

STATES OF ALDERNEY

ACCOUNTS 2020



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 & Finance Committee of the States of Alderney

Opinion

We have audited the financial statements of the States of Alderney (the "States") for the year ended 31 December 2020 which comprise the Summary Income and Expenditure Account, the Summary of Balances and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements for the year ended 31 December 2020 are prepared, in all material respects, in accordance with the accounting policies stated in Note 1 to the financial statements and the provisions of the Government of Alderney Law, 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 States in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, 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.

Emphasis of matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The accounts are prepared to assist the States in complying with their financial reporting obligations, under the provisions of The Government of Alderney Law, 2004. As a result, the accounts may not be suitable for another purpose. Our report is intended solely for the Policy & Finance Committee (the "Committee") and should not be distributed to or used by parties other than the Committee. Our opinion is not modified in respect of this matter.

Other information

The Committee are responsible for the other information. The other information comprises the Statement of Responsibilities of the Policy and Finance Committee and the States Treasurer.

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.

Matters on which we are required to report by exception

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

- proper accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of the Committee for the Accounts

As explained more fully in the Statement of Responsibilities of the Policy and Finance Committee and the States Treasurer, the States Treasurer is responsible for the preparation of the accounts in accordance with the accounting policies in Note 1 to the financial statements. The Committee is 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 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.

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

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

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the Committee in accordance with our engagement letter dated 11 May 2021. Our audit work has been undertaken so that we might state to the Committee 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 Committee, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Grant Thornton Limited', followed by a horizontal line.

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey

Date: 4th June 2021

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.
- d) Grants to Third Parties – The States operates three schemes to provide support to third parties. Annual budgets are set aside to provide support to voluntary organisations, tourism and events and new business start-ups.

Applications are scrutinised against a range of criteria agreed by the responsible committees. Grants are only awarded for the year in question and an assurance statement is required from all applicants to confirm use of States funds in accordance with the scheme. From 2020, Service Level Agreements will be agreed for all grants in excess of £5,000. The States reserves the right to recover Small Business grants in the event that a new business ceases trading within 12 months.

The total amount awarded for all grant schemes is disclosed in this report.

- e) Reserve Funds

Insurance Deductible Reserve Fund – Separate fund established over the last few years in order to "self-insure" up to the maximum liability which potentially could be claimed for previous years. Up to end 2018 this was for the full amount dating back to 1998, however with effect from 2019 it was agreed to reserve for previous 10 years plus current year. Balance at end of 2020 £494,001 (2019 £403,560).

Major Projects Reserve Fund – Established in 2019 to provide a reserve to meet the costs of unexpected one-off revenue expenditure that may arise at any time. Provides the States with flexibility to protect the revenue account from unforeseen events. Contributions are agreed as part of the budget process. Expenditure to date is nil. Balance £75,000 (2019 - £25,000).

Uninsured Events Reserve – Established in 2019 to provide a reserve to meet the costs of uninsured events such as litigation or planning appeals where not covered by mainstream insurance. Provides the States with flexibility to protect the revenue account from unforeseen events. Contributions are agreed as part of the budget process. Expenditure to date is nil. Balance £75,000 (2019 - £25,000).

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 2020 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 2020. The calculations have been carried out by a qualified independent actuary based on the results of the last full (preliminary) actuarial valuation, carried out on the 1st January 2020 and updated to 31st December 2020.

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.

The balance sheet position of the Scheme has deteriorated by £828,000 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 2019, 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.

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

In 2020 Employer premiums amounted to £117,036 (2019: £128,452), and Employee premiums were £38,037 (2019: £41,747). 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 £28,650 (2019: £26,597).

Assumptions

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

	Valuation at 31 December 2020	Valuation at 31 December 2019
Discount rate	1.50% pa	2.10% pa
Pensionable salary growth	3.10% pa	3.30% pa
Inflation assumption	3.10 % pa	3.30 pa
Allowance for commutation of pension for cash	25%	25%
Mortality assumptions (years)		
• Male retiring 2020	86.8	86.8
• Female retiring 2020	88.7	88.6
• Male retiring 2040	88.1	88.1
• Female retiring 2040	90.2	90.2

(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).

Scheme assets

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

	2020	2019
	£000	£000
Fair value of plan assets	6,912	6,334
Present value of funded obligations	(13,187)	(11,781)
Deficit in the scheme	(6,275)	(5,447)
Net pension liability	(6,275)	(5,447)

The Policy & Finance Committee (“PFC”) considered the Pension Fund Liability at their February 2021 meeting and agreed to note the current Pension Fund deficit and agreed that action is required in liaison with the Pension Trustees. It was further agreed to seek additional advice from the Actuary and Investment Adviser on all potential long-term options to meet the States obligations, and the forecast pension scheme deficit to be included as a specific issue to discuss with representatives of the States of Guernsey. Treasury will continue to request an annual update from the Scheme Trustees.

Movements in scheme deficit for year

	2020	2019
	£000	£000
Current service cost	259	213
Net interest		
Interest on obligation	249	280
Interest on assets	(133)	(151)
Remeasurements		
Actuarial (gains)/losses on obligations	983	1,463
Return on assets (gain)/loss	(440)	(804)
Expenses	26	26
Contributions by Employer	(116)	(131)
Net increase in deficit	828	896

Movements in present value of defined benefit obligation

	2020	2019
	£000	£000
Balance at start of year	11,781	9,939
Current service cost	259	213
Expenses	26	26
Interest expense	249	280
Contributions by members	39	39
Actuarial losses (gains)	983	1,463
Benefits paid and expenses	(150)	(179)
Defined benefit obligation at end of period	13,187	11,781

Movements in fair value of plan assets

	2020	2019
	£000	£000
Balance at start of year	6,334	5,388
Interest income	133	151
Actuarial gains (losses)	440	804
Contributions by employer	116	131
Contributions by members	39	39
Benefits paid and expenses	(150)	(179)
Fair value of plan assets at end of year	6,912	6,334

Categories of fund assets at fair value

	2020	2019
	(£000)	(£000)
Equities	5,143	4,783
Bonds	1,279	879
Property	0	0
Cash	366	187
Other	124	485
Total assets	6,912	6,334

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 2020. 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 2020 the Employer premium amounted to £57,426 (2019: £65,524), and the Employee contribution amounted to £41,910 (2019: £48,952). 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 £2,180 (2019: £1,079).

In addition the Employees Death in Service policy amounted to £21,949 (2019: £18,905), relating to both Schemes. Of this amount £4,159 (2019: £4,298) related to the 2013 Scheme members, and £17,790 (2019: £14,607) 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 £4,447 (2019: £3,360) for the 1982 scheme and £166 (2019: £86) 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 2020 the States purchased goods and services from the Water Board to the value of £16,929 (2019: £17,072), and provided goods and services to the Water Board to the value of £71,045 (2019: £81,638). Capital grants to the Water Board in 2020 totalled £149,000 (2019: £74,000).

The Royal Connaught Residential Home Limited is a States owned company. During 2020 the States did not provide any goods and services to the company (2019: £3,255). Capital expenditure on Connaught projects in 2020 totalled £273,397 (2019: £259,479).

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 2020.

Mr S. D. G. McKinley also hold minority shares in AeL. The States purchases electricity, oil and specialist electrical services from AeL. In 2020 the value of these purchases were £130,840 (2019: £131,044). The States has provided goods and services to AeL during 2020 to the value of £62,007 (2019: £74,796).

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS – continued

4. BUDGET APPROVALS

The original budget for 2020 was approved by the States of Alderney at the meeting held on 16th October 2019. The revised budget 2020 together with budget 2021 were approved by the States of Alderney on 14th October 2020 & 9th December 2020.

5. ALDERNEY GAMBLING CONTROL COMMISSION

During the year the States of Alderney received a total of £3,431,000 (2019: £3,971,500) 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. The gross distributions of surpluses received from the Commission in 2020 amounted to £1,741,761 (2019: £2,013,826) from which transfers to Alderney eGambling Limited amounted to £495,454 (2019: £600,332). An extract from the Alderney Gambling Control Commission's financial statements for 2020 will be available to the States during 2021.

6. ALDERNEY eGAMBLING LIMITED

During 2020 Alderney eGambling Ltd ("AeGL"), a wholly States owned company, continued to handle the promotion and development of the on-line gambling industry in Alderney. As reported in 2019, 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 2020 will be available to the States during 2021.

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.

The PFC 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 and at its meeting of 16th April 2019, the PFC 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

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS – continued

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.

Mr Muter resigned from his position as a temporary Commissioner on the 12th November 2020 and the States of Alderney unanimously approved the appointment of Mr Stephen Taylor as the Interim Chairman of ACRE at its meeting on the 9th December 2020.

ACRE did not require a subsidy in 2020, as it was determined not needed by the Commissioners, and no provision has been made in the 2021 budget for a further subsidy.

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 2020 will be available to the States during 2021.

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 £174,723 (2019: £180,282).

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.

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.

STATES OF ALDERNEY**NOTES TO THE ACCOUNTS – continued****11. SUBSEQUENT EVENTS****Impact of Covid-19**

The ongoing 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 December 2020, the States of Alderney approved the Budget for 2021 alongside the Revised Budget for 2020. This revised budget took 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.

Despite some significant drops in routine income, the States delivered a greater surplus in 2020 than anticipated at the Revised Budget stage. This reflects the fact that the major funding sources comprising the annual grant from States of Guernsey and Occupier's Rate, which provide the majority gross revenue expenditure of the States, were not considered to be at risk. Other income sources related to property sales increased in 2020, and this trend has continued in the early part of 2021.

The States' budget for 2021 includes flexibility to accommodate a degree of fluctuation in expenditure that may arise due to the pandemic. In the event that exceptional expenditure is required due to circumstances out of the States control, an agreement is in place to seek support from the States of Guernsey.

The 2021 Capital programme has been delayed due to restrictions in place in the first quarter of the year. The programme will continue to be reviewed with a view to reprioritising and accelerating projects where appropriate, subject to any restrictions that may be in place at the time.

Looking ahead, relationships with the States of Guernsey are currently focussed on seeking opportunities for joint working where this is mutually beneficial. This includes considering economic development initiatives as part of the Bailiwick Recovery Plan.

The States response to the crisis since March 2020 has shown that it is operationally resilient. Revised and flexible working practices have been implemented including working from home and redeployment in response to periods of restriction. As a result, critical public services have continued 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**NOTES TO THE ACCOUNTS – continued****Alderney Property Tax and financial relationship with the States of Guernsey**

From 1st January 2021, a new Property Tax has been introduced which brings all property revenues under the control of Alderney. The States considered the risk of volatile payment patterns associated with a new tax system but retains sufficient cash reserves to mitigate any short-term cash-flow risk. In practice, implementation has gone well and Property Tax receipts in the early period of 2021 are favourable. The States also assumed responsibility for setting rates of Fuel Duty and Document Duty from 2021 together with the retention of the proceeds.

These new measures replace the grant currently received from the States of Guernsey.

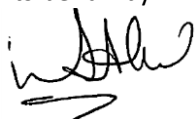
As part of the transition to the new financial arrangements, it was agreed with the States of Guernsey that the surplus reported in the 2020 accounts will be retained by the States of Alderney as a contribution to a new General Reserve.

The grant received from the States of Guernsey in 2020 is shown in the accounts as the gross sum of £1,927,000 net of the adjustment of £48,499 returned to the States of Guernsey in respect of an underspend on the revenue account in 2019. The accounts do not include a further allocation of £45,800 received in 2021 to meet the additional costs associated with the 2020 pay settlement. This sum will be accounted for in 2021. A final revenue grant of £300,000 from the States of Guernsey was agreed for 2021 and this is included in the States revenue budget.

States of Alderney Summary Income and Expenditure Account 2020

Accounts 2019			Revenue Income and Expenditure			Accounts 2020				
Exp.	Inc.	Net		Exp.	Inc.	Net		Exp.	Inc.	Net
£	£	£		£	£	£		£	£	£
70,188	36,486	33,704	Operational activities	65,288	25,915	39,373				
			Building and development control services							
			General Services							
1,424,098	27,140	1,396,958	States Works	1,248,392	25,504	1,222,888				
38,559	33,650	4,909	Recreation	24,448	23,541	907				
54,647	-	54,647	Fire Brigade	74,009	-	74,009				
23,484	-	23,484	Civil Emergency	8,898	-	8,898				
62,250	-	62,250	Grants	43,981	-	43,981				
449,243	361,054	88,190	Alderney Harbour	454,319	238,158	216,161				
			Policy and Finance							
1,039,335	36,878	1,002,457	Corporate and Democratic services	1,134,421	28,178	1,106,244				
189,739	79,550	110,189	Court	168,773	74,397	94,376				
235,897	12,678	223,219	Tourism and Marketing	208,457	10,334	198,123				
26,250	-	26,250	Education and Health	15,309	-	15,309				
7,622	-	7,622	Social and Welfare Services	15,753	-	15,753				
106,463	-	106,463	Grants	8,363	-	8,363				
3,727,775	587,436	3,140,340	Cost of services	3,470,411	426,026	3,044,385				
			Other operating income							
		156,073	Property and land rents-GSC			147,581				
		45,109	Rents - PFC			45,109				
		67,158	Interest receivable			38,339				
		73,448	Vehicle import licence fees			61,894				
		174,867	Numismatic and philatelic profits			165,769				
			Property and other taxation/grant income							
		1,875,000	Grant from States of Guernsey (Net)			1,878,501				
		539,555	Occupiers Rates			571,590				
		232,927	Property Transfer Duty			306,917				
		25,000	Duty free concession			6,250				
		48,798	Surplus/(Deficit) on provision of services			177,565				
		(299)	Transfer to coin reserve			(16)				
		48,499	Surplus/(Deficit) for the year			177,550				
Accounts	2019	Net	Capital Income and Expenditure	Accounts	2020	Net				
Exp.	Inc.	£		Exp.	Inc.	£				
£	£	£		£	£	£				
840,927	-		General Services Committee	1,166,861	-					
90,443	-		Policy and Finance Committee	70,973	-					
300,000	-		Transfer to Economic Development Fund	300,000	-					
1,231,370	-	1,231,370	Total capital expenditure	1,537,834	-	1,537,834				
			Sources of Funding							
-	1,413,495		AGCC profit transfer	-	1,246,308					
-	6,000		Asset sales	-	5,650					
-	500		Other	-	2,000					
-	1,419,995	1,419,995	Total capital income	-	1,253,958	1,253,958				
		188,625	Surplus/(Deficit)			(283,876)				

The summary of the accounts were approved by the Policy and Finance Committee on 26th May 2021 and are signed on its behalf by:-



Mr. W J Abel, Chairman, Policy and Finance Committee

States of Alderney Summary Income and Expenditure Account 2020

31st December 2020

Revised Budget 2020			Revenue Income and Expenditure	Accounts 2020		
Exp. £	Inc. £	Net £		Exp. £	Inc. £	Net £
63,000	27,500	35,500	Operational activities			
			Building and development control services	65,288	25,915	39,373
			General Services			
1,251,977	25,300	1,226,677	States Works	1,248,392	25,504	1,222,888
27,600	17,021	10,579	Recreation	24,448	23,541	907
71,200	-	71,200	Fire Brigade	74,009	-	74,009
23,800	-	23,800	Civil Emergency	8,898	-	8,898
47,360	-	47,360	Grants	43,981	-	43,981
464,300	242,770	221,530	Alderney Harbour	454,319	238,158	216,161
			Policy and Finance			
1,059,050	25,800	1,033,250	Corporate and democratic services	1,134,421	28,178	1,106,244
175,500	64,600	110,900	Court	168,773	74,397	94,376
211,700	10,215	201,485	Tourism and marketing	208,457	10,334	198,123
17,500	-	17,500	Education and health	15,309	-	15,309
14,500	-	14,500	Social and welfare services	15,753	-	15,753
25,000	-	25,000	Grants	8,363	-	8,363
3,452,487	413,206	3,039,281	Cost of services	3,470,411	426,026	3,044,385
			Other operating income			
		146,480	Property and land rents - GSC			147,581
		45,110	Rents - PFC			45,109
		39,750	Interest receivable			38,339
		50,000	Vehicle import licence fees			61,894
		164,480	Numismatic and philatelic profits			165,769
			Property and other taxation/grant income			
		1,927,000	Grant from States of Guernsey (Net)			1,878,501
		572,210	Occupiers Rates			571,590
		185,400	Property Transfer Duty			306,917
		6,250	Duty free concession			6,250
		97,399	Surplus/(Deficit) on provision of services			177,565
		(50)	Transfer to coin reserve			(16)
		97,349	Surplus current year			177,550

Revised Budget 2020			Capital Income and Expenditure	Accounts 2020		
Exp. £	Inc. £	Net £		Exp. £	Inc. £	Net £
2,818,000	-	2,818,000	General Services Committee	1,166,861	-	1,166,861
142,000	-	142,000	Policy and Finance Committee	70,973	-	70,973
300,000	-	300,000	Transfer to Economic Development Fund	300,000	-	300,000
3,260,000	-	3,260,000	Total capital expenditure	1,537,834	-	1,537,834
			Sources of Funding			
-	1,000,000	1,000,000	AGCC profit transfer	-	1,246,308	
-	-	-	Asset sales	-	5,650	
-	5,650	5,650	Other	-	2,000	
	1,005,650	1,005,650	Total capital income	-	1,253,958	1,253,958
		(2,254,350)	Surplus/(Deficit)			(283,876)

STATES OF ALDERNEY**Summary of Balances at 31 December 2020**

		£
COINS IN CIRCULATION		
Value of coins in circulation at 01.01.2020		4,117,200
Value of coins issued in 2020		89
		<u>4,117,289</u>
Less: Value of coins withdrawn from circulation		(1)
Value of coins in circulation at 31.12.2020		<u>4,117,289</u>
CURRENCY RESERVE FUND		
Balance at 01.01.2020		579,877
Reserve for base metal coins issued in 2020		16
		<u>579,893</u>
Less: Value of coins redeemed		(1)
Balance at 31.12.2020		<u>579,892</u>
INSURANCE DEDUCTABLE RESERVE ACCOUNT		
Balance at 01.01.2020		403,560
Transfer to Reserve 2020		90,441
Balance at 31.12.2020		<u>494,001</u>
UNINSURED EVENTS RESERVE FUND		
Balance at 01.01.2020		50,000
Transfer to Reserve 2020		25,000
Less: Claims against reserve during year		-
Balance at 31.12.2020		<u>75,000</u>
MAJOR PROJECTS RESERVE FUND		
Balance at 01.01.2020		50,000
Transfer to Reserve 2020		25,000
Less: Claims against reserve during year		-
Balance at 31.12.2020		<u>75,000</u>
HELPING HANDS APPEAL		
Balance at 01.01.2020		-
Donations Received 2020		18,289
Less: Claims during year		(1,300)
Balance at 31.12.2020		<u>16,989</u>
ALDERNEY AMBULANCE SERVICE		
Balance at 01.01.2020		-
Transfer from AAS in 2020		30,000
Less: Cost paid by the States of Alderney on behalf AAS		(7,029)
Balance at 31.12.2020		<u>22,971</u>
ECONOMIC DEVELOPMENT RESERVE FUND		
Income	AGCC funding - (accumulation of 2014-2019 balance)	180,281
	AGCC funding 2020	300,000
Expenditure 2019	ED Administration/Consultancy	94,106
	Small Business Start Up grants (ex YES)	3,900
	Review of Financial Relationship	7,230
	Digital Connectivity - E-enabling Alderney	132
	Tidal Energy Group	576
	New Sea Ferry Service Subsidy	117,500
	Transport Strategy Advice	11,576
	Island's Tourism Product (Niche Tourism)	31,398
	Alderney Island Pride	30,546
	Tourism & Marketing - Delivery and Strategy Development	322
	Tourism Promotion at External Events	2,492
	Fort Tourgis - due diligence/consultancy etc	4,220
	COVID Commercial Support	1,560
Total expenditure 2020		<u>305,558</u>
Balance carried forward at 31.12.2020		<u>174,723</u>

STATES OF ALDERNEY

Summary of Balances at 31 December 2020 (continued)

<u>GRANTS, SUBSIDIES & THIRD PARTY PAYMENTS</u>	<u>2020</u>	<u>REASON FOR GRANT / SUBSIDY</u>
<u>OVER £1,000</u>	£	
		Usage of the Island Hall & associated rooms by Charities & NPOs for fundraising events etc.
Concessions - Island Hall/ Anne French Room	4,419	
Alderney Bird Observatory	17,909	To support the ABO secondment fees for the Warden
Alderney Library	2,000	Towards the running costs of the Library
Alderney Maritime Trust	1,122	The cost of rent for the inner harbour shed which the Maritime Trust utilise
Alderney Rock Trust	1,285	Concession for usage of the Island Hall & associated rooms for 'Stars for Your Eyes' fundraising concerts
Alderney Theatre Group	1,899	Concession for usage of the Island Hall & associated rooms for Annie Junior & Peter Pan Pantomime rehearsals and performances
Alderney Wildlife Trust	16,000	Annual contribution for provision of services
Alderney Wildlife Trust - Community Woodland Project	1,000	Annual contribution towards the Community Woodland Project
Alderney Wildlife Trust - Ramsar	9,072	Annual contribution towards expenses of monitoring the site & ensuring appropriate surveys are undertaken to maintain Ramsar designation
Campsite	1,750	Support of the campsite operation as a result of Covid-19 restrictions/ impact on the season
Dairy & Land Management Compensation	52,802	To support dairy farm & land management on the Island
Guernsey Kart & Motor Club	3,500	To host the annual Sprint & Hill Climb events
School Bus Service	10,309	Annual a subsidy to the operator of the school bus service, subject to the fulfilment of certain conditions
Youth Club	5,000	Annual contribution towards the Youth Club
States of Alderney Water Board	149,000	Capital grants to upgrade the Water Board infrastructure relating to distribution networks Phases 9, 16, 18 & 19 in 2021. This amount is included in the total capital expenditure of the General Services Committee

INVESTMENTS

<u>2019</u>			<u>2020</u>	
SHARES	£	<u>Alderney Electricity Ltd</u>	SHARES	£
		Ordinary Shares at £1 each fully paid at cost		
1,146,090	39,860	Balance at 01.01.2020 and 31.12.2020	1,146,090	39,860
<u>2019</u>			<u>2020</u>	
SHARES	£	<u>Alderney Electricity Ltd</u>	SHARES	£
		7% Cumulative Preference Shares at £1 each fully paid at cost		
11,150	5,659	Balance at 01.01.2020 and 31.12.2020	11,150	5,659
<u>2019</u>			<u>2020</u>	
SHARES	£	<u>Alderney eGambling Ltd</u>	SHARES	£
		Ordinary Shares at £1 each fully paid at cost		
1	1	Balance at 01.01.2020 and 31.12.2020	1	1
<u>2019</u>			<u>2020</u>	
SHARES	£	<u>Alderney Golf Club</u>	SHARES	£
		Shares at £1 each fully paid at cost		
650	650	Balance at 01.01.2020 and 31.12.2020	650	650
<u>2019</u>			<u>2020</u>	
SHARES	£	<u>Royal Connaught Residential Home Ltd</u>	SHARES	£
		Shares at £1 each fully paid at cost		
2	2	Balance at 01.01.2020 and 31.12.2020	2	2

STATES OF ALDERNEY

Summary of Balances at 31 December 2020 (continued)

TRUST FUNDS

<u>2019</u>		<u>2020</u>
	Bank accounts	
£	<u>Daisy Hansen St Anne's School Trust</u>	£
854	Balance at 01.01.2020	833
-	Interest received	-
854		833
-	Audit report	-
(21)	Bank Charges	-
-	School Prize	(25)
833	Balance at 31.12.2020	808
	<u>The Anne French Hospital Annexe Fund</u>	
13,012	Balance at 01.01.2020	13,124
112	Interest received	103
13,124		13,226
-	Audit report	-
13,124	Balance at 31.12.2020	13,226
	<u>The Packe History Trust</u>	
1,438	Balance at 01.01.2020	1,413
-	Interest received	-
1,438		1,413
(25)	School History Prize	-
1,413	Balance at 31.12.2020	1,413
	<u>Alderney Pilotage Board</u>	
600	Balance at 01.01.2020 and 31.12.2020	600
	<u>The Mary Roylance Mignot Memorial Hospital Fund</u>	
17,743	Balance at 01.01.2020	18,783
1,040	Interest received (estimated Q4 interest 2020)	1,498
18,783		20,281
-	Grants	-
18,783	Balance at 31.12.2020	20,281
	<u>St Anne's Trust</u>	
33,627	Balance at 01.01.2020	33,917
290	Interest received	265
33,917		34,182
-	Grants	-
33,917	Balance at 31.12.2020	34,182
	<u>The New Parsonage House Trust</u>	
72,827	Balance at 01.01.2020	76,030
3,867	Interest received (estimated Q4 interest 2020)	5,537
76,694		81,567
(664)	Maintenance costs	(5,800)
76,030	Balance at 31.12.2020	75,767
	<u>Charitable Trust Fund</u>	
150,791	Balance at 01.01.2020	140,731
1,196	Interest received	931
151,987		141,662
(11,087)	Grants issued in year	(3,449)
(169)	Bank and general administration costs	(229)
140,731	Balance at 31.12.2020	137,984