

STATES OF ALDERNEY

ACCOUNTS 2019



STATES OF ALDERNEY

STATEMENT OF RESPONSIBILITIES OF THE POLICY AND FINANCE COMMITTEE AND THE STATES TREASURER

The States Treasurer is responsible for preparing accounts for each financial year which fairly summarise, in all material respects, the transactions of the States of Alderney for that period and are in accordance with the applicable law. In preparing those accounts she is required to:

- select suitable accounting policies and apply them consistently; and
- make judgements and estimates that are reasonable and prudent.

The Policy and Finance Committee are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time that the financial statements comply with The Government of Alderney Law, 2004, as amended. They are responsible 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the States of Alderney (the "States") and to prevent and detect fraud and other irregularities.

The States Treasurer is responsible for the maintenance and integrity of the corporate and financial information included in the States' website, and for the preparation and dissemination of financial statements.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE POLICY AND FINANCE COMMITTEE OF THE STATES OF ALDERNEY

Our opinion is unmodified

We have audited the financial statements of The States of Alderney (the "States") which comprise the Summary of Income and Expenditure Account for the year ended 31 December 2019, the Summary of Balances as at 31 December 2019 and the related notes, comprising significant accounting policies and other explanatory information.

In our opinion the financial statements of the States for the year ended 31 December 2019, is prepared, in all material respects, in accordance with the accounting policies set out in note 1 and The Government of Alderney Law, 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") including ISA (UK) 800 and the terms of our engagement letter dated 2 May 2018. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the States in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of Matter – Special Purpose Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the States to comply with the provisions of The Government of Alderney Law, 2004. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Respective responsibilities

Policy and Finance Committee and States Treasurer responsibilities

As explained more fully in their statement set out on page 1, the Policy and Finance Committee and the States Treasurer are responsible for: the preparation of the financial statements in accordance with the accounting policies set out in note 1 and The Government of Alderney Law, 2004; 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.

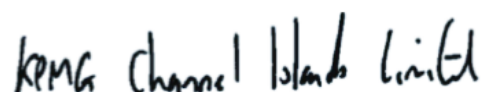
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Policy and Finance Committee (continued)***The purpose of this report and restrictions on its use by persons other than the States***

This report is made solely to the Policy and Finance Committee and the States, as a body, in accordance with section 61 of The Government of Alderney Law, 2004. Our audit work has been undertaken so that we might state to them those matters we are required to state 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 Policy and Finance Committee and the States, as a body, for our audit work, for this report, or for the opinions we have formed.

Handwritten signature in black ink that reads "KPMG Channel Islands Limited".**KPMG Channel Islands Limited***Chartered Accountants, Guernsey***27th May 2020**

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

- a. Revenue income and expenditure account receipts and payments arising during the year and in the month following the year end are brought into account in the accounting year to which they relate.
- b. Capital expenditure is written off in the year in which it is incurred. Depreciation is therefore not provided.
- c. The States of Alderney 1982 pension scheme has been presented as far as practicable having regard to FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102"). Pension costs charged to the Summary Income and Expenditure Account are the contributions paid in line with the latest actuarial valuations, see note 2 for further details; other movements in the net pension liability are not reflected in the Summary Income and Expenditure account.

2. PENSION COSTS

The States of Alderney 1982 Pension Scheme

The States provides pension arrangements for the majority of employees through a defined benefit scheme (the "1982 Scheme") and the related costs are assessed in accordance with the advice of the Scheme Actuary. As previously reported the final salary scheme has been closed to new entrants from 31 December 2011.

Over the year to 31 December 2019 the employer contributed at the rate of 20% of pensionable salaries, subject to review at future actuarial valuations. The employee's contribution was 6.5% of pensionable salaries. Employee's Death in Service benefits are secured under a separate policy.

The assets of this scheme are held separately from those of the States in an independently administered fund which up until 2013 were invested with Aviva.

Since January 2014 an amended investment strategy commenced, using several alternative fund managers to take on the Aviva role. In 2015 the investment management services were further improved to ensure that the portfolio and underlying funds are continually monitored by specialist and portfolio managers. In September, 2016 Aviva were appointed as Scheme Actuary with Gower Financial Services Limited continuing to provide administrative and investment support. With effect from 30 June 2019, AVIVA withdrew from providing actuarial and administration services to Trustees and Sponsors of Defined Benefit schemes and subsequently Mercer Limited have been appointed as Scheme Actuaries.

In preparing the disclosures for the States of Alderney accounts, the States have noted the disclosure requirements of Financial Reporting Standard 102, section 28. The States has used actuarial calculations provided by the actuary to identify the implications of any surplus/(deficit) to the States as at 31st December 2019. The calculations have been carried out by a qualified independent actuary based on the results of the last full actuarial valuation, carried out on the 1st January 2018 and updated to 31st December 2019.

The pensionable salary growth has been directly linked to the inflation assumption, as the scheme is now closed to new entrants, those remaining in the scheme have no further known increments due, and pay awards have been, and are expected to be, lower than UK inflation assumption figure in the foreseeable future.

STATES OF ALDERNEY**NOTES TO THE ACCOUNTS – continued****2. PENSION COSTS (continued)**

The balance sheet position of the Scheme has deteriorated by £896,000 over the year.

This is mainly as a result of the employer contributions being less than the cost of a year's accruals of benefits on the FRS 102 basis together with effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities. These factors have been partially offset by a significant return on plan assets during the year.

In regard to early retirement assumptions, as in 2018, the valuation assumes that 25% of active members and all deferred members who have the option to retire on an unreduced pension at age 60 will do so.

In 2019 Employer premiums amounted to £128,452 (2018: £125,079), and Employee premiums were £41,747 (2018: £40,651). Included in these amounts are pensions costs related to the Water Board, which is paid by the States of Alderney and recharged to the Water Board. The total pension charge to the Water Board for the year was £26,597 (2018: £26,202).

Assumptions

The major assumptions used by the actuary in this valuation were:

	Valuation at 31 December 2019	Valuation at 31 December 2018
Discount rate	2.10% pa	2.80% pa
Pensionable salary growth	3.30% pa	3.30% pa
Inflation assumption	3.30% pa	3.30% pa
Allowance for commutation of pension for cash	25%	25%
Mortality assumptions (years)		
• Male retiring 2019	86.8	86.7
• Female retiring 2019	88.6	88.7
• Male retiring 2039	88.1	88.2
• Female retiring 2039	90.2	90.3

The discount rate assumption is included in accordance with parameters prescribed by FRS102. It is based on market expectations which may not be borne out in practice. FRS102 requires recognition of losses at the end of the accounting period rather than offsetting over a longer period. The actuary has also used an estimated employer contribution of £131k.

Scheme assets

The assets in the scheme and the closing deficit is as follows:

	2019	2018
	£000	£000
Fair value of plan assets	6,334	5,388
Present value of funded obligations	(11,781)	(9,939)
Deficit in the scheme	(5,447)	(4,551)
Net pension liability	(5,447)	(4,551)

STATES OF ALDERNEY**NOTES TO THE ACCOUNTS - continued**

The Finance Committee considered the Pension Fund Liability at their March 2020 meeting and agreed to recommend to Policy & Finance Committee to note deficit and monitor the risk, request the States Treasury to seek updated actuarial advice and report back on potential deficit scenarios and possible actions, and to continue to receive annual update.

2. PENSION COSTS (continued)**Movements in scheme deficit for year**

	2019	2018
	£000	£000
Current service cost	213	228
Net interest		
Interest on obligation	280	256
Interest on assets	(151)	(147)
Remeasurements		
Actuarial (gains)/losses on obligations	1,463	(654)
Return on assets (gain)/loss	(804)	650
Expenses	26	41
Contributions by Employer	(131)	(125)
Net increase in deficit	896	249

Movements in present value of defined benefit obligation

	2019	2018
	£000	£000
Balance at start of year	9,939	10,196
Current service cost	213	228
Expenses	26	0
Interest expense	280	256
Contributions by members	39	41
Actuarial losses (gains)	1,463	(654)
Benefits paid and expenses	(179)	(128)
Defined benefit obligation at end of period	11,781	9,939

Movements in fair value of plan assets

	2019	2018
	£000	£000
Balance at start of year	5,388	5,894
Interest income	151	147
Actuarial gains (losses)	804	(650)
Contributions by employer	131	125
Contributions by members	39	41
Benefits paid and expenses	(179)	(169)
Fair value of plan assets at end of year	6,334	5,388

STATES OF ALDERNEY**NOTES TO THE ACCOUNTS - continued****2. PENSION COSTS (continued)****Categories of fund assets at fair value**

	2019	2018
	(£000)	(£000)
Equities	4,783	4,208
Bonds	879	830
Property	0	5
Cash	187	248
Other	485	97
Total assets	6,334	5,388

The States of Alderney 2013 Pension Scheme

As approved by the States of Alderney, the new Defined Contributions Scheme, came into effect from 1 January 2013, and is administered by BWCI. There were 4 new entrants to the scheme during 2019. The employee contribution is set at 6.5% (as per the 1982 scheme), and the employers contribution rate at 7.5%, increasing annually by 0.5% up to a maximum of 12.5%.

In 2019 the Employer premium amounted to £65,524 (2018: £50,401), and the Employee contribution amounted to £48,952 (2018: £38,584). Included in these amounts are pensions costs related to the Water Board, which is paid by the States of Alderney and recharged to the Water Board. The total pension charge to the Water Board for the year was £1,079 (2018: £1,755).

In addition the Employees Death in Service policy amounted to £18,905 (2018: £14,719), relating to both Schemes. Of this amount £4,298 (2018: £1,965) related to the 2013 Scheme members, and £14,607 (2018: £12,754) related to the 1982 Scheme members.

Included in these amounts are costs related to the Water Board, which is paid by the States of Alderney and recharged to the Water Board. The total charge to the Water Board for the year was £3,360 (2018: £2,678) for the 1982 scheme and £86 (2018: £157) for the 2013 scheme.

3. RELATED PARTY TRANSACTIONS

The States of Alderney is responsible for the functions of the Water Board, which is a separate trading entity. During 2019 the States purchased goods and services from the Water Board to the value of £17,072 (2018: £17,029), and provided goods and services to the Water Board to the value of £81,638 (2018: £82,666). Capital grants to the Water Board in 2019 totalled £74,000 (2018: £95,000).

The Royal Connaught Residential Home Limited is a States owned company. During 2019 the States provided goods and services to the company to the value of £3,255 (2018: £1,350). Capital expenditure on Connaught projects in 2019 totalled £259,479 (2018: £101,881).

The States has a majority share-holding in Alderney Electricity Ltd ("AeL") and appoints annually a director to the Board AeL. This position was held by Mr K. Gentle during 2019.

Mr L. Jean and Mr S. D. G. McKinley also hold minority shares in AeL. The States purchases electricity, oil and specialist electrical services from AeL. In 2019 the value of these purchases were £131,044 (2018: £166,553). The States has provided goods and services to AeL during 2019 to the value of £74,796 (2018: £68,376).

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS – continued

3. RELATED PARTY TRANSACTIONS (continued)

Mr M. Dean is a member of the States of Alderney, and is also the beneficial owner of Auto-Motion. During 2019 the States of Alderney purchased goods and services from Auto-Motion to the value of £100 (2018: £270), and provided goods and services to the company during 2019 to the value of £50 (2018: £790).

Mr L. Jean is a member of the States of Alderney, and is also a director and shareholder of Alderney Journal Ltd. During 2019 the States of Alderney purchased goods and services from Alderney Journal Ltd to the value of £943 (2018: £1,203).

4. BUDGET APPROVALS

The original budget for 2019 was approved by the States of Alderney at the meeting held on 10th October 2018. The revised budget 2019 together with budget 2020 were approved by the States of Alderney on 16th October 2019.

5. ALDERNEY GAMBLING CONTROL COMMISSION

During the year the States of Alderney received a total of £3,971,500 (2018: £4,885,500) in respect of licences issued by the Commission under the Gambling (Alderney) Law 1999. This sum was transferred in total to the Commission to defray expenses with surpluses payable to the States on a quarterly basis. In 2019 the surplus received from the Commission amounted to £1,413,495 (2018: £2,642,107). An extract from the Alderney Gambling Control Commission's financial statements for 2019 will be available to the States during 2020.

6. ALDERNEY eGAMBLING LIMITED

During 2019 Alderney eGambling Ltd (AeGL), a wholly States owned company, continues to handle the promotion and development of the on-line gambling industry in Alderney. As reported in 2018, it was agreed that the advisory and consultancy services to regulators, previously undertaken by Alderney eGambling Advisors Limited, would be transferred to the responsibility of the AeGL and this alteration to duties continues to work well. A report on the company's activity and accounts for 2019 will be available to the States during 2020.

7. ALDERNEY COMMISSION FOR RENEWABLE ENERGY

With effect from 10th November 2008 the Alderney Commission for Renewable Energy (ACRE), was appointed by the States of Alderney as a statutory body operating under the provisions of the Renewable Energy (Alderney), Law 2007.

ACRE was originally funded through the block fees received from Alderney Renewable Energy Ltd (ARE). When block fee payments were ceased, ACRE's financial reserves were paid over to the States of Alderney who then indemnified ACRE to cover the cost of legal fees and operating costs while it pursued the legal case against ARE.

The settlement of the legal case against ARE in late 2018, together with the limited prospects of tidal renewable energy developments taking place in the near future, called into question the need for the Commission to operate at its current level, which was requiring at that time, significant funding from the States of Alderney.

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS – continued

7. ALDERNEY COMMISSION FOR RENEWABLE ENERGY (continued)

The Policy and Finance Committee subsequently resolved to give notice to the existing Commissioners and reduce the Commission to consist of a Chairman and two other Commissioners (the statutory minimum). It was further recommended that the Commissioner posts be filled by States of Alderney Civil Servants to discharge the basic functions of the Commission.

At its meeting of 16th April 2019, the Policy and Finance Committee resolved to recommend to the States the appointment of Mr Andrew Muter, Mr Paul Veron and Mrs Elizabeth Maurice as Members of the Commission in accordance with the provisions of section 6 of the Renewable Energy (Alderney) Law, 2007. The States of Alderney unanimously approved the appointment at its meeting on the 15th May 2019.

ACRE required a much reduced subsidy in 2019 of £65,000. Provision has been made in the 2020 budget for a further subsidy however it will be determined during 2020 by the Commissioners whether these funds will be required.

8. ROYAL CONNAUGHT RESIDENTIAL HOME LIMITED

The Royal Connaught Residential Home Limited is a States owned company managed by the Board of Directors, with responsibility for the administration of the Jubilee & Sydney Herival House and the Royal Connaught Residential Care Home. A report on the Board's activities and accounts for 2019 will be available to the States during 2020.

9. ECONOMIC DEVELOPMENT RESERVE FUND

The Economic Development Reserve Fund has been approved as being funded by Alderney Gambling Control Commission reserves at £300k per annum. As this is a fund, any unspent balances are carried forward into the following year, and as such are now being shown as a separate fund on page 13. The balance of the fund as at year end amounted to £180,282 (2018: £293,931).

10. CONTINGENT LIABILITIES

The following guarantees are considered to be contingent liabilities for disclosure in the notes to these accounts. A contingent liability is a possible obligation that arises from past events which will only materialise following the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the States. The expectation is that no payment will be required to settle these obligations.

Alderney Electricity Limited (AEL)

In January 2018, AEL signed an agreement with its banker to provide a loan facility of up to £1.4m over 10 years to finance a power station upgrade. The States of Alderney agreed to act as a guarantor for this loan.

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS – continued

Alderney Housing Association (AHA)

In February 2019, the States of Alderney agreed to guarantee a loan of £2.9m to AHA from the States of Guernsey over 28 years. At the time of agreeing the loan, AHA properties were valued in excess of £8m.

11. SUBSEQUENT EVENTS

The impact of the Covid-19 global health and economic crisis on the States finances and operations has been assessed since the end of the reporting period.

In October 2019, the States of Alderney approved the Budget for 2020. A revised budget in response to the pandemic was approved in April 2020 to take account of:

1. Reduced revenue from variable sources to reflect reductions through drop in demand, or granting of concessions in accordance with government schemes; and
2. Managed expenditure reductions.

This revised budget demonstrates that the States of Alderney can meet its obligations and deliver a surplus as originally planned. This is influenced by the fact that the major funding sources comprising the annual grant from States of Guernsey and Occupier's Rate, which provide 73% of the gross revenue expenditure of the States, are not considered to be at risk.

This also means that any cash-flow risk in the short term can be managed. However, if required, arrangements have been made for flexibility in drawing down the grant allocation from the States of Guernsey.

From 2021, a new Property Tax will be effective. This will bring all property revenues under the control of Alderney and replace the grant currently received from the States of Guernsey. The timing of this is currently being evaluated to assess whether implementation has been compromised by the pandemic. If considered a risk, an interim arrangement will be agreed to avoid any cash-flow pressures during 2021.

The 2020 capital programme has been delayed and steps are being put in place to reprioritise and accelerate projects, particularly where this will stimulate economic recovery, as soon as restrictions are lifted.

Looking ahead, a Recovery Plan is being prepared for the Island alongside the Bailiwick-wide recovery plan. The agreed financial relationship with Guernsey to date means that the States of Alderney has limited revenue reserves to support a recovery plan. However, the States of Guernsey has agreed the first tranche of longer-term funding for the Bailiwick-wide plan which will be available for all parts of the Bailiwick.

The States response to the crisis has shown that it is operationally resilient. Revised and flexible working practices have been implemented including working from home and redeployment. As a result, critical public services continue to be delivered. The States of Alderney continues to work closely with the States of Guernsey to ensure that any decisions made for the community and employees are consistent with the latest health and well-being guidance.

States of Alderney Summary Income and Expenditure Account 2019

Accounts Exp. £	2018 Inc. £	Net £	Revenue Income and Expenditure	Accounts Exp. £	2019 Inc. £	Net £
87,539	43,743	43,796	Operational activities	70,188	36,486	33,702
			Building and development control services			
			General Services			
1,380,013	24,347	1,355,666	States Works	1,424,098	27,140	1,396,958
30,174	22,020	8,154	Recreation	38,559	33,650	4,909
49,738	-	49,738	Fire Brigade	54,647	-	54,647
22,735	-	22,735	Civil Emergency	23,484	-	23,484
37,796	-	37,796	Grants	62,250	-	62,250
390,679	324,975	65,704	Alderney Harbour	449,243	361,054	88,189
			Policy and Finance			
846,442	32,961	813,481	Corporate and democratic services	1,039,335	36,878	1,002,457
185,800	78,991	106,809	Court	189,739	79,550	110,189
206,140	13,830	192,310	Tourism and marketing	235,897	12,678	223,219
27,232	-	27,232	Education and health	26,250	-	26,250
11,741	-	11,741	Social and welfare services	7,622	-	7,622
290,247	-	290,247	Grants	106,463	-	106,463
3,566,276	540,867	3,025,409	Cost of services	3,727,775	587,436	3,140,339
			Other operating income			
		155,430	Property and land rents-GSC			156,073
		45,109	Rents - PFC			45,109
		54,372	Interest receivable			67,158
		45,705	Vehicle import licence fees			73,448
		163,674	Numismatic and philatelic profits			174,867
			Property and other taxation/grant income			
		1,891,250	Grant from States of Guernsey (Net)			1,875,000
		530,613	Occupiers Rates			539,555
		253,887	Property Transfer Duty			232,927
		25,000	Duty free concession			25,000
		139,631	Surplus/(Deficit) on provision of services			48,798
		(3,055)	Transfer to coin reserve			(299)
		136,576	Surplus/(Deficit) for the year			48,499
		136,576	Balance Year End			48,499
Accounts Exp. £	2018 Inc. £	Net £	Capital Income and Expenditure	Accounts Exp. £	2019 Inc. £	Net £
793,992	-		General Services Committee	840,927	-	
158,480	-		Policy and Finance Committee	90,443	-	
300,000	-		Transfer to Economic Development Fund	300,000	-	
-	-		Transfer to Revenue Account (from AGCC Reserves)	-	-	
1,252,472	-	1,252,472	Total capital expenditure	1,231,370	-	1,231,370
			Sources of Funding			
-	2,642,107		AGCC profit transfer	-	1,413,495	
-	-		Exceptional income	-	-	
-	37,510		Asset sales	-	6,000	
-	28,697		Other	-	500	
-	2,708,314	2,708,314	Total capital income	-	1,419,995	1,419,995
		1,455,842	Surplus/(Deficit)			188,625

The summary of the accounts were approved by the Policy and Finance Committee on 26th May 2020 and are signed on its behalf by:



Mr J D Dent
Chairman, Policy and Finance Committee

States of Alderney Summary Income and Expenditure Account 2019

31st December 2019

Revised Budget 2019			Revenue Income and Expenditure	Accounts 2019		
Exp. £	Inc. £	Net £		Exp. £	Inc. £	Net £
87,250	38,500	48,750	Operational activities			
			Building and development control services	70,188	36,486	33,702
			General Services			
1,389,050	25,500	1,363,550	States Works	1,424,098	27,140	1,396,958
33,750	32,100	1,650	Recreation	38,559	33,650	4,909
53,500	-	53,500	Fire Brigade	54,647	-	54,647
24,000	-	24,000	Civil Emergency	23,484	-	23,484
83,660	-	83,660	Grants	62,250	-	62,250
426,300	354,410	71,890	Alderney Harbour	449,243	361,054	88,189
			Policy and Finance			
953,700	32,765	920,935	Corporate and democratic services	1,039,335	36,878	1,002,457
186,800	67,220	119,580	Court	189,739	79,550	110,189
247,700	12,600	235,100	Tourism and marketing	235,897	12,678	223,219
26,250	-	26,250	Education and health	26,250	-	26,250
10,000	-	10,000	Social and welfare services	7,622	-	7,622
131,900	-	131,900	Grants	106,463	-	106,463
<u>3,653,860</u>	<u>563,095</u>	<u>3,090,765</u>	Cost of services	<u>3,727,775</u>	<u>587,436</u>	<u>3,140,339</u>
			Other operating income			
		157,410	Property and land rents - GSC			156,073
		45,110	Rents - PFC			45,109
		61,080	Interest receivable			67,158
		70,000	Vehicle import licence fees			73,448
		162,000	Numismatic and philatelic profits			174,867
			Property and other taxation/grant income			
		1,875,000	Grant from States of Guernsey (Net)			1,875,000
		545,000	Occupiers Rates			539,555
		223,000	Property Transfer Duty			232,927
		25,000	Duty free concession			25,000
		<u>72,835</u>	Surplus/(Deficit) on provision of services			<u>48,798</u>
		-	- Transfer from AGCC Reserves			-
		(750)	Transfer to coin reserve			(299)
		<u>72,085</u>	Surplus current year			<u>48,499</u>

Revised Budget 2019			Capital Income and Expenditure	Accounts 2019		
Exp. £	Inc. £	Net £		Exp. £	Inc. £	Net £
2,248,000	-	2,248,000	General Services Committee	840,927	-	840,927
145,000	-	145,000	Policy and Finance Committee	90,443	-	90,443
300,000	-	300,000	Transfer to Economic Development Fund	300,000	-	300,000
<u>2,693,000</u>	<u>-</u>	<u>2,693,000</u>	Total capital expenditure	<u>1,231,370</u>	<u>-</u>	<u>1,231,370</u>
			Sources of Funding			
-	1,176,000	1,176,000	AGCC profit transfer	-	1,413,495	
-	-	-	Asset sales	-	6,000	
-	6,000	6,000	Other	-	500	
	<u>1,182,000</u>	<u>1,182,000</u>	Total capital income	<u>-</u>	<u>1,419,995</u>	<u>1,419,995</u>
		<u>(1,511,000)</u>	Surplus/(Deficit)			<u>188,625</u>

STATES OF ALDERNEY**Summary of Balances at 31 December 2019**

		£
<u>COINS IN CIRCULATION</u>		
Value of coins in circulation at 01.01.19		4,116,345
Value of coins issued in 2019		855
		<u>4,117,200</u>
Less: Value of coins withdrawn from circulation		-
Value of coins in circulation at 31.12.19		<u>4,117,200</u>
<u>CURRENCY RESERVE FUND</u>		
Balance at 01.01.19		579,579
Reserve for base metal coins issued in 2019		299
		<u>579,878</u>
Less: Value of coins redeemed		-
Balance at 31.12.19		<u>579,878</u>
<u>INSURANCE DEDUCTABLE RESERVE ACCOUNT</u>		
Balance at 01.01.19		331,492
Transfer to Reserve 2019		72,068
		<u>403,560</u>
<u>UNINSURED EVENTS RESERVE FUND</u>		
Balance at 01.01.19		-
Transfer to Reserve 2019		59,746
Less: Claims against reserve during year		<u>(9,746)</u>
Balance at 31.12.19		<u>50,000</u>
<u>MAJOR PROJECTS RESERVE FUND</u>		
Balance at 01.01.19		-
Transfer to Reserve 2019		50,000
Less: Claims against reserve during year		-
Balance at 31.12.19		<u>50,000</u>
<u>ECONOMIC DEVELOPMENT RESERVE FUND</u>		
Income	AGCC funding - (accumulation of 2014-2018 balance)	293,931
	AGCC funding 2019	300,000
Expenditure 2019	ED Administration/Consultancy	103,128
	Small Business Start Up grants (ex YES)	-
	Review of Financial Relationship	7,558
	New Air Routes Programme inc. Air Alderney	-
	Airlines - Independent Advice on PSO (50% share with SoG)	20
	Island's Tourism Product (Niche Tourism)	3,835
	Transport Strategy Advice	16,186
	Tidal Energy Group	1,328
	Marine Management Implementation	299
	New Sea Ferry Service Subsidy	98,500
	Digital Connectivity - E-enabling Alderney	81,998
	Tourism & Marketing - Delivery and Strategy Development	5,342
	Tourism Promotion at External Events	4,114
	Accommodation Sector Inspectorate	2,507
	Alderney Island Pride	79,357
	Review of Governance	1,552
	Fort Tourgis - due diligence/consultancy etc	7,925
Total expenditure 2019		<u>413,649</u>
Balance carried forward at 31.12.19		<u>180,282</u>

STATES OF ALDERNEY

Summary of Balances at 31 December 2019 (continued)

<u>GRANTS, SUBSIDIES & THIRD PARTY PAYMENTS</u> <u>OVER £1,000</u>	<u>2019</u> £	<u>REASON FOR GRANT / SUBSIDY</u>
		Usage of the Island Hall & associated rooms by Charities & NPOs for fundraising events etc.
Concessions - Island Hall/ Anne French Room	7,675	
Alderney Ambulance Service	21,000	Annual grant towards the running costs of the AAS
Alderney Bird Observatory	20,039	To support the ABO start-up costs, registration and regulatory fees in addition to Secondment fees for the Warden
Alderney Commission for Renewable Energy	65,000	Operating costs due to lack of income from Block Fees
Alderney Farm Shop & Jeans Stores	10,914	To support the Milk Vending scheme by purchase of machinery & equipment
Alderney Flying Club	1,000	Towards to cost of hosting the annual Air Races
Alderney Golf Club	4,000	Towards the implementation of a new initiative for the management of perennial infestation of the greens/ fairways by using chemical free soil treatment methods.
Alderney Library	3,500	Towards the running costs of the Library
Alderney Literary Festival	3,689	Towards the cost of hosting the annual Literary Festival
Alderney Maritime Trust	1,097	The cost of rent for the inner harbour shed which the Maritime Trust utilise
Alderney Museum	5,000	Towards the running cost and general maintenance of the Museum
Alderney Performing Arts Festival Foundation	5,109	Towards the cost of hosting the annual Performing Arts Festival
Alderney Theatre Group	1,160	Usage of the Island Hall & associated rooms for rehearsals & performances
Alderney Week	10,291	Towards the cost of hosting the annual Alderney Week Festival
Alderney Wildlife Trust	16,000	Annual contribution towards general operational support of AWT
Alderney Wildlife Trust - Community Woodland Project	1,000	Annual contribution towards the Community Woodland Project
Cultural Exchange	1,500	Towards attendance at the annual Cultural Exchange in France
Dairy & Land Management Compensation	62,696	To support dairy farm & land management on the Island
Guernsey Kart & Motor Club	3,000	To host the annual Sprint & Hill Climb events
Playschools / Playgroups	5,050	Annual contribution for Under 5 Service Providers
Youth Club	5,000	Annual contribution towards the Youth Club

INVESTMENTS

<u>2018</u> SHARES	£	<u>Alderney Electricity Ltd</u> Ordinary Shares at £1 each fully paid at cost	<u>2019</u> SHARES	£
1,146,090	39,860	Balance at 01.01.19 and 31.12.19	1,146,090	39,860
<u>2018</u> SHARES	£	<u>Alderney Electricity Ltd</u> 7% Cumulative Preference Shares at £1 each fully paid at cost	<u>2019</u> SHARES	£
11,150	5,659	Balance at 01.01.19 and 31.12.19	11,150	5,659
<u>2018</u> SHARES	£	<u>Alderney eGambling Ltd</u> Ordinary Shares at £1 each fully paid at cost	<u>2019</u> SHARES	£
1	1	Balance at 01.01.19 and 31.12.19	1	1
<u>2018</u> SHARES	£	<u>Alderney Golf Club</u> Shares at £1 each fully paid at cost	<u>2019</u> SHARES	£
650	650	Balance at 01.01.19 and 31.12.19	650	650
<u>2018</u> SHARES	£	<u>Royal Connaught Residential Home Ltd</u> Shares at £1 each fully paid at cost	<u>2019</u> SHARES	£
2	2	Balance at 01.01.19 and 31.12.19	2	2

STATES OF ALDERNEY

Summary of Balances at 31 December 2019 (continued)

TRUST FUNDS

<u>2018</u>		<u>2019</u>
	Bank accounts	
	<u>Daisy Hansen St Anne's School Trust</u>	
£		£
879	Balance at 01.01.19	854
-	Interest received	-
<u>879</u>		<u>854</u>
-	Audit report	-
-	Bank Charges	(21)
<u>(25)</u>	School Prize	-
<u>854</u>	Balance at 31.12.19	<u>833</u>
	 <u>The Anne French Hospital Annexe Fund</u>	
12,914	Balance at 01.01.19	13,011
<u>97</u>	Interest received	<u>112</u>
<u>13,011</u>		<u>13,123</u>
-	Audit report	-
<u>13,011</u>	Balance at 31.12.19	<u>13,123</u>
	 <u>States of Alderney Interest on Investments Account</u> <u>(Educational Bequests)</u>	
978	Balance at 01.01.19	-
-	Interest received	-
<u>978</u>		<u>-</u>
<u>(978)</u>	Grants	-
-	Audit Reports	-
<u>-</u>	Balance at 31.12.19	<u>-</u>
	 <u>The Packe History Trust</u>	
1,459	Balance at 01.01.19	1,439
-	Interest received	-
<u>1,459</u>		<u>1,439</u>
<u>(20)</u>	School History Prize	(25)
<u>1,439</u>	Balance at 31.12.19	<u>1,414</u>
	 <u>Alderney Pilotage Board</u>	
<u>600</u>	Balance at 01.01.19 and 31.12.19	<u>600</u>
	 <u>The Mary Roylance Mignot Memorial Hospital Fund</u>	
17,433	Balance at 01.01.19	17,744
<u>311</u>	Interest received (adjusted with negative interest end of 2018 & estimated Q4 interest 2019)	<u>1,040</u>
<u>17,744</u>		<u>18,784</u>
-	Grants	-
<u>17,744</u>	Balance at 31.12.19	<u>18,784</u>
	 <u>St Anne's Trust</u>	
33,377	Balance at 01.01.19	33,627
<u>250</u>	Interest received	<u>290</u>
<u>33,627</u>		<u>33,917</u>
-	Grants	-
<u>33,627</u>	Balance at 31.12.19	<u>33,917</u>
	 <u>The New Parsonage House Trust</u>	
75,439	Balance at 01.01.19	72,826
<u>1,137</u>	Interest received (overestimated interest 2018 & estimated Q4 interest 2019)	<u>3,867</u>
<u>76,576</u>		<u>76,693</u>
<u>(3,750)</u>	Maintenance costs	(664)
<u>72,826</u>	Balance at 31.12.19	<u>76,029</u>
	 <u>Charitable Trust Fund</u>	
171,852	Balance at 01.01.19	150,790
<u>1,198</u>	Interest received	<u>1,196</u>
<u>173,050</u>		<u>151,986</u>
<u>(22,019)</u>	Grants issued in year	(11,087)
<u>(241)</u>	Bank and general administration costs	(169)
<u>150,790</u>	Balance at 31.12.19	<u>140,730</u>