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# STATES OF JERSEY



## JERSEY BANK DEPOSITORS COMPENSATION BOARD 2025 ANNUAL REPORT AND ACCOUNTS

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Presented to the States on 10th June 2025  
by the Minister for External Relations

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STATES GREFFE



# Jersey Bank Depositors Compensation Board

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**31 JANUARY 2025**



**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD  
REPORT AND AUDITED FINANCIAL STATEMENTS  
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# THE JERSEY BANK DEPOSITORS COMPENSATION BOARD

## Information

### Board members

Mike Mitchell, Chair  
Peter Shirreffs (retired on 10 March 2025)  
Amy Taylor  
Ian Henderson  
Katherine Hitchins (appointed on 11 March 2025)

### Independent auditor

BDO Limited  
Windward House  
La Route de la Liberation  
St Helier  
Jersey  
JE1 1BG

### Bankers

HSBC Bank plc  
PO Box 14  
27 Halkett Street  
St Helier  
Jersey  
JE4 8NJ

Lloyds Bank Corporate Markets plc.  
PO Box 10  
9 Broad Street  
St Helier  
Jersey  
JE4 8NG

### Accountants

Halford Accountants Limited  
Chartered Certified Accountants  
Les Sapins  
Rue De La Guilleaumerie  
St Saviour  
Jersey  
JE2 7XF

# **THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

## **Board's Report for the year ended 31 January 2025**

The Jersey Bank Depositors Compensation Board (the "Board") presents its report and the audited financial statements for the year ended 31 January 2025.

### **Principal activities**

The Board was created under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009 ("the Law").

The functions of the Board are to administer the Bank Depositors Compensation Scheme ("DCS"), including establishing and maintaining arrangements in readiness for the possibility of a default of a bank operating in Jersey and administering compensation for any such default. Its functions further include arranging for the publication of information for the public on the operation of the DCS.

### **Chair Overview**

The Board made progress on a number of fronts during the 12 months from 01 February 2024 to 31 January 2025.

In particular, the Board continued to work closely with colleagues from the Jersey Resolution Authority (JRA), the Jersey Financial Services Commission (JFSC) and the Government of Jersey (Government) to progress the Government policy objective of transferring the functions of the DCS to the JRA by a revised target date of 31 December 2025. The Board is represented on the project delivery group set up to oversee the transfer by the Chair Mike Mitchell, who serves alongside representatives from Government and the JRA.

The original intention was to complete the transfer by 31 December 2024 but it became evident during 2024 that this timeline needed to be extended, primarily due to the law drafting process taking longer than anticipated. Consequently, a decision was taken to delay the date for the transfer of functions until 31 December 2025.

I am pleased to report that during the year the Board successfully completed its first phase of quality tests on banks' Single Customer View (SCV) files. The SCV Files of all banks that held eligible deposits, as at end of 2024, have now been tested. In the main, the quality of the files was good and actions have been taken by the banks, as required by the Board, to make appropriate improvements.

On the financial front, the Board posted a surplus for the year of £7,660 as compared to a projected budget deficit of £15,900 for the 2024/25 FY and an actual deficit of £15,823 in 2023/24. Expenditure at £325,646 was higher than in the previous year (£314,732) as a result of the increased number of SCV tests but in line with budgeted expectations.

During 2024/25, the Board continued to progress projects to improve its case management and pay-out capability. It has in place an overarching contract for a variety of standby services that would be invoked in the event of a bank failure. This contract will be in effect as long as the Board is utilising the current case management and pay-out system. It encompasses an annual retainer fee for the standby services, which include periodic testing, with the payment of additional fees in the event of an invocation.

I would like to thank my colleagues on the Board for their continued support and I would also like to acknowledge the excellent work of the Scheme's Administrative Officer.

## **THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

### **Board's Report (continued) for the year ended 31 January 2025**

#### **Transfer of the DCS functions to the Jersey Resolution Authority**

The Government has now consulted on the legislation required to achieve the transfer of functions and is looking to lodge the legislation with the States Assembly in the Spring/early Summer to be debated by the States before the summer recess.

Colleagues from Government and the JRA have shared Cash Flow models with the Jersey Bankers Association, illustrating the potential impact of the new legislation on payouts to depositors and bank levies; the feedback has been positive.

We have also been working alongside colleagues at the JRA to review contracts with third parties and to ensure these contracts are novated and extended to the new organisation as appropriate.

We will be transferring our existing records to the JRA and respective IT suppliers have been asked to consider the best option to achieve this objective.

The JRA will be recruiting an additional board member and staff member to ensure it has the necessary expertise and capacity to take on the functions of the JDCS from the beginning of 2026.

The JDCS Board is involved in the transfer project as appropriate and is committed to ensuring the transition to the new entity is as smooth as possible.

#### **SCV File Data Quality Testing**

The major operational focus during the year was completion of the first phase of testing of the SCV files produced by the banks in Jersey that hold eligible deposits. This means that every bank's SCV file has now been tested at least once.

The Board negotiated some cost savings with the Board's service provider, by agreeing to optimise their resources by conducting a number of tests concurrently, with consequential efficiency savings for them.

The Board has determined that, going forward, it will undertake a rolling programme of testing banks' live SCV files, to ensure that overall quality continues to improve and also to ensure that any changes made within a bank do not result in issues with that bank's SCV File. The second phase of tests will commence in 2025.

#### **Testing Results**

The Board can report that generally the SCV files in the first phase were of a good quality and the testing provided each bank with an insight into the quality of its client records. However, the testing identified some issues with files held by a few banks and in these cases, a plan and timetable for remediation was agreed and progressed.

Having completed the first phase of SCV file tests, the Board extracted key learnings, on an anonymised basis, into a summary report to highlight common themes identified through the testing process. The Board shared that summary with the Jersey Bankers Association and also, in line with governing legislation, shared information gleaned from the first phase of testing with the Jersey Resolution Authority and the Jersey Financial Services Commission.

## **THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

### **Board's Report (continued) for the year ended 31 January 2025**

#### **SCV File Preparedness Testing**

In December 2024, the Board issued, without pre-notice, a notice for banks to deliver to the Board their SCV File Summary Report. The Board was pleased to record that all banks complied with the notice and delivered their reports within the timeline set out in the SCV Specification.

#### **SCV Data Protection Safeguards**

The SCV Testing regime is conducted in line with the requirements of a Data Protection Impact Assessment (DPIA) that governs the protocols and security rules in respect of the handling of sensitive client data provided to the Board by the banks. When the SCV data quality testing work for each bank is completed, the files and reports are securely deleted in the line with the DPIA procedures.

#### **DCS Claims Management System Testing**

In line with continuing contractual obligations, the Board's service provider completed annual 'smoke testing' and 'penetration testing' of the claims management workflow and pay-out tool. This testing is undertaken on an annual basis to ensure the technical efficacy and security of the system.

#### **Continuing Levy Structure**

The Board is empowered to raise an Annual Administration Levy (Levy) on licensed banks under the provisions of the Banking Business (Depositors Compensation) (Jersey) Regulations 2009. The Board is obligated to inform the Minister with responsibility for Financial Services of its proposed budget prior to the beginning of the financial year in which the Levy will apply.

The Levy charged to the banks is in three separate tiers, reflecting the value of eligible deposits, as defined under the law, held by each bank. This revised structure came into force in 2021/22 and was again used during the 2024/25 Financial Year.

When the year began, the Board was working to an expected timetable for the transfer of functions of the DCS to the JRA to be completed by 31 December 2024. Consequently, the £328,500 administration Levy raised was anticipated to cover only the period from 1 February 2024 to 31 December 2024.

No compensation Levy fee was raised as there was no bank default in the current year.

#### **Future developments**

The pay-out tool developed by the Board has the ability to pay-out, within a matter of days, to those depositors whose records are delivered by the bank in complete and good order. The Board has previously highlighted to Government a risk that if a bank was to default, pay-out timelines could be adversely affected under current legislation.

Part of the work to effect the transfer of functions of the DCS to the JRA by 31 December 2025 includes legislative changes that will allow for the pay-out tool functionality to be more efficiently utilised in the event of a bank default.

## **THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

### **Board's Report (continued) for the year ended 31 January 2025**

#### **Board Membership and attendance, Remuneration, Administration, Staffing**

Mike Mitchell (Chair), Peter Shirreffs, Amy Taylor and Ian Henderson were members of the Executive Board during the Financial Year. Subsequently, Mr Shirreffs retired from the Board on 10 March 2025 after serving nine years, the maximum period allowed. Katherine Hitchins was appointed as a new Board member on 11 March 2025.

During the 2024/25 Financial Year, five Board meetings were held and all current members of the Board attended all meetings. In addition, the Board, or sub-groups of the Board, met as required to progress various workstreams.

#### **Board remuneration**

The level of Board Members Remuneration in the 2024/25 accounts was £60,276 as compared to £68,085 in 2023/24. The Chair is remunerated at £20,000 pa and other Board members at £12,000 pa. The Chair can authorise the payment of additional fees to individual Board members for extra work up to a maximum of £10,000 pa.

Board members receive no performance pay, no bonuses are available, no pension benefits, no non-cash benefits and no compensation for loss of office or other severance payments available beyond statutory provisions.

#### **Diversity, Equality, Inclusion**

The Board's recruitment process aims to ensure a diversity of thought and professional experience on the Board. As a small organisation any further statistics or analysis of diversity is not deemed meaningful.

#### **Accountability/ Corporate Governance**

The Board is accountable to the Minister for External Relations.

A senior Government of Jersey representative from the Department of the Economy attends Board meetings as an observer/rapporteur and is provided with relevant Board papers. In addition, senior representatives of the JFSC and the JRA also attend Board meetings.

There is open and effective dialogue with Government, financial regulators and the JRA. The Board also communicates with members of the Jersey Bankers Association, either individually or at association level, when necessary. The Board provides updates in relation to ongoing projects as and when these occur.

The Chair of the DCS Board, Mike Mitchell is also Chair of the JRA Board and this facilitates enhanced cooperation between the two bodies. Further, the Board is a member of the Bank Resolution Planning Group (BRPG) which was formally established to enhance joint agency response to a bank failure.

The Board continues, where practicable, to follow the guidance on annual reporting issued by the Comptroller & Auditor General.

## **THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

### **Board's Report (continued) for the year ended 31 January 2025**

#### **Benchmarking/International Standards**

The Jersey Bank Depositors Compensation Scheme is a full member of the European Forum of Deposit Insurers [www.efdi.eu](http://www.efdi.eu) (EFDI) and a key member of the Affiliation of Micro European States (AMES), a working group of EFDI.

The Chair attended the EFDI annual general meeting and conference in Nice in May 2024 and is scheduled to attend the 2025 event in Madrid. The annual general meeting of AMES is also held at the conference venue.

EFDI Working Groups provide expertise in matters relevant to smaller jurisdictions. AMES members sit on various EFDI Working Groups and provide feedback on important topics.

It is part of the Board's role to develop a depositor compensation scheme proportionate to the size of the jurisdiction. It is under the auspices of AMES that the Board has been able to work alongside similar sized jurisdictions, both EU and non-EU, to develop policy frameworks that are appropriate to such jurisdictions.

AMES members, which include the other Crown Dependencies and Gibraltar, have continued to develop a common risk management policy framework designed to cover a range of subjects related to risk in an ever-changing environment. The Board also continues to maintain its own Risk Register, which is updated on a quarterly basis.

By having access to expertise from EFDI, the Board is aware of the most up-to-date developments in the field of depositor compensation.

Although the DCS is not a member of the International Association of Deposit Insurers (IADI), the Board seeks to comply with relevant IADI standards by maintaining a watching brief on IADI activity through publicly published material and from regular IADI updates issued through EFDI.

#### **Data protection**

The DCS remains registered as a data controller/processor with the Jersey Office of the Information Commissioner as required under the Data Protection (Jersey) Law 2018. Board member Amy Taylor is the Board's Data Protection Officer. That registration was renewed in February 2025.

As has been highlighted in previous annual reviews, apart from its obligations under the Data Protection (Jersey) Law 2018, the GDPR and all UK and EU equivalent legislation, when processing bank data, the Board, its servants and agents have to comply with the specific requirements of the Banking Business (Depositors Compensation) (Amendment No 2) (Jersey) Regulations 2020 which require that data be encrypted at all times and only be decrypted for specific purposes.

As part of the compliance with the provisions of the 2020 legislative requirements, during 2022 the Board finalised the detailed requirements of a Data Protection Impact Assessment (DPIA) that governs the handling/storage/security/deletion protocols for all bank data provided to the Board for testing/analysis. The protocols contained therein continue to govern all processes and provide continued reassurance that sensitive client data is being properly protected. During 2023 the Board, along with its service provider, successfully conducted the first review of the protocols to ensure that applied practice is in line with the requirements of the DPIA.

## THE JERSEY BANK DEPOSITORS COMPENSATION BOARD

### Board's Report (continued) for the year ended 31 January 2025

#### Values Statement

The Board has published a Values Statement on its website which can be viewed here: <https://www.jerseydcs.je/assets/Values%20statement%20short%20form.pdf>

#### Ongoing risks

It is acknowledged that deposit compensation schemes operate within an evolving global financial system.

Through its membership of EFDI/AMES and the Bank Resolution Planning Group (BRPG), the Jersey DCS continues to consider emerging risks within the context of its own domestic policy settings and wider policy forums.

The following headline risks continue to be monitored and considered for policy development.

**Digitisation.** Digitisation of financial services continues apace and concerns remain regarding financial stability and competitive distortions. Future policy in respect of digitisation will be developed in conjunction with the JRA, the JFSC, and the Government of Jersey.

The Board is mindful of an ever-increasing risk that making compensation payouts by cheque will quickly become obsolete. Current legislation mandates that method be used for such payments. Both the UK FSCS and Gibraltar are working to establish alternatives. Through AMES, the Board continues to follow developments in both centres. Replacing cheque payments with a viable alternative is likely to be a high priority for the successor authority when the transfer of DCS functions to the JRA is complete.

**Contingency Planning.** The DCS operates within an overall legislative framework intended to mitigate and manage the risk of a bank default. The Board is a member of the BRPG, which was formed in 2022 to improve communication within the framework and make provision for enhanced contingency planning; The Board and the other agencies that are part of the legislative framework are members of the BRPG. The Board continues to progress its planning under the above framework and on the understanding that should a bank default occur, the Board would work in conjunction with the BRPG and the Government to take whatever remedial action would be considered appropriate to achieve an efficient pay-out.

**The role of Deposit Compensation in Bank Resolution.** Policy in this area continues to be developed by the Government of Jersey in conjunction with the Board, JRA, the JFSC, the BRPG and other stakeholders.

**Cross-border considerations.** Deposit compensation regimes continue to be affected by the growing inter-connectedness of global financial flows and the increasingly borderless and digital nature of financial services. EFDI has highlighted a growing number of cross-border interactions when dealing with resolutions. In Jersey's case, there are currently no formal cross-border arrangements.

**Sustainability.** As an EFDI member, the Board is mindful of the EFDI charter for Sustainable Deposit Guarantee and Investor Compensation Schemes, which aims to demonstrate support and adherence to the principles of sustainability and social responsibility, and answer the call made in that field by various international organisations and initiatives, including the United Nations Environment Programme Finance Initiative (UNEP FI) arrangements.

## THE JERSEY BANK DEPOSITORS COMPENSATION BOARD

### Board's Report (continued) for the year ended 31 January 2025

**Climate change.** Climate Change is a continuing risk to financial stability as a whole. The potential disruption to infrastructure of individual banks or to the wider financial system could significantly impact the ability of a deposit compensation scheme to ensure timely pay-outs. Operational risks need to be identified and managed appropriately.

The Board's climate impact footprint remains minimal. A small team utilise well-tested computer software and hardware remotely. There is no physical office. Physical meetings are held locally. On an annual basis, one Board member travels to the EFDI annual conference at a European venue. Two physical AMES meetings are usually held annually with plans for individual states to host in their own locations in future.

### Results

The Statement of Comprehensive Income of the Board for the year is set out in detail on page 13.

### Disclosure of information to auditor

Each of the persons who were members of the Board at the time when this Board's report is approved has confirmed that:

- So far as that member is aware, there is no relevant audit information of which the Board's auditor is unaware, and
- That member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Board's auditor is aware of that information.

### Independent auditors

The independent auditor, BDO Limited, has expressed their willingness to continue in office.

This report was approved by the Members on 25/3 2025

and signed on their behalf by Mike Mitchell

Chair



## **THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

### **Board's Responsibilities Statement for the year ended 31 January 2025**

The Board is responsible for preparing the report and financial statements in accordance with applicable Jersey law and regulations and generally accepted accounting principles.

The Banking Business (Depositors Compensation) (Jersey) Regulations 2009 (the "Law") requires the Board to prepare financial statements for each financial year. Under that Law the Board has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") . Under the Law, as applied to the Board, the Board must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Board and of the surplus or deficit of the Board for that period.

In preparing these financial statements, the Board is required to:

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

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

The Board confirms that they have complied with the above requirements in the preparation of the financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**

### **Opinion**

In our opinion, the financial statements:

- give a true and fair view of the state of the Board's affairs as at 31 January 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Banking Business (Deposit Compensation) (Jersey) Regulations 2009.

We have audited the financial statements of The Jersey Bank Depositors Compensation Board ("the Board") for the year ended 31 January 2025 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes 1 to 11 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.

### **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 Board in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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**

In auditing the financial statements, we have concluded that the Board members use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Board's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board members with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Board members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the



financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Board members**

As explained more fully in the Board's Responsibilities Statement, the Board members 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 Board members 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 Board members are responsible for assessing the Board'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 Board members either intend to liquidate the Board or to cease operations, 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.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on:

- Our understanding of the Board and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Board's policies and procedures in place to prevent and detect non-compliance with laws and regulations.

We considered the significant laws and regulations to be the Banking Business (Depositors Compensation) (Jersey) Regulations 2009.

The Board is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
- Enquiry with management and those charged with governance regarding any known or suspected instances of non-compliance with laws and regulations.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Board's policies and procedures relating to detecting and responding to the risks of fraud and internal controls established to mitigate risks related to fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Agreement of financial statement disclosures to underlying supporting documentation.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls.

Our procedures in respect of the above included:

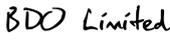
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias; and
- Evaluation of the appropriateness of the accounting disclosures.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at 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.

### **Use of our report**

This report is made solely to the Board's members, as a body, in accordance with the requirements of the Banking Business (Deposit Compensation) (Jersey) Regulations 2009. Our audit work has been undertaken so that we might state to the Board's members those matters we are required to state to them in an auditors' 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 Board and the Board's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:  
  
B4BE5A814B9B4BF...

**BDO Limited**  
**Chartered Accountants**  
**Jersey, Channel Islands**  
**25 March 2025**

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Statement of Comprehensive Income**  
**for the year ended 31 January 2025**

	Notes	2025 £	2024 £
<b>Revenue</b>		328,500	296,500
<b>Administrative expenses</b>			
Information technology, maintenance and support costs		195,576	169,691
Board members' remuneration		60,276	68,085
Membership fees		3,487	3,649
Professional and secretarial fees		38,492	42,153
Travel and subsistence		1,858	3,532
Auditor's fees	4	9,707	11,992
Accountancy fees		1,747	1,157
Conferences and training		357	177
Telephone charges		1,247	1,247
General office expenses		1,273	1,077
Insurances		10,972	11,318
Bank charges		654	654
<b>Total administrative expenses</b>		<u>325,646</u>	<u>314,732</u>
<b>Operating profit/(loss)</b>		2,854	(18,232)
Interest receivable		4,806	2,409
<b>Total comprehensive income for the year</b>		<u><u>7,660</u></u>	<u><u>(15,823)</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses other than those included in the Statement of Comprehensive Income.

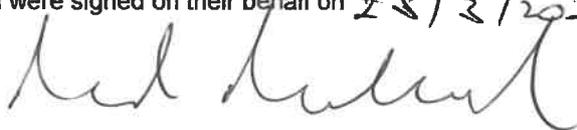
There was no other comprehensive income for 2025 (2024 : £NIL).

The notes on pages 15 to 19 form part of these financial statements.

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Statement of Financial Position**  
**as at 31 January 2025**

	Notes	£	2025 £	£	2024 £
<b>Current assets</b>					
Debtors	5	88,237		108,202	
Cash at bank and in hand	6	<u>214,340</u>		<u>177,474</u>	
		302,577		285,676	
<b>Creditors: amounts falling due within one year</b>					
	7	(84,899)		(75,658)	
<b>Net current assets</b>			<u>217,678</u>		<u>210,018</u>
<b>Net assets</b>			<u><u>217,678</u></u>		<u><u>210,018</u></u>
<b>Represented by:</b>					
Retained surplus	8		217,678		210,018
<b>Total administrative reserve fund</b>			<u><u>217,678</u></u>		<u><u>210,018</u></u>

These financial statements on pages 15 to 19 were approved and authorised for issue by the Board and were signed on their behalf on 25/3/2025



Chair

The notes on pages 15 to 19 form part of these financial statements.

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Notes to the financial statements**  
**for the year ended 31 January 2025**

**1 Accounting policies**

**General information**

The Jersey Bank Depositors Compensation Board (the "Board") was created by the Banking Business (Depositors Compensation) (Jersey) Regulations 2009 (the "Law") and is domiciled in Jersey. The Board consists of four appointed members assisted by a representative of the States of Jersey.

**Statement of compliance**

The financial statements of the Board have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS102") effective 1 January 2015. The financial statements have also been prepared in accordance with the Law, which came into force on 6 November 2009, which was subsequently amended on 2 October 2012 by the Banking Business (Depositors Compensation) (Amendment and Miscellaneous Provision) (Jersey) Regulations 2012 and further amended on 28 January 2020 by the Banking Business (Depositors Compensation) (Amendment No 20 (Jersey) Regulations 2020.

**Summary of significant accounting policies**

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

**Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements of the Board are presented in British Pounds ("£"), being the functional currency of the Board. The Board has determined its functional currency based on its primary economic environment.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 2).

**Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Board.

The Board has taken advantage of the following exemptions:

- preparation of a statement of cash flows, on the basis that it is a qualifying entity as required by FRS 102 paragraph 3.17 (d).

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Notes to the financial statements**  
**for the year ended 31 January 2025**

**1 Accounting policies (continued)**

**Going Concern**

The Board has prepared the financial statements on a going concern basis. The Board members consider this to be appropriate as the Board is in a position to raise administration levies on banking groups in Jersey according to the financial needs of the Board and in particular its recurring administrative costs in a particular period. The Board prepares a budget on an annual basis to project its future financial needs and is satisfied that it can meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

In preparing the financial statements on a going concern basis, the Board has considered the proposed transfer of the functions of the Bank Depositors Compensation Scheme (“DCS”) to the Jersey Resolution Authority with an anticipated effective date of 1 January 2026 and that the orderly transfer of the remaining affairs of the Board will be completed by 31 March 2026. Any costs relating to the transfer will be managed within this budget or from reserves as required.

The Government remains committed to maintaining a DCS, which is currently effective through the Banking Business (Depositor Compensation) (Jersey) Regulations 2009. The proposed transfer will retain all the functions and protections currently provided, making changes to legislation (subject to the approval of the States Assembly) to ensure an orderly transfer of functions. The transfer is proposed for efficiency and will not reduce or limit the effectiveness of the existing DCS or its funding through administration levies.

At the time of approval of these financial statements, the required legislation to effect these changes has not been lodged for debate. It is expected that this will be lodged and debated during the summer of 2025.

Following this assessment, the Board members reasonably expect the Board will continue in existence for a period of at least 12 months and therefore has prepared the financial statements on a going concern basis.

**Revenue**

Under the Law the Board can raise two types of levy income:

a) Administration levy income

Levy income is raised by the Board on an annual basis to enable it to meet its recurring administrative costs in each registration year. The level of Levy is set by the Board in accordance with the provisions of the Banking Business (Depositor Compensation) Jersey Regulations 2009. The Levy is payable by each bank registered on the Island of Jersey under the Banking Business (Jersey) Law 1991. Administration levy income is recognised on an accruals basis and applies for the whole year in which each bank was registered.

b) Compensation levy income

A compensation levy applies if any of the banks registered in Jersey becomes bankrupt.

A bank that is not in default is liable to pay a compensation levy, in respect of the bank that is in default, if;

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Notes to the financial statements**  
**for the year ended 31 January 2025**

**1 Accounting policies (continued)**

- (i) the Board publishes a notice specifying the relevant date in respect of the bank in default; and
- (ii) the bank that is not in default held eligible deposits on that relevant date.

The total amount of the compensation levies to be paid by the banks liable to pay such a levy in respect of a bank in default will have to be sufficient to raise such amount as the Board estimates will be necessary to meet payment by it of compensation in respect of the bank in default and the Board's default-related administrative costs in that respect.

**Administrative expenses**

Administrative expenses are charged to the Statement of Comprehensive Income and recognised on an accruals basis in relation to the period they relate to.

**Finance costs**

Finance expenses are charged to the Statement of Comprehensive Income and recognised on an accruals basis in relation to the period they relate to.

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise of cash at banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

**Creditors**

Short term creditors are measured at the transaction price.

**Operating leases**

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Interest income is recognised in the Statement of Comprehensive Income on an accruals basis.

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Notes to the financial statements**  
**for the year ended 31 January 2025**

**2 Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Board considers there to be no estimates or judgements.

**3 Taxation**

The Board is exempt from Jersey income tax, therefore no provision has been made in these financial statements for Jersey income tax.

<b>4 Auditor's remuneration</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Fees payable to the Board's auditor	<u>9,707</u>	<u>11,992</u>

<b>5 Debtors</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Other debtors and prepayments	<u>88,237</u>	<u>108,202</u>

£75,900 of the debtors balance in 2024 (2024 : £95,890) relates to the annual subscription fee for the CMS Pro software licence. The fee is paid annually at the start of each calendar year and therefore 11 months is recorded as a prepayment.

<b>6 Cash and cash equivalents</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Cash at bank	<u>214,340</u>	<u>177,474</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Trade creditors	65,381	63,122
Accountancy accrual	905	750
Audit accrual	9,817	8,200
Other taxes and social security costs	281	-
Other creditors	<u>8,515</u>	<u>3,586</u>
	<u>84,899</u>	<u>75,658</u>

The high level of trade creditors at the year end was in relation to the CMS Pro software licence fee which was settled after the year end.

**THE JERSEY BANK DEPOSITORS COMPENSATION BOARD**  
**Notes to the financial statements**  
**for the year ended 31 January 2025**

<b>8 Retained surplus</b>	<b>2025</b>	<b>2024</b>
	£	£
At 1 February	210,018	225,841
Profit/(loss) for the year	<u>7,660</u>	<u>(15,823)</u>
At 31 January	<u><u>217,678</u></u>	<u><u>210,018</u></u>

**9 Post balance sheet events**

The Board has considered whether the ongoing work to transfer the DCS to the Jersey Resolution Authority represents an adjusting post balance sheet event and necessitates a revision of the financial statements. It has concluded that no revision is necessary. Additional information about the Board's consideration of the going concern basis for preparation of the accounts has been provided in note 1.

In the opinion of the Board, there are no adjusting or non-adjusting post balance sheet events.

<b>10 Other financial commitments</b>	<b>2025</b>	<b>2024</b>
	£	£
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within one year	57,567	62,800
within two to five years	<u>-</u>	<u>57,567</u>
	<u><u>57,567</u></u>	<u><u>120,367</u></u>

The operating lease relates to a software service contract (CMS Pro proprietary software) which is being provided over a term of 5 years from 1 January 2021.

**11 Controlling party**

In the opinion of the Board, there is no ultimate controlling party or beneficial owner meeting the definitions as prescribed by FRS 102.