

ALDERNEY GAMBLING CONTROL COMMISSION

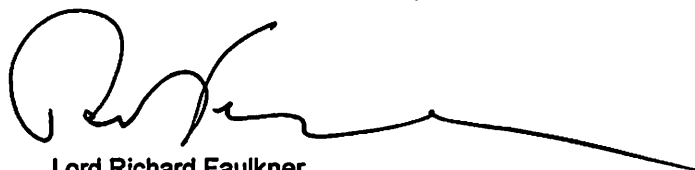
FINANCIAL STATEMENTS 2014

FOR INFORMATION PURPOSES

Balance Sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Computer, office equipment & furniture		72,872	76,231
Leasehold		268,656	332,710
Web hosting		<u>109,767</u>	<u>99,507</u>
	2	<u>451,295</u>	<u>508,448</u>
Current assets			
Cash at bank and in hand	3	2,703,914	2,515,906
Prepayments		<u>4,429</u>	<u>8,990</u>
		2,708,343	2,524,896
Creditors: amounts falling due within one year	4	(981,512)	(1,057,711)
Net current assets		<u>1,726,831</u>	<u>1,467,185</u>
Total assets less current liabilities		<u>2,178,126</u>	<u>1,975,633</u>
Capital and reserves			
Retained surplus brought forward		1,975,633	1,974,085
Net surplus for the year		202,493	1,548
Retained surplus		<u>2,178,126</u>	<u>1,975,633</u>

The financial statements on pages ___ to ___ were approved by Alderney Gambling Control Commission on 24 March 2015 and signed on its behalf by:



Lord Richard Faulkner
Chairman

Income statement for year ended 31 December 2014

	Note	2014	2013
		£	£
Income			
Licence fees		4,650,000	4,710,650
Fees charged to applicants and licensees		617,974	582,021
Bank interest		10,006	18,746
		<u>5,277,980</u>	<u>5,311,417</u>
Expenditure			
Staff costs	6	1,900,177	1,793,220
Commissioners' fees	5	114,079	110,061
Premises, furniture and equipment		82,498	78,071
Web hosting		88,882	107,471
Consultancy		169,972	183,502
Conferences and general travel		152,887	171,526
Postage, stationery and telephone		41,493	44,127
Administrative expenses		145,283	114,236
Depreciation	2	150,099	143,022
		<u>2,845,370</u>	<u>2,745,236</u>
Distributions in year	7	2,230,117	2,564,633
Net surplus		<u>202,493</u>	<u>1,548</u>

Notes to the financial statements for the year ended 31 December 2014

1. Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The income in the financial statements is collected by the Commission on behalf of the States of Alderney. After deduction of the expenses incurred and working capital required to fund the Commission the surplus is distributed to the States of Alderney.

Depreciation

Depreciation is calculated using the straight line method at the following rates:

- | | |
|--|---------------|
| • Office furniture | 25% per annum |
| • Computers and related equipment (including change control) | 33% per annum |
| • St Anne's refurbishment | 10% per annum |

Licence fees

Under the terms of The Alderney e-Gambling Ordinance, 2009, licences granted by the Commission are valid for an indefinite period. A non-refundable licence fee is payable on issue of the licence and in advance of each anniversary of the issue of the licence. The licence fees are recognised in the Income statement in the period in which they are received.

Cash flow statement

Under Financial Reporting Standard no. 1 the Commission is exempt from the requirements to prepare a cash flow statement on the grounds of its size.

Expenses

Expenses are accounted for on an accruals basis.

Leasehold

The Commission entered into a ten year lease on the office property in Alderney, commencing in April 2008.

The rental amounts for 2014 charged to the Income statement and included in premises, furniture and equipment expenditure were £46,685 (2013 - £45,671).

The Commission is committed under the lease to make payments of £36,000 per year plus any RPI increase, subject to review in the fifth year, until the end of the lease. The rental is charged on a straight line basis over the lease term.

Notes to the financial statements for the year ended 31 December 2014 (continued)

2. Fixed assets	Computer equipment £	Office furniture £	Leasehold £	Web Hosting £	Total £
Cost					
At 1 January 2014	191,503	90,547	640,555	292,446	1,215,051
Additions	39,797	526	0	52,621	92,944
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At 31 December 2014	231,300	91,073	640,555	345,067	1,307,995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 January 2014	145,061	60,758	307,845	192,939	706,603
Charge for year	30,992	12,689	64,056	42,362	150,099
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At 31 December 2014	176,053	73,447	371,901	235,301	856,702
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Net book value					
At 31 December 2014	55,245	17,626	268,656	109,767	451,294
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At 31 December 2013	46,442	29,789	332,710	99,507	508,448
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Notes to the financial statements for the year ended 31 December 2014 (continued)

3. Cash at bank and in hand	2014	2013
	£	£
Cash at bank:		
Business reserve account	565,807	354,521
Applicant and Licensee deposit account	959,490	943,199
Treasury accounts	1,000,017	1,000,017
Current account	178,580	218,112
Petty cash	20	57
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	2,703,914	2,515,906
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4. Creditors: amounts falling due within one year

	2014	2013
	£	£
Refundable deposits	622,544	712,654
Creditors and accruals	358,968	345,057
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	981,512	1,057,711
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Refundable deposits are held against the costs of investigating applicants and inspecting licensees and may be refunded in whole or in part.

5. Commissioners' fees

In accordance with the Gambling (Alderney) Law 1999, as amended, the States of Alderney ultimately meets the fees and expenses of the Commissioners, including the Chairman.

Notes to the financial statements for the year ended 31 December 2014 (continued)

6. Pension scheme and life assurance

A defined contributions pension scheme, together with life assurance cover, is provided for employees. The scheme is administered by Anthony Le Blanc and Partners Limited in Alderney and was started in May 2002. The scheme requires employees to contribute 6% of gross salary to the scheme and the Commission contributes a minimum 7.5% of gross salary to the scheme on the employees' behalf. The annual pension contribution of £160,853 (2013 - £149,645) is included in staff costs. At the year-end there were no prepaid or outstanding contributions (2013 – £nil).

7. Distributions to the States of Alderney

During 2014 the States of Alderney received distributions from the retained surplus of £2,230,017 (2013 - £2,564,633).

8. Guernsey Income Tax

The Commission is not subject to Guernsey Income Tax.

Independent auditor's report to the Commissioners of Alderney Gambling Control Commission

We have audited the financial statements of Alderney Gambling Control Commission (the "Commission") for the year ended 31 December 2014 which comprise the Balance Sheet, the Income Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the Commissioners, as a body, in accordance with our engagement letter dated 20 January 2015. 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 Commission's Responsibilities set out on page 31, 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 Annual Report 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 December 2014 and of its surplus for the year then ended; and
- are in accordance with United Kingdom Accounting Standards

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

26 March 2015