



ASCENSION ISLAND GOVERNMENT
FINANCIAL STATEMENTS
YEAR ENDED 31st MARCH 2014

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ASCENSION ISLAND GOVERNMENT

FINANCIAL STATEMENTS

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 <i>The following additional information does not form part of the statutory accounts:</i>	
Consolidated Fund:	17
- Summary of income and expenditure by team	

ASCENSION ISLAND GOVERNMENT

FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2014

INTRODUCTION

These financial statements represent the performance of Ascension Island Government for year ending 31 March 2014. Government revenue is raised through Income Tax, Property Tax, Business Levy, Corporation Tax and Customs duties. In 2012-13 business levy superseded property tax to the major employing organisations, providing them with a 7% year-on-year reduction for three years. The amount paid in 2014/15 will remain static for the following three years.

Legislation and Basis of Preparation

The finances of AIG are managed within the framework laid down by the Constitution and the Ascension Island Financial Management Ordinance 2001 as amended by Legal Notice 3 of 2009.

The financial statements are prepared in accordance with the Constitution and United Kingdom Generally Accepted Accounting Practice.

The legislation stipulates that expenditure should be designated from the Consolidated Fund, Development Fund or Special Funds, as may be established by the Governor from time to time. AIG currently has no special funds. The purposes of the funds in use are given below:

Consolidated Fund

The Consolidated Fund accounts for the funding of Government operations and the delivery of public services.

The main sources of income for the Consolidated Fund are taxation, duties and offshore fishing licences. In addition, there is an element of local service revenue from sales, fees and charges

Development Fund

The Development Fund is created from reserves to provide investment funding for the plant, equipment and infrastructure of Ascension Island and the Government.

The Development Fund is the basis of the annual Capital Programme.

The Development Fund is charged with the direct material costs of projects. There is no allocation of labour costs

FINANCIAL RESULTS 2013-14

The overall outturn for AIG for the year 2013-14 was a surplus of £1,192,027 compared to a budget surplus of £598,588.

Consolidated Fund income totaled £8,089,511 compared to a budget of £7,663,065. The main variations were:

<u>Factor</u>	<u>Adverse/(Favourable)</u>
Increased income tax collected	(505,598)
Corporate Tax	(77,541)
Fishing licence income	259,185
Major Projects including EDF10	133,394
Marine service, income from MOD vessel discharging/loading	(222,846)

ASCENSION ISLAND GOVERNMENT

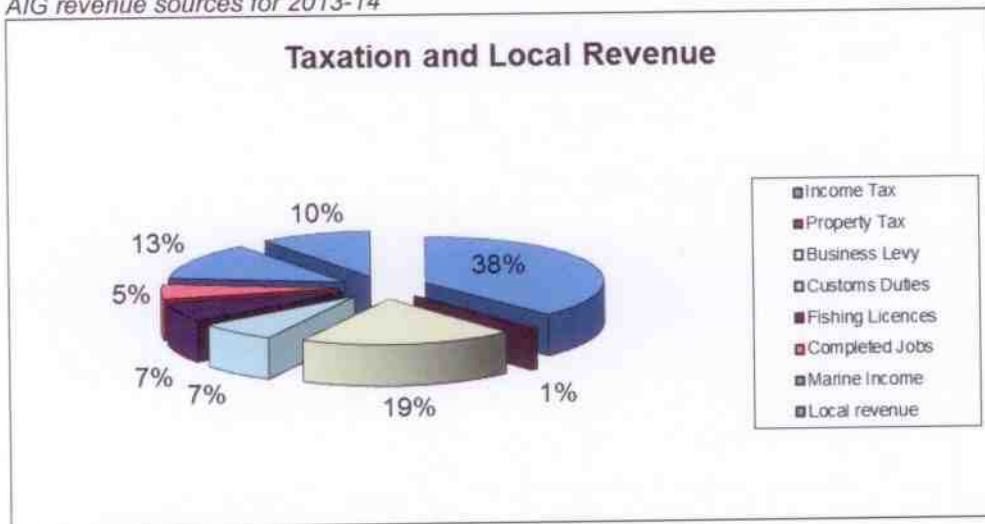
FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2014

Consolidated Fund expenditure was £6,649,449 compared to a budget of £7,064,577. The main variations were:

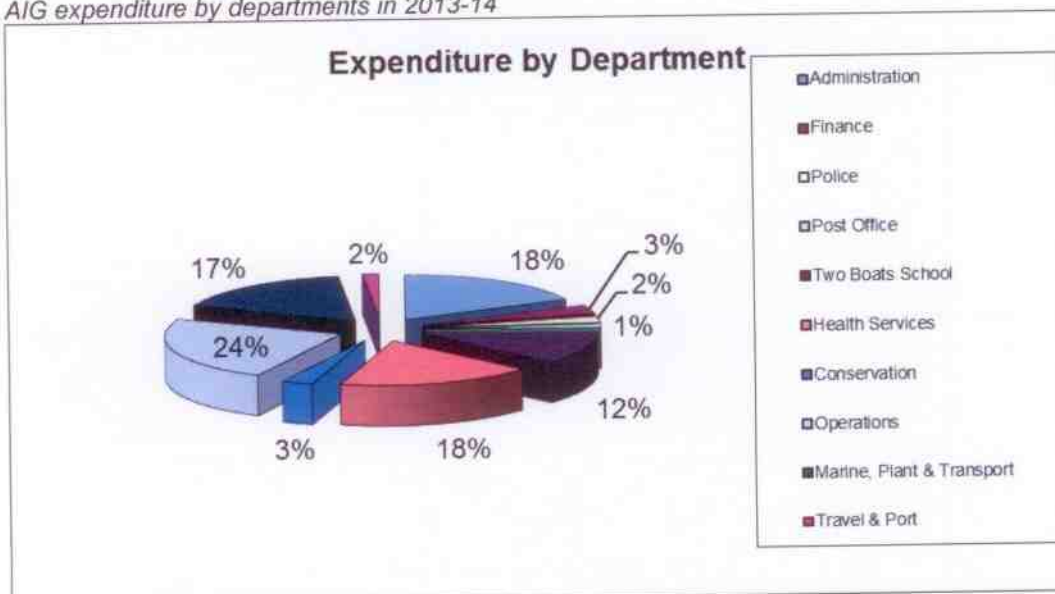
<u>Factor</u>	<u>Adverse/(Favourable)</u>
Material Costs (External Jobs)	176,251
Maintenance on Staff Quarters	(38,045)
Staff Incentive (The introduction of a bonus scheme where actual payments were significantly less than budget)	(399,200)
Insurance (as a result of added Plant)	33,194
Utilities	123,909

AIG revenue sources for 2013-14



All departments achieved positive variances on budgeted expenditure values.

AIG expenditure by departments in 2013-14



ASCENSION ISLAND GOVERNMENT

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

Development Fund

Total expenditure on the Development Fund for the year 2013-14 was £1,046,373 against the approved budget of £1,577,000. Development expenditure is undertaken for the maintenance and replacement of plant, equipment and infrastructure on Ascension Island. Major purchases in 2013-14 included the purchase of a new marine engine to be brought on line in 2014/15, a Manitou Rotary Telehandler for waste management, various plant for ongoing road maintenance and roofing projects on three AIG buildings.

BCF Funding - Pier, Waste and Roads

AIG pursued funding through the Budgetary Consultation Forum for the main users to contribute to these three major projects over a three year period. Reports were produced by the consultant HOP and presented to the Forum with options on payment terms. Agreement was reached for the leading organisations to contribute to the Roads, starting in in the 2014-15 year and AIG will seek appropriation to draw on reserves to fund the initial Pier and Waste works. Recovery of the funds drawn from reserves will be through increased rates for the Pier Head and introducing fees in respect of the Waste management.

European Development Fund (EDF)

AIG secured a €550,000 (£530,000) funding allocation to improve 8 kilometers of Ascension roads. The works are part of a larger €16,500,000 programme managed by St Helena Government (the lead authority) and including projects at Tristan da Cunha. The project will be finished by April 2014. By the end of 2013-14 AIG had expended £922,450 on the project of which £530,000 had been recovered from the EU funding. AIG delivered the required performance objectives set out in the EU financing agreement.

Summary

AIG reserves have further improved since the previous year. Net current assets at 31 March 2014 stand at £10,417,911 compared to £9,502,999 in the prior year

Every effort will be exerted to collect all revenue due to AIG and its expenditure will be monitored closely during 2014-15 in order to keep it within the budgeted limits.



Catherine Leo
Ag. Director of Resources

ASCENSION ISLAND GOVERNMENT
INDEPENDENT AUDITORS REPORT TO THE GOVERNOR
YEAR ENDED 31 MARCH 2014

We have audited the financial statements of Ascension Island Government for the year ended 31st March 2014 on pages 5 to 15. These financial statements have been prepared in accordance with Section 177 of the Constitution and the accounting policies set out on page 9 to 10.

This report is made solely to the Governor, in accordance with Section 177(2) and 178 of the Ascension Island Constitution. Our audit work has been undertaken so that we might state to the Governor those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governor for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Administrator and auditors

It is the responsibility of the Administrator to prepare the Annual Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as set out in the Ascension Island Financial Management Ordinance.

Our responsibility is to audit the financial statements in accordance with the requirements of Section 177(2) and 178 of the Ascension Island Constitution and with International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Section 177(2) of the Ascension Island Constitution. We also report to you whether, in our opinion, the Introduction to the financial statements prepared by the Director of resources is consistent with the financial statements.

In addition we report to you if, in our opinion, Ascension Island Government has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information required under the Constitution is not disclosed.

We read the Introduction to the financial statements, set out on pages 1 to 3 of the financial statements as prepared by the Director of Resources, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Administrator in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of Ascension Island Government, are consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of Ascension Island Government as at 31st March 2014 and of its Income and Expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Ascension Island Constitution;
- and
- the information given in the Introduction to the Financial Statements is consistent with the financial statements.

Bridge House
London Bridge
London
SE1 9QR

Date: 17 October 2014


WILKINS KENNEDY LLP

Chartered Accountants
Statutory Auditor

ASCENSION ISLAND GOVERNMENT
INCOME AND EXPENDITURE ACCOUNT
CONSOLIDATED FUND
YEAR ENDED 31st MARCH 2014

	2013-14	2012-13
	£	£
Income Tax	3,005,598	2,605,000
Property Tax	54,740	56,717
Corporation Tax	177,541	76,878
Business Levy	1,527,990	1,643,000
Customs Duties	567,295	591,605
Offshore Fishing Licences	538,500	650,750
Deferred Grant Income	124,399	126,687
Works Income	451,904	746,585
Commercial Income	1,019,179	950,227
Trading	138,915	151,286
Fees and Charges	211,254	213,137
Commissions	22,793	19,592
Rental Income	33,359	26,529
Investment and Other Income	256,428	181,451
	8,129,895	8,039,444
Cost of Sales	762,685	1,013,382
Staff Costs	2,403,557	2,318,805
Departmental Supplies	73,594	66,566
Maintenance	283,799	280,682
Insurance	121,969	125,750
Depreciation	328,771	317,093
	3,974,375	4,122,278
Staff Costs	715,883	657,671
Other Employment Costs	532,129	579,736
Departmental Costs	74,155	50,612
Property & Maintenance Costs	683,175	574,412
Insurance	85,521	72,470
Depreciation	353,579	331,583
Communications & IT	103,288	124,716
Transport Costs	33,797	33,122
Fees and Expenses	122,060	193,342
Banking Costs	12,398	12,026
Other Expenses	247,508	(19,879)
	2,963,493	2,609,811
	1,192,027	1,307,355

The notes on pages 9 to 15 form part of the financial statements.

ASCENSION ISLAND GOVERNMENT
INCOME AND EXPENDITURE ACCOUNT
DEVELOPMENT FUND UTILISED
YEAR ENDED 31ST MARCH 2014

	2013-14	2012-13
	£	£
DEVELOPMENT EXPENDITURE UTILISED		
Approved 2013-14 expenditure		
Expenditure		
Single Accommodation: Thornton House		36,413
Hospital Projects		17,275
Two Boats School projects		36,541
Pierhead IT Link	2,142	12,478
Woodwork Equipment		7,814
MUGA		104,624
Transit Buses x 2		47,165
Effluent Water Truck		77,410
Belingos x 2		60,365
Marquee/Bouncy Castle		1,695
Residency Works		3,113
Two Boats School projects		4,575
Jubilee View		8,293
Refuse Truck & Bins		4,011
Photo ID Machine		3,377
Cutting Plotter		7,361
IT rolling program	24,879	23,885
Hospital Projects	46,104	
Two Boats School projects	50,874	
AIG Share of EDF10 Road	392,451	
Wasp Block	35,202	
Other Estate Repairs & Maintenance	60,726	
Website and Information Package	9,000	
Georgetown Pool Pump	15,246	
Pier Head Works	4,549	
Replacement of Vehicles, Plant & Equipment	94,532	
Charcoal Retort	19,641	
Waste Management	117,298	
Other Urgent Capital Marine Engine	164,172	
Single Accommodation	9,557	
Total development fund expenditure	1,046,373	456,395

The notes on pages 9 to 15 form part of the financial statements.

ASCENSION ISLAND GOVERNMENT

BALANCE SHEET

YEAR ENDED 31st MARCH 2014

	Notes	2013-14		2012-13	
		£	£	£	£
Fixed Assets					
Tangible Assets	2		13,249,996		12,898,030
Current Assets					
Stock	3	577,914		766,845	
Debtors	4	1,420,592		1,856,042	
Cash at bank and in hand	5	<u>10,690,214</u>		<u>9,800,576</u>	
			12,688,720		12,423,464
Creditors					
Amounts falling due within one year	6		<u>2,270,809</u>		<u>2,920,464</u>
Net Current Assets			<u>10,417,911</u>		<u>9,502,999</u>
Total Assets less Current Liabilities			<u>23,667,907</u>		<u>22,401,029</u>
Creditors					
Amounts falling due within more than one year	7		<u>2,105,680</u>		<u>2,230,079</u>
Provisions					
	8		<u>100,000</u>		<u>100,000</u>
Net Assets			<u>21,462,227</u>		<u>20,070,950</u>
Financed by:					
Consolidated Fund	10		11,884,823		10,856,629
Development Fund	10		1,075,927		644,372
Revaluation Reserves	10		<u>8,501,477</u>		<u>8,569,949</u>
			<u>21,462,227</u>		<u>20,070,950</u>

Approved by the Ascension Island Government on 16 October and signed on its behalf by:-



Marc Holland
Administrator

The notes on pages 9 to 15 form part of the financial statements.

ASCENSION ISLAND GOVERNMENT

CASHFLOW STATEMENT

YEAR ENDED 31ST MARCH 2014

	2013-14 £	2012-13 £
Reconciliation of surplus to net cash inflow from operating activities		
Surplus on Consolidated Fund for year	1,192,027	1,307,355
Depreciation and amortisation charges	682,350	648,676
Profit on disposal of assets	(8,655)	
Decrease/(increase) in Stock	188,931	(158,250)
Decrease/(increase) in Debtors	435,450	451,559
Decrease/(increase) in Creditors	(774,054)	(90,635)
Increase in Provisions	-	100,000
Net Cash inflow from operating activities	<u>1,716,049</u>	<u>2,258,705</u>

CASH FLOW STATEMENT

Net cash flow from operating activities	1,716,049	2,258,705
Capital Expenditure	(835,066)	(540,523)
Sale of Fixed Assets	8,655	
Loss on Disposals	-	2,747
Increase in cash	<u>889,638</u>	<u>1,720,929</u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	<u>889,638</u>	<u>1,720,929</u>
Change in net funds	889,638	1,720,929
Net funds at 1 April 2013	<u>9,800,576</u>	<u>8,079,647</u>
Net funds at 31 March 2014	<u>10,690,214</u>	<u>9,800,576</u>

The notes on pages 9 to 15 form part of the financial statements.

ASCENSION ISLAND GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014

1. Accounting policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with applicable UK accounting standards.

The financial statements have been prepared in accordance with the provisions of the Ascension Island Financial Management Ordinance 2001 and S177 of the Ascension Island Constitution.

At 31st March 2014 AIG has disclosed net current assets of £10,417,911 and cash balances of £10,690,214. The budget for 2014-15 has a planned surplus of £542,847 after providing for a reasonable contingency fund. The Administrator considers that AIG has sufficient funds to ensure that it can operate for the foreseeable future and hence the accounts are prepared on the going concern basis.

1.2 Tangible fixed assets and depreciation

Land and Buildings are included at their rateable value at 1st October 2008, the date of the latest general revaluation.

All tangible fixed assets purchased during the financial year are initially recorded at cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs or valuation, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	50 years
Building improvements where not included at rateable value	15 years
Plant and Machinery	10 years
Motor Vehicles	5 years
Electronic Equipment	3 years
Fixtures, fittings, tools and equipment	10 years

1.3 Stock

Stock is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads incurred in transporting stock to Ascension Island.

1.4 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

ASCENSION ISLAND GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2014

1.5 Government Grants

Government Grants are accounted for in accordance with SSAP 4 Accounting for Government Grants. Grants income is shown in the same period as the expenditure to which it relates. Grants received for the purchase of fixed assets are treated as deferred income and amortised to the income and expenditure account to match the depreciation of the asset purchased.

1.6 Pensions

AIG is not a member of a recognised pension scheme. However, AIG provides for each employee, under its standard conditions and service, a gratuity based on length of service and final salary of the employee. The benefits due to employees are calculated and paid monthly into a separate trust fund administered by trustees.

1.7 Provisions

Provision is made for medical costs which will, or are considered likely to arise after the balance sheet date from conditions and circumstances that are present prior to that date.

ASCENSION ISLAND GOVERNMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2014

2 Fixed Assets	Land and Buildings	Motor Vehicles	Fixtures & Fittings	Plant and Machinery	Assets u/cost	Total
Cost						
B/Fwd at 01 April 2013	11,171,796	412,171	343,886	3,366,708	249,918	15,544,479
Transfer Completed		34,515	143,028		(177,543)	-
Disposals		(195,515)	(34,262)	(514,937)		(744,714)
Assets Acquired (no payment)	199,250					199,250
Additions		4,240	9,519	152,333	668,974	835,066
C/Fwd at 31 March 2014	<u>11,371,046</u>	<u>255,411</u>	<u>462,171</u>	<u>3,004,104</u>	<u>741,349</u>	<u>15,834,081</u>
Depreciation						
B/Fwd at 01 April 2013	831,021	223,640	199,046	1,392,742	-	2,646,449
Released on Disposal		(195,515)	(34,262)	(514,937)		(744,714)
Charge for the year	267,722	55,278	71,421	287,929		682,350
Revaluation						-
C/Fwd at 31 March 2014	<u>1,098,743</u>	<u>83,403</u>	<u>236,205</u>	<u>1,165,734</u>	<u>-</u>	<u>2,584,085</u>
Net Book Value						
At 31 March 2014	<u>10,272,303</u>	<u>172,008</u>	<u>225,966</u>	<u>1,838,370</u>	<u>741,349</u>	<u>13,249,996</u>
At 31 March 2013	<u>10,340,775</u>	<u>188,531</u>	<u>144,840</u>	<u>1,973,966</u>	<u>249,918</u>	<u>12,898,030</u>

The land and buildings were valued for property tax purposes by the UK Valuation Office Agency on 1st October 2008. The basis of the valuation was the "Contractor Method" in which the buildings are surveyed and the gross internal floor area measured. The survey data was then used to calculate the cost of constructing the building using present day costs and then discounting this cost by the condition of the building and its estimated remaining life. For accounts purposes the property has been treated as being revalued on 1st April 2010.

