease any assets of property, plant or equipment with the exception of a notional lease with the Saints Tuna Corporation. The Government has however leased out certain assets as Operational Leases. The table below shows the total number of assets which SHG leases out and the revenue that those leases generate.

	2024/25 Annual lease payments £000	2024/25 Number of Leases	2023/24 Annual lease payments £000	2023/24 Number of Leases
Residential leases	35	144	33	141
Commercial leases	137	80	98	62
Non-operational leases	47	65	47	65
	219	**289**	**178**	**268**

10.11 Payables from Non-exchange Transactions

Various deposits are held by SHG for things such as defined contribution pension liabilities, monies held on behalf of deceased people, and funds held for clients in the Community Care Complex and the Prison. Deposits are released when the monies become payable or when certain contractual services are delivered.

	31 March 2025 £000	31 March 2024 £000
Deposits:		
Currency Fund	0	0
Bank of St Helena Ltd	0	0
Other	61	68
	61	68
Income Received in Advance:		
Income Tax	64	29
Grant Funding	942	1,031
	1,006	1,060
Other Payables		
Fuel Rebates	82	83
Accruals	899	0
	981	83
	2,048	**1,211**

10.12 Payables from Exchange Transactions

Trade Payables are initially measured at invoice amount or transaction price and are not subsequently adjusted to present value. As these payables are short-term and do not have a significant financing component, they are held at their nominal value without the need for amortised cost adjustments.

An accrual is made for the cost of accumulated deferred annual leave owing to employees at the reporting date. The value of the accrual is based on the number of days of deferred leave accrued by each employee multiplied by the rate of pay for a working day. The staff benefits accrual is released when an employee takes a portion or all of their deferred leave entitlement. This occurs either when the employee takes leave during the year above their annual entitlement, when an employee leaves the public service or where they are paid their deferred leave.

SHG has no borrowings or other financial liabilities however an interest free bank overdraft facility is operated with the Bank of St Helena as disclosed in Note 10.1.

10.12.1 Amounts payable within one year

	31 March 2025 £000	31 March 2024 £000
Payables:		
Trade Payables	2,959	1,344
Currency Fund	(2)	101
Defined Contribution Pension Liability	852	649
Other Payables	32	20
	3,841	2,114
Accruals:		
Staff Benefits	1,268	1,104
Other	1,640	4,224
	2,908	5,328
Income Received in Advance:		
Other	198	178
	198	178
	6,947	**7,620**

10.12.2 Amounts payable after one year

	31 March 2025 £000	31 March 2024 £000
Payables:		
Trade Payables	1	3
	1	**3**

10.13 Provisions

Provisions are recognised when SHG has a present obligation (legal or constructive) as a result of a past event, it is probable that SHG will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. IPSAS 19 states that where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. The unwinding of any such discount is recognised as a finance cost in the Statement of Financial Performance in the period it arises. A sufficiently reliable estimate of the obligations has been determined by assessing a range of possible outcomes. Each case has been assessed individually.

SHG has made a provision to cover for instances of outstanding litigation relating to: child abuse cases, medical negligence claims and constitutional cases and related legal costs. In determining the provision SHG relies on estimates provided by the Attorney General's Chambers which are based on the amount the claimant has sought in damages or their assessment of what the damages payable would be if SHG lost the case. Although this approach is considered to be reasonable, it does introduce some degree of uncertainty as the final cost to SHG will depend on the court's ruling. The provision to cover for instances of outstanding litigation is based on the Litigation register issued by the AGs Chambers on 19 November 2025.

The provision for expected decommissioning costs of the Bulk Fuel Installation has been determined on the basis of a scope of works for the BFI decommissioning prepared by SHG's Project Management Unit (PMU) in 2018. The provision estimates the future expected decommissioning costs on the decommissioning date 31 March 2028 by adjusting the original calculation by an average global inflation rate and then discounting back to the present value using the UK 4 year Gilt coupon rate as at 31 March 2025 of 4.5% per annum.

Provision has been made for overseas medical treatment expenses for patients who have been referred to South Africa and the United Kingdom, and for whom invoices have not been received to confirm the amounts payable at the year end. The provision has been determined by the Health and Social Care Directorate based upon a combination of quotations provided by service providers prior to the approval of medical services and historical costs for medical procedures and treatment plans. There are estimation uncertainties associated with this provision as the final liability is affected by the agreed treatment plan and medical outcome for each individual patient for which no two cases would be identical and therefore this introduce a degree of uncertainty around the final cost to SHG.

	Short-term £000	**Long-term £000**	**Total £000**
Balance at 1 April 2024	4	7,155	**7,159**
Provisions recognised	0	2,651	**2,651**
Provisions released	(4)	(1,500)	**(1,504)**
Transfers between short-term and long-term	0	0	**0**
Balance at 31 March 2025	**0**	**8,306**	**8,306**
Litigation claims	0	4,335	**4,335**
BFI Decommissioning	0	3,931	**3,931**
Overseas medical treatment	0	40	**40**
	0	**8,306**	**8,306**

Litigation Claims

	Short-term £000	**Long-term £000**	**Total £000**
Balance at 1 April 2024	4	3,280	**3,285**
Additional Provisions	0	2,555	2,555
Amounts Used	0	(726)	(726)
Unused Provisions reversed	(4)	(774)	(778)
Balance at 31 March 2025	**0**	**4,335**	**4,335**

BFI Decommissioning

	Short-term £000	**Long-term £000**	**Total £000**
Balance at 1 April 2024	0	3,834	**3,834**
Additional Provisions	0	97	97
Amounts Used	0	0	0
Unused Provisions reversed	0	0	0
Balance at 31 March 2025	**0**	**3,931**	**3,931**

Provision for Overseas Medical Referrals

	Short-term £000	Long-term £000	Total £000
Balance at 1 April 2024	0	40	**40**
Additional Provisions	0	0	0
Amounts Used	0	0	0
Unused Provisions reversed	0	0	0
Balance at 31 March 2025	**0**	**40**	**40**
Total Provisions	**0**	**8,306**	**8,306**

10.14 Pensions

SHG operates a wholly unfunded Defined Benefit Pension Scheme for its employees who were appointed before or on 31 March 2010. Employees who commenced employment on or after 1 April 2010 have the opportunity to join the Defined Contribution Pension Scheme.

10.14.1 Defined Contribution Pension Scheme (DCPS)

SHG provides employees who are not members of the Defined Benefit Pension Scheme with a contribution towards a defined contribution pension. If staff members wish to join the pension scheme then they are invited to establish individual accounts with the MiSaint Pension Scheme offered by Provident Financial Services Ltd and administered locally by Solomon & Company PLC. Contributions are paid directly to the scheme for those people. Other staff members who are neither members of the Defined Benefit Pension Scheme or the MiSaint Pension Scheme, are given an amount equal to the pension contribution which they pay in to their own pension scheme overseas.

Obligations for contributions to defined contribution plans are expensed as the related service is provided. The amount of employer contributions recognised as an expense and charged to the Consolidated Fund in 2024/25 was **£0.958 million** (2023/24 £0.846 million). As at 31 March 2025 SHG held **£0.852 million** of pension contributions on behalf of employees which was due to be transferred to the MiSaint Pension Scheme (31 March 2024 £0.649m). This liability is recorded in Note 10.12 Payables from Exchange Transactions.

10.14.2 Defined Benefit Pension Scheme (DBPS)

The Defined Benefit Pension Scheme (DBPS) operated by SHG is an unfunded scheme. Employees who commenced service on or before 31 March 2010 are eligible for non-contributory pensions and retirement benefits, which are paid in accordance with the Pensions Ordinance, CAP 150. The associated costs for these retirement benefits are recognized in the Statement of Financial Performance as they are earned by employees, rather than when paid out as pensions.

SHG conducts a comprehensive pension revaluation (full valuation) every five years, with the most recent full revaluation performed for the financial year ending 31 March 2024.

Previously, pension scheme valuations adhered to IPSAS 39, "Employee Benefits."

For the 2024/25 financial year, SHG engaged the UK Government Actuary's Department to carry out a roll-over valuation of the DBPS's pension liabilities.

The pension liabilities are reported in the Statement of Financial Position on an actuarial basis, using the Projected Unit Credit Method. This method estimates future pension payments for benefits earned up to the reporting date by employees, factoring in assumptions such as mortality rates, employee turnover, and future salary projections. The liabilities are then discounted to present value using an assumed discount rate, which reflects the time value of money.

The change in the Pension Liability is analysed into the following components:

Service Cost (recognised in the Statement of Financial Performance) comprising:

- Current Service Cost – the increase in liabilities resulting from employee service in the current period.
- Past Service Cost – the change in liabilities as a result of a scheme amendment whose effect relates to years of service earned in earlier years. Curtailments are also considered to be negative past service costs.

Interest Cost - the increase during a period in the present value of a defined benefit obligation that arises because the benefits are one period closer to settlement.

Actuarial Gains and Losses – changes in the defined benefit obligation that arise because events have not coincided with assumptions made at the last actuarial valuation. These are recognised directly in Net Assets/Reserves immediately in the period in which they occur.

Risks- SHG has not identified any unusual risks, entity-specific risks, plan-specific risks, or any significant concentrations arising from the Defined Benefit Pension Scheme and the Defined Contribution Pension Scheme.

10.14.2.1 Movements in the Actuarial Pension Liability

The movement in the actuarial pension liability is as follows:

	2024/25	**2023/24**	**2022/23**
	£000	**£000**	**£000**
Balance at 1 April	35,910	43,220	63,820
Movement in the year due to:			
Current service cost	615	769	1,401
Past service cost	0	0	0
Interest cost	1,558	1,672	1,149
Expense for year	2,173	2,441	2,550
Pension benefits paid	(1,616)	(1,467)	(1,353)
Actuarial pension valuation movement	557	974	1,197
Included in the Statement of Changes in Net Assets			
Changes in financial assumptions	(3,927)	(5,014)	(19,792)
Changes in demographic assumptions	(69)	(2,239)	(1,170)
Actuarial (gains)/losses	240	(1,031)	(834)
Balance at 31 March	**32,711**	**35,910**	**43,220**

10.14.2.1.1 Actuarial pension valuation movement

The **Current Service Cost** represents the estimated cost of benefits accrued during the 2024/25 financial year, based on the total pensionable salaries paid during the 12-month period ending 31 March 2025. Using the financial and demographic assumptions applicable at the start of 2024/25, the Current Service Cost was calculated at 19.8% of pensionable salaries (as quoted in the prior year's report). This equates to an approximate cost of **£0.615 million**.

The **Interest Cost** reflects the annual interest accrued on the opening balance of the pension obligation. For the 2024/25 financial year, interest accrued amounted to **£1.558 million**, compared to £1.672 million in 2023/24.

10.14.2.1.2 Movement Included in the Statement of Changes in Net Assets

The reduction in the pension liability is primarily attributed to changes in assumptions, resulting in a net gain of **£3.756 million**. This includes:

- **Financial Assumptions**: A gain of **£3.927 million**, primarily driven by:
    - An increase in the discount rate from 4.4% in 2023/24 to 5.2% in 2024/25.

- **Demographic Assumptions**: A gain of **£0.069 million**.

Amounts recognised for the current and previous periods in relation to the DBPS are as follows:

10.14.2.2 Key Estimation Assumptions

10.14.2.2.1 Financial Assumptions

The following were the principal financial assumptions adopted for the valuation as at 31 March 2025:

Assumption	**31 March 2025 % a year**	**31 March 2024 % a year**	**31 March 2020 % a year**	**31 March 2022 % a year**	**31 March 2021 % a year**
Rate of return (discount rate)	5.2%	4.4%	3.9%	1.8%	1.4%
Rate of pay inflation	3.5%	3.5%	3.5%	3.5%	3.5%
Rate of pension increases	2.25%	2.25%	2.75%	2.75%	3.25%
Rate of increase in deferred pensions:					
Pre 1 April 2012 leavers	0%	0%	0%	0%	0.1%
Post 31 March 2012 leavers	2.25%	2.25%	2.75%	2.75%	3.25%
Rate of Return in excess of:	%	%	%	%	%
General pay increases	1.7%	0.9%	0.4%	-1.7%	-2.1%
Pension increases	2.95%	2.15%	1.15%	-0.95%	-1.85%
Deferred pensions:					
Pre 1 April 2012 leavers	5.2%	4.4%	3.9%	1.8%	1.4%
Post 31 March 2012 leavers	2.95%	2.15%	1.15%	-0.95%	-1.85%

Given there is no market in St Helena in either government bonds or high quality corporate bonds the discount rate of 5.2% was determined with reference to the yield on UK Gilts of an appropriate term. The FTSE Actuaries UK Gilts Index (20 year duration) was chosen as an appropriate index to use and the annualised yield on this index as at 31 March 2025 was 5.2% pa (4.4% 31 March 2024).

10.14.2.2.2 Demographic Assumptions

The Defined Benefit Pension Scheme (DBPS) is a small scheme, making it impractical to derive baseline mortality rates from its own experience. Therefore, UK standard mortality tables, adjusted appropriately, were used to set baseline mortality assumptions.

Two key components comprise the mortality assumption:

- Baseline Mortality Assumption: Reflecting how long pensioners are currently living.
- Mortality Improvement Assumption: Reflecting anticipated trends in future mortality improvements.

The baseline mortality assumptions are the same as those adopted for the 31 March 2024 report. In January 2025, the United Kingdom (UK) Office for National Statistics (ONS) published a new set of population projections, the 2022-based projections. These projections allow for the most recent trends in mortality observed in the UK. We proposed that the assumed future mortality improvement assumption was updated to include this updated view from the ONS. Table 1 below shows the remaining life expectancy of current pensioners at age 65, and the life expectancy of future pensioners, under these mortality assumptions. These figures are cohort life expectancy figures which allow for projected future changes in mortality rates. Future pensioners have a longer life expectancy than current pensioners because of assumed improvements in life expectancy.

The life expectancy of scheme members as of the reporting date was as follows:

	31 March 2025		31 March 2024	
Life expectancy of normal health pensioners at age 65	**Men (years)**	**Women (years)**	**Men (years)**	**Women (years)**
Current Pensioners	18.1	21.7	18.2	21.5
Active Members	19.2	22.8	19.6	22.7

10.14.2.2.3 Sensitivity Analysis

The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. The principal financial assumptions are the real rates of return in excess of pension increases and earnings growth whilst pensioner mortality is the main demographic assumption.

The table below shows the indicative effects on the total liability as at 31 March 2025 of changes to these assumptions, each considered in isolation:

Approximate effect on total liability

Change in assumption	%	£000
Rate of salary increase 0.5% a year higher	+1.7%	556
Rate of pensions increase and revaluation in deferment 0.5% a year higher	+4.8%	1,570
Discount rate 0.5% a year lower	+7.2%	2,355
Pensioner mortality		
Each pensioner assumed to be subject to the longevity of an individual 1 year younger	+3.6%	1,178

10.15 Funds and Reserves

There is a statutory authority for SHG to maintain only two forms of Funds and Reserves; the Consolidated Fund and Special Funds. The Consolidated Fund is divided into eight reserves. All revenue and expenditure generated and incurred by SHG through normal “day to day” government business is channelled through the General Reserve within the Consolidated Fund.

Whenever SHG receives money provided by any Government or International Body outside St Helena, on terms or conditions that such money may only be used for purposes specified by the donor, the Governor may, by Order, establish a Special Fund for the purpose of receiving, managing, disbursing and accounting for such money. Special Funds are also created for the trading accounts. Trading accounts exist for business trading such as Information Technology, Transport and Housing.

A summary of the Consolidated Fund and the Special Funds is shown below.

	31 March 2025 £000	31 March 2024 £000
Consolidated Fund		
General Reserve	4,224	4,556
Capital Reserve	91,050	90,116
Revaluation Reserve	14,572	6,442
Pension Reserve	(32,711)	(35,910)
Investments in Subsidiaries Reserve	32,076	31,504
Aid Funded Infrastructure Reserve	175,974	179,119
Donated Asset Reserve	220	249
Litigation Reserve	(5,359)	(4,309)
	280,045	**271,764**
Special Funds		
Projects	823	272
Trading Accounts	2,518	3,781
Other Funds	1,301	1,005
	4,640	**5,056**
Total Funds and Reserves	**284,685**	**276,820**

10.15.1 The Consolidated Fund

10.15.1.1 General Reserve

This is the primary government fund in which all revenues are received and from which all expenditures are funded save for those separately provided in law.

10.15.1.2 Capital Reserve

This reserve was created upon initial recognition of Property, Plant and Equipment within the Statement of Financial Position. Funds will be transferred to the Capital Reserve to reflect expenditure on assets and an amount equivalent to depreciation will be charged to the reserve over the useful life of assets.

10.15.1.3 Revaluation Reserve

The Revaluation Reserve contains the gains made by the government arising from increases in the value of its Property, Plant and Equipment. The Reserve contains only revaluation gains accumulated since 31 March 2016, the date that the Reserve was created following the end of the transitional provision of IPSAS 17 *Property, Plant & Equipment*. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost;
- Used in the provision of services and the gains are consumed through depreciation; or
- Disposed of and the gains are realised.

10.15.1.4 Pension Reserve

This reserve represents the negative balance arising from the unfunded liability on the Defined Benefit Pension Scheme.

10.15.1.5 Investments in Subsidiaries Reserve

This reserve was created upon initial recognition of investments in subsidiaries within the Statement of Financial Position. Funds are transferred to this reserve to reflect the investment of funds in a subsidiary organisation, these funds are not available for the provision of services. Returns on investments realised either through sale of shares or distribution of profits, funds are recognised in the General Reserve.

IPSAS 35 *Consolidated Financial Statements* states that SHG must account for the balances and movements from the latest available audited financial statements of its entities. Investments are measured on the basis of the latest available financial statements of each entity.

10.15.1.6 Aid Funded Infrastructure Reserve

This reserve was established to represent FCDO aid funded infrastructure assets acquired through non-exchange transactions, namely the Airport and Rupert's Wharf. These are shown within the Property, Plant & Equipment note. Following completion of the assets, an amount equivalent to depreciation will be charged to the reserve over the useful life of the assets.

10.15.1.7 Donated Asset Reserve

This reserve was created to represent the assets donated to SHG. The fund balance is adjusted each year for new donated assets received and to reflect the change in value of those assets.

10.15.1.8 Litigation Reserve

This reserve exists to account for unresolved litigation claims currently under review by the Attorney General and provisions for claims which are settled subsequent to the reporting period. The balance will change each year when notification of new claims is received or provisions are released. Provisions are released when cases are closed. The provision for a case which is closed without an agreement to make a settlement payment, will either be released in the financial year in which the provision was made, if the financial statements have not been issued, or in the next earliest financial reporting period. When settlement payments are agreed, provisions will be released from this reserve in the financial year in which the settlement payment is due, to correspond with the financing of the payment from the General Reserve.

The tables below detail the breakdown of these reserves:

General Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**4,556**	**5,850**
Surplus/ (Deficit) for the Period	8,688	7,273
Use of General Reserve to Finance Payment of Pension Benefits	(1,616)	(1,467)
Use of General Reserve to Finance Capital Expenditure	(235)	(918)
Recharges	(702)	(735)
Transfers between reserves	(6,679)	(5,507)
Gain/(Loss) on Financial Assets	212	60
Balance at 31 March	**4,224**	**4,556**

Capital Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**90,115**	**86,167**
Use of General Reserve to finance capital expenditure	235	918
Use of Special Funds to finance capital expenditure	5,451	6,665
Depreciation charged on non-current assets	(4,091)	(3,582)
Impairments of non-current assets	0	(13)
Devaluations of Non-current Assets	(445)	0
Disposal of Non-current Assets	(254)	(40)
Other movements	39	0
Transfers between reserves	0	0
Balance at 31 March	**91,050**	**90,115**

Revaluation Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**6,442**	**6,442**
Upward revaluations	9,676	0
Accumulated depreciation from revaluations	0	0
Use of Revaluation Reserve for assets devalued	(1,507)	0
Revaluation reserve used for disposed assets	(39)	0
Balance at 31 March	**14,572**	**6,442**

Pension Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**(35,910)**	**(43,220)**
Current service cost	(615)	(769)
Past service cost	0	0
Interest cost	(1,558)	(1,672)
Use of General Reserve to finance payment of pension benefits	1,616	1,467
Changes in financial assumptions	3,927	5,014
Changes in demographic assumptions	69	2,239
Actuarial gains/(losses)	(240)	1,031
Balance at 31 March	**(32,711)**	**(35,910)**

Investments in Subsidiaries Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**31,504**	**31,705**
Share of Profit/(Loss) of Subsidiaries	572	(201)
Balance at 31 March	**32,076**	**31,504**

Aid Funded Infrastructure Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**179,119**	**182,264**
Depreciation charged on Non-Current Assets	(3,145)	(3,145)
Balance at 31 March	**175,974**	**179,119**

Donated Asset Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**249**	**283**
Non-Exchange Donated Asset Funding	0	0
Depreciation charged on Non-Current Assets	(29)	(34)
Disposal of Non-current Assets	0	0
Balance at 31 March	**220**	**249**

Litigation Reserve

	31 March 2025 £000	31 March 2024 £000
Balance at 1 April	**(4,309)**	**(4,155)**
New claims arising	(2,554)	(539)
Provisions released	1,504	385
Transfers between reserves	0	0
Balance at 31 March	**(5,359)**	**(4,309)**

10.15.2 Special Funds

Special Funds are established by order and enable individual projects and trading activities to be accounted for separate to the Consolidated Fund.

10.15.2.1 Projects

	FCDO Projects	EDF Projects	Locally Funded Projects	UNDP Projects	Environmental Management Projects Fund	Foreign & Commonwealth Office Funded Projects	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2023	1,517	1,437	112	10	21	93	**3,190**
Funds Received	4,177	0	0	0	51	592	**4,820**
Funds Applied	(522)	(734)	(14)	0	(46)	(547)	**(1,863)**
Funds Applied to Finance Capital Expenditure	(5,307)	(966)	0	0	0	(33)	**(6,306)**
Recharges	(7)	0	(3)	0	(2)	(7)	**(19)**
Transfers between reserves	0	450	0	0	0	0	**450**
Balance at 31 March 2024	**(142)**	**187**	**95**	**10**	**24**	**98**	**272**
Funds Received	5,180	0	76	0	83	669	**6,008**
Funds Applied	(871)	(903)	(57)	0	(79)	(575)	**(2,485)**
Funds Applied to Finance Capital Expenditure	(4,206)	(48)	(36)	0	0	(32)	**(4,322)**
Recharges	(4)	0	0	0	0	(2)	**(6)**
Transfers between reserves	0	283	1,073	0	0	0	**1,356**
Balance at 31 March 2025	**(43)**	**(481)**	**1,151**	**10**	**28**	**158**	**823**

10.15.2.2 Trading Accounts

	IT Trading Account £000	Transport Trading Account £000	Audit St Helena Trading Account £000	Housing Service Trading Account £000	Bulk Fuel Installation Trading Account £000	Airport Trading Account £000	Internal Audit Trading Account £000	Cable Landing Station £000	St Helena Research Institute Trading Account £000	Public Transport Service Trading Account £000	Total £000
Balance at 1 April 2023	866	1,773	240	316	(1,316)	610	43	0	0	0	**2,532**
Funds Received	8	73	131	273	6,324	72	27	0	0	0	**6,908**
Funds Applied	(49)	(8)	(314)	(130)	(6,840)	(3,706)	(63)	0	0	0	**(11,110)**
Funds Applied to Finance Capital Expenditure	(129)	(52)	0	(179)	0	0	0	0	0	0	**(360)**
Recharges	134	477	165	(30)	9	0	(1)	0	0	0	**754**
Transfers between reserves	247	1	0	0	1,076	3,693	40	0	0	0	**5,057**
Other Movements	0	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2024	**1,077**	**2,264**	**222**	**250**	**(747)**	**669**	**46**	**0**	**0**	**0**	**3,781**
Funds Received	5	23	160	260	6,469	78	20	363	2	25	**7,405**
Funds Applied	(9)	(7)	(455)	(150)	(8,125)	(4,252)	(58)	(471)	(3)	(39)	**(13,569)**
Funds Applied to Finance Capital Expenditure	(130)	(860)	0	(132)	(7)	0	0	0	0	0	**(1,129)**
Recharges	(103)	470	405	(42)	(22)	0	0	0	0	0	**708**
Transfers between reserves	197	0	0	0	1,315	4,024	40	(283)	0	29	**5,322**
Other Movements	0	0	0	0	0	0	0	0	0	0	**0**
Balance at 31 March 2025	**1,037**	**1,890**	**332**	**186**	**(1,117)**	**519**	**48**	**(391)**	**(1)**	**15**	**2,518**

10.15.2.3 Other Funds

	Government Landlord Housing Capital Fund £000	Improvements and New Construction Revolving Fund £000	Capital Receipts Fund £000	Animal Husbandry Fund £000	Total £000
Balance at 1 April 2023	490	125	250	49	**914**
Funds Received	46	11	7	9	**73**
Funds Applied	0	0	(18)	(4)	**(22)**
Funds Applied to Finance Capital Expenditure	0	0	0	0	**0**
Recharges	0	0	0	0	**0**
Transfers between reserves	25	0	15	0	**40**
Balance at 31 March 2024	**561**	**136**	**254**	**54**	**1,005**
Funds Received	0	12	293	9	**314**
Funds Applied	0	0	(9)	(9)	**(18)**
Funds Applied to Finance Capital Expenditure	0	0	0	0	**0**
Recharges	0	0	0	0	**0**
Transfers between reserves	0	0	0	0	**0**
Balance at 31 March 2025	**561**	**148**	**538**	**54**	**1,301**

10.16 Nature and Extent of Risks arising from Financial Instruments

A financial instrument, as defined by IPSAS 41, Financial Instruments, is "any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another." This definition covers a wide range of items; however, for St Helena Government (SHG), financial assets and liabilities primarily comprise:

- **Trade Receivables**
- **Trade Payables**
- **Housing and House Purchase Loans**
- **Current Investments**
- **Cash and Cash Equivalents** held in respect of all public funds of SHG

In each case, one party's contractual right to receive (or obligation to pay) cash is matched by the other party's corresponding obligation to pay (or right to receive). The recognition, classification, and measurement of these financial instruments are now governed by IPSAS 41, which replaces IPSAS 28 (Presentation), IPSAS 29 (Recognition & Measurement), and IPSAS 30 (Disclosures). Under IPSAS 41, financial instruments are classified based on their contractual cash flow characteristics and the business model within which they are managed, impacting their measurement at either amortized cost, fair value through surplus or deficit, or fair value through net assets/equity.

10.16.1 Fair values - the following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	31 March 2025		31 March 2024	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial assets:				
Available for Sale Financial Assets	5,457	5,457	1,816	1,816
Receivables from exchange transactions	2,733	2,733	2,451	2,451
Cash and cash equivalents	7,279	7,279	9,915	9,915
	15,469	**15,469**	**14,182**	**14,182**
Financial liabilities:				
Payables from exchange transactions	6,948	6,948	7,620	7,620
	6,948	**6,948**	**7,620**	**7,620**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties.
The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments

- Fair value of financial assets is derived from quoted market prices in active markets, if available

- Fair value of unquoted available-for-sale financial assets is estimated using appropriate valuation techniques

10.16.2 Fair value hierarchy

Deposits and investments held with banking institutions are highly liquid financial assets and as such are measured at fair value. The fair value of bank deposits and other cash equivalents is the amount receivable on demand at the reporting date. Funds managed by Crown Agents Investment Management Ltd are measured at market value.

	Input level in fair value hierarchy	**Valuation technique used to measure fair value**	**31 March 2025 £000**	**31 March 2024 £000**
Financial Assets	Level 1	Unadjusted quoted prices in active market for identical product	5,457	1,816
			5,457	**1,816**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The unrealised movement in market value (the gain/loss) at the reporting date is recognised in surplus/deficit through the Statement of Financial Performance. Interest earned on these funds is recognised in the General Reserve of the Consolidated Fund through the Statement of Financial Performance.

SHG's financial assets are measured at fair value on a recurring basis, the carrying amount of these assets is equivalent to their fair value and are described in the following table, including the valuation techniques used to measure them.

10.16.3 Credit risk

Credit risk is the risk of financial loss to SHG if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from investments, loans, receivables, and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at 31 March was:

	31 March 2025 £000	**31 March 2024 £000**
Investments	5,457	1,816
Receivables from exchange transactions	2,733	2,451
Cash and cash equivalents	7,279	9,915
	15,469	**14,182**

10.16.4 Credit quality

Credit quality is the assessed risk of default attached to counterparties to which SHG extends credit and also those parties with whom it invests in. It is an evaluation of the ability of the aforementioned counterparties to repay their debts. As such, the credit quality assessed extends to all customers, investments and banks.

For financial statement purposes, the investments and balances with banks are limited to the investments, loans receivable and cash and cash equivalents line items in the Statement of

Financial Position. SHG determines credit quality of the investments and banks using information obtained from external rating agencies.

In accordance with our financial risk management policy, deposits may only be placed:

- with credit institutions with a minimum short-term credit rating of A-2 as determined by Standard and Poor's or P-2 as determined by Moody's;
- with institutions authorised and regulated by the UK's Financial Conduct Authority or equivalent authority in the EEA or United States of America;
- in Treasury Bills, fixed rate, inflation index-linked and zero coupon bonds issued or guaranteed by the Government of the United Kingdom; and
- for a maximum maturity of 10 years.

As such the credit quality of investments held at 31 March 2025 is A-2.

The carrying amount of financial assets represents the maximum credit exposure in relation to deposits in banks and financial institutions. There was no evidence at the reporting date that such entities would be unable to meet their commitments. The credit rating of cash at bank and deposits is BB which is the credit rating of SHG's main bankers – Crown Agents Bank Ltd.

The customer base of SHG is diverse and consists of individuals, companies, non-profit organisations and government entities. Credit ratings, from external rating agencies, are not readily available for all customers. Also, it is not financially viable to obtain external credit ratings for all customers due to the nature of the customer base. Furthermore, SHG as a government authority, is morally obliged to provide basic services to all its constituents irrespective of their financial standing.

For the purpose of determining the credit quality of customers, SHG applies its past experience with the customer to determine the risk of default posed. In line with the methodology applied, customers are classified into the following credit quality groups:

- High – if the debtor has not defaulted past invoices
- Low – if the debtor has defaulted in the past

SHG generally allows 30 days credit for its Trade Receivables. At the reporting date the carrying values of Trade and Other Receivables was £1.577 million (31 March 2024 £1.702 million).

10.16.5 Liquidity risk

Liquidity risk is the risk of SHG not being able to meet its obligations as they fall due. SHG's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to its reputation.

As a matter of policy SHG always aim to provide a balanced budget, which ensures sufficient monies are raised to cover annual expenditure. Sufficient cash balances are also maintained throughout the year and SHG has no borrowings. There is therefore no significant risk that SHG will be unable to meet its commitments.

In order to help with the liquidity of money both on St Helena and overseas, SHG has a policy of paying all creditors as soon as the invoice is received. As a result, as at 31 March 2025, SHG had £2.959 million of creditors due to be paid within 30 days. This included £0.041 million of creditors' payable by the BFI (31 March 2024 £1.344 million of which BFI was £0.020 million).

On 17 May 2016 SHG signed an agreement with the Bank of St Helena Ltd to act as guarantor for a loan issued to St Helena Hotel Development Ltd. The signing of the agreement with Bank of

St Helena Ltd is an activity that has exposed SHG to potential liquidity risk if St Helena Hotel Development Ltd default on their contractual obligations of the £1 million loan. The loan is between St Helena Hotel Development Ltd and the Bank of St Helena for which SHG has provided a guarantee matures on 1 November 2026.

10.16.6 Currency risk

SHG is exposed to foreign-currency risk through the importation of goods and services, either directly or indirectly, through the award of contracts to local importers.

SHG purchases aviation fuel, obtains medical services and equipment, and procures other services such as legal advice and consultants internationally exposing it to currency risk arising from currency exposures, primarily with respect to the South African Rand and US Dollar.

	Increase (+) / decrease (-) in exchange rate	Effect on surplus/deficit £
2024/25		
South African Rand	+5%	45,520
	-5%	(50,311)
US Dollar	+5%	24,236
	-5%	(26,787)
2023/24		
South African Rand	+5%	26,021
	-5%	(28,760)
US Dollar	-5%	50
	+5%	(55)

10.16.7 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Crown Agents Investment Management Ltd, who manages SHG's financial instruments, closely monitor the interest rate risk and manage the portfolio duration in line with the investment benchmark.

Cash surpluses are deposited as a mix of fixed rate and floating rate investments. As at 31 March 2024, the value of investments held was **£5.457 million** (31 March 2024 £1.816 million). Total interest earned by SHG on cash surpluses during 2024/25 was **£0.182 million** (2023/24 £0.267 million).

During the 2024/25 financial year, the Bank of England adjusted its base interest rate on three occasions:

- 1 August 2024: reduced from 5.25% to 5.00%
- 7 November 2024: reduced further to 4.75%
- 6 February 2025: reduced again to 4.50%

The base rate at the start of the period (August 2024) was 5.25%.

11. Written Notes to the Financial Statements

11.1 Basis of Preparation

These financial statements of SHG are prepared in accordance with the requirements of section 109(1)(a) of the Constitution for St Helena and section 10(1) of the Public Finance Ordinance 2010, applying the International Public Sector Accounting Standards (IPSAS) for the accrual basis of accounting. The financial statements have been prepared on the historical cost basis.

Under the powers of the Financial Secretary vested through the Public Finance Ordinance Section 10(2), SHG does not present IPSAS 35 *Consolidated Financial Statements*. The Public Finance Ordinance empowers the Financial Secretary to depart from any requirements of IPSAS that he deems inappropriate in the circumstances of St Helena. It was determined that the benefits that can be expected to be derived from consolidated financial statements are outweighed by the costs of preparation. The following factors were considered in arriving at this conclusion;

- The complexity associated with the varied nature of the financial reporting frameworks used by group entities and
- The different financial reporting deadlines of the group entities.

The financial statements are prepared in Saint Helena Pounds which equate to GBP and are rounded to the nearest thousand except where stated otherwise.

11.2 Going Concern

The financial statements have been prepared on the going concern basis, which assumes that SHG has adequate resources to continue in operational existence for the foreseeable future. Management concludes that preparation of the financial statements on a going concern basis is appropriate.

The UK Government has a responsibility to meet the reasonable assistance needs of St Helena and its residents. The current financial aid settlement covers the financial year 2025/26. On this basis, management has concluded that SHG can continue to operate without significant curtailment of services through to March 2027, one calendar year after the sign off of these financial statements.

However, in the absence of sufficient grant-in-aid and with limited usable reserves SHG would not be in a position to meet its liabilities as they fall due within the foreseeable future without significant curtailment of services. These circumstances indicate that a material uncertainty exists which may cast doubt on SHG’s ability to continue as a going concern.

11.3 Standards, amendments and interpretations in issue but not yet effective or adopted

IPSAS 43 Leases, which was approved in March 2021, will be effective for financial periods beginning on or after 1 January 2025. SHG has not opted for early adoption and plans to implement IPSAS 43 for the year beginning 1 April 2025.

- **Impact on SHG**: This standard will introduce a single model for lease accounting for both lessees and lessors, requiring most leases to be recognized on the statement of financial position. SHG will need to assess its lease agreements and recognize right-of-use assets and lease liabilities, which may result in increased reported assets and liabilities. The implementation is expected to impact key financial ratios and disclosure requirements.

IPSAS 45 Property, Plant & Equipment , which was approved in May 2023, will be effective for financial periods beginning on or after 1 January 2025.

- Impact on SHG: IPSAS 45 completely replaces IPSAS 17 and introduces major updates affecting recognition, measurement, classification, and disclosure of Property, Plant and Equipment (PPE). These changes will materially affect SHG's accounting policies, asset register, valuation practices, and financial reporting.

IPSAS 46 Measurement, which was approved in May 2023, will be effective for financial periods beginning on or after 1 January 2025.

- **Impact on SHG**: IPSAS 46 provides a comprehensive framework for measurement in financial reporting, standardizing how assets and liabilities are measured, including fair value and historical cost approaches. SHG will need to review its current measurement policies to ensure compliance and assess the potential impact on the valuation of assets, liabilities, and financial disclosures. This may lead to changes in financial statement presentation and adjustments to existing asset valuations.

IPSAS 47 Revenue, which was approved in May 2023, will be effective for financial periods beginning on or after 1 January 2026. SHG has not opted for early adoption and plans to implement it for the year beginning 1 April 2027.

- **Impact on SHG**: IPSAS 47 replaces existing revenue recognition standards and introduces a more comprehensive approach to revenue accounting. The standard requires revenue to be recognized based on performance obligations and transaction considerations. SHG will need to assess its revenue sources, including grants and government funding, to determine how revenue should be recognized under the new framework. This may result in changes to revenue recognition timing and presentation in financial statements.

IPSAS 48 Transfer Expenses, which was approved in May 2023, will be effective for financial periods beginning on or after 1 January 2026.

- **Impact on SHG**: This standard provides guidance on recognizing and measuring expenses related to non-exchange transactions, such as grants and subsidies. SHG will need to review its processes for recognizing expenses related to transfers, ensuring they align with the standard's recognition criteria. The implementation of IPSAS 48 may affect the timing and classification of certain expense transactions, particularly in relation to financial aid programs and intergovernmental transfers.

IPSAS 49 Retirement Benefit Plans, which was approved in November 2023, will be effective for financial periods beginning on or after 1 January 2026.

- **Impact on SHG**: IPSAS 49 establishes comprehensive, *plan-level* accounting and reporting requirements for public-sector retirement benefit plans (both defined benefit and defined contribution).

11.4 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party, or exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

Related party relationships may arise when an individual is part of the key management personnel of a reporting entity. Related party relationships may also arise through external operating relationships between SHG and the related party. The definition of related party also includes entities owned by key management personnel or close family members of such individuals of SHG and where a reporting entity is economically dependent on another entity.

Disclosure of certain related party relationships and related party transactions and the relationship underlying those transactions is necessary for accountability purposes, and enables users to better understand the financial statements of the reporting entity because:

- related party relationships can influence the way in which an entity operates with other entities in achieving its individual objectives, and the way in which it co-operates with other entities in achieving common or collective objectives;
- related party relationships might expose an entity to risks, or provide opportunities that would not have existed in the absence of the relationship; and
- related parties may enter into transactions that unrelated parties would not enter into, or may agree to transactions on different terms and conditions than those that would normally be available to unrelated parties.

11.4.1 Central Government (UK)

Saint Helena is a British Overseas Territory and receives funding each year from the UK Government, through the Foreign, Commonwealth & Development Office (FCDO). FCDO Grant in Aid in 2024/25 totalled **£34.060 million** (2024/25 £33.031 million), which equated to **59%** of SHG's total revenue (excluding FCDO and Other Development Aid, Movements in Non-current Investments, Non-exchange FCDO Infrastructure Aid Funding and Non-exchange Donated Asset Funding).

11.4.2 Controlled entities

SHG has a controlling interest in the following reporting entities as at 31 March 2025:

Bank of Saint Helena Ltd, St Helena Currency Fund, Solomon & Company (St Helena) Plc, Connect St Helena Ltd, St Helena Hotel Development Ltd, St Helena Airport Ltd, St Helena Fisheries Corporation and Enterprise St Helena. The last two entities are currently being liquidated. Note 12 Controlled Entities sets out the nature of SHG's controlling interest in each of the controlled entities.

11.4.3 Key Management Personnel

11.4.3.1 Remuneration

The key management personnel of SHG (as defined by IPSAS 20 *Related Party Disclosures)* are the Elected Members of Legislative Council, who together constitute the governing body of SHG. The Attorney General, Chief Secretary and Financial Secretary are also determined to be key management personnel of SHG as they also have responsibility for planning, directing and controlling the activities of SHG.

Key Management Personnel Remuneration

	2024/25	**2023/24**
Aggregate remuneration of Elected Members of Legislative Council		
Number of persons	13	12
Aggregate remuneration £	376,720	382,130
Pension contributions £	49,583	49,500
Aggregate remuneration of senior SHG officials		

Number of persons	4	3
Aggregate remuneration £	295,382	267,065
Pension contributions £	30,221	9,715

Aggregate remuneration paid to close family members of key management personnel		
Number of persons	6	3
Aggregate remuneration £	96,003	79,222
Pension contributions £	6,583	5,570

Aggregate remuneration above includes pension contributions.

Some senior SHG officials are entitled to allowances, however these are considered to be reimbursement of expenses and not remuneration and have not been included in the amount above.

IPSAS 20 *Related Party Disclosures* also states that the remuneration of close family members should be disclosed in these financial statements. SHG used their judgement on who constitutes as a close family member and decided on it being those people who share a common household.

11.4.3.2 Declarations of Interests

SHG requires key management personnel to complete Declaration of Interest Forms at the beginning of each financial year or earlier if circumstances change. Circumstances, existing or prospective, which may throw into question their professional independence or present a possible conflict of interest are required to be declared.

No interests were declared during 2024/25 (during 2023/24 a Councillor declared an interest in a controlled entity organisation. This interest is not material to these financial statements).

11.5 Termination Benefits

IPSAS 39 *Termination benefits* are amounts payable as a result of a decision by SHG to terminate an officer's employment before the normal retirement date or an officer's decision to accept redundancy in exchange for those benefits. These are charged on an accruals basis to the appropriate Directorate in the Statement of Financial Performance, at the point when SHG can no longer withdraw the offer to those benefits.

No termination benefits were paid during the year ended 31 March 2025.

	2024/25	**2023/24**
Number of employees	5	1
Amount paid (£,000)	44	22

11.6 Social benefits

IPSAS 42 defines Social benefits as cash transfers provided to:
(a) Specific individuals and/or households who meet eligibility criteria;
(b) Mitigate the effect of social risks; and
(c) Address the needs of society as a whole.

11.6.1 Social Security Ordinance 2010

SHG pays social benefits in accordance with the Social Security Ordinance 2010.The benefits payable under the Ordinance are:

a) Basic Island Pension

In order to qualify, persons must:

- be aged 65 years or older;
- be physically present in St Helena; and
- have completed at least 20 qualifying years in St Helena

b) Income Related Benefit

Applications can be made when:

- the income level of the family is less than the family rate;
- an adult member of the family is officially registered as unemployed, receiving a better life allowance, occupational therapy allowance, or carer's allowance;
- an adult member of the family is the carer of one or more children under 5 years of age or a disabled child who is a member of the family;
- an adult member of the family is 65 years of age or older;
- an adult member of the family is employed in St Helena

Additional information about these schemes can be obtained from the Adjudication Office, in person at the Post Office Building in Jamestown or via telephone: (00290) 22605.

11.6.2 Better Living Allowance Policy

SHG also pays Better Life Allowances under its Better Living Allowance Policy, which is administered by the Health & Social Care Portfolio.

The better life allowance is available to those who meet the definition of disability under the Equality Act 2010 i.e.

"A disabled person is someone who has a physical or mental impairment that has a substantial and longer-term adverse effect on his or her ability to carry out normal day-day activities."

The policy recognises that having a disability impacts a person from being able to access services available to them without a disability. The difference often results in people with disabilities having to pay more for services such as transportation, food purchases, access to professionals and appointments which tend to be of a higher frequency. This gap leaves this vulnerable group at higher risk of poverty, social isolation and poorer outcomes in all areas. This allowance is to help mitigate the disparity between those with a disability and those without a disability.

The qualifying criteria for this allowance is as follows:

You must also have a health condition or disability where you:

- have had difficulties with daily living or getting around (or both) for 3 months
- expect these difficulties to continue for at least 9 months (unless you are terminally ill with less than 6 months to live)
- If you are not a British citizen you must have lived on St Helena Island for at least 2 of the last 3 years or show proof that you intend to settle on the island.
- You must not be subject to immigration control (unless you are a sponsored immigrant).

Additional information about this scheme can be obtained from the Adult Social Care Team, in person at their offices in the Ex. ESH Building, Ladder Hill Office or via telephone: (00290) 22920.

11.6.3 The total payments made under the social benefits schemes for 2024/25 are as follows:

	2024/25	2023/24
	£000	**£000**
Benefit Payments:		
Basic Island Pension	3,083	2,956
Income Related Benefit	1,139	1,073
Better Life Allowance	237	265
	4,459	**4,294**

11.6.4 Key factors influencing the level of expenditure under the social benefit schemes are:

St. Helena's demographic trend is towards an older population, with the St. Helena 2021 Population and Housing Census reporting that more than half of the resident population were over the age of 50 years. An aging population means that more people qualify to receive benefits under the schemes and with greater life expectancies, people claim from the schemes for longer This ageing trend is one of the most significant challenges facing St Helena, and is caused by greater life expectancies, lower numbers of births, and the tendency for younger adults to leave the Island to find employment opportunities abroad. (Foreword: St. Helena 2021 Population and Housing Census report).

11.6.5 Source of funding

Basic Island Pensions and Income Related Benefits are funded from the Consolidated Fund; however these amounts are not appropriated as the Pensions and Social Security Ordinances state that expenditure can be charged directly to the Consolidated Fund, rather than budget being appropriated.

11.7 Capital Commitments

In 2025/26, it is expected that around £3 million will be expended on Capital Investment on the island under the EDIP. Notable projects to be funded via EDIP include the continuation and completion of Field Road and Ruperts Port Facilities and the construction of a new prison, along with consultancy services for renewable energy, water and wastewater.

	2025/26
Forecast	**£000**
Contractually Committed	2,127
Soft Commitments	574
Funding to be approved	300
	3,001

11.8 Contingent Assets and Liabilities

Contingent assets and liabilities are not included within the Statement of Financial Performance or the Statement of Financial Position, but are disclosed by way of a note to the accounts where a receipt or some other economic benefit is probable (contingent asset), or where there is a possible obligation that may require payment or other transfer of economic funds (contingent liability).

11.8.1 Ground Based Augmentation System

The Ground Based Augmentation System (GBAS) installed at the St Helena Airport in 2015 has not been commissioned for use due to certification difficulties. SHG now intends to sell the GBAS with a view to recovering some or all of its original investment. The intended sale suggests a possible inflow of economic benefits however this is not wholly within the control of SHG as this is subject to a buyer being found.

11.8.2 Guarantor for St Helena Hotel Development Ltd

SHG is acting as Guarantor for St Helena Hotel Development Ltd (SHHDL) in that if SHHDL defaults on the £1m loan it has with the Bank of St Helena, then the Guarantee crystallises and SHG will have an immediate liability. The loan between St Helena Hotel Development Ltd and the Bank of St Helena for which SHG has provided a guarantee matures on the 1 November 2026.

11.8.3 Litigation cases

As at 31 March 2025, 131 cases were raised against the Attorney General for SHG which were considered to be contingent liabilities. These cases are potential liabilities which are yet to be pleaded and heard, they include: 127 medical negligence cases, 1 employment case, 1 constitutional claims and 2 personal injury/damages claims. At the date of sign-off, the potential quantum could not be established and as such no provision has been estimated for these claims. The above disclosures are based on the Litigation register issued by the AGs Chambers on 29 May 2025.

Potential Demolition Costs (BFI)

SHG has considered the potential requirement to incur demolition costs in respect of certain components of the new Bulk Fuel Installation (BFI), which was under construction as at the reporting date and has not yet been fully commissioned.

A preliminary estimate of approximately £1.5 million has been identified based on an external assessment. However, this estimate is subject to significant uncertainty, as it does not take into account the potential for salvage, reuse, or alternative treatment of the assets, which may reduce or eliminate any net cost.

At the reporting date, no formal decision has been made regarding whether the relevant components of the BFI will be demolished, repurposed, or left idle. Management is actively considering alternative options, including repurposing or retaining certain components in situ, in order to avoid potentially significant demolition costs and associated environmental impacts.

Accordingly, no present obligation exists. Given the absence of a present obligation and the uncertainty regarding both the likelihood and quantum of any potential outflow, no provision has been recognised in the financial statements.

11.9 Events after the Reporting Date

The financial statements were authorised for issue on 1 December 2025 by the Financial Secretary. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements have been adjusted in all material respects to reflect the impact of this information.

11.9.1 Adjusting events after 31 March 2025

In December 2025, five constitutional litigation claims against SHG were settled, in the total sum of £199k. One of these claims had been provided for as 31 March 2025 and the other four recognised as contingent liabilities.

11.9.2 Non-adjusting events after 31 March 2025

11.9.2.1 Contingent liabilities

In 2025/26, a further 68 constitutional claims were lodged against the Attorney General on behalf of St Helena Government (SHG). These claims are being assessed as contingent liabilities, as the outcome and potential financial effect cannot be reliably measured at this stage.

11.9.2.2 Telecommunications licence

Subsequent to the reporting date, and prior to approval of these financial statements, negotiations between SHG and Sure South Atlantic Ltd (Sure) for a new long-term telecommunications licence concluded without agreement.

The negotiations intended to establish a licensing framework that would optimise benefits from the Equiano submarine cable and support the development of superfast broadband infrastructure ended unsuccessfully by the contractual deadline of 30 June 2025. Despite extensive technical, legal, and commercial engagement, mutually acceptable terms could not be reached, with key challenges arising from the alignment of long-term national interests with the commercial realities of a rapidly evolving telecommunications sector.

Until further notice, Sure will continue to provide services under its existing licence issued under the Telecommunications Ordinance 1989.

These financial statements include accrued income of £438k in respect of Sure's use of the Equiano submarine cable. This amount was subsequently settled in 2025/26.

11.9.2.2 Controlled Entities

There are no significant events after the Reporting Date relating to controlled entities.

11.9.2.3 Subsequent Financial Periods

The financial year 2024/25 and twelve months of financial year 2025/26 have passed. The financial aid settlement for the 2025/26 financial year of up to **£35.790 million** was confirmed in March 2025. The application of these sources of funding will be reported in the annual financial statements for 2025/26.

12. Controlled Entities

Under the powers of the Financial Secretary vested through the Public Finance Ordinance Section 10 (2) SHG does not present IPSAS 35 Consolidated Financial Statements. The Public Finance Ordinance empowers the Financial Secretary to depart from any requirements of IPSAS that he deems inappropriate in the circumstances of St Helena. It was determined that the benefits that can be expected to be derived from consolidated financial statements are outweighed by the costs of preparation. The following factors were considered in arriving at this conclusion;

- The complexity associated with the varied nature of the financial reporting frameworks used by group entities and
- The different financial reporting deadlines of the group entities.

The Controlled Entities note to these Financial Statements sets out the nature of SHG's controlling interest in each of the controlled entities. SHG has a controlling interest in the following reporting entities as at 31 March 2025:

- Bank of Saint Helena Ltd,
- St Helena Currency Fund,
- Enterprise St Helena (ESH),
- Solomon & Company (St Helena) PLC,
- Connect St Helena Ltd,
- St Helena Hotel Development Ltd,
- St Helena Airport Ltd and
- St Helena Fisheries Corporation.

St Helena Fisheries Corporation ceased trading on 31 January 2020. The Corporation is now under administration and is in the process of being wound up. SHG's net investment in the assets of SHFC were accumulated losses of £17k at 31 March 2024 (£17k at 21 March 2022).The Enterprise St Helena's ceased operating on 31 March 2021 and is in the process of being wound up.

Although SHG has transacted with the controlled entities in the financial year, the transactions occurred within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those which SHG would have adopted if dealing with the entities at arm's length in the same circumstances. The exceptions to this are that:

- SHG holds current accounts and cash deposits with the Bank of Saint Helena Ltd for which no interest is payable or receivable; no interest is received on funds deposited or payable on bank overdrafts. The closing balance of these accounts at the year-end can be seen in the Cash and Cash Equivalents note. SHG received a dividend of £0.250 million from the bank during 2024/25.

- SHG provided Connect St Helena Ltd with a subsidy of £1.518 million in 2024/25 (2023/24 £1.854 million). This was to support their running operations. In addition, Connect St Helena Ltd received £1.005 million rebate of customs duties paid on fuel (2023/24 £0.842 million).

- St Helena Currency Fund is set up under Currency Ordinance CAP 124, and is administered by the Currency Commissioners and Currency Officers who are all employees of SHG. SHG provide a number of services to the St Helena Currency Fund at no cost. These services include staff salaries for the keeping of accounting records, the preparation of financial statements and the issuing and ordering of notes and coins. In addition to these services, SHG Treasury also provide a cash holding facility for the Currency Fund at 31 March 2025 the Fund owed SHG £0.016 million (31 March 2024 SHG owed the Fund £0.101 million).

- SHG provided St Helena Hotel Development Ltd (SHHDL) with a subsidy of £0.200 million in 2024/25 (2023/24 £0.200 million).

- SHG is also acting as Guarantor for SHHDL in that if SHHDL fails to meet any of its monthly repayments on the £1 million loan it has with the Bank of St Helena Ltd, then SHG will be required to cover the payments.

- SHG is the grantor of an agreement under which SHAL operates the St Helena Airport. SHAL is a wholly owned subsidiary of SHG and is consolidated as a controlled entity. During the financial year 2024/25, SHG provided SHAL with an operational subsidy of £3.223 million (2023/24: £2.922 million). This subsidy was not a fixed amount but was determined based on actual expenditure incurred and claims submitted by SHAL for the provision of airport services. As at 31 March 2025, an amount of £0.253 million remained payable to SHAL (31 March 2024: £nil).

- SHG through Great Peter Nominees Limited, holds 124,100 shares, being 62.947% of paid up share capital in Solomon & Company (St Helena) PLC. SHG owns 94.1% of shares in St Helena Hotel Development Ltd with Enterprise St Helena owning the remaining 5.87%. During 2023/24 SHG received £0.012 million in dividends from Solomon & Company.

The table below sets out transactions and balances between SHG and its controlled entities that were entered into on terms other than those prevailing in the open market.

2024/25

	Subsidy Paid	**Rebates Paid**	**Dividend/ Transfers Received**	**Amounts Receivable**	**Amounts Payable**
	£000	**£000**	**£000**	**£000**	**£000**
Bank of Saint Helena	0	0	250	0	(67)
St Helena Currency Fund	0	0	0	20	0
Enterprise St Helena	0	0	0	0	0
Solomon & Company	0	0	0	0	0
Connect St Helena Ltd	1,518	1,005	0	0	0
St Helena Hotel Development	200	0	0	0	0
St Helena Airport Ltd	3,223	0	0	0	253
St Helena Fisheries Corporation	0	0	0	0	0
	4,941	**1,005**	**250**	**20**	**186**

2023/24

	Subsidy Paid	**Rebates Paid**	**Dividend/ Transfers Received**	**Amounts Receivable**	**Amounts Payable**
	£000	**£000**	**£000**	**£000**	**£000**
Bank of Saint Helena	0	0	85	0	(3,671)
St Helena Currency Fund	0	0	300	0	(101)
Enterprise St Helena	0	0	0	0	0
Solomon & Company	0	0	12	0	0
Connect St Helena Ltd	1,854	842	0	0	0
St Helena Hotel Development	200	0	0	0	0
St Helena Airport Ltd	2,922	0	0	0	0
St Helena Fisheries Corporation	0	0	0	0	0
	4,976	**842**	**397**	**0**	**(3,772)**

SHG controls, from an accounting perspective, a number of private and public sector entities. These controlled entities have not been consolidated in accordance with IPSAS 34 *Separate Financial Statements* or IPSAS 35 *Consolidated Financial Statements*. No adjustments have been made for transactions between entities. The table below shows the figures that have been obtained from the latest audited financial statements of these entities.

IPSAS 34 *Separate Financial Statements* and IPSAS 35 *Consolidated Financial Statements* states that SHG must account for the balances and movements from the latest available audited financial statements of its entities. These investments are measured on the basis of the latest available financial statements of each entity.

12.1 Entities in which SHG holds an ownership interest

			Total		SHG share	
			Net Assets	Net Profit/(Loss)	Net Assets	Net Profit/(Loss)
			31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25
Entity	**Controlling Interest**	**Financial Reporting Framework**	**£000**	**£000**	**£000**	**£000**
Bank of St Helena	Wholly owned. Board of Directors appointed by the Governor	Financial Reporting Standard 102	8,611	759	8,611	759
Connect St Helena	Wholly owned. Non-executive membership of the Board	Financial Reporting Standard 102	14,677	476	14,914	476
Solomon & Company	Majority shareholder (62.9%)	Financial Reporting Standard 102	8,102	(237)	5,101	(149)
St Helena Hotel Development	Majority shareholder (94.9%)	Financial Reporting Standard 102	332	(256)	332	(256)
St Helena Airport	Company limited by Guarantee. SHG is the sole member.	Financial Reporting Standard 102	662	176	838	176
St Helena Currency Fund	Commissioners appointed by the Governor	International Public Sector Accounting Standards	1,339	67	1,406	67
Enterprise St Helena	Board Members appointed by the Governor	Financial Reporting Standards for Smaller Entities - accruals basis	875	0	875	0
			34,598	**985**	**32,075**	**1,074**

13. Statement of Trust Fund Movements for the year ended 31 March 2025

Disclosure of the operations of the Trust Funds within these financial statements is made in accordance with the Public Finance Ordinance 10 (1) (c). These funds are not owned by SHG and therefore do not form part of the Consolidated Fund. Fund balances are held with Bank of Saint Helena Ltd.

SHG through the trust deeds of each Trust Fund is designated as the trustees of these Funds. Funds are managed in accordance with the details outlined in the trust deeds and can only be used for the intended purposes stated in the trust deed.

	Balance at 31 March 2023	Receipts in year	Payments in year	Balance at 31 March 2024	Receipts in year	Payments in year	Balance at 31 March 2025
	£	£	£	£	£	£	£
Alexander Bequest Fund	**1,344**	1	0	**1,345**	1	(13)	**1,333**
Arnold Memorial Christmas Gift Fund	**523**	1	0	**524**	0		**524**
Arnold Memorial Hospital Trust Fund	**7,151**	6	0	**7,157**	7	0	**7,164**
Bain Gray Prize Trust Fund	**1,401**	1	0	**1,402**	1	0	**1,403**
Bovell Trust Fund	**1,204**	1	0	**1,205**	1	0	**1,206**
Eliza Mary Lloyd Trust Fund	**5,542**	5	0	**5,547**	2031	(50)	**7,528**
Leslie & Ted Moss Trust Fund	**2,587**	2	0	**2,589**	2	0	**2,591**
Solomon's Trust Fund	**12,967**	13	(1)	**12,979**	12	(131)	**12,860**
Total	**32,719**	**30**	**(1)**	**32,748**	**2,055**	**(194)**	**34,609**

14. Glossary of Terms and Abbreviations

Accounting Policies
The rules and practices adopted by SHG that determine how the transactions and events are reflected in the accounts.

Accounting Period
The period of time covered by the accounts, normally a period of 12 months commencing on 1st April. The end of the accounting period is the Balance Sheet date.

Accruals
Amounts included in the accounts for income or expenditure in relation to the financial year but not received or paid as at 31 March.

Actuarial Gains and Losses
These arise where actual events have not coincided with the actuarial assumptions made for the last valuations (known as experience gains and losses) or the actuarial assumptions have been changed.

Amortisation
A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

Assets under Construction
It is not always that fixed assets are acquired in their complete form, sometimes they are built progressively over a period of time. When Fixed Assets are being built over time, they are treated as assets under construction, and then they are capitalised or settled to a fixed asset (s) or other settlement objects, upon completion.

Balances (or Reserves)
These represent accumulated funds available to SHG. Some balances (reserves) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities. There are a number of unusable reserves, which are set out for technical purposes. It is not possible to utilise these to provide services.

Capital Expenditure
Payments for the acquisition, construction, enhancement or replacement of assets such as land, buildings, roads, and computer equipment.

Capital Receipts
Income received from the sale of land, buildings or equipment.

Capital Reserve
A reserve set aside from revenue resources or capital receipts to fund capital expenditure and certain other capital financing transactions.

Consolidated Fund
The Consolidated Fund is SHG's main account which contains all of its recurrent income and expenditure.

Contingent Asset
An asset arising from past events, whereby its existence can only be confirmed by one or more uncertain future events not wholly within the control of SHG.

Contingent Liability
A contingent liability is either:

- a possible obligation arising from a past event whose existence will be confirmed by the occurrence of one or more uncertain future events not wholly within the control of SHG; or
- a present obligation arising from past events where it is not probable that there will be an associated cost or the amount of the obligation cannot be accurately measured.

Current Service Cost
An estimate of the true economic cost of employing people in a financial year. It measures the full liability estimated to have been generated in the year.

Defined Benefit Scheme
A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

Defined Contribution Scheme
A pension or other retirement benefit scheme into which an employee pays regular fixed contributions as an amount or as a percentage of pay, and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to the employee service in the current and prior periods.

Depreciation
A measure of the cost of the economic benefits of the tangible fixed asset consumed during the period.

Foreign, Commonwealth & Development Office (FCDO)
The Foreign, Commonwealth & Development Office is a United Kingdom government department responsible for administering overseas aid.

Discontinued Operations
When parts, or all, of a company's core business have been divested or shut down.

Economic Development Investment Programme (EDIP)
The agreement of a multi-year EDIP project between SHG and the UK Government aims to grow the Island's future economic prosperity through funding of local crucial projects.

European Development Fund (EDF)
The main instrument for European Union (EU) aid for development cooperation in Africa, the Caribbean, and Pacific countries and the Overseas Countries and Territories (OCT). Funding is provided by voluntary donations by EU member states.

Events after the Reporting Date
These events, both favourable and unfavourable, occur between the Statement of Financial Position date (31 March) and the date on which the statement of accounts are signed.

Exceptional Items
Material items which derive from events or transactions that fall within the ordinary activities of SHG, which need to be disclosed separately by virtue of their size or incidence to give a fair representation in the accounts.

Expected Return on Assets
For a defined benefit scheme, this is a measure of the return on the investment assets held by the plan for the year. It is not intended to reflect the actual realised return by the plan, but a longer-term measure based on the value of assets at the start of the year taking into account movements in assets during

Fixed Assets
Assets that yield benefit to SHG and the services it provides for a period of more than one year.

Impairment
A reduction in the carrying value of a fixed asset below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

Interest Cost
For a defined benefit pension scheme, is the amount needed to unwind the discount applied in calculating the defined benefit obligations (liability). As members of the plan are one year closer to receiving their pension, the provisions made at present value in previous years for their retirement costs need to be uplifted by a year's discount to keep pace with current values.

Infrastructure Assets
A class of assets whose life is of indefinite length and which are not usually capable of being sold, such as roads and footpaths.

Intangible Fixed Assets
'Non-financial' fixed assets that do not have physical substance but are identifiable and are controlled by SHG through custody or legal rights. Purchased intangibles, such as software licences, are capitalised at cost whilst internally developed intangibles are only capitalised where there is a readily ascertainable market value for them.

International Financial Reporting Standards (IFRS)
International Financial Reporting Standards (IFRS) are a set of accounting standards developed by an independent, not-for-profit organisation called the International Accounting Standards Board (IASB)

International Public Sector Accounting Standards (IPSAS)
International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

Investments
Deposits for less than one year with approved institutions.

Inventory
Inventory or stock refers to the goods and materials that SHG holds for the ultimate purpose of use, resale of repair.

Liability
A liability is the measure of future payments or other economic settlement that SHG is obliged to make to other entities as a result of past transactions or other past events.

Past Service Cost
A cost arising from decisions taken in the current year but whose financial effect is derived from years of service earned in earlier years.

Payables
Amounts owed by SHG for goods and services received but not paid for as at 31 March. These may be classified as short-term (due within 1 year) or long-term (due in more than 1 year).

Prior Year Adjustment
A material adjustment applicable to prior years arising from changes in accounting policies or correction of fundamental errors.

Provisions
A liability that is of uncertain timing or amount which is to be settled by transfer of economic benefits.

Receivables
Amounts owed to SHG for goods and services provided but where the associated income was not received as at 31 March. These may be classified as short-term (due within 1 year) or long-term (due in more than 1 year).

Related Parties
Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Related Party Transaction
A related party transaction is the transfer of assets or liabilities or the performance of services by, to, or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- the purchase, sale, lease, rental or hire of assets between related parties;
- the provision by a pension fund to a related party of assets of loans, irrespective of any direct economic benefit to the pension fund;
- the provision of services to a related party, including the provision of pension fund administration services; and

Reserves
An amount set aside for a specific purpose in one year and carried forward to meet future obligations.

Revenue Expenditure
Day to day payments on the running of Council services including salaries, wages, contract payments, supplies, services and capital financing costs.

Statement of Financial Performance
A statement which details the total income received and expenditure incurred by SHG during a year in line with IFRS reporting as required by the Code.

Statement of Financial Position
The statement of financial position, often called the balance sheet, is the financial statement that reports the assets, liabilities, and reserves of SHG on a given date (31 March).