

Company Registration No. 09675747 (England and Wales)

**SAINT HELENA CORPORATION PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

# SAINT HELENA CORPORATION PLC

## COMPANY INFORMATION

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<b>Directors</b>	Mr A A Fitzhenry Mr P R O'Sullivan
<b>Secretary</b>	Mr P M Shannon
<b>Company number</b>	09675747
<b>Registered office</b>	26 Willingdon Road London N22 6SB
<b>Auditor</b>	Newton & Garner Limited Chartered Accountants 47 Topsfield Parade, Tottenham Lane Hornsey, London N8 8PT

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# SAINT HELENA CORPORATION PLC

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# SAINT HELENA CORPORATION PLC

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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The directors present the strategic report for the year ended 31 August 2018.

### Fair review of the business

The business remains in post-formation stage, but has started generating rental income in its South African subsidiary, relating to two properties it owns in Douglasdale, Johannesburg. During the year the Company acquired a third property in Douglasdale and now has three properties in a row, giving a development capability of about 5,750 square metres. After year end, the third property was let. Negotiations have commenced to acquire a fourth property of 1,500 square metres. Town planners have been instructed to submit planning application for the properties by consolidating same, demolishing the buildings and developing apartments for sale. The show-house at Sapper Way on St Helena Island was completed in March 2018, and has been fully furnished and decorated to a high standard, in order to demonstrate the product to future buyers. Scheduled flights have continued on a weekly basis and the Company hopes to see improvements to the number of tourists. The Company remains dependent on shareholding funding until it starts generating profit. After year end, the Company finalised and completed negotiations to acquire control of another UK based company.

### Principal risks and uncertainties

The directors continually monitor the risk that the company faces. Adequate (shareholder) finance is available to the company to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory. Foreign currency risk is managed by the use of forward rate currency purchase, or spot purchases when the rate is deemed acceptable.

### Development and performance

The only income the company has at this stage of development, is the rental income from the three properties it acquired in Douglasdale, whilst awaiting planning permission. The Company's South African subsidiary negotiated a settlement with a debtor, whereby a surety bond will be registered over the debtor's property, for the amount of c. ZAR5.3m (which includes legal costs). The provision for legal fees has therefore been reduced by ZAR100k to ZAR400k. And the company retains the title deeds, pending the registration of the surety bond. After year end, the company's (UK) subsidiary acquired (75.1%) control of St Helena Leisure Corporation Limited 'SHELCO'. The Company subsequently abandoned its negotiations to acquire land at Whitehill. The purchase price for SHELCO was GBP1,023,508.00, inclusive of legal costs of GBP23,508. SHELCO's only asset is an option to acquire c. 160 hectares of land on the island of St Helena Island, over which planning permission has been granted for a world class luxury golf resort comprising 18 hole golf course, five star resort style hotel and 160 free-standing villas. The Company has undertaken to pay the option exercise price on or before 2020-12-01 and to commence with the project by that time. The project will be undertaken in phases, with the golf course and hotel representing the first phase. The Company is actively engaged in discussions to try and bring about the commencement of direct flights between Europe and St Helena, which flights would act as a catalyst for further development on the island.

### Key performance indicators

The financial highlights are as follows:-

	2018	2017
Turnover	<u>£NIL</u>	<u>£NIL</u>
Loss before tax	<u>£(38,952)</u>	<u>£(150,752)</u>
Shareholders' funds	<u>£(470,731)</u>	<u>£(322,099)</u>
Net cash inflow/outflow from operating activities	<u>£240,049</u>	<u>£(403,119)</u>

On behalf of the board

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**SAINT HELENA CORPORATION PLC**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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Mr P R O'Sullivan

**Director**

18 January 2019

# SAINT HELENA CORPORATION PLC

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 AUGUST 2018*

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The directors present their annual report and financial statements for the year ended 31 August 2018.

### **Principal activities**

The principal activity of the company continued to be that of Development of building projects.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A A Fitzhenry  
Mr P R O'Sullivan

### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### **Auditor**

Newton & Garner Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

**SAINT HELENA CORPORATION PLC**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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On behalf of the board

Mr P R O'Sullivan

**Director**

18 January 2019

# SAINT HELENA CORPORATION PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SAINT HELENA CORPORATION PLC

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#### Opinion

We have audited the financial statements of SAINT HELENA CORPORATION PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# SAINT HELENA CORPORATION PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SAINT HELENA CORPORATION PLC

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are 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 our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**SAINT HELENA CORPORATION PLC**

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

**TO THE MEMBERS OF SAINT HELENA CORPORATION PLC**

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David Watts FCA (Senior Statutory Auditor)  
for and on behalf of Newton & Garner Limited

18 January 2019

Chartered Accountants  
Statutory Auditor

Chartered Accountants  
47 Topsfield Parade, Tottenham Lane  
Hornsey, London  
N8 8PT

## SAINT HELENA CORPORATION PLC

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

		2018	2017
	Notes	£	£
Administrative expenses		(101,893)	(304,193)
Other operating income		42,988	27,334
<b>Operating loss</b>	<b>3</b>	<b>(58,905)</b>	<b>(276,859)</b>
Investment income	<b>5</b>	7,012	2,344
Finance costs	<b>6</b>	(1)	-
Other gains and losses		12,942	123,763
<b>Loss before taxation</b>		<b>(38,952)</b>	<b>(150,752)</b>
Tax on loss	<b>7</b>	-	(346)
<b>Loss for the financial year</b>	<b>18</b>	<b>(38,952)</b>	<b>(151,098)</b>
<b>Other comprehensive income</b>			
Currency translation differences		320	(3,274)
<b>Total comprehensive income for the year</b>		<b>(38,632)</b>	<b>(154,372)</b>

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company,

# SAINT HELENA CORPORATION PLC

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	8		448,004		150,182
Investment properties	9		1,294,521		998,887
Investments	10		144,425		148,280
			<u>1,886,950</u>		<u>1,297,349</u>
<b>Current assets</b>					
Trade and other receivables	12	12,589		296,201	
Cash and cash equivalents		32,549		362,193	
		<u>45,138</u>		<u>658,394</u>	
<b>Current liabilities</b>	13	(9,961)		(50,826)	
<b>Net current assets</b>			<u>35,177</u>		<u>607,568</u>
<b>Total assets less current liabilities</b>			<u>1,922,127</u>		<u>1,904,917</u>
<b>Non-current liabilities</b>	14		(2,259,750)		(2,197,360)
<b>Provisions for liabilities</b>	15		(23,108)		(29,656)
<b>Net liabilities</b>			<u>(360,731)</u>		<u>(322,099)</u>
<b>Equity</b>					
Called up share capital	17		50,040		50,040
Retained earnings	18		(410,771)		(372,139)
<b>Total equity</b>			<u>(360,731)</u>		<u>(322,099)</u>

The financial statements were approved by the board of directors and authorised for issue on 18 January 2019 and are signed on its behalf by:

Mr P R O'Sullivan  
Director

# SAINT HELENA CORPORATION PLC

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	8		447,642		150,182
Investment properties	9		700,000		700,000
			<u>1,147,642</u>		<u>850,182</u>
<b>Current assets</b>					
Trade and other receivables	12	-		293,196	
Cash and cash equivalents		8,990		13,447	
		<u>8,990</u>		<u>306,643</u>	
<b>Current liabilities</b>	13	(6,877)		(16,500)	
<b>Net current assets</b>			<u>2,113</u>		<u>290,143</u>
<b>Total assets less current liabilities</b>			<u>1,149,755</u>		<u>1,140,325</u>
<b>Non-current liabilities</b>	14		(1,506,414)		(1,450,114)
<b>Net liabilities</b>			<u>(356,659)</u>		<u>(309,789)</u>
<b>Equity</b>					
Called up share capital	17		50,040		50,040
Retained earnings	18		(406,699)		(359,829)
<b>Total equity</b>			<u>(356,659)</u>		<u>(309,789)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £46,870 (2017 - £170,371 loss).

The financial statements were approved by the board of directors and authorised for issue on 18 January 2019 and are signed on its behalf by:

Mr P R O'Sullivan  
Director

Company Registration No. 09675747

# SAINT HELENA CORPORATION PLC

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

	Share capital	Retained earnings	Total
	£	£	£
<b>Balance at 1 September 2016</b>	50,040	(217,767)	(167,727)
<b>Year ended 31 August 2017:</b>			
Loss for the year	-	(151,098)	(151,098)
Other comprehensive income:			
Currency translation differences	-	(3,274)	(3,274)
Total comprehensive income for the year	-	(154,372)	(154,372)
<b>Balance at 31 August 2017</b>	50,040	(372,139)	(322,099)
<b>Year ended 31 August 2018:</b>			
Loss for the year	-	(38,952)	(38,952)
Other comprehensive income:			
Currency translation differences on overseas subsidiaries	-	320	320
Total comprehensive income for the year	-	(38,632)	(38,632)
<b>Balance at 31 August 2018</b>	50,040	(410,771)	(360,731)

# SAINT HELENA CORPORATION PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2018

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	Share capital	Retained earnings	Total
	£	£	£
<b>Balance at 1 September 2016</b>	50,040	(189,458)	(139,418)
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 August 2017:</b>			
Loss and total comprehensive income for the year	-	(170,371)	(170,371)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2017</b>	50,040	(359,829)	(309,789)
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 August 2018:</b>			
Loss and total comprehensive income for the year	-	(46,870)	(46,870)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 August 2018</b>	50,040	(406,699)	(356,659)
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# SAINT HELENA CORPORATION PLC

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	21		240,396		(403,119)
Interest paid			(1)		-
Income taxes paid			(346)		-
			<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) from operating activities</b>			240,049		(403,119)
<b>Investing activities</b>					
Purchase of property, plant and equipment		(298,188)		(108,589)	
Purchase of investment property		(295,634)		(65,987)	
Proceeds on disposal of associates		3,855		622,587	
Proceeds on disposal of fixed asset investments		12,942		123,763	
Interest received		7,012		2,344	
		<u>          </u>		<u>          </u>	
<b>Net cash (used in)/generated from investing activities</b>			(570,013)		574,118
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(329,964)		170,999
Cash and cash equivalents at beginning of year			362,193		194,468
Effect of foreign exchange rates			320		(3,274)
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>          </u> <u>          </u>		<u>          </u> <u>          </u>



# SAINT HELENA CORPORATION PLC

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

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	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	22		293,297		(48,407)
<b>Investing activities</b>					
Purchase of property, plant and equipment		(297,754)		(108,589)	
Interest received		-		4	
<b>Net cash used in investing activities</b>			(297,754)		(108,585)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(4,457)		(156,992)
Cash and cash equivalents at beginning of year			13,447		170,439
<b>Cash and cash equivalents at end of year</b>			8,990		13,447

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# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

#### Company information

SAINT HELENA CORPORATION PLC ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 26 Willingdon Road, London, N22 6SB.

The group consists of SAINT HELENA CORPORATION PLC and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of SAINT HELENA CORPORATION PLC and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the directors have the support of the long term creditors to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies (Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Plant and equipment	
Fixtures and fittings	33.33% straight line
Computers	33.33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as property, plant and equipment.

#### 1.6 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.10 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies (Continued)

#### 1.12 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that 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 reporting end date, taking into account the risks and uncertainties surrounding the obligation. 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. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging:		
Depreciation of owned property, plant and equipment	366	-
Operating lease charges	39,932	49,948
	<u>          </u>	<u>          </u>

### 4 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	3,600	3,600
	<u>          </u>	<u>          </u>

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5	Investment income	2018	2017
		£	£
	Interest income		
	Interest on bank deposits	7,012	2,344
		<u>7,012</u>	<u>2,344</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	7,012	2,344
		<u>7,012</u>	<u>2,344</u>
6	Finance costs	2018	2017
		£	£
	<b>Other finance costs:</b>		
	Other interest	1	-
		<u>1</u>	<u>-</u>
7	Taxation	2018	2017
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	-	346
		<u>-</u>	<u>346</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£	£
Loss before taxation	(38,952)	(150,752)
	<u>(38,952)</u>	<u>(150,752)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2017: 19.58%)	(7,790)	(29,517)
Unutilised tax losses carried forward	29,807	33,359
Difference in overseas tax rate	(17)	(3,496)
	<u>22,000</u>	<u>346</u>
Taxation charge for the year	22,000	346
	<u>22,000</u>	<u>346</u>
Taxation charge in the financial statements	-	346
	<u>-</u>	<u>346</u>
<b>Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.</b>	22,000	-
	<u>22,000</u>	<u>-</u>



# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Property, plant and equipment

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>					
At 1 September 2017	149,046	-	1,026	110	150,182
Additions	297,754	434	-	-	298,188
At 31 August 2018	446,800	434	1,026	110	448,370
<b>Depreciation and impairment</b>					
At 1 September 2017	-	-	-	-	-
Depreciation charged in the year	-	72	257	37	366
At 31 August 2018	-	72	257	37	366
<b>Carrying amount</b>					
At 31 August 2018	446,800	362	769	73	448,004
At 31 August 2017	149,046	-	1,026	110	150,182
<b>Company</b>		<b>Freehold land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Computers £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2017		149,046	1,026	110	150,182
Additions		297,754	-	-	297,754
At 31 August 2018		446,800	1,026	110	447,936
<b>Depreciation and impairment</b>					
At 1 September 2017		-	-	-	-
Depreciation charged in the year		-	257	37	294
At 31 August 2018		-	257	37	294
<b>Carrying amount</b>					
At 31 August 2018		446,800	769	73	447,642
At 31 August 2017		149,046	1,026	110	150,182

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Investment property	Group 2018 £	Company 2018 £
<b>Fair value</b>		
At 1 September 2017 and 31 August 2018	998,887	700,000
Additions through external acquisition	295,634	-
At 31 August 2018	<u>1,294,521</u>	<u>700,000</u>

Investment property was purchased during the period and has been valued at open market value by the directors. The directors do not believe that the value has altered significantly since this date.

10 Fixed asset investments	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in associates		144,425	148,280	-	-
<b>Movements in non-current investments</b>					
<b>Group</b>					
					<b>Shares in group undertakings and participating interests</b>
					£
<b>Cost or valuation</b>					
At 1 September 2017					148,280
Valuation changes					(3,855)
At 31 August 2018					<u>144,425</u>
<b>Carrying amount</b>					
At 31 August 2018					<u>144,425</u>
At 31 August 2017					<u>148,280</u>

The valuation changes of £3,855 relate to exchange differences.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Fixed asset investments (Continued)

11 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	425	296,201	-	293,196
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	2,267,941	2,224,392	1,513,291	1,466,614

12 Trade and other receivables

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Amounts falling due within one year:</b>				
Trade receivables	425	3,005	-	-
Amounts owed by group undertakings	-	293,196	-	293,196
Other receivables	12,164	-	-	-
	12,589	296,201	-	293,196

13 Current liabilities

	Group 2018 £	2017 £	Company 2018 £	2017 £
	<b>Notes</b>			
Trade payables	1,565	10,532	251	-
Amounts due to group undertakings	6,626	-	6,626	-
Corporation tax payable	-	346	-	-
Other taxation and social security	-	23,448	-	-
Deferred income	16 1,770	-	-	-
Accruals and deferred income	-	16,500	-	16,500
	9,961	50,826	6,877	16,500

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 14 Non-current liabilities

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts due to undertakings in which the group has a participating interest	446,414	400,114	446,414	400,114
Other payables	1,813,336	1,797,246	1,060,000	1,050,000
	<u>2,259,750</u>	<u>2,197,360</u>	<u>1,506,414</u>	<u>1,450,114</u>

### 15 Provisions for liabilities

	Group 2018 £	2017 £	Company 2018 £	2017 £
	23,108	29,656	-	-
	<u>23,108</u>	<u>29,656</u>	<u>-</u>	<u>-</u>

Movements on provisions:

<b>Group</b>	<b>£</b>
Additional provisions in the year	<u>23,108</u>

### 16 Deferred income

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other deferred income	1,770	-	-	-
	<u>1,770</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 17 Share capital

	Group and company	
	2018 £	2017 £
<b>Ordinary share capital Issued and fully paid</b>		
12,510 Ordinary of £4 each	50,040	50,040
	<u>50,040</u>	<u>50,040</u>

### 18 Retained earnings

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Retained earnings (Continued)

	Group 2018 £	2017 £	Company 2018 £	2017 £
At the beginning of the year	(372,139)	(217,767)	(359,829)	(189,458)
Loss for the year	(38,952)	(151,098)	(46,870)	(170,371)
Currency translation differences	320	(3,274)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At the end of the year	<u><u>(410,771)</u></u>	<u><u>(372,139)</u></u>	<u><u>(406,699)</u></u>	<u><u>(359,829)</u></u>

### 19 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	8,250	33,000	8,250	33,000
Between two and five years	-	8,250	-	8,250
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u><u>8,250</u></u>	<u><u>41,250</u></u>	<u><u>8,250</u></u>	<u><u>41,250</u></u>

### 20 Related party transactions

The company entered into transactions with a related party during the course of the year. The related parties exists as they are under control of directors of the company. During the year the company had the following transactions with the related party:

- The company made payments of £10,000 in respect of consultancy fees to the related party.

# SAINT HELENA CORPORATION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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21 Cash generated from group operations	2018	2017
	£	£
Loss for the year after tax	(38,952)	(151,098)
Adjustments for:		
Taxation charged	-	346
Finance costs	1	-
Investment income	(7,012)	(2,344)
Depreciation and impairment of property, plant and equipment	366	-
Gain on sale of investments	(12,942)	(123,763)
(Decrease)/increase in provisions	(6,548)	29,656
Movements in working capital:		
Decrease/(increase) in trade and other receivables	283,612	(292,151)
Increase in trade and other payables	20,101	136,235
Increase in deferred income	1,770	-
<b>Cash generated from/(absorbed by) operations</b>	<u>240,396</u>	<u>(403,119)</u>
21 Cash generated from operations - company	2018	2017
	£	£
Loss for the year after tax	(46,870)	(170,371)
Adjustments for:		
Investment income	-	(4)
Depreciation and impairment of property, plant and equipment	294	-
Movements in working capital:		
Decrease/(increase) in trade and other receivables	293,196	(289,146)
Increase in trade and other payables	46,677	411,114
<b>Cash generated from/(absorbed by) operations</b>	<u>293,297</u>	<u>(48,407)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.