

ALDERNEY COMMISSION FOR RENEWABLE ENERGY

FINANCIAL STATEMENTS 2016

FOR INFORMATION PURPOSES

Alderney Commission for Renewable Energy
Commissioners' Report and Financial Statements
For the year ended 31 December 2016

Alderney Commission for Renewable Energy

Commissioners' Report and Financial Statements

For the year ended 31 December 2016

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Alderney Commission for Renewable Energy

Commission information

Commissioners

Captain R. P. Barton (Appointed interim Chairman 24 March 2017)
Professor J. V. Sharp
Mrs. R. Gaudion (Appointed interim Commissioner 24 March 2017)
Mr. M. Wordsworth (Resigned 22 March 2017)

Chairman
Commissioner
Interim Commissioner
Chairman

Secretary

Mrs. R. Gaudion

Independent Auditor

KPMG Channel Islands Limited
Chartered Accountants
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 IWR

Banker

HSBC
53a Victoria Street
Alderney
GY9 3TA

Office

A6 Ollivier Court
Ollivier Street
Alderney
GY9 3TD

Alderney Commission for Renewable Energy

Chairman's Statement

For the year ended 31 December 2016

The Renewable Energy (Alderney) Law, 2007 established the Alderney Commission for Renewable Energy ('the Commission') with powers to license and regulate the operation, deployment, use or management of all forms of renewable energy on the island of Alderney and in its territorial waters.

The Commission is an independent statutory body that is separate from the States of Alderney ('the States'). Since its establishment the Commission has been primarily focused on the development of tidal power, Alderney having one of the largest tidal power resources in Europe.

In 2008 Alderney Renewable Energy Limited ('ARE') was granted a 65 year licence from the States and the Commission over 48 square miles, or approximately 50%, of Alderney's waters in order to begin to plan for the development of a large scale tidal power operation. ARE is a private commercial company funded by its shareholders and is unconnected to the States or the Commission.

The UK renewables sector has been hard hit by the recent changes in Governmental policy with new onshore wind projects at risk, following the planned scrapping of subsidies and new planning obstacles. The latest auction round in the UK contract for difference (CfD) support system has removed the ring-fence for wave and tidal energy, which means that they will be competing directly with offshore wind for allocations. Tidal energy development continues with Atlantis Resources' MeyGen project in Scotland leading with their first phase turbine array up and running in 2016 and the Perpetuus Tidal Energy Centre – a multi-technology array project in the Isle of Wight – gaining a marine licence and consent in April 2016.

France continues its investment in tidal energy with new development projects of 50-100MW planned off the Normandy and Brittany coasts. The French government have recently announced a competitive tender for these tidal development rights. EDF's Normandie Hydro 14MW array project will be located at Raz Blanchard on the French side of the Alderney Race. The second Raz Blanchard tidal energy project was dropped by General Electric in January 2017. EDF's Paimpol –Brehat demonstration project features two Open Hydro L'Arcouest tidal turbines which stopped producing electricity in late 2016 and are due to be removed for repairs.

FAB Link Ltd, a joint venture company between ARE and Transmission Investment, continue to work on the FAB Link interconnector project with a focus on public consultations during autumn 2016. FAB Link is an interconnector (undersea electricity transmission cable) between France and Britain via Alderney. It is an important element of the financial viability of large scale tidal development in Alderney waters as it provides a cost effective route to market in either France or the UK. However, this being an interconnector system, it does not fall within the remit of the Commission, hence FAB Link Ltd is dealing directly with the States.

During 2016 a Convertible Loan Agreement between ARE and the Commission was finalised to cover the Block Fees for 2015 and the first half year of 2016. Block Fees for the second half of 2016 have not been paid by ARE despite an extension until the end of 2016 being granted by the States. Non-payment of Block Fees is a breach of the 2008 Agreement. As a result the States resolved to take back the non-statutory (commercial) responsibilities of the 2008 Agreement, previously delegated to the Commission in 2008, leaving the Commission to function solely in its statutory capacity, a move wholly welcomed by the Commission. The breach of Agreement was not remedied within the contractual period of notice given by the Commission. The Agreement was subsequently terminated on 16 May 2017. Consequently the Commission has had no income stream since the beginning of 2015 and as a result will continue to minimise expenditure during this period of uncertainty and policy evolution. Meanwhile the Commission will continue to act in its non-statutory capacity solely upon explicit instruction from the States of Alderney.

Alderney Commission for Renewable Energy

Chairman's Statement (continued)

For the year ended 31 December 2016

There were no changes in the structure of the Commission during 2016 although Commissioners accepted contracts on a rolling one month notice period reflecting the intention of the States of Alderney at that time to reconsider the regulatory regime and Commission set up. The Commission was advised that as a result of the review, the States of Alderney are amending the legislation to reform the model of regulation for renewable energy, which is being drafted to allow the Commission to be reduced to a minimum of one Commissioner. Mark Wordsworth resigned as Chairman on 22 March 2017 and on 24 March 2017 the States of Alderney appointed Capt. Robert Barton as Interim Chairman and Ruth Gaudion as Interim Commissioner. As of 1 July 2017, the Commissioners proposed their fees be reduced for the time being by 50% to reflect the reduced workload following the termination of the 2008 Agreement. This proposal was accepted by the States of Alderney.

As a result of being required to pay a non-budgeted recharge to the States of Alderney for fees incurred by the States for services related to renewable energy, the Commission no longer has sufficient funds to meet future debts as they fall due. The payment of this invoice is subject to the States of Alderney indemnifying the Commission against all its ongoing operating expenses (where all reasonable efforts will be made to keep within the mutually agreed budget) that it is unable to satisfy as a result of having paid its financial reserves to the States. The Law Officers have prepared a formal Agreement which the States of Alderney have accepted. This indemnifies the Commission against its ongoing operating costs and as such these financial statements have been prepared on a going concern basis.



Chairman

Date: 13.9.17

Alderney Commission for Renewable Energy

Statement of the Commission's responsibility

For the year ended 31 December 2016

The Alderney Commission for Renewable Energy ('the Commission') acknowledges that it is responsible for preparing financial statements for each financial year. The Commission has prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Section 1A of Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

The financial statements are required by law to give a true and fair view of the state of affairs of the Commission and of the profit or loss of the Commission for that year.

In preparing those financial statements the Commission is required to:

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

The Commission is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Commission. The Commission also has a general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Commission, and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditor

The Commissioners who held office at the date of approval of this Commission's report confirm that, so far as they are each aware, there is no relevant audit information of which the Commission auditor is unaware; and each Commissioner has taken all the steps that they ought to have taken as a Commissioner to make themselves aware of any relevant audit information and to establish that the Commission's auditor is aware of that information.

Independent Auditor

KPMG Channel Islands Limited were reappointed as auditor of the Commission during the period.

Independent auditor's report to the Commissioners of Alderney Commission for Renewable Energy

We have audited the financial statements of Alderney Commission for Renewable Energy (the "Commission") for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, Statement of Financial Position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland*.

This report is made solely to the Commissioners, as a body, in accordance with our engagement letter dated 2 March 2016. Our audit work has been undertaken so that we might state to the Commissioners 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 Commission and the Commissioners as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Commissioners and auditor

As explained more fully in the Statement of the Commission's Responsibilities set out on page 4, the Commissioners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Commission's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Commissioners; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for Qualified Opinion on financial statements

We qualified our audit opinion on the financial statements for the year ended 31 December 2015 with regard to an outstanding trade debtor balance of £345,000 which we were unable to obtain sufficient audit evidence in order to evaluate the Commissioners' assessment of recoverability. This balance has been fully impaired in the current year ended 31 December 2016.

Qualified Opinion on financial statements

In our opinion, except for the possible effect solely on the comparative information for the year ended 31 December 2015 of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 December 2016.

In our opinion, except for the possible effect of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Commission's result for the year ended 31 December 2016; and
- have been properly prepared in accordance with United Kingdom Accounting Standards.

Independent auditor's report to the Commissioners of Alderney Commission for Renewable Energy (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters, in our opinion:

- the Commission has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

KPMG Channel Islands Limited

KPMG Channel Islands Limited
Chartered Accountants
Guernsey

14 September 2017

Alderney Commission for Renewable Energy

Statement of comprehensive income

For the year ended 31 December 2016

	Notes	2016 £	2015 £
Operating income and expenses			
Income	2	574,326	545,000
Administrative expenses	2	(531,468)	(361,624)
Impairment of assets	7	(734,979)	-
Operating (deficit)/surplus		<u>(692,121)</u>	<u>183,376</u>
Other interest receivable and similar income			
Interest receivable		<u>15,653</u>	<u>4,180</u>
		(676,468)	187,556
Interest payable and similar expenses			
Interest payable		(3,367)	-
Bank charges		(143)	(158)
(Deficit)/surplus on ordinary activities before taxation		<u>(679,978)</u>	<u>187,398</u>
Total comprehensive (loss)/income for the year		<u><u>(679,978)</u></u>	<u><u>187,398</u></u>

All activities are derived from continuing activities.

The Commission has no components of 'other comprehensive income'.

The notes on pages 9 to 15 form an integral part of these financial statements.

Alderney Commission for Renewable Energy

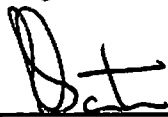
Statement of Financial Position

As at 31 December 2016

	Notes	2016 £	2015 £
Non current assets			
Convertible loan	1 & 10	-	-
Tangible fixed assets	5	281	778
		<u>281</u>	<u>778</u>
Current assets			
Debtors: amounts falling due within one year	10	-	345,000
Prepayments		2,500	4,155
Cash and cash equivalents	6	261,944	429,654
Total current assets		<u>264,444</u>	<u>778,809</u>
Current liabilities			
Creditors: amounts falling due within one year	8	208,870	43,754
Total current liabilities		<u>208,870</u>	<u>43,754</u>
Net assets		<u>55,855</u>	<u>735,833</u>
General reserves:			
Reserves	9	55,855	735,833
Shareholders' funds		<u>55,855</u>	<u>735,833</u>

The notes on pages 9 to 15 form an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved by the Alderney Commission for Renewable Energy on 11 September 2017 and are signed on their behalf by:



Captain Robert P Barton
Chairman

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

1 Accounting policies

Basis of preparation

The Alderney Commission for Renewable Energy ("the Commission") was established by the Renewable Energy (Alderney) Law, 2007. The Commission has offices at A6 Ollivier Court, Alderney, GY9 3TD.

The Commission's financial statements have been prepared in compliance with United Kingdom Accounting Standards including FRS 102 (Section 1A), the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The Financial statements were prepared on a historical cost basis.

The financial statements are prepared in sterling which is the functional currency of the Commission. The Commissioners consider sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Going concern

As a result of being required to pay a non-budgeted recharge to the States of Alderney for fees incurred by the States for services related to renewable energy, the Commission no longer has sufficient funds to meet future debts as they fall due. The payment of this invoice is subject to the States of Alderney indemnifying the Commission against all its ongoing operating expenses (where all reasonable efforts will be made to keep within the mutually agreed budget) that it is unable to satisfy as a result of having paid its financial reserves to the States. The Law Officers have prepared a formal Agreement which the States of Alderney have accepted. This indemnifies the Commission against its ongoing operating costs and as such these financial statements have been prepared on a going concern basis.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Computer equipment and related equipment	33% per annum
Office furniture	25% per annum
Office refitting	20% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the Commission has the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.

Income: Block Fees

The Commission receives income in the form of Block Fees. These are due six monthly in advance on 1 January and 1 July. This is paid under the terms of the Agreement granted on 13 November 2008 to Alderney Renewable Energy Limited ("ARE"). The fees are non-refundable and are recognised in the Income account on an accrual basis. Block Fees due from 1 July 2016 onwards are subject to cumulative RPI increase by instruction of the States of Alderney on 1 February 2017. See note 13 for additional detail.

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

1 Accounting policies (continued)

Income: Electricity Subsidy

Under the terms of the Agreement dated 13 November 2008, Alderney Renewable Energy Limited ("ARE") agreed to pay an annual sum of £200,000 to the Commission. The £200,000 payment was previously made by ARE to the Commission, but in 2016 it was instead remitted directly to Alderney Electricity Limited where it was used to subsidise the fuel cost component on electricity bills for residents and businesses on Alderney.

Interest receivable

Interest receivable is recognised as interest accrues using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position, comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price less attributable costs. Any losses arising from impairment are recognised in the Statement of Comprehensive Income. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Expenses

Expenses, including administration and other expenses are accounted for on an accruals basis and are recognised in the Statement of Comprehensive Income on the transaction date.

Included within expenses, is a management fee payable to the States of Alderney. This covers costs incurred by the States of Alderney for items such as sponsoring visits to other jurisdictions by the President, Chief Executive and other States members, and processing of appropriate legislation via the Law Offices as necessary with onward submission to the full States of Alderney, in support of renewable energy developments initiatives.

Reserves

As the Commission is wholly reliant upon a six monthly income it is considered prudent to hold a minimum of six months operational costs in a General Reserve on an ongoing basis. In addition it is the Commission's policy to ensure that any contracts entered into where the time span exceeds the current year be provided in their entirety by means of creation of a Specific Reserve. As the Commission no longer holds reserves an indemnity arrangement has been agreed by the States of Alderney as stated under the Going Concern heading of Note 1 above.

Convertible loan agreement

The Commission entered in to a convertible loan agreement ("CLA") with ARE on 30 September 2016. The CLA is a financial instrument and is measured at amortised cost using the effective interest method less any impairment losses.

The CLA was initially recorded at its fair value, the transaction price. At the end of the financial reporting period, the Commissioners have carried out an impairment review of the fair value of the CLA. Following their impairment review, the Commissioners have determined that the full value of the CLA should be impaired. The impairment loss has been recognised within the Statement of Comprehensive Income during the financial reporting period.

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

1 Accounting policies (continued)

Lease commitments

Rentals payable under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the lease term.

Taxation

The Commission is not liable to Guernsey income tax.

2 Income and operating surplus

The income and operating surplus is derived wholly from continuing activities.

	2016	2015
	£	£
Income		
Income from block fees	374,326	345,000
Income electricity subsidy	200,000	200,000
	<u>574,326</u>	<u>545,000</u>

	Notes	2016	2015
		£	£
Administrative expenses			
Commissioners fees	4	42,175	41,924
Staff salaries	4	21,533	21,399
Premises		1,283	1,260
Rent	12	10,344	10,208
I.T. costs		506	424
Consultancy		2,613	9,190
Conferences and general travel		3,867	4,320
Postage, stationery and telephone		2,568	2,129
Insurance		2,435	1,516
Audit and accountancy fees	3	5,860	11,750
Legal fees		652	15,000
Seabird study Liverpool University PhD		-	4,750
Publications and subscriptions		1,340	2,140
Depreciation		497	614
Sundry		45	-
States of Alderney management fee	11	35,000	35,000
States of Alderney recharge	11	200,750	-
Subsidy payment to Alderney Electricity Limited	1	200,000	200,000
		<u>531,468</u>	<u>361,624</u>

3 Auditor's remuneration

The remuneration of the auditor's is further analysed as follows:

	2016	2015
	£	£
Audit		
Audit of financial statements	5,860	11,000

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

4 Staff costs	2016	2015
(a)	£	£
Salaries	20,219	20,093
Social security costs	1,314	1,306
	<u>21,533</u>	<u>21,399</u>

The average monthly number of employees during the year was as follows:

	2016	2015
	No.	No.
Employees	<u>1</u>	<u>1</u>

(b)	2016	2015
	£	£
Commissioners fees	<u>42,175</u>	<u>41,924</u>

During the course of the year, Commissioners' fees of £42,175 (2015: £41,924) were paid to two Commissioners. Commissioner Mark Wordsworth provided his services to the Commission without charge and was therefore not paid Commissioner fees (except for incidental expenses).

5 Fixed assets	Computer equipment	Office furniture	Total
	£	£	£
Cost or valuation			
As at 1 January 2016	8,512	8,785	17,297
Write off/disposals	<u>(2,045)</u>	<u>-</u>	<u>(2,045)</u>
As at 31 December 2016	6,467	8,785	15,252
Depreciation			
As at 1 January 2016	7,734	8,785	16,519
Charge for the year	497	-	497
Write off/disposals	<u>(2,045)</u>	<u>-</u>	<u>(2,045)</u>
As at 31 December 2016	6,186	8,785	14,971
Net book value			
As at 31 December 2016	<u>281</u>	<u>-</u>	<u>281</u>
Net book value			
As at 31 December 2015	<u>778</u>	<u>-</u>	<u>778</u>

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

6	Cash and cash equivalents	2016	2015
		£	£
	Cash at bank	261,844	65,520
	Petty cash	100	100
	States of Guernsey Treasury Investment Account	-	364,034
		<u>261,944</u>	<u>429,654</u>

The Commission's Treasury Investment Account with the States of Guernsey was closed on 22 December 2016. The balance was transferred into the Commission's account with HSBC.

7	Impairment of assets	Amount	Impairment	Total
		£	£	£
	Trade debtors	201,826	(201,826)	-
	Convertible Loan	517,500	(517,500)	-
	Interest receivable	15,653	(15,653)	-
		<u>734,979</u>	<u>(734,979)</u>	<u>-</u>

Trade debtors represents the block fees for 1 July 2016 payable by ARE Ltd. that were deferred by arrangement with the States of Alderney and the Commission and were due to be paid by 31 December 2016 (£201,826). This payment was not received. (See note 13). As the Commission has no evidentiary support to the contrary it has reasonable doubt as to the recoverability of this debtor balance. It has therefore made the assessment that the only course of action is to recognise the Impairment of the balance to account for the doubtful debt. The debt has not been written off. See note 10 for additional detail.

8	Creditors - amounts falling due within one year	2016	2015
		£	£
	Trade creditors	200,750	35,000
	Accruals	5,860	6,500
	Social security and taxation	2,260	2,254
		<u>208,870</u>	<u>43,754</u>

Trade creditors represents the recharge by the States of Alderney for the cost of services incurred by the States of Alderney in connection with the renewable energy industry in the sum of £200,750. At the end of 2016 this non-budgeted amount was outstanding, however arrangements are in place for the amount to be paid in 2017.

9	Reconciliation of movements in general reserves	2016
		£
	Balance as at 31 December 2015	735,833
	Loss for the year	(679,978)
	Balance as at 31 December 2016	<u>55,855</u>

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

10 Convertible Loan Agreement

The Commission, in its non-statutory capacity under the powers conferred upon them on 10 November 2008 by Resolution of the States of Alderney, thereby executed a Convertible Loan Agreement ("CLA") with ARE on 30 September 2016. The CLA effectively rolled up Block Fees from 1 January 2015 to 31 December 2015 of £345,000 and from 1 January 2016 to 30 June 2016 of £172,500; a total of £517,500. The sum repayable on the maturity date can alternatively be converted into shares if decided by the States of Alderney. The Commission is unable to provide evidentiary support of the recoverability of this debtor balance. The impairment of this debt of £517,500 and the interest receivable to 31 December 2016 of £15,653 have been recognised to account for the doubtful debt (see note 7). The debt has not been written off.

11 Related party transactions

During the year, the Commission paid contributions to the States of Alderney of £35,000 in the form of a management fee (2015: £35,000).

The Commission has been recharged by the States of Alderney for the cost of services incurred by the States of Alderney in connection with the renewable energy industry in the sum of £200,750. Arrangements are in place for the non-budgeted amount to be paid in 2017.

12 Tenancy agreement

On 18 February 2014, the Commission entered into a tenancy agreement for an office located at A6 Ollivier Court, Ollivier Street, Alderney commencing on 1 March 2014. The annual rental was £10,000. A deposit of £2,500 was paid on 1 March 2014 and this is included in prepayments. The lease was renewed on 8 February 2016, for an additional year. The revised annual rental was £10,363. On 9 February 2017, the lease was renewed on a three month rolling basis at a new annual rental of £10,529.

	2016	2015
	£	£
Amounts falling due in less than 1 year	4,359	10,344
Amounts falling due in more than 1 year	-	1,727

13 Events after the reporting period

Block Fees of £204,248 due on 1 January 2017 were not received. The annual sum of £200,000 due 1 January 2017 (which is paid on to Alderney Electricity Limited) was not received. The matter of these arrears and the Block Fee arrears of £201,826 at 31 December 2016 was referred to the States of Alderney for discussion at their meeting on 17 January 2017. The Commission subsequently issued a notice of breach of the Agreement to ARE on 3 February 2017. The States of Alderney further instructed the Commission to terminate the Agreement and notice of immediate termination was issued to ARE on 16 May 2017.

The Commission will continue to act in its non-statutory capacity solely upon explicit instruction from the States of Alderney. It is understood that the States of Alderney have requested amending legislation to allow the the number of Commissioners to be reduced to one. On 18 May 2017 the States of Alderney accepted a formal proposal from the Commissioners that their pay be reduced by 50% of the current agreed rates from 1 July 2017 and their notice period be re-instated to three months.

Mark Wordsworth resigned as Chairman on 22 March 2017 and on 24 March 2017 the States appointed Capt. Robert Barton as Interim Chairman and Ruth Gaudion as Interim Commissioner.

On 18 August 2017 the Commission issued statutory notice of revocation of ARE's Statutory Licence.

Alderney Commission for Renewable Energy

Notes to the financial statements

For the year ended 31 December 2016

13 Events after the reporting period (continued)

The indemnity agreement between the Commission and the States of Alderney dated 23 August 2017 has been signed by all parties.

There are no other events of note after the end of the reporting period and up to the date of the signing of these financial statements that require further disclosure.