

2019

Jersey Gambling Commission
Annual Report and Accounts



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Chairman's Statement

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

The reason the Commission exists is because, like alcohol consumption, gambling can be ruinous if unchecked and taken to excess. Family stability, health and wellbeing can be devastated, life itself can be put at risk.

The central responsibility of the Commission is to maintain the protections put in place by the legislature to counter the potential for harm of the sort just described. We continue to do that to the best of our ability and take pride in the outcomes which we produce.

An effective regulator is not just an enforcer, however. Gambling is a legitimate form of entertainment recognised by the legislature, a legislature which promotes and runs a lottery of its own. The average gambler does not cause harm or gamble to excess. It follows that an important aspect of the Commission's work is as a facilitator of the undeniable benefits which the industry brings to the community. I refer to the economic benefits of job and revenue creation, the funding contribution to sports both amateur and professional, and to the social benefits described in the next paragraph.

The Commission plays an important social as well as regulatory function in providing help and advice to the large numbers of social clubs, religious groups and charities that apply for permission to fund raise via gambling activity. This is done at a below cost rate to recognise their special and important contribution to Island life. The Commission is able to do this in large part because of the fee contribution made by the commercial sector and this should be recognised to the credit of that sector.

I am pleased to report that I believe the commercial sector in Jersey to be compliant and positive in its engagement with the Commission. Inspection and reporting lead to continuity of standards and improvement where necessary and this is something that the Commission will continually seek to achieve by dialogue with industry and others. For this reason, the Commission undertook a focussed consultation with its licensees during 2019 to address the issue of licence fees. The costs of service are such that increases are rarely welcomed, but fees had not been reviewed in a decade while the Commission's costs had inevitably risen. Consequently, and largely with the understanding of the sector, the Commission raised its fees and charges to take effect from the following year. It is important to note to this was not applied to the vast majority of social and charitable undertakings who will continue to receive a service at less than actual cost.

Returning to the crucial question of protecting the young and the vulnerable, the Commission has continued its relationship with Gambling Therapy, offering online advice and information on how best to address problem gambling. It has raised awareness by undertaking a sustained media campaign over both print and radio. These initiatives are paid for from the Social Responsibility Fund, a dedicated account funded by charges on the industry.

The Commission recognises the need for constant attention in this area and has widened its circle of contacts to include other UK based gambling charities, as well as developing links to third sector organisations in the Island that also deal with addictions, albeit of other types. We are positive that these relationships will grow and offer insight and experience that can be applied to the gambling sector.

The Commission will always prioritise this area of its remit, but is bound to recognise that a gambling regulator does not have either the specialist knowledge or the resources to address what is increasingly being recognised world-wide as part of a public health issue. Partnership with public health agencies is therefore indispensable. The Commission has not found it easy to develop such partnerships to an acceptable level. This has been a recurring problem over a course of years now. While one recognises the huge demands under which the relevant health bodies have to function, more consistent engagement is vital if problem gambling is to be addressed as effectively as it should be.

For this reason, the Commission remains committed to assisting government in providing information and support for what is a much greater mental health question. As I noted in last year's report, many of the people who are

affected by excessive gambling are also prone to other forms of compulsive behaviour and consequently, problem gambling needs to be recognised within a wider health improvement strategy.

At this point, although this report addresses 2019, it must be acknowledged that the effects in 2020 of the Covid-19 pandemic will be with us for years to come. Pressures on funding and personnel, intense as they have been, will undoubtedly become greater. The calls for the diversification of Jersey's economy are likely to become louder and more valid than ever. Mindful that it is a regulator and not a promoter the Commission can do no more than to repeat this passage from its last annual report:

'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'.

The exigencies of life have meant that contact with government has rather reverted to a 'need to' basis, but given in particular the proper classification of problem gambling as a public health issue, the Commission looks forward to more regular engagement. It is of note that the Memorandum of Understanding proposed by the Commission has remained unsigned for another year.

The Commission continues to work with other gambling regulators overseas as well as with other allied regulators in different sectors. Of particular note has been the work done by the Commission in conjunction with the JFSC in the preparation of the National Risk Assessment for the purposes of the forthcoming Moneyval assessment of Jersey's regulatory defences.

The Commission will itself continue to work with all existing partners to ensure that the industry remains crime-free and conforms to internationally recognised best practice.

In concluding, I wish once again to recognise the far-reaching contribution of my fellow Commissioners and the executive.

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. The need to update and clarify the Commission's Decision-Making Process was an important development through the first two quarters and the Commission also reviewed its statutory sanctions. The Gambling Law having been in place for 9 years, its operation was reviewed and a number of options for minor adjustment discussed with the Minister for further consideration moving forward. The Minister and serving Commissioners were also consulted in respect of the terms of office of the Commissioners and I am pleased to report that it was agreed that each Commissioner would serve a further term of four years.

The pressures on the bookmaking industry remain, but the wholly negative predictions of UK pundits that the reduction in stakes on gaming machines would lead to mass closures and layoffs, does not seem to have come true so far and is certainly not the case in Jersey. That said, it would be wrong not to note a word of caution in respect of the outlook for 2020. There will clearly be economic damage across the industry because of the retail closures ordered by government in response to Covid-19 and this may translate into further shop closures and staff losses. There have already been small reductions in 2019, with the closure of one shop and a reduction across the estate of 5 gaming machines. For an industry that has been under sustained pressure for many years, the outlook remains challenging.

Again reflecting last year, there has been a commensurate modest increase in the online sector, with one new licence issued together with two (B2B) permits, so that the Commission's budget remains stable, with a retained surplus of £79,249 and continues to operate at no cost to the tax payer. In line with our fiscal policy, this will be added to our operating reserve. The budgetary position was assisted by the introduction of new fees for the remote industry as well as modest increases in some other sectors. The Commission had not reviewed its fees since its creation in 2010 and this was noted by the industry who responded positively after consultation, resulting in several adjustments to the proposals at their request. I am pleased to report that while increases are never to be welcomed, they were understood and generally supported. The Commission will in future review fees on an annual basis (though not necessarily adjust them) in order to ensure that such a disparity does not occur again. The full extent of the fee increases will not be noted until 2020 given the annual cycle of renewals across the calendar year.

As well as its licence and permit fees, the remuneration of the Board Commissioners had also not been considered in over ten years, since the establishment of the Shadow Board. Mindful that the statute places this responsibility upon themselves, the Commissioners requested the executive to commission an independent review of fees and charges received by non-executive directors and their equivalents across both public and private sectors. This review was undertaken by an external independent professional with specialist knowledge of Board remuneration. The Board informed the Minister and after discussion, decided to adopt a fee at a level well below that recommended in the report. This is as reflected in the annual accounts.

The Commission hosted an open meeting for States Members on 15th May 2019 and although sparsely attended, it provided a useful forum to discuss with the Minister for Health, the position of gambling addiction as a public health issue. Later that week, the Chairman and I also met with the Economic and International Affairs Scrutiny Panel and discussed developments in responsible gambling, as well as opportunities for economic diversification by way of investment in attracting potential licensees. It is unfortunate to report that the industry forum that had done so much positive work at their own expense in promoting Jersey as a place to do business, decided to cease its activities, although all remain in business and continue to add value to the Jersey economy.

In line with the Commission's Guiding Principles, new opportunities to engage with and support problem gamblers are continually considered and the information campaign was widened to include radio advertising that received positive anecdotal feedback. It is clear, however, that gamblers in recovery would benefit from bespoke services provided face to face on Island. While the online service offered by Gambling Therapy does offer an alternative to government health services, the Commission will endeavour to develop relationships with specialist charities so that greater choice and support can be made available on Island in the future. Alone, however, there is only so much a regulator can do. This will not be a simple thing to deliver and will require support and advice from government, health professionals and the third sector, but it is something that the Commission is committed to trying to deliver over the coming years.

In terms of its regulated sector, the Commission continues to support the work of government and the JFSC in respect of the National Risk Assessment and contributed alongside industry to the Gambling section of the Assessment, as well as participating within other working groups. Internationally, the Commission is a member of both its regional regulatory association (GREF) and the International Association of Gaming Regulators (IAGR). Membership of both organisations allows the Commission to keep abreast of new developments, both in terms of technology, regulation and crime, as well as providing valuable fora to discuss individual cases with regulators with whom we share a licensee.

2019 also saw Deloitte LLP, give notice that their 2018 external audit would be their last. Deloitte has undertaken the external audit function since 2014 and their dedication and skill was appreciated. After consultation with the office of the Comptroller and Auditor-General, a tender process was undertaken and Alex Picot were recommended to the Comptroller and Auditor-General and she subsequently agreed their appointment. I am pleased to report that the tender documents proved useful to other small non-governmental public bodies as a template and further mutual assistance between these is to be encouraged.

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 and has also acted on behalf of successive Attorneys General in the implementation of major regulatory and mutual assistance legislation in Jersey.

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 sits as one of Jersey's Coroners and chairs the Appeals Panel in respect of the fitness of medical professionals under the relevant legislation. He serves on the conditional early release panel in respect of those serving custodial terms in the Jersey prison system. He continues to serve as a director of the Jersey Opera House.

Advocate Whelan completed the ten-year maximum tenure as a Commissioner of the Jersey Financial Services Commission in June 2020. A Commissioner of the Jersey Gambling Commission since November 2015, he was appointed Chairman by the States from 1st October 2016 and re-appointed for a further four-year term in November 2019.

Appointed to the Commission in November 2015 and re-appointed in 2019, Ms Sebire additionally sits on the Board of Highvern Trustees Limited as a non-executive director. From 2004 to 2012 Ms Sebire was the Director of Trust Company Business for the Jersey Financial Services Commission. Prior to that from 1991 to 2004 Ms Sebire was 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.

Appointed to the Commission in January 2016 and re-appointed in 2019, Advocate Swan is also currently a member of the Jersey Police Complaints Authority and an advisor for Citizens Advice Jersey. 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. He is a consultant at Maples and Calder Jersey.

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.

Like any organisation, the Commission's staff evolves as peoples' situations change. The Commission gave new positions to two individuals who applied to join its regulatory section and said goodbye to a long-established member of the team, Matthew Viney, who departed the Commission to join the Jersey Civil Service. Matthew had been with the Commission for nearly five years and had proven himself a great asset. We wish him well with his future career. 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 2019

Commercial

As noted in the Chief Executive's statement, 2019 remained challenging for the bookmaking sector as costs continued to rise while competition within and across the industry also increased. The trend of measured decline that has been evident since 2014 has continued, with one further shop being closed, bringing the total number in Jersey to 23, operating 86 machines (91 in 2018). That part of the sector that is weather dependent (events, racing, Crown and Anchor) saw minor reductions on the previous period because of inclement weather, but there was a small increase in pub machines from 46 in 2018 to 51.

As of December 2019, the terrestrial industry in the Island is made up of 6 Class I Bookmakers, 4 Class II (on course) Bookmakers, a Parimutuel Operator (Jersey Race Club), 2 Crown and Anchor Operators (28 permissions granted, but 2 cancelled), 27 Thrift Clubs, 2 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 (5 events) as well as 52 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 2 applications granted during the year.

In deciding how often to inspect licensees, the Commission always takes a risk-based approach. By conducting proactive and often unannounced inspections, the executive ensures that licensees and permit holders are operating in accordance with the regulatory framework and their specific licence / permit conditions. The inspections also create the opportunity to develop and maintain good working relationships with staff at all levels. To that end, 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 and staff were able to converse satisfactorily in respect of their duties under Anti-Money Laundering requirements and for Social Responsibility. As part of a major upgrade, one operator upgraded all their machine cabinets in September and another operator undertook the same task in November. This required all the cabinets to be checked to ensure that the game content remained unchanged. Again, no 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. In what is thankfully an extremely rare event in Jersey, one bookmaker's shop was robbed in March, but the perpetrator was swiftly apprehended and ultimately sentenced to 18 months imprisonment and ordered to repay the money that was not recovered upon their release.

Levels of Thrift Club activity vary year on year and, given the part-time nature of these operations, analysis of these returns has in the past shown variations in the standard of record keeping and the amount of gambling conducted. Consequently, the executive reviewed the documentation with the intention of making it simpler and easier to submit and the accuracy and completion levels have risen as a result. 27 clubs re-applied for their annual licence in 2019. Licensing costs for Thrift Clubs had also not changed since 2010 and were modestly increased after consultation.

The number of Remote Gambling Operators and Business to Business companies increased to 13. 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. The executive undertook one investigation that resulted in a referral to the Board and remedial action being taken as part of a regulatory settlement.

Charitable

The Commission processed and approved 82 Charitable Registrations in 2019 which is similar to previous years. The need for fundraising from social and charitable gambling remains strong and the executive do their best to ensure that new volunteers receive the help and advice that they need in order to hold events that are fun, successful and compliant. At year-end a random sample of regulatory returns are examined to ensure good practice and no issues for concern were identified.

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

Liaison

The Commission attends periodic 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 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. In the case of the one theft from a betting shop in 2019, the cause was reported as opportunistic common larceny.

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. The executive remained involved in two distinct working groups comprised of industry specialists 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 findings and conclusions of these expert working groups were drafted into a comprehensive report that also encompassed a wider assessment of all commercial and charitable gambling activity in Jersey. This has now been submitted for editing and, given the size and scale of the sector, will almost certainly be reduced in the final document. This does not in any way lessen the importance or value of the work undertaken by the working groups that will remain for internal reference.

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 government officials and Ministers. 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 and is proactively seeking partners in the third sector to assist. This is not a quick-fix and work to offer a face-to-face service will take time to deliver, but it is vital and important work. The Commission thus 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 continued with officials to address how gambling addiction might be better considered given the reforms currently underway within the Government of Jersey.

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 website as well as published material distributed to public-facing licensees. A new initiative for the period has been the regular provision of radio spots to draw attention to the services available, as well as the continuation of advertisements (reproduced below) introduced the previous year.



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. 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.jerseyci@gmail.com | Web Site: 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

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
- Support, information and advice for anyone suffering a gambling problem is also provided by Gamcare and GambleAware.

Website: www.gamcare.org.uk and 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

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 £136,165 in the Fund, up from £79,721 in 2018. As indicated above, the Commission will continue to press for engagement on a partnership basis with public sector agencies and interested third sector bodies 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 205 self-exclusions were in place across the whole Jersey estate during 2019, an increase on the year before (156). 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 will 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 and the Library. The Jersey site can be accessed via <http://www.gamblingtherapy.je/> 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 its pages. One of the factors that was hard to understand in the past, however, was that notwithstanding the high numbers of visitors to the site, no-one had used the counselling service. Positively, this has now changed, but usage remains low. Regardless of levels of use, 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. Ultimately, the numbers of people seeking help will always be low, but the Commission takes the view that if its funded services provide help to even one Islander then this will have made it worthwhile.

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 management accountants, 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 scrutinized 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 remain at their 2010 level of £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 2019 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 £79,249. 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 2019

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2019

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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 31st December 2019.

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 2019. The Commission is pleased to report a surplus for the year of £79,249 (2018: £45,617).

GOING CONCERN

The COVID-19 coronavirus pandemic has evolved rapidly since year-end and is having a financial impact on the economy. The Commissioners have considered the impact of COVID-19 on the Commission and have revised their forecast for 2020.

After reviewing the Commission's forecasts and projections and taking into account the impact of COVID-19, the Commissioners have a reasonable expectation that the Commission has adequate resources to continue in operational existence for the foreseeable future. The Commissioners therefore continue to adopt the going concern basis in preparing the Commission's 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 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 Alex Picot as auditor of the Jersey Gambling Commission from the year ending 31st 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 8th July 2020

**JERSEY GAMBLING COMMISSION
INDEPENDENT AUDITOR'S REPORT TO THE COMPTROLLER AND AUDITOR GENERAL
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Opinion

We have audited the financial statements of the Jersey Gambling Commission for the year ended 31 December 2019 which comprise the statement of comprehensive income and retained earnings, the statement of financial position and the notes to the financial statements, including a summary of significant accounting policies. 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, applicable to Small Entities and the requirements of the Gambling Commission (Jersey) Law 2010.

In our opinion, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards;
- have been prepared in accordance with 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Commissioners' use of the going concern basis of accounting in the 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.

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 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.

**JERSEY GAMBLING COMMISSION
INDEPENDENT AUDITOR'S REPORT TO THE COMPTROLLER AND AUDITOR GENERAL
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - continued**

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.

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 either 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Comptroller and Auditor General, as a body, 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.

JERSEY GAMBLING COMMISSION

FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF COMPREHENSIVE INCOME AND
RETAINED EARNINGS

	Notes	2019 £	2018 £
TURNOVER	4	<u>650,102</u>	<u>587,844</u>
EXPENSES			
Administrative expenses		<u>573,561</u>	<u>543,865</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		76,541	43,979
Interest receivable and similar income		<u>2,708</u>	<u>1,638</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	79,249	45,617
TAXATION	7	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>79,249</u>	<u>45,617</u>
RETAINED SURPLUS AT 1 JANUARY		<u>352,877</u>	<u>307,260</u>
RETAINED SURPLUS AT 31 DECEMBER		<u>432,126</u>	<u>352,877</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 2019

	Notes	2019	2018
STATEMENT OF FINANCIAL POSITION			
		£	£
FIXED ASSETS			
Property, plant and equipment	8	<u>13,625</u>	<u>10,015</u>
CURRENT ASSETS			
Trade and other receivables	9	419,367	452,813
Cash and cash equivalents	10	<u>694,605</u>	<u>540,469</u>
		<u>1,113,972</u>	<u>993,282</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade and other payables	11	<u>559,306</u>	<u>570,699</u>
		<u>559,306</u>	<u>570,699</u>
NET CURRENT ASSETS			
		<u>554,666</u>	<u>422,583</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>568,291</u>	<u>432,598</u>
NET ASSETS			
		<u>568,291</u>	<u>432,598</u>
ACCUMULATED RESERVES			
Social Responsibility Fund	12	136,165	79,721
Income and Expenditure Account		<u>432,126</u>	<u>352,877</u>
		<u>568,291</u>	<u>432,598</u>

The financial statements on pages 19 to 28 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 8th July 2020 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 the 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 Government of Jersey before 3 September 2010 of which there are two are members of the Public Employees Pension Fund ("PEPF") 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 PEPF, contributions to the scheme have been accounted for as if they are contributions to a defined contribution scheme at a rate of 14.4% (2018 13.6%).

Actuarial valuations are performed on a triennial basis; the most recently published was the PEPF 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 Government 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

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2019
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 statement of profit or loss.

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.

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2019
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.

4	Analysis of turnover by category	2019	2018
		£	£
	Licence fees	613,532	581,872
	Social permits	800	882
	Social registrations	1,700	1,740
	Software designers permits	1,750	1,250
	Other income	32,320	2,100
		<u>650,102</u>	<u>587,844</u>
		<u><u>650,102</u></u>	<u><u>587,844</u></u>
5	Payroll costs	2019	2018
		£	£
	Staff salaries	333,171	333,922
	Commissioners' fees	66,033	42,000
	Employer pension contributions	27,936	26,384
		<u>427,140</u>	<u>402,306</u>
		<u><u>427,140</u></u>	<u><u>402,306</u></u>
		2019	2018
	Number of permanent staff employed during the year	<u>5</u>	<u>6</u>
		<u><u>5</u></u>	<u><u>6</u></u>
6	Surplus for the financial year		
	Surplus for the financial year is stated after charging:	2019	2018
		£	£
	Auditors remuneration	10,000	10,000
	Depreciation	8,527	7,059
		<u>18,527</u>	<u>17,059</u>
		<u><u>18,527</u></u>	<u><u>17,059</u></u>

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2019
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 2019 the Commission was due a repayment of £1,555 (2018: £1,025).

8 Property, plant and equipment

	Website Costs £	Computer Equipment £	Fixture & fittings £	Total £
<i>Cost</i>				
Balance brought forward	14,538	35,742	1,500	51,780
Additions	<u>9,845</u>	<u>2,292</u>	<u>-</u>	12,137
Balance carried forward	24,383	38,034	1,500	63,917
<i>Depreciation</i>				
Balance brought forward	12,607	28,383	775	41,765
Charge for the year	<u>4,097</u>	<u>4,130</u>	<u>300</u>	8,527
Balance carried forward	16,704	32,513	1,075	50,292
<i>Net book value</i>				
Balance carried forward	<u>7,679</u>	<u>5,521</u>	<u>425</u>	<u>13,625</u>
Balance brought forward	<u>1,931</u>	<u>7,359</u>	<u>725</u>	<u>10,015</u>

9 Trade and other receivables

	2019 £	2018 £
Licence fees receivable	401,555	433,330
Other debtors	<u>17,812</u>	<u>19,483</u>
	<u>419,367</u>	<u>452,813</u>

All debtors are receivable within one year.

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS (continued)

10 Cash and cash equivalents

The cash includes £123,258 (2018: £76,083) 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.

11 Trade and other payables	2019	2018
	£	£
Amounts due in less than one year:		
Licence fees billed in advance (deferred income)	507,282	519,136
Other creditors and accruals	52,024	51,563
	<u>559,306</u>	<u>570,699</u>

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.

	2019	2018
	£	£
Balance brought forward	79,721	68,966
Amounts billed	70,700	15,915
Amounts used	(14,256)	(5,160)
	<u>136,165</u>	<u>79,721</u>

13 Related party transactions

During the year salaries paid to the Commissioners totalled £66,033 (2018: £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 2019
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 2018 to 31 October 2019 and £34,400 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:

	2019 £	2018 £
Not later than a year	34,400	27,233
Later than one year and not later than five years	<u>97,467</u>	<u>131,867</u>
	<u><u>131,867</u></u>	<u><u>159,100</u></u>

15 Ultimate controlling party

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

16 Events after the statement of financial position date

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease (“COVID-19”) as a pandemic, and we expect our operations to be affected as the virus continues to proliferate. The Commissioners have adjusted certain aspects of the commission’s operations to protect employees while still meeting customers’ needs for their services. The Commissioners will continue to monitor the situation closely and it is possible that we will implement further measures. The Commissioners have considered the impact of COVID-19 on the Commission and are of the view that it remains a going concern after revising forecasts for 2020 and reviewing the impact of COVID-19 on the working capital of the Commission.