

2018

Jersey Gambling Commission  
Annual Report and Accounts



# CONTENTS

|   |    |
|---|----|
| <b>Chairman’s Statement</b> .....   | 2  |
| <b>Chief Executive’s Statement</b> .....  | 3  |
| <b>The Board</b> .....  | 5  |
| <b>The Executive</b> .....  | 6  |
| <b>Licensing and Regulation</b> .....   | 7  |
| <b>Approach to Regulation</b> .....   | 7  |
| <b>Regulatory Review 2018</b> .....   | 8  |
| <b>Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)</b> ..... | 9  |
| <b>Social Responsibility</b> .....  | 10 |
| <b>Self-Exclusion</b> .....   | 11 |
| <b>Financial Commentary</b> .....   | 12 |
| <b>Audited Financial Statements</b> .....   | 13 |

**Note: Please refer to separate contents page for Audited Financial Statements from page 13 onwards**

## Chairman's Statement

It is my pleasure to present this, the eighth Annual Report of the Jersey Gambling Commission.

The Commission has continued its initiative to deepen its relationship with government in order to optimise delivery of its statutory functions with a heavy emphasis on the duty to protect the young and the vulnerable. Working with government and with other agencies the Commission has not found or been provided with evidence to suggest, much less to establish, that problem gambling is widespread in Jersey. Nevertheless, there is no doubt that there are individuals, unquantified in number, for whom a gambling compulsion is a deeply serious problem, even a life-threatening problem. It is for that reason that the Commission continues to place a heavy premium on its work in this area. The duty of care owed by the industry and supervised by the Commission must also be matched by an understanding within government (and particularly public health and education) that many of the people who are affected by excessive gambling are also prone to other forms of compulsive behaviour and that consequently, problem gambling needs to be recognised within a wider health improvement strategy. I am pleased to report that progress to this effect has been made, and that there is a growing recognition that these complex problems are public health problems which require a public health solution.

On the political front, I held meetings with the former Chief Minister to advocate a holistic and amalgamated approach to dealing with problem gambling. I also held an informative and helpful meeting with the Minister for Education at which we discussed information sharing and data collection in respect of the gambling traits of children and young people. The Commission's executive has, naturally, been very active in this area, engaging with public health professionals across government, as well as with third sector organisations and Citizen's Advice. These initiatives are designed to continue and enhance the existing work of the Commission described in previous annual reports.

One of the areas that I do believe deserves a level of thought and attention which it has never quite received at political level is the capacity of the industry to add value and diversification to the Jersey economy. Gambling, like alcohol, can of course be abused and I have referred to that already, but there is much more to be said about gambling. It is part of the leisure industry and a form of entertainment that the Jersey legislature has chosen to recognise. Apart from the real enjoyment that it brings to many, the location in the Island of businesses engaged in the numerous functions associated with regulated international gambling creates income, jobs, training opportunities and diversity. It is reasonable to suppose that expansion within this sector would be welcomed in a narrowly based economy such as our own in which diversification has been repeatedly advised.

Over the past number of years, promotion of the sector has been undertaken by a group of private companies without support from government. By any measure its efforts have been successful, and the Island has gone from having no remote gambling licensees to now hosting ten operator and business to business companies. While this is certainly positive, it remains a drop in the ocean compared to other jurisdictions and is certainly less than what was envisaged when the States adopted the regulations to allow online gambling in 2011. It is not the place of the regulator to promote its industry, but the Commission has been genuinely impressed by the technological controls and clear audit trails that the sector is able to provide. There is no doubt that other companies that conform with the Island's risk profile and high regulatory standards would benefit from having a presence in the Island and this could certainly be facilitated by greater co-operation between private industry, government and public-private agencies along the model that has proven so successful in the financial services sector.

Our public interest objectives are specific to the conduct of gambling, but they do sit within the very broad landscape of all public policy and public interests in Jersey. The Board of Commissioners therefore continues to meet regularly with the Minister for Economic Development, Tourism, Sport and Culture and his Ministerial team and officers to discuss individual matters of governance and to be briefed on wider government policy. Given the close working relationship that this brings, the Commission has drafted a Memorandum of Understanding (MoU) to provide structure and clarity to the relationship. The MoU is based on the Jersey Financial Services Commission model and continues to rest with the Minister for consideration and signature. This MoU will reinforce the open

and continuing dialogue between the Commission and government so that policy development and mutual support move forward on a rational basis which is mutually understood.

The Commission continues to ensure that it maintains and deepens its relationships with other gambling regulators overseas as well as with other allied regulators in different sectors. The Commission has, therefore, continued to build its network of Memoranda of Understanding. During the period under review, for example, it has signed an agreement with the Financial Services Authority of the Seychelles in light of their taking responsibility for gambling regulation in that jurisdiction. The Commission will continue to work with all existing partners to ensure that the industry remains crime-free and conforms to internationally recognised best practice.

I conclude with exactly those words which I used at the end of the last annual report: they continue to apply in full measure. So once again I wish to mention the dedication and professionalism of the executive officers of the Commission under the leadership of the Chief Executive; their work continues to be of the highest quality and is greatly valued. So too should mention be made of my fellow Commissioners for the wisdom and strategic guidance which they unstintingly provide in constituting a Board which is notably well able to acquit its statutory remit in the best interests of the community.

I commend this report to the Minister and respectfully request that it be forwarded for submission to the States.

Advocate Cyril Whelan  
Chairman

## Chief Executive's Statement

The past year has been a positive one for the Commission in many respects. The industry remains generally buoyant, albeit the shift in player behaviour from terrestrial to online continues to put pressure on local bookmakers in particular. The decision of the UK government to reduce maximum stakes on gaming machines may increase these pressures given the ability of players to act unfettered online, but this will not be measured or realized until next year. As in past years, a small loss of licensed premises has been offset by an increase in the online sector so that overall the budget for the year is relatively stable. To that end, I am pleased to report that the Commission has ended 2018 with a small annual surplus (£45,617) and continues to operate at no cost to the taxpayer. In line with our finance policy, this will be added to our operating reserve.

One of the most important resources of the Commission are its people and in employing and training local people the Commission aids the wider economy. One of the harder aspects, given the close working nature of what is a small team, is when a person decides to move on. This year the Commission bade farewell to two of its former trainees, Daisy Ogesa and Medha Ghosh. We wish them well in their future careers. The Commission has undertaken an open recruitment process and will welcome new team members in 2019.

The main focus of the Commission is and will remain, delivery of its statutory duties and in particular, its Guiding Principles to ensure that gambling services should be conducted responsibly with safeguards necessary to protect children and vulnerable people; be regulated in accordance with generally accepted international standards to prevent fraud and money laundering, and should not be permitted to be a source of crime; and that they should be verifiably fair to consumers of those services. We discharge these duties through a mixture of desk reviews and onsite inspections, analysis of regulatory returns and continued investment in education and training.

Although a small sector in terms of the overall economy, the potential negative impact for the Island of poor regulation or licensee failings requires a high degree of integration with wider government policy in terms of supervision and adherence to international standards. To that end, the Commission continues to work alongside government and other regulatory colleagues within the government’s Financial Crime Strategy Group. Commission personnel are also strongly engaged in working groups for the Island’s National Risk Assessment.

Work with international colleagues remains an important feature of daily business of the Commission. Both the International Association of Gaming Regulators (IAGR) and the Gaming Regulators European Forum (GREF) provide a valuable resource of information and experience from across the world. The value of these organisations was amply demonstrated during the period when discussion around the links between loot boxes and gambling by children and young people developed into a “Declaration of gambling regulators on their concerns related to the blurring of lines between gambling and gaming” that was published in October and signed by gambling regulators of 16 European and American States and territories (Latvia, Czech Republic, Isle of Man, France, Spain, Malta, Jersey, Gibraltar, Ireland, Portugal, Norway, Netherlands, United Kingdom, Poland, Austria and the State of Washington). This work has been invaluable in showing the importance of considering gambling in a wider framework than has traditionally been afforded to it. Young people are being subjected to content within the (video) gaming sector that they may not perceive as gambling, but which stimulate similar behavioural responses and which may develop into compulsive tendencies. The Commission will continue this valuable work within GREF and bring it to the attention of public health professionals for consideration and development during 2019.

Dr Jason Lane  
Chief Executive

## The Board



**CYRIL WHELAN**  
**CHAIRMAN**



**DEBBIE SEBIRE**  
**COMMISSIONER**



**MATTHEW SWAN**  
**COMMISSIONER**

Called to the English bar in 1979 and to the Jersey bar in 1982, Advocate Whelan spent 28 years as senior legal adviser in the Law Officers' Department in Jersey. He was appointed to the office of Crown Advocate immediately upon the creation of that office in 1987 and remains the Island's longest serving Crown Advocate. He has served from time to time as Jersey's acting Attorney General. Advocate Whelan retired from the Law Officers' Department in 2007 and is currently a Senior Consultant at the local law firm Baker and Partners. Among other positions of public service, he acts as one of Jersey's relief Coroners. Advocate Whelan became a Commissioner of the Jersey Financial Services Commission on 1<sup>st</sup> June 2010, a Commissioner of the Jersey Gambling Commission since November 2015 and was appointed Chairman by the States from 1<sup>st</sup> October 2016 until the conclusion of his term in November 2019.

During the year Ms Sebire was Deputy Chairman of the Jersey Police Complaints Authority and a non-executive director of Highvern Trustees Limited. From 2004 to 2012 Ms Sebire was the Director, Trust Company Business for the Jersey Financial Services Commission. Following the introduction of trust company regulation, this role involved establishing a practical framework to supervise trust companies in accordance with the newly introduced Laws, Orders and Codes of Practice. From 1991 to 2004 Ms Sebire worked as a Director of Citigroup's Jersey Trust Company, responsible at various times for running the Jersey Trust Company and a Mutual Fund Unit. Ms Sebire is an Associate of the Chartered Institute of Bankers and a Member of the Society of Trust and Estate Practitioners. Ms Sebire was appointed a Commissioner in November 2015.

Appointed to the Commission in January 2016, Advocate Swan is also currently a member of the Jersey Police Complaints Authority, an advisor for Citizens Advice Jersey and on the board of examiners for the Jersey bar examination. He was a partner at Ogier between 2001 and 2015, heading their European banking and finance group and acting as the managing partner of the Jersey law firm. He has been qualified as a lawyer in England and Wales, Jersey and Cayman. He has been listed as a leading individual for banking and finance in Chambers and Legal 500.

## The Executive

The Executive represents the Commission domestically and overseas, having membership of the International Association of Gaming Regulators (IAGR) and the Gaming Regulators European Forum (GREF). Both IAGR and GREF are important bodies, providing opportunities to increase regulatory co-operation and develop common standards.



**JASON LANE**  
**CHIEF EXECUTIVE**



**DAVID EVANS**  
**DEPUTY CHIEF EXECUTIVE**

Jason became Chief Executive of the independent Jersey Gambling Commission on its inception in 2010. He is a Trustee of IAGR, a former Chairman of GREF (2014-16) and a member of the International Masters of Gaming Law. In 2017 Jason was also appointed by the Minister for Home Affairs as Chairman of the Jersey Police Authority.

David has worked for the UK Financial Services Authority and Pensions Regulator. In 2001 he joined the Gaming Board for Great Britain (latterly the Gambling Commission) as Inspector for Intelligence & Operations, also serving as MLRO. In 2006 he joined the Jersey Civil Service and transferred to the Jersey Gambling Commission in 2010. As Deputy Chief Executive David has responsibility for probity investigations on applicants and the production of guidance and Codes of Practice.

The Commission will continue to ensure that the number of staff is sufficient to provide prompt and efficient administration and processing of applications as well as effective regulatory supervision.

## Licensing and Regulation

The Commission licences and regulates four areas:

- Terrestrial Commercial Gambling;
- Remote Commercial Gambling;
- Ancillary (Gambling) Services;
- Charitable, Club and Social Gambling.

### Articles 8 & 9: Gambling (Jersey) Law 2012

The Law is unambiguous; Article 8 states that it is an offence to provide a commercial gambling service from Jersey without a licence and the offence carries a maximum of 5 years imprisonment and an unlimited fine. Commercial gambling is where a gambling service is provided by at least one person by way of business, to at least one person who gambles as a customer (not by way of business). This is distinguished from an ancillary service, known as business to business or B2B where a gambling service is provided by way of business, but only to others who are also acting by way of a commercial gambling business.

Article 9 requires the Commission to consult on and publish its policies on what types of commercial gambling will be licensed, and what standard conditions will normally be imposed on licences for different types of commercial gambling. These statement and policy requirements also extend to gambling promotions of charities and societies with permissions defined under the Gambling (Charitable and Membership Gambling Services) (Jersey) Regulations 2012 and also those B2B arrangements outlined under the Gambling (Ancillary Services and Miscellaneous Provisions) (Jersey) Regulations 2012.

## Approach to Regulation

The Commission applies a risk based approach to regulation, enabling it to prioritise its efforts and focus upon those sectors of the industry that have the greatest impact upon the Island. For that reason, the Commission considers the regulation of the commercial sector to be a higher priority than charitable and society gambling. The guiding principles governing our regulation are stated under Article 4 of the Commission Law. These principles state that we must ensure gambling services:

- should be conducted responsibly and with safeguards necessary to protect children and vulnerable people;
- should be regulated in accordance with generally accepted international standards to prevent fraud and money laundering, and should not be permitted to be a source of crime; and
- should be verifiably fair to consumers of those services.

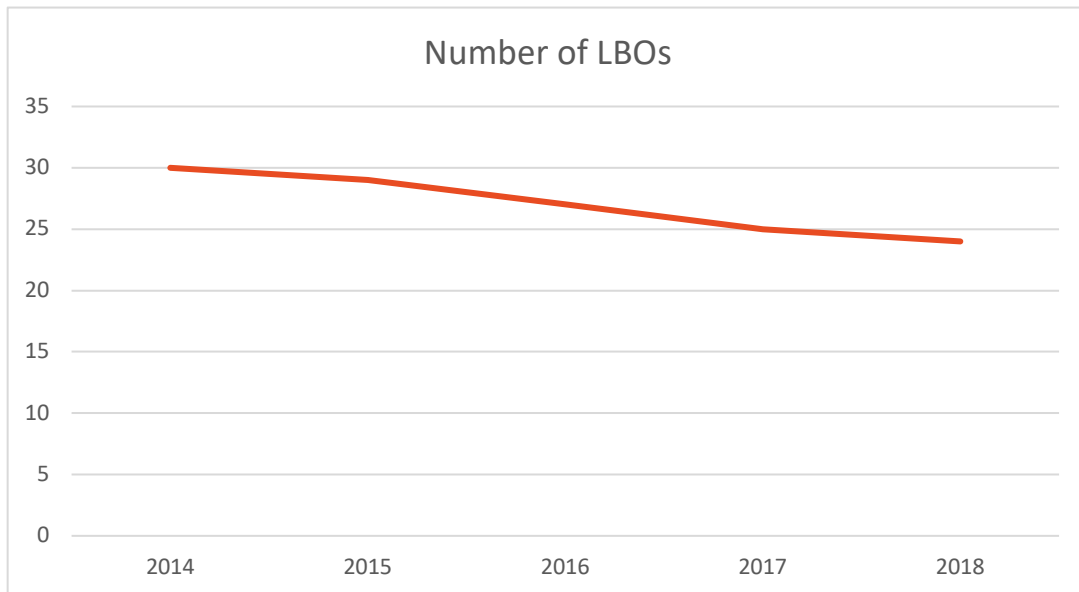
Applying these principles to practice, a sound working relationship with the regulated sector is of the utmost importance. Self-reporting is a product of this relationship and bolsters trust between the regulator and regulated. While regular inspections and spot-checks are undertaken to verify compliance, it is the duty of a licensee to draw the attention of the Commission to an issue and take steps to resolve it. While a regulatory sanction may be appropriate depending upon the nature and scale of the breach, non-reporting immediately threatens a licence because of its clear breach of that trust previously mentioned. While self-reporting remains an appropriate means of lessening regulatory sanction and increasing compliance, it is vital that all licensees (and this extends to the charitable sector) are confident they can approach the Commission knowing they will be treated fairly.



# Regulatory Review 2018

## Commercial

2018 has been a challenging year for the bookmaking sector commercially as costs continue to rise while competition within and across the industry increases. While anecdotal evidence suggests that many of the public believe that Jersey has a growing Licenced Betting Office (LBO) sector, the evidence points to the opposite. Numbers of machines within LBOs have also dropped by about 10% over the period. 2018 marked the scheduled end of the first round of Class 1 Licences granted by the first Board of Commissioners in 2014 and so new applications were required to be considered by the Board at its December meeting. New licences were subsequently issued.



As of December 2018, the terrestrial industry in the Island is made up of 6 Class I Bookmakers (operating 91 gaming machines), 4 Class II (on course) Bookmakers, a Parimutuel Operator (Jersey Race Club), 2 Crown and Anchor Operators (30 permissions granted), 28 Thrift Clubs, 3 Hosting Providers, a Gambling Software Provider and 3 Personal Gambling Licence Holders. There is also a seasonal 'amusement with prizes' licence awarded for the summer season (6 events) as well as 46 lower-stake gambling machines licensed to operate in pubs, clubs and restaurants. There was reduced interest in the use of Promotional Prize Lottery permits with only 3 applications granted over 2018.

All LBOs received a minimum of 1 Full Inspection, with a small number receiving additional *ad hoc* or thematic inspections. No major issues were identified. All holders of Class 1 and Class 2 Bookmakers Licences are also required to complete and return to the Commission an annual Regulatory Return which provides data of gambling operations over the course of the year. This is an invaluable record of the state of the industry and provides a measure not just of business, but more importantly the levels of self-exclusions and other social responsibility data.

Levels of Thrift Club activity vary year on year and, given the part-time nature of these operations, analysis of these returns invariably show variations in the standard of record keeping and the amount of gambling conducted. Four clubs ceased to operate at the end of 2017, with three new clubs being established. Licensing costs for Thrift Clubs are judged according to the previous years' profits with those up to £5,000 attracting a fee of £25, profits up to £10,000 pay a £75 fee, while those with profits in excess of that level pay £150. The great majority of thrift clubs fall into the first category.

The number of Remote Gambling Operators licences increased from 4 to 6 during the year and a further application for a Platform Provider was also approved, bringing the total to 4. A list of all licensees is published on the Commission's website. The executive monitor all licensees to ensure compliance with their licence conditions and liaise directly with other relevant regulatory bodies where a licensee also operates in another jurisdiction. No matters of materiality were discovered or reported. In circumstances where the local media report that gambling (problematic or otherwise) is offered as mitigation during a court case, the executive contact licensees to discover if the defendant was a customer and to test the validity of the claims. In the one case reported during the year, no evidence was discovered to verify that they were actually a customer of a licensee.

The Commission is also called upon from time to time to provide advice or expert opinion where necessary. In this capacity the executive met with officials from the States Treasury and acted as a facilitator with Class 1 licensees in respect of a proposed amendment to the Government Budget (P90/17).

### **Charitable**

The Commission processed and approved 83 Charitable Registrations in 2018 (a small increase on the 2017 figure of 79). Given the turnover in volunteers, the Commission is regularly asked for advice on how to conduct charitable gambling within the framework of the published policy. This is an important piece of work given the potential reputational damage that a charity could receive were it to fail in its obligations. To that end the Commission is pleased that the previous revisions made to both the Charitable Policy and Advice Notice continue to assist in raising awareness of the requirements that apply to this sector. Whilst the Commission continued to receive regular queries about using gambling to raise money for good causes, it was clear that those calling the Commission had found, read and (more importantly) understood, the documents published on our website. The Commission always encourages fund raisers to read the advice on its website, but the executive are always on hand to assist where necessary.

## **Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT)**

### **Liaison**

The Commission continues to attend monthly meetings of the Jersey Financial Crime Strategy Group, and also participates in similar themed forums of the International Association of Gambling Regulators. As part of its monitoring functions, the Commission also liaises with both the States of Jersey Police and its licensees in respect of all reported crime and disorder related to gambling, particularly in cases where gambling is offered as mitigation for theft, fraud or other acts of dishonesty. In circumstances where the defendant cites online gambling, the Commission activates the terms of its various MoUs to ascertain the veracity of these claims as well as to notify allied regulators of these cases and the potential involvement of their licensees.

### **The National Risk Assessment**

The Commission remains closely involved with the Island's ongoing National Risk Assessment (NRA) of money laundering and terrorist financing vulnerabilities. Two distinct working groups comprised of industry specialists were established over the summer to help determine gambling sector vulnerabilities to money laundering. The first working group considered the remote gambling sector and in particular on-line casinos, and applied ratings to each vulnerability by using the methodology developed by the World Bank. The second expert working group applied a similar assessment methodology to retail and on-course bookmakers.

The separation of sector assessment into two working groups was a decision made not wholly on the basis of different operating models between the remote and terrestrial gambling operators. Casinos are defined as Designated Non-Financial Businesses and Professions, and as such are subject to registration with the Jersey Financial Services Commission which acts as their supervisory body in respect of AML compliance. Casinos are, therefore, within the scope of anti-money laundering legislation, such as the Money Laundering (Jersey) Order 2008 and Schedule 2 of the Proceeds of Crime (Jersey) Law 1999. The inclusion of casinos within the anti-money laundering framework allowed for, as much as it was practicable, direct assessment and weightings of the variables provided by the World Bank methodology.

The findings and conclusions of these expert working groups were drafted into a report that also encompassed a wider assessment of all commercial and charitable gambling activity in Jersey.

### **Money Laundering Order 2008**

Banking for the gambling sector in Jersey remains an issue, and the Commission was contacted several times over 2018 from various operators seeking assistance in this matter. Operators felt that the requirements of the Money Laundering Order 2008, hindered banking opportunities for gambling businesses in Jersey, especially in relation to matters of underlying reliance and the omission of the gambling sector from the definition of an *Equivalent business*. While, these concerns were highlighted during the NRA no undertakings have emerged to amend the Order to reflect new business types.

## **Social Responsibility**

One of the key duties placed on the Commission by the Gambling Commission (Jersey) Law 2010 is to maintain a social responsibility function, namely:

- a) protect children and other vulnerable persons from addiction to gambling and from other forms of harm associated with gambling;
- b) make assistance available to persons who are or may be affected by problems related to excessive gambling; and
- c) otherwise avoid and reduce problems related to gambling.

To fulfill these criteria, the Commission has corresponded over several years with the Department for Health and Social Services, Education and the Chief Minister's Department. The Commission continues to acknowledge its requirement to receive the practical assistance of relevant government agencies in identifying the most effective means of acquitting its responsibilities in this area. As noted by the Chairman, it was particularly encouraging to receive the overt support of the former Chief Minister in this respect, given that the Commission is unlikely to be successful in its mission to provide greater assistance to people struggling with their gambling on its own. The Commission sees its role as a custodian of the duty of care and as part of its trusteeship, requires payments from its licensees into a Social Responsibility Fund. All licensees located in the Island must pay into this dedicated Fund, especially those operators directly contracting with Jersey residents. Remote licensees may elect to fund charities and help organisations dedicated to the promotion of responsible gambling and the treatment of problem gambling in those countries more representative of their client base. To that end, positive meetings were initiated with officials to address how gambling addiction might be better considered given the reforms currently underway within the Government of Jersey. The Commission remains committed to playing

its part and taking practical steps to empower people to make the choices they want to make about their level and style of gambling.

Accounting for the Social Responsibility Fund is governed by Article 10 of the Gambling Commission (Jersey) Law 2010 and these funds are kept separate from the main Commission accounts. The fund is used by way of research, education, information, prevention, treatment, counselling or other measures to support vulnerable people from addiction and other forms of harm associated with gambling. Specifically the Fund meets the costs of the [www.gamblingtherapy.je](http://www.gamblingtherapy.je) website as well as published material distributed to public-facing licensees. A new initiative for the period has been the regular provision of an advertisement (reproduced below) into the Island's local newspaper of information on how to get help and early feedback is that this has been helpful and appreciated.

**Need help to stop Gambling?**

**There are several ways to seek help and advice if you have or think you're developing a gambling problem.**

If you feel you need further support you have a number of options:

- Self-exclusion. Self-Exclusion means you have banned yourself from gambling and this is an important first step. Self-Exclusion is an option offered by all Jersey bookmakers and reputable online gambling companies.
- Speak to your GP. They can refer you to Jersey Talking Therapies for counselling, therapy and coping strategies.
- Use online help via Gambling Therapy (Jersey) via [www.gamblingtherapy.org/je](http://www.gamblingtherapy.org/je). This service includes advice and support, a forum and a database of useful resources. An App is also available. Advice is available in various languages including Portuguese and Polish.
- Face to Face support is offered by Gamblers Anonymous who hold weekly meetings at St Paul's Centre, Monday nights 5.30 - 7.00pm. | e-mail: [ga.jersey1@gmail.com](mailto:ga.jersey1@gmail.com) | Web Site: [www.ga.org.je](http://www.ga.org.je)

While not restricted to gambling issues, Citizens Advice Jersey give advice about debt management and offer a debt counselling service: [www.cab.org.je](http://www.cab.org.je)

UK based charities have also been known to help people in Jersey:

- Gam-Anon is a UK-based organisation that provides help and advice for friends and family of people who have issues with their gambling: [www.gamanon.org.uk](http://www.gamanon.org.uk)
- Support, Information and advice for anyone suffering a gambling problem is also provided by Gamcare and GambleAware.

Website: [www.gamcare.org.uk](http://www.gamcare.org.uk) and [www.begambleaware.org](http://www.begambleaware.org)  
National Gambling Helpline Freephone number: 0808 8020 133  
Information can also be accessed via the website of the Jersey Gambling Commission (JGC) [www.jgc.je/social-responsibility/get-help](http://www.jgc.je/social-responsibility/get-help)

This advert has been paid for by the Jersey Gambling Commission via industry contributions to the Social Responsibility Fund.

Artwork reproduced by kind permission of the Jersey Evening Post

At the close of the year, there was £79,721 in the Fund, up slightly from £68,966 in 2017. As indicated above, the Commission will continue to press for engagement on a partnership basis with public sector agencies to identify ways in which the funds can effectively be applied to achieve the most practical outcomes.

## Self-Exclusion

Part of the data required from licensees is an annual return stating the numbers and changes in self-exclusions, that is, people who take the initiative to stop gambling and sign a statement with an operator noting their desire to stop gambling which the operator is contractually bound to honour. In the terrestrial bookmaking sector 156 new self-exclusions were made across the whole Jersey estate during 2018, an increase on the year before (118). As an individual must self-exclude from several operators if they wish to stop gambling, inspections have confirmed duplication in these numbers, e.g. the same person across six operators. Therefore, the self-exclusion figure noted above is likely to represent a much smaller group of people who have elected to exclude across the estate.

## Gambling Therapy

Since 2013, the Commission has utilised the Social Responsibility Fund to support Gambling Therapy (GT) and actively promoted the services offered via a dedicated Jersey webpage through posters and leaflets for this service. These are available at all Licenced Betting Offices and were also distributed to Parish Halls, Citizen's Advice Bureau and the Library. The Jersey site can be accessed via <http://www.gamblingtherapy.ie/> and is available in many languages. Analysis of the data shows significant use of the site and that people are accessing the data contained within it, but to date no Island resident has made use of the online counselling provision that is available. The Commission will continue to support GT and the provision of its services and request advice from health professionals as well as the Third Sector, for ways in which this help can be promoted for those Islanders in need.

## Financial Commentary

As an independent body with no public funding, the Commission must act cautiously and responsibly to ensure that it is financially self-sufficient.

Financial self-sufficiency is not just a process of balancing the books on a yearly basis, but involves being prepared to make investments of expenditure when needed in excess of income, so long as this is not structural or place the Commission at risk. As a regulatory body, the Commission must also be prepared to robustly defend its actions and have the resources available to meet unforeseen challenges. Ultimately, in extremis, it would look to the States for support where an issue could not be forecast, but in general terms the policy of the Commission is to build a reserve capable of meeting its obligations moving forward.

The Board reviews the finances of the Commission on a quarterly basis with its Financial Director, the Chief Executive and Deputy Chief Executive. As part of this function, the Board assessed the current levels of internal control and deemed them as still appropriate to the size of the organisation. Given that spend and authorisation mechanisms are scrutinised and reviewed by the independent auditor, the Board did not believe that a formal Statement of Internal Control was required, but did believe that consideration of this important function should be noted in the Annual Report.

The Commission receives the overwhelming majority of its funds from commercial licence fees. Reflecting the policy decision inherent in the Law, fees and charges for the charitable, social and club sector are capped at £50 for registrations (or such figure prescribed by the Minister by Order). Currently registrations are set at £20 which is a non-market rate, but which has been set artificially low in order to ensure that the costs of registration do not act as any kind of disincentive to follow the terms of the Regulation.

The following Accounts provide an overview of the Commission's income and expenditure for 2018 in accordance with Financial Reporting Standard 102.

As noted in the Chief Executive's introductory statement, the Commission has reported an operating surplus for the year of £45,617. The Commission continues to invest in the training and development of its staff and in technology and infrastructure required to deliver its statutory duties. Slightly increased costs have been broadly mitigated by increased Licence Fee income and the Commission will continue to act prudently to ensure future financial stability.

In line with its policies, the Commission reviews its fees and charges annually in light of its audited accounts.

**AUDITED FINANCIAL STATEMENTS OF**

**JERSEY GAMBLING COMMISSION**

**FOR THE YEAR ENDED**

**31 DECEMBER 2018**

**JERSEY GAMBLING COMMISSION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

| <b>CONTENTS</b>   | <b>PAGE</b> |
|---|-------------|
| Commissioners' report   | 15          |
| Independent auditor's report to the Comptroller and Auditor General | 17          |
| Statement of comprehensive income and retained earnings             | 20          |
| Statement of financial position                                     | 21          |
| Notes to the financial statements                                   | 22          |

## **JERSEY GAMBLING COMMISSION COMMISSIONERS' REPORT**

The Commissioners present their report and the audited financial statements of the Jersey Gambling Commission (the "Commission") for the year ended 31<sup>st</sup> December 2018.

### **INCORPORATION**

The Commission was incorporated in Jersey under the Gambling Commission (Jersey) Law 2010.

### **COMMISSIONERS**

The Commissioners who served during the year were as follows:

Advocate C Whelan

Ms D Sebire

Advocate M Swan

### **RESULTS**

The financial statements provide an overview of the Commission's income and expenditure for 2018. The Commission is pleased to report a surplus for the year of £45,617 (2017: £57,676).

### **GOING CONCERN**

The Commissioners consider, given the financial condition of the Commission, the use of the going concern basis is appropriate for the current year and for 12 months from the date of signing these financial statements.

### **REGULATIONS**

This report has been prepared in accordance with Section 1a of Financial Reporting Standard 102 ("FRS 102") and the requirements of the Gambling Commission (Jersey) Law 2010.

### **SOCIAL RESPONSIBILITY FUND**

Accounting for the Social Responsibility Fund is governed by Article 10 of the Gambling Commission (Jersey) Law 2010 and these funds are kept separate from the main Commission accounts. The fund is used by way of research, education, information, prevention, treatment, counselling or other measures to support vulnerable people from addiction and other forms of harm associated with gambling. Specifically the Fund meets the costs of the [www.gamblingtherapy.je](http://www.gamblingtherapy.je) website as well as published material distributed to public-facing licensees. The Commission is working with stakeholders both within the States of Jersey and externally to assess evidentially other uses for the Fund.

### **COMMISSIONERS' RESPONSIBILITIES**

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



**JERSEY GAMBLING COMMISSION  
COMMISSIONERS' RESPONSIBILITIES (continued)**

The Gambling Commission (Jersey) Law 2010 requires the Commissioners to prepare financial statements for each financial year. Under that law, the Commissioners have elected to prepare the financial statements in accordance with FRS 102. The Commissioners must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Commission and of the surplus or deficit for that year.

In preparing these financial statements, the Commissioners are required to:

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

The Commissioners are responsible for keeping adequate accounting records that are sufficient to show and explain the Commission's transactions and disclose with reasonable accuracy at any time the financial position of the Commission and enable them to ensure that the financial statements comply with the Gambling Commission (Jersey) Law 2010. They are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a Commissioner at the date of approval of this report confirm that:

- so far as each Commissioner is aware, there is no relevant audit information of which the Commission's auditor is unaware; and
- each Commissioner has taken all steps that they ought to have taken as a Commissioner to make themselves aware of any relevant audit information and to establish that the Commissioner's auditor is aware of that information.

**AUDITOR**

The Comptroller and Auditor-General exercised her power under Article 18(4)(a) of the Gambling Commission (Jersey) Law 2010 (as amended by Article 27 of the Comptroller and Auditor General (Jersey) Law 2014), to appoint Deloitte LLP as auditor of the Jersey Gambling Commission for the years ending 31<sup>st</sup> December 2016 to 31<sup>st</sup> December 2019.

**Registered Office:**  
The Jersey Gambling  
Commission  
4th Floor, Osprey House  
5-7 Old Street  
St Helier  
JE2 3RG

Signed on behalf of the Commission

**Dr Jason Lane  
Chief Executive**

Approved on 12<sup>th</sup> June 2019

## **JERSEY GAMBLING COMMISSION**

### **Independent auditor's report to the Comptroller and Auditor General**

#### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31<sup>st</sup> December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" applicable to Small Entities; and
- have been properly prepared in accordance with the requirements of the Gambling Commission (Jersey) Law 2010.

We have audited the financial statements of Jersey Gambling Commission (the 'Commission') which comprise:

- the statement of comprehensive income and retained earnings;
- the statement of financial position; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) applicable to Small Entities and the requirements of the Gambling Commission (Jersey) Law 2010.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

### **Other information**

The Commissioners are responsible for the other information. The other information comprises the information included in the Chairman's statement, the Chief Executive's statement and other information provided, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 respect of these matters.

### **Responsibilities of Commissioners**

As explained more fully in the Commissioners' responsibilities statement, the Commissioners are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Commissioners determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Commissioners are responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Commissioners intend to cease the operations of the Commission, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**JERSEY GAMBLING COMMISSION**

**Independent auditor's report to the Comptroller and Auditor General (continued)**

**Use of our report**

This report is made solely to the Comptroller and Auditor General, in accordance with Article 18(4) of the Gambling Commission (Jersey) Law 2010. Our audit work has been undertaken so that we might state to the Comptroller and Auditor General 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 Commission's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Isham  
For and on behalf of Deloitte LLP  
St. Helier, Jersey  
12<sup>th</sup> June 2019

**JERSEY GAMBLING COMMISSION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF COMPREHENSIVE INCOME AND  
RETAINED EARNINGS**

|  | Notes | 2018<br>£      | 2017<br>£      |
|--|-------|----------------|----------------|
| TURNOVER   | 4     | <u>587,844</u> | <u>565,506</u> |
| EXPENSES   |       |                |                |
| Administrative expenses  |       | <u>543,865</u> | <u>508,553</u> |
| SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES<br>BEFORE INTEREST AND TAXATION   |       | 43,979         | 56,953         |
| Interest receivable and similar income                                     |       | <u>1,638</u>   | <u>723</u>     |
| SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES<br>BEFORE TAXATION                | 6     | 45,617         | 57,676         |
| TAXATION   | 7     | <u>-</u>       | <u>-</u>       |
| SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR AND<br>TOTAL COMPREHENSIVE INCOME |       | <u>45,617</u>  | <u>57,676</u>  |
| RETAINED SURPLUS AT 1 JANUARY  |       | <u>307,260</u> | <u>249,584</u> |
| RETAINED SURPLUS AT 31 DECEMBER  |       | <u>352,877</u> | <u>307,260</u> |

The Commission's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than those shown above.

**JERSEY GAMBLING COMMISSION  
AS AT 31 DECEMBER 2018**

|   | Notes | 2018           | 2017           |
|---|-------|----------------|----------------|
| <b>STATEMENT OF FINANCIAL POSITION</b>                |       |                |                |
|   |       | £              | £              |
| <b>FIXED ASSETS</b>                                   |       |                |                |
| Property, plant and equipment                         | 8     | <u>10,015</u>  | <u>10,221</u>  |
| <b>CURRENT ASSETS</b>                                 |       |                |                |
| Trade and other receivables                           | 9     | 452,813        | 481,086        |
| Cash and cash equivalents                             | 10    | <u>540,469</u> | <u>397,559</u> |
|   |       | <u>993,282</u> | <u>878,645</u> |
| <b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b> |       |                |                |
| Trade and other payables                              | 11    | <u>570,699</u> | <u>512,640</u> |
|   |       | <u>570,699</u> | <u>512,640</u> |
| <b>NET CURRENT ASSETS</b>                             |       |                |                |
|   |       | <u>422,583</u> | <u>366,005</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |       |                |                |
|   |       | <u>432,598</u> | <u>376,226</u> |
| <b>NET ASSETS</b>                                     |       |                |                |
|   |       | <u>432,598</u> | <u>376,226</u> |
| <b>ACCUMULATED RESERVES</b>                           |       |                |                |
| Social Responsibility Fund                            | 12    | 79,721         | 68,966         |
| Income and Expenditure Account                        |       | <u>352,877</u> | <u>307,260</u> |
|   |       | <u>432,598</u> | <u>376,226</u> |

The financial statements on pages 20 to 29 have been prepared in accordance with the Gambling Commission (Jersey) Law 2010 and Section 1a of Financial Reporting Standard 102.

The accounts were approved and authorised for issue on 12<sup>th</sup> June 2019 by the Jersey Gambling Commission and signed on its behalf by:

**Dr Jason Lane**  
Chief Executive

**NOTES TO THE FINANCIAL STATEMENTS**

**1 General Information**

The Jersey Gambling Commission (the "Commission") was created by the Gambling Commission (Jersey) Law 2010 and is responsible for the licensing, registration and regulation of gambling in the Island of Jersey. This law transferred all responsibilities for licensing, registration and regulation of gambling prescribed as the duty of the Minister, the former Licensing Assembly or other States bodies to this new Authority. The Commission is a body corporate and its registered office is 4th Floor, Osprey House, 5-7 Old Street, St Helier, Jersey, JE2 3RG.

**2 Statement of compliance**

The financial statements have been prepared in compliance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the Gambling Commission (Jersey) Law 2010.

**3 Summary of significant accounting policies**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements are prepared in Pounds Sterling (GBP) which is the functional and presentational currency of the Commission.

**Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention. The Commission has applied the small entities regime under FRS 102(1A), which allows qualifying entities certain disclosure exemptions. The Commission has taken advantage of the exemption from preparing a statement of cash flows under paragraph 7.1b.

**Accounting estimates**

The preparation of financial statements requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying accounting policies. Accounting estimates involve management's judgment of expected future benefits and obligations relating to assets and liabilities (and associated expenses and income) based on information that best reflects the conditions and circumstances that exist at the reporting date. There have been no changes to the accounting estimates from the previous financial year.

**3 Summary of significant accounting policies (continued)**

**Going concern**

The Commission meets its day-to-day working capital requirements through its available cash reserves. After reviewing the Commission's forecasts and projections, the commissioners have a reasonable expectation that the Commission has adequate resources to continue in operational existence for the foreseeable future. The commissioners consider, given the financial condition of the Commission, the use of the going concern basis is appropriate for the current year and for 12 months from the date of signing these accounts.

**Revenue recognition**

Revenue is recognised to the extent that the Commission obtains the right to consideration in exchange for services rendered. Revenue comprises the fair value of consideration received and receivable after discounts.

**Licence fees**

Under the terms of Gambling (Jersey) Law 2012 and subordinate legislation, licences granted by the Commission are valid for up to five years. Non-refundable licence fees are payable on issue of the licence and at each anniversary of its issue. Non-refundable licence fees are initially recorded as deferred income and released over the period of the licence as the commissioners believe that this treatment matches the income generated in the period with the associated expenditure.

**Social permits and registrations**

Income from these permits and registrations is recognised when the permit is issued.

**Pension costs**

Staff initially employed by the States of Jersey before 3 September 2010 of which there are two are members of the Public Employees Contributory Retirement Scheme ("PECRS") which, whilst a final salary scheme, is not a conventional defined benefit scheme because the employer is not necessarily responsible for meeting any on-going deficit in the scheme. The assets are held separately from those of the Government of Jersey. Contribution rates are determined by an independent qualified actuary so as to spread the costs of providing benefits over the members' expected service lives.

Because the Commission is unable to readily identify its share of underlying assets and liabilities of PECRS, contributions to the scheme have been accounted for as if they are contributions to a defined contribution scheme at a rate of 13.6% (2017 13.6%). This rate will change in 2019 because of the creation of the Public Employees Pension Scheme.

Actuarial valuations are performed on a triennial basis; the most recently published was the PECRS Actuarial Valuation for 31 December 2016 on 16 March 2018. The main purposes of the valuations are to review the operation of the scheme, to report on its financial condition, and to confirm the adequacy of the contributions to support the scheme benefits. Copies of the latest annual accounts of the scheme, and States of Jersey, may be obtained from the States Treasury, 19-21 Broad St, St Helier, JE2 3RR or online at:

[www.gov.je/Working/WorkingForTheStates/Pensions/PublicEmployeePensionFund/Pages/PublicServicePensionPublications.aspx](http://www.gov.je/Working/WorkingForTheStates/Pensions/PublicEmployeePensionFund/Pages/PublicServicePensionPublications.aspx)



**JERSEY GAMBLING COMMISSION  
FOR THE YEAR ENDED 31 DECEMBER 2018  
NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3 Summary of significant accounting policies (continued)**

**Expenses**

Expenses are accounted for on an accruals basis.

**Property, plant and equipment**

Property, plant and equipment are recorded at historical cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Repairs and maintenance costs are expensed as incurred.

Fully depreciated property, plant and equipment are retained in the cost of property, plant and equipment and related accumulated depreciation until they are removed from service. In the case of disposals, assets and related depreciation are removed from the financial statements and the net amount, less proceeds from disposal, is charged or credited to the profit and loss account.

**Depreciation**

Depreciation is calculated on straight-line basis to allocate the depreciable amount on the assets over their estimated useful economic lives as follows:

|                    |  |
|--------------------|--|
| Website costs      | Over an estimated useful life of 3 years |
| Computer equipment | Over an estimated useful life of 3 years |
| Fixture & fittings | Over an estimated useful life of 5 years |

The Commission's policy is to review the remaining useful economic lives and residual values of property, plant and equipment on an ongoing basis and to adjust the depreciation charge to reflect the remaining estimated useful economic life and residual value.

**Financial instruments**

The Commission has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**3 Summary of significant accounting policies (continued)**

**(i) Financial Assets**

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and other short-term highly liquid investments with original maturities of three months or less.

**Provisions**

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

**Contingencies**

Contingent liabilities, arising as a result of past events, are disclosed when it is possible that there will be an outflow of resources but the amount cannot be reliably measured at the reporting date. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow is remote.

**JERSEY GAMBLING COMMISSION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Contingent assets are disclosed in the financial statements but not recognised where an inflow of economic benefits is probable.

|          |  |                |                |
|----------|--|----------------|----------------|
| <b>4</b> | <b>Analysis of turnover by category</b>                  | <b>2018</b>    | <b>2017</b>    |
|          |  | <b>£</b>       | <b>£</b>       |
|          | Licence fees   | 581,872        | 559,871        |
|          | Social permits   | 882            | 968            |
|          | Social registrations                                     | 1,740          | 1,540          |
|          | Software designers permits                               | 1,250          | 1,250          |
|          | Other income   | 2,100          | 1,877          |
|          |  | <u>587,844</u> | <u>565,506</u> |
| <b>5</b> | <b>Payroll costs</b>                                     | <b>2018</b>    | <b>2017</b>    |
|          |  | <b>£</b>       | <b>£</b>       |
|          | Staff salaries   | 333,922        | 312,169        |
|          | Commissioners' fees                                      | 42,000         | 42,000         |
|          | Employer pension contributions                           | 26,384         | 25,063         |
|          |  | <u>402,306</u> | <u>379,232</u> |
|          |  | <b>2018</b>    | <b>2017</b>    |
|          | Number of permanent staff employed during the year       | <u>6</u>       | <u>5</u>       |
| <b>6</b> | <b>Surplus for the financial year</b>                    |                |                |
|          | Surplus for the financial year is stated after charging: | <b>2018</b>    | <b>2017</b>    |
|          |  | <b>£</b>       | <b>£</b>       |
|          | Auditors remuneration                                    | 10,000         | 9,700          |
|          | Depreciation   | 7,059          | 5,968          |
|          |  | <u>17,059</u>  | <u>15,668</u>  |

**JERSEY GAMBLING COMMISSION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**7 Taxation**

Article 17 of the Gambling Commission (Jersey) Law 2010 provides that the income of the Commission shall not be liable to income tax under the Income Tax (Jersey) Law 1961. The Commission is registered for Goods and Services Tax (GST) under The Goods and Services Tax (Jersey) Law 2007. At the year ended 31 December 2018 the Commission was due a repayment of £1,025 (2017: £1,380).

**8 Property, plant and equipment**

|                         | Website<br>Costs<br>£ | Computer<br>Equipment<br>£ | Fixture &<br>fittings<br>£ | Total<br>£ |
|-------------------------|-----------------------|----------------------------|----------------------------|------------|
| <i>Cost</i>             |                       |                            |                            |            |
| Balance brought forward | 14,538                | 28,889                     | 1,500                      | 44,927     |
| Additions               | -                     | 6,853                      | -                          | 6,853      |
| Balance carried forward | 14,538                | 35,742                     | 1,500                      | 51,780     |
| <i>Depreciation</i>     |                       |                            |                            |            |
| Balance brought forward | 10,507                | 23,724                     | 475                        | 34,706     |
| Charge for the year     | 2,100                 | 4,659                      | 300                        | 7,059      |
| Balance carried forward | 12,607                | 28,383                     | 775                        | 41,765     |
| <i>Net book value</i>   |                       |                            |                            |            |
| Balance carried forward | 1,931                 | 7,359                      | 725                        | 10,015     |
| Balance brought forward | 4,031                 | 5,165                      | 1,025                      | 10,221     |

**9 Trade and other receivables**

|                         | 2018<br>£ | 2017<br>£ |
|-------------------------|-----------|-----------|
| Licence fees receivable | 433,330   | 457,595   |
| Other debtors           | 19,483    | 23,491    |
|                         | 452,813   | 481,086   |

All debtors are receivable within one year.

**JERSEY GAMBLING COMMISSION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**10 Cash and cash equivalents**

The cash includes £76,083 (2017: £56,601) relating to the Social Responsibility Fund. The use of the Social Responsibility Fund is restricted by Article 10 of the Gambling Commission (Jersey) Law 2010.

| <b>11 Trade and other payables</b>               | <b>2018</b>    | <b>2017</b> |
|--|----------------|-------------|
|  | <b>£</b>       | <b>£</b>    |
| Amounts due in less than one year:               |                |             |
| Licence fees billed in advance (deferred income) | <b>519,136</b> | 474,254     |
| Other creditors and accruals                     | <b>51,563</b>  | 38,386      |
|  | <b>570,699</b> | 512,640     |

**12 Social Responsibility Fund**

To comply with Article 10 (1) of the Gambling Commission (Jersey) Law 2010, the Commission accounts for the Social Responsibility Fund separately from its general funds.

|                         | <b>2018</b>    | <b>2017</b> |
|-------------------------|----------------|-------------|
|                         | <b>£</b>       | <b>£</b>    |
| Balance brought forward | <b>68,966</b>  | 64,109      |
| Amounts billed          | <b>15,915</b>  | 18,798      |
| Amounts used            | <b>(5,160)</b> | (13,941)    |
| Balance carried forward | <b>79,721</b>  | 68,966      |

**13 Related party transactions**

During the year salaries paid to the Commissioners totalled £42,000 (2016: £42,000). The Commissioners did not receive any other benefits for services rendered in the current or prior year. No other transactions with related parties were undertaken such as are required to be disclosed under United Kingdom Generally Accepted Accounting Principles, including FRS 102 and the Gambling Commission (Jersey) Law 2010.

**JERSEY GAMBLING COMMISSION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**14 Leases**

On the 1 November 2018, the Commission entered into a lease agreement in respect of its offices at Osprey House until 31 October 2027. The equivalent annual rent is £25,800 from 1 November 2019 to 31 October 2027. Included in the lease is a break out option on 31 October 2023, subject to notice. The Commission pays all property related expenses.

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

|   | 2018<br>£             | 2017<br>£            |
|---|-----------------------|----------------------|
| Not later than a year                             | 27,233                | 28,667               |
| Later than one year and not later than five years | <u>131,867</u>        | <u>-</u>             |
|   | <u><u>159,100</u></u> | <u><u>28,667</u></u> |

**15 Ultimate controlling party**

The Jersey Gambling Commission is a corporate body without share capital. It is independent of the States of Jersey and as a result there is no ultimate controlling party.

**16 Events after the statement of financial position date**

No events occurred after the balance sheet date which are required to be disclosed by the entity.