

2022

Jersey Gambling Commission  
Annual Report and Accounts



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## Chairman's Statement

It is my pleasure to provide a foreword to this twelfth Annual Report of the Jersey Gambling Commission for presentation to the Assembly.

Any follower of the Commission's work over the past number of years will be well aware of the lack of progress in the delivery of specialist problem gambling treatment in the Island. It is something that I have commented upon with regularity. This year is different. Government is now making progress in dealing with mental health issues in the round and is also positive that gambling disorder should sit within that space and be treated as such. This is extremely welcome news and cannot arrive too soon. That said, the Commission is well aware that the health service is responding to a level of challenges around funding, provision of a new hospital, recruitment and retention of staff and so on. Delivery of a government service, even if on the cards, will not be provided quickly. It is for this reason that the Board of Commissioners is seeking to undertake a pilot study to ascertain if a third-party provider might be engaged in the short-term. This cannot be guaranteed, but it is certainly something that the Commission would like to explore, so that those local people needing help to overcome their issues with gambling can be given real hope that change is on the way. One concrete step has been the provision of core elements of the Commission's website outlining social responsibility provisions being provided in Polish and Portuguese, with adverts in local media in those languages. I should also point out that access to trained counsellors is available on line through the following url:

<https://www.gamblingtherapy.org/je/>

The provision of these services naturally comes at a cost and I also want to make the point that although the Commission is custodian of the Social Responsibility Fund, the actual money in the Fund is provided by licensees, or more plainly, the commercial gambling companies that operate within the Island. The level of funding required by the Commission has been modest to reflect the provision of services that the Fund maintains, but this is likely to change, not least if the Commission can identify a therapy provider. General costs are also increasing across the board as inflationary and other pressures continue to impact our cost base. To counter this the Commission undertook its first fee consultation since 2012 with the commercial sector and was pleased to receive a general acceptance from licensees that fees needed to be adjusted. This was implemented for the start of 2023 and will ensure that the Commission is not only able to balance its books, but also target specific projects moving forward.

The Board of Commissioners was sad to lose Advocate Matthew Swan who chose to resign in March 2022 to further his career with the public sector. This was a great loss to us, but we recognise what an asset he will be for the Courts and wish him all the very best in his new role.

Finally, it is worth reiterating the business and other pressures that the gambling industry is facing. Contrary to popular belief, gambling in the Island is not growing, but has been in a state of gradual decline over the past decade. Jersey lost another bookmaker, E Coomes, who closed their last shop in December and while this may provide some respite for other firms, it will do little to offset rising costs and, more concerning, the unwillingness of the banking sector to provide access to services. This latter issue is one that merits public discussion because it affects not only the gambling industry, but also providers of services to the industry and at the very low end of the scale, even some Thrift Clubs and Charities. While it is clear that banks have to be commercial, they should not be able to effectively strangle a business by denying access to the finance system. This development is extremely worrying and poses a real threat to the economic diversity the Government is trying to nurture.

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

Advocate Cyril Whelan  
Chairman

## Chief Executive's Statement

The return to office-based working has been something generally welcomed by the team and clients visiting the Commission and life, at least in terms of the direct effect of the pandemic, has now returned to normal. One of the first matters that the Commission dealt with was the final action in terms of regulatory sanction following the revocation of the remote operators licence issued to BetIndex the previous year. In March, the Board considered the position of the main Director of BetIndex and after following its published Decision Making Process, decided to issue an Article 35 Direction banning him from acting with or for any licensee or permit holder. In terms of other areas, the Commission inspected all land-based commercial operations and following its risk model, continuously reviewed its remote gambling operators for compliance.

Market conditions for operators remain challenging. The Island lost two platform providers (companies that offer various commercial services to operators) as well as two betting offices, continuing the decline that started during the pandemic. On the social side (albeit still commercial), thrift club permits reduced by four, in part because of the increasing difficulty of maintaining banking arrangements. The direct impact of fewer licences is of course a reduction in income for the Commission and 2022 saw fees down approximately £60,000 and a year-end deficit of £49,770 (2021: Surplus £82,557). This was foreseen, however, and as a consequence the Commission went out to consultation with its licensees to explain the rationale for increasing fees, the first substantive increase since the majority were set in 2012. The Commission also decided to reappraise the money that it keeps in reserve, determining that the then very low rates of deposit interest required a fresh approach. The result was an investment in Prudential international Investment Bonds and this investment will be reviewed annually. The underlying strategy remains one where the Commission remains entirely self-financing and that no public money is required in order to undertake any of its functions.

My work as President of the International Association of Gaming Regulators (IAGR) continued, and I was able (on behalf of the Association) to commit to closer co-operation with the International Gaming Standards Association (iGSA) as part of our work to find common standards across the industry and, through extension, common solutions to issues of compliance, verification and so on. The work of IAGR is particularly rewarding because it also has a strong focus upon responsible gambling and the many interesting strands of work being undertaken worldwide in order to provide help and assistance to people struggling with their gambling, an issue Jersey is not immune to. Progress in developing a locally based problem gambling service remains ongoing and positive discussions were held both with government and third-party providers. The actual delivery of a service, however, remains some way off, but the Commission will continue to champion its need. Spreading the word, building confidence and de-stigmatising the impact of gambling continue as core themes of the Commission's Social Responsibility programme.

On a sad note, the year marked the passing of Martin O'Driscoll, a bookmaker who was a feature of the Les Landes Racing calendar and Keith Casey, who offered Crown and Anchor across the Island commercially and to fundraise for charities. Both were very popular and well-liked members of the Island's gambling fraternity and they will be greatly missed.

Dr Jason Lane  
Chief Executive

## The Board and its Responsibilities

Article 2 of Schedule 1 of the Gambling Commission (Jersey) Law 2010 governs the Constitution and operation of Commission. It mandates the requirement of the Board to disclose any direct or indirect conflict of interest in the operations of the Commission and that thereafter any such conflicted Commissioner should take no further part in the proceedings in respect of that conflict. The declaration of interests is consequently a standing item on the agenda of Board meetings and no conflicts were declared during the period under review.

The Law also gives a power (but makes no requirement) for the Commission to have committees. The utilisation of specialist committees within large Boards is quite normal, but with a Board of only three, the separation of thought and expertise is at best theoretical. For this reason, the Board elected at the start of its term to consider all matters together. For this reason, responsibility for the strategic direction of the Commission lies with the Board, with the operational delivery being in the hands of the executive.

Membership of the Board of Commissioners is by Ministerial appointment from a list of applicants compiled by the sitting Chair. The position of Chair is by open competition under the auspices of the Jersey Appointments Commission and with representatives of both the Minister and the Commission. The last competition was in July 2015 with the appointments of Advocate Whelan and Ms Sebire made in November 2015 for four years, being then extended for a further four years. Advocate Swan was appointed from 4<sup>th</sup> January 2016 for four years and also extended by Ministerial appointment for a further four years. The Law proscribes Commissioners from serving more than 10 years in total.

### CYRIL WHELAN, CHAIRMAN



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 an employment judge (Deputy Chair) of the Jersey Employment and Discrimination Tribunal, 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 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 1<sup>st</sup> October 2016, re-appointed in November 2019 and then given further extensions to the ten-year maximum tenure until 2<sup>nd</sup> November 2025.

## DEBBIE SEBIRE, COMMISSIONER



Appointed to the Commission in November 2015 and re-appointed in 2019 and 2023, 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.

## MATTHEW SWAN, COMMISSIONER



First appointed to the Commission in January 2016 and re-appointed in 2019, Advocate Swan resigned as a Commissioner in March 2022.

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.

### Meetings of the Commission

Meetings of the Board are of three main types. The first are standard meetings which are held quarterly and these touch upon all aspects of the Commission's functions, but particularly include a financial review of actual income and expenditure against budget. The Commission's management accounts are compiled by their shadow Finance Director, a service supplied by local accountancy firm Purpose. These management accounts are based upon the Commission's operational budget which is prepared by Purpose after consultation with the Chief Executive. It is worth noting that the Commission receives no public funding whatsoever and must therefore ensure that it is fiscally responsible and makes best use of the fees which it charges to its licensees, permit holders and other stakeholders.

The Board will also be presented with an operational report during its quarterly meetings. These are prepared by the Executive and raise matters which are deemed notable and reportable. The Board will also meet to consider licence applications across its various commercial sectors. These are assessed on the basis of the application received and the Executive's report into the firm or individual concerned.

Finally, the Board will also meet on an *ad hoc* basis for particular or pressing matters that cannot wait until the next quarterly meeting and those matters subject to the published Decision Making Process.

In 2022, the Commissioners met formally on five occasions with one planned meeting having to be abandoned because of Covid infections:

23<sup>rd</sup> March 2022; 22<sup>nd</sup> June 2022; 6<sup>th</sup> September 2022 (ad hoc); 28<sup>th</sup> September 2022 (abandoned); 4<sup>th</sup> November 2022 (ad hoc) and 14<sup>th</sup> December 2022.

Attendance:

	Present	Absent
Cyril Whelan	5	
Debbie Sebire	5	
Matthew Swan (resigned in March)		1

Board packs comprising agendas and reports are distributed to the Commissioners a week in advance of each meeting, and categorised accordingly:

- Confirmation of the Minutes
- Matters arising from previous meeting
- Report on Financial Matters
- Matters for Decision
- Matters to Note
- Any other business & late items

The Chair governs the meeting and agrees the agenda proposed by the CEO. The substance of the agenda ranges over issues arising locally and internationally and deals with updates related to the various licenses and permissions granted by the Commission. The Board meetings address governance matters ensuring the Commissioners are satisfied that the Commission is being managed well and that financial stewardship is competently and transparently controlled.

## The Executive

The Executive undertake the operational delivery of the work of the Commission under the scrutiny and oversight of the Board. It is led by the Chief Executive, Dr Jason Lane (Commissioner from 2023) and the Deputy Chief Executive, David Evans, who sits as an ex-officio Board Member. They oversee a small team of three, including an Executive Officer who has oversight of the financial and administrative functions of the Commission, as well as acting as a case officer with particular oversight of licensees financial reporting. The Executive Officer is in turn supported by two Regulation and Compliance Officers who undertake due diligence, monitor reporting and inspect for compliance.



Jason has been Chief Executive of the Jersey Gambling Commission since the organisation was created in 2010, having previously worked as a policy advisor on regulatory issues for the Government of Jersey. A former Chairman of the Gaming Regulators European Forum (2014-16), he was appointed a Trustee of the International Association of Gaming Regulators in 2018 and elected Vice President in 2020. Jason began his two year term as President of IAGR in October 2021 and was appointed a Commissioner in February 2023.

A member of the International Masters of Gaming Law, Jason also served on the Jersey Police Authority from 2014, becoming Chair in 2017 until completing his service in June 2023.

### **JASON LANE CHIEF EXECUTIVE**



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 and Operations, also serving as the Board's Money Laundering Reporting Officer.

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 for licensing and the production of guidance and Codes of Practice.

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



## The Role of the Commission

Part 2, Article 3 of the Gambling Commission (Jersey) Law (2010) sets out the general functions and powers of the Commission as ‘the general supervision of gambling’, including in particular –

- (i) supervision of providers of gambling services, and
- (ii) investigation of whether any person is complying with, contravening, or committing an offence under an enactment relating to gambling.

The Commission must also directly apply its ‘Guiding principles’ in the performance of all of its functions to ensure that any gambling services provided –

- (a) should be conducted responsibly and with safeguards necessary to protect children and vulnerable people;
- (b) 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
- (c) should be verifiably fair to consumers of those services.

In undertaking these duties, the Commission applies the powers and responsibilities entrusted to it by the Gambling (Jersey) Law (2012).

### Executive Overview 2022:

#### Staff



5  
Gender Balance M/F 3:2

#### Commissioners 3

Gender Balance M/F 2:1

#### Income 2022



	(2021)
<b>Commercial Fees</b>	
£620,721	£679,465
<b>3<sup>rd</sup> Sector Fees</b>	
£2,945	£2,840

#### Fees & Salaries 2022



	(2021)
<b>Staff</b>	
£369,185	£340,384
<b>Commissioners</b>	
£76,650	£92,500

#### Formal use of the Decision-Making Process: 1

Imposition of Article 35 Direction banning a Director from acting with any licensee or permit holder.

## Types of Permitted Commercial Gambling



Horse Racing



Internet Gambling



Sports Betting



Crown and Anchor

## Types of Permitted Charitable Gambling



Cinema Racing



Raffles / Lotteries

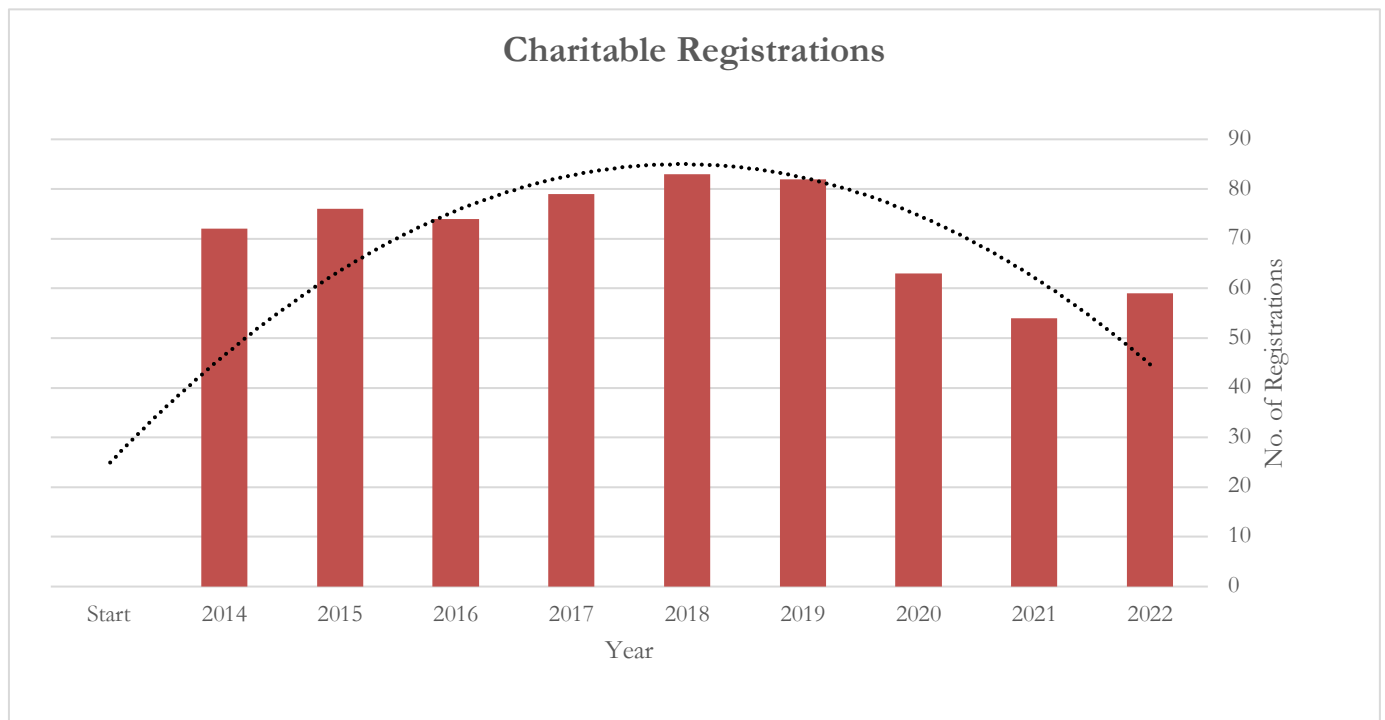


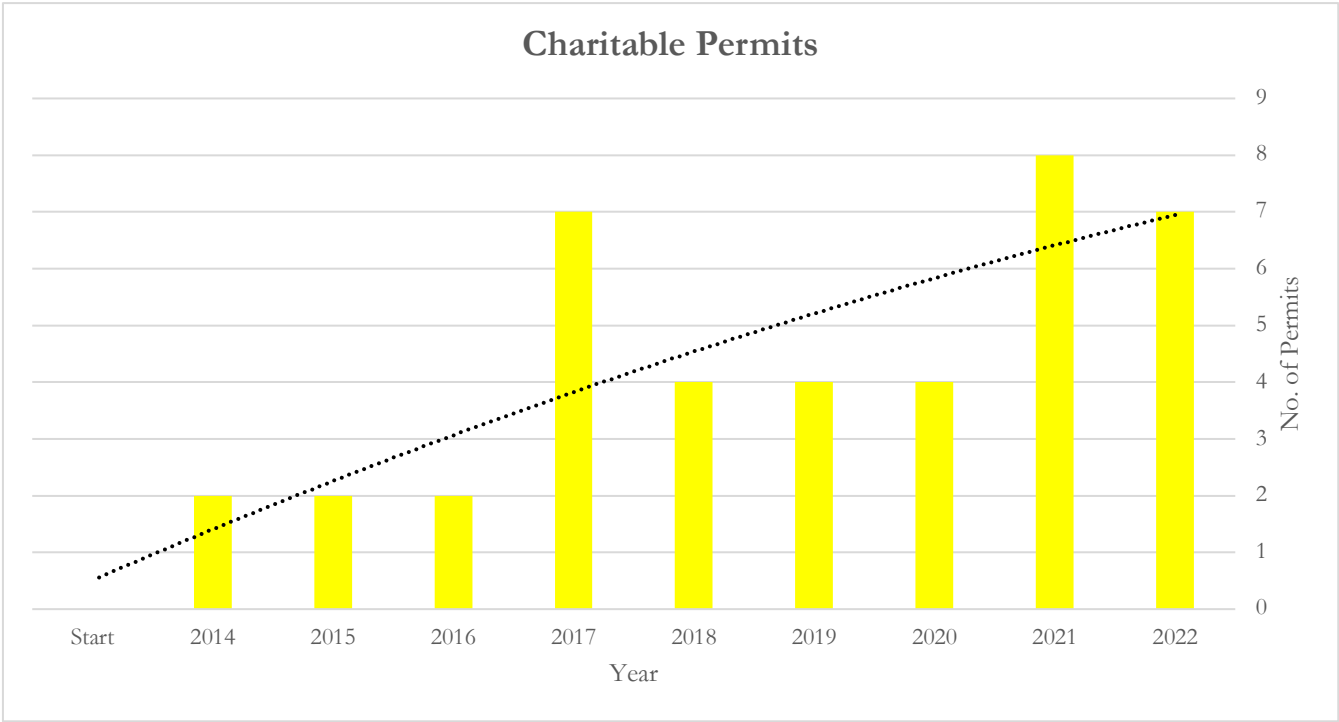
Bingo



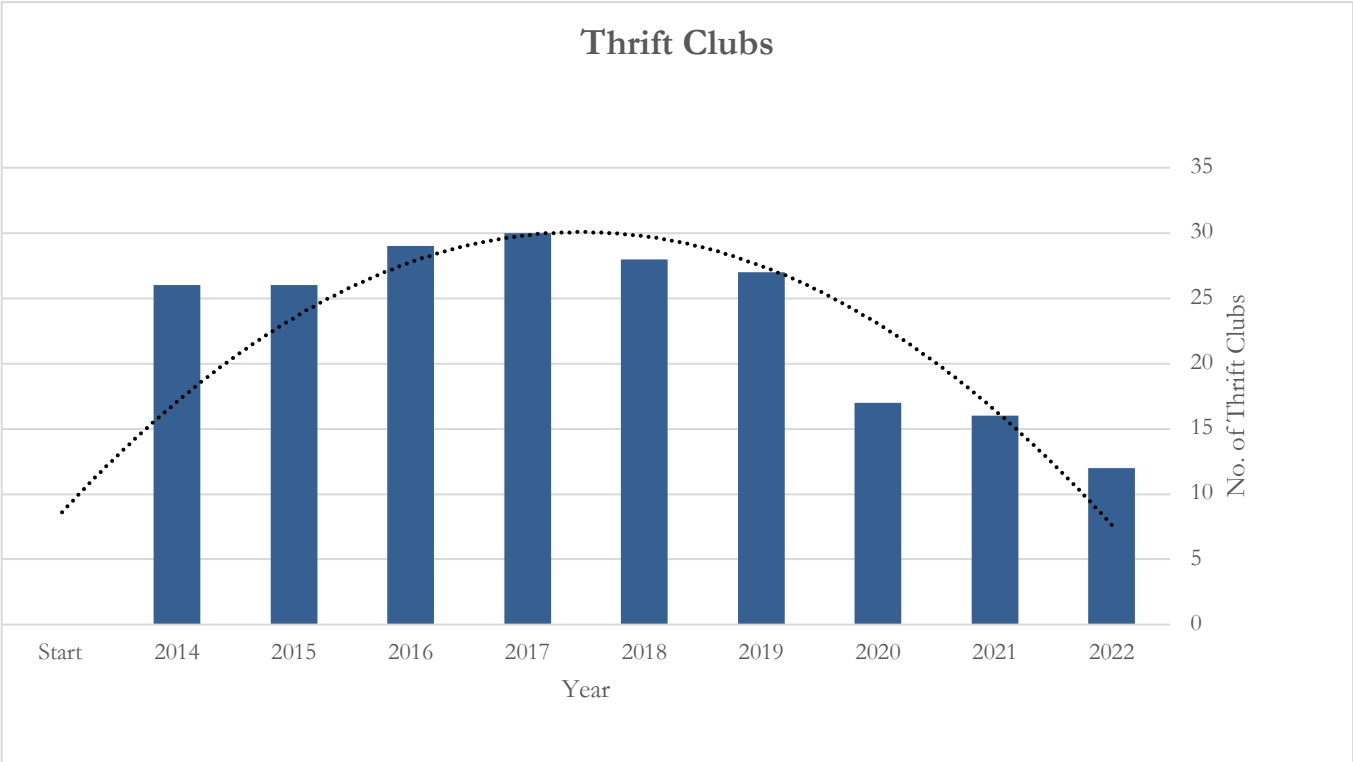
Crown and Anchor

## Levels of Charitable Gambling

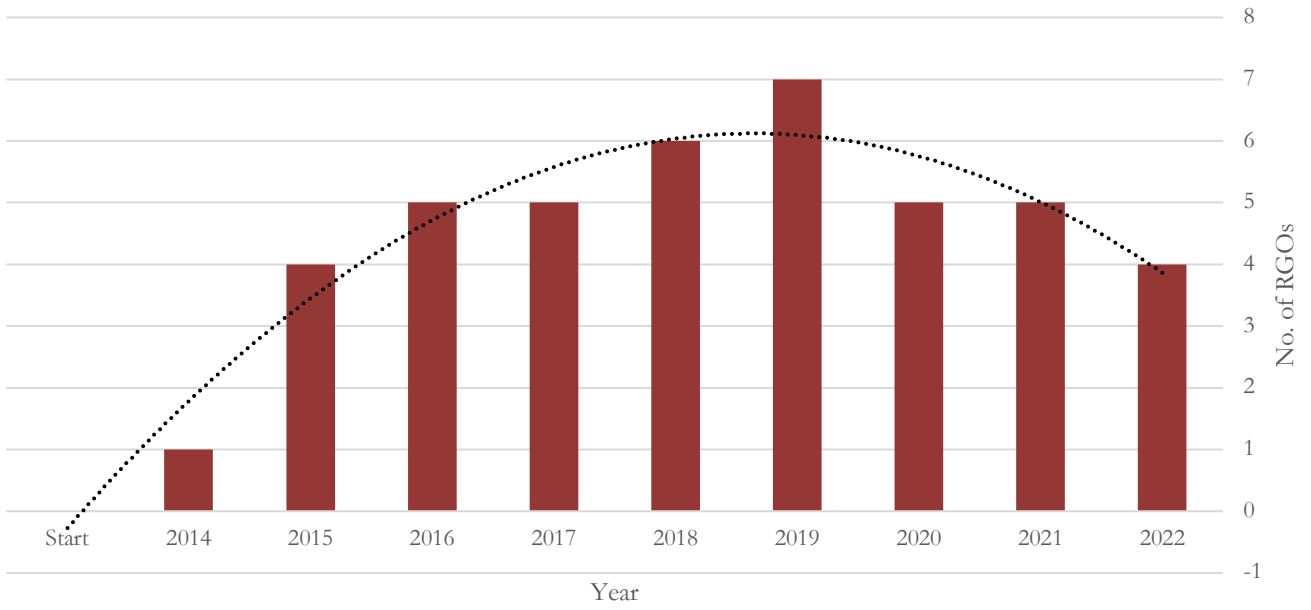




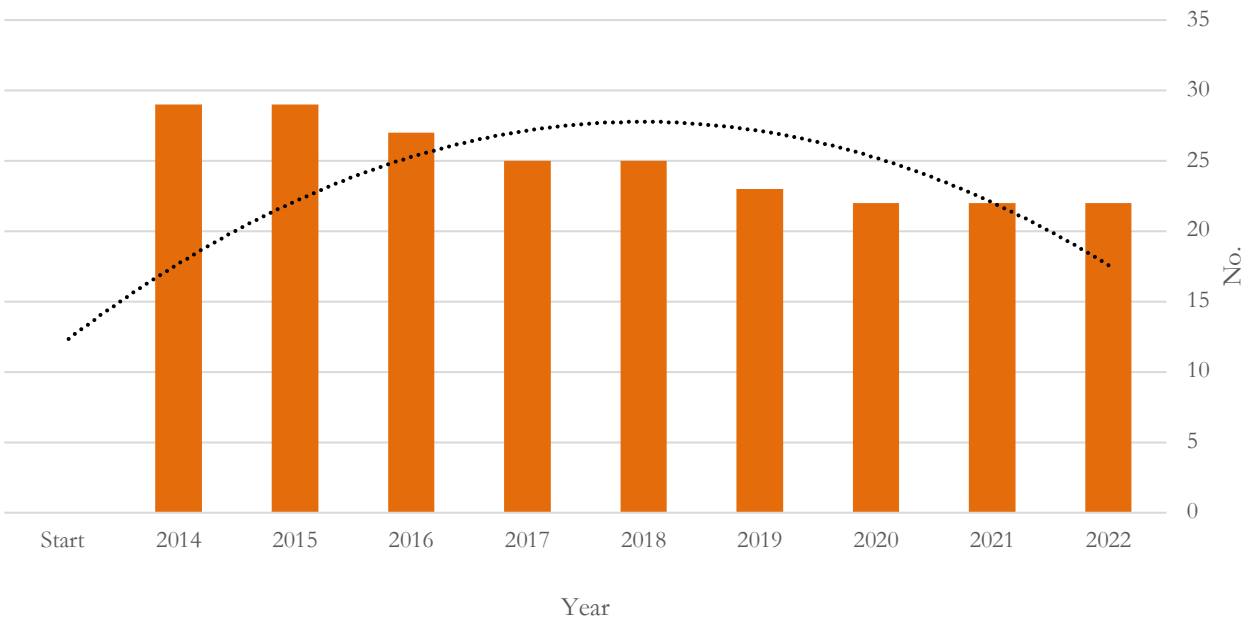
**Numbers of Commercial Licences (by Sector – over time)**



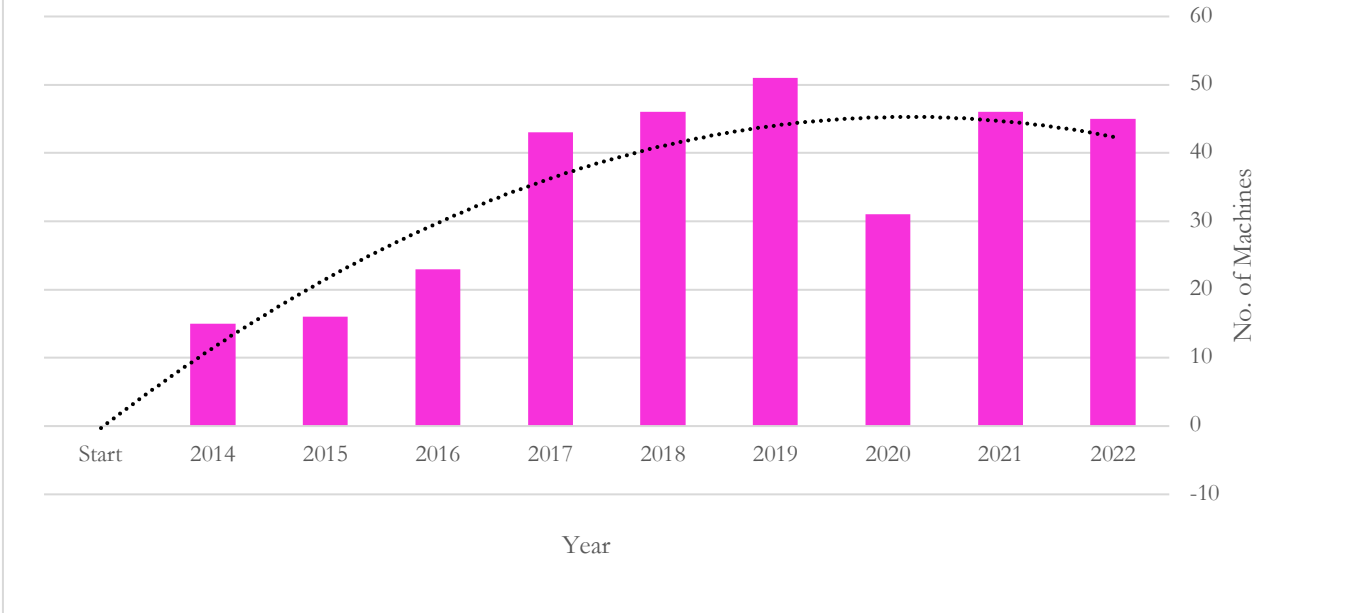
### Remote Gambling Operators



### Class I Bookmakers - Licenced Betting Offices



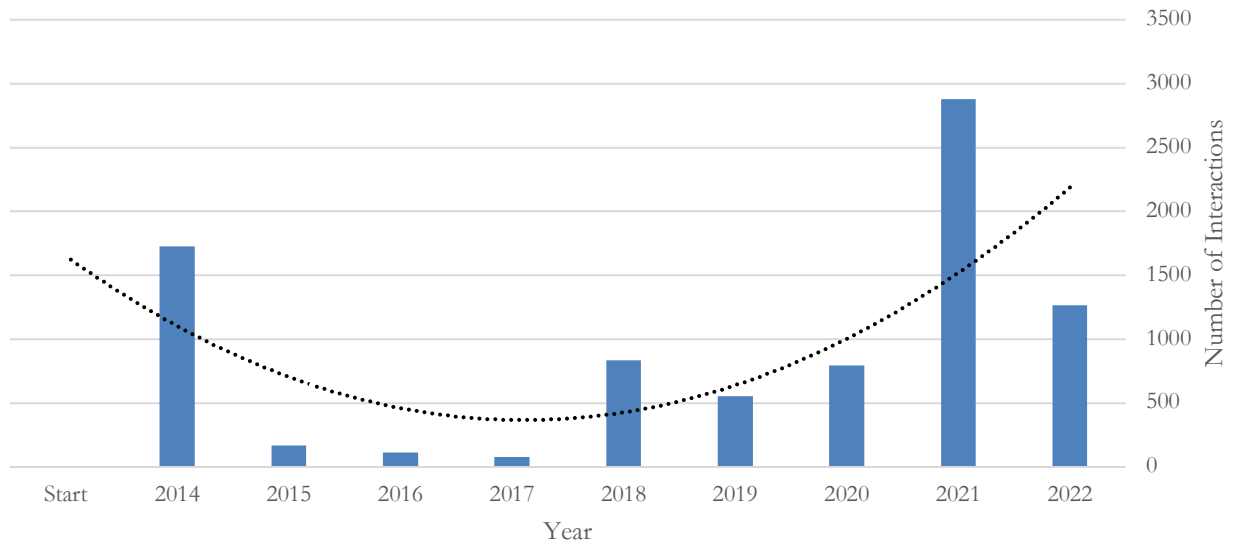
### Gambling Machine Operators Licence Cat 3



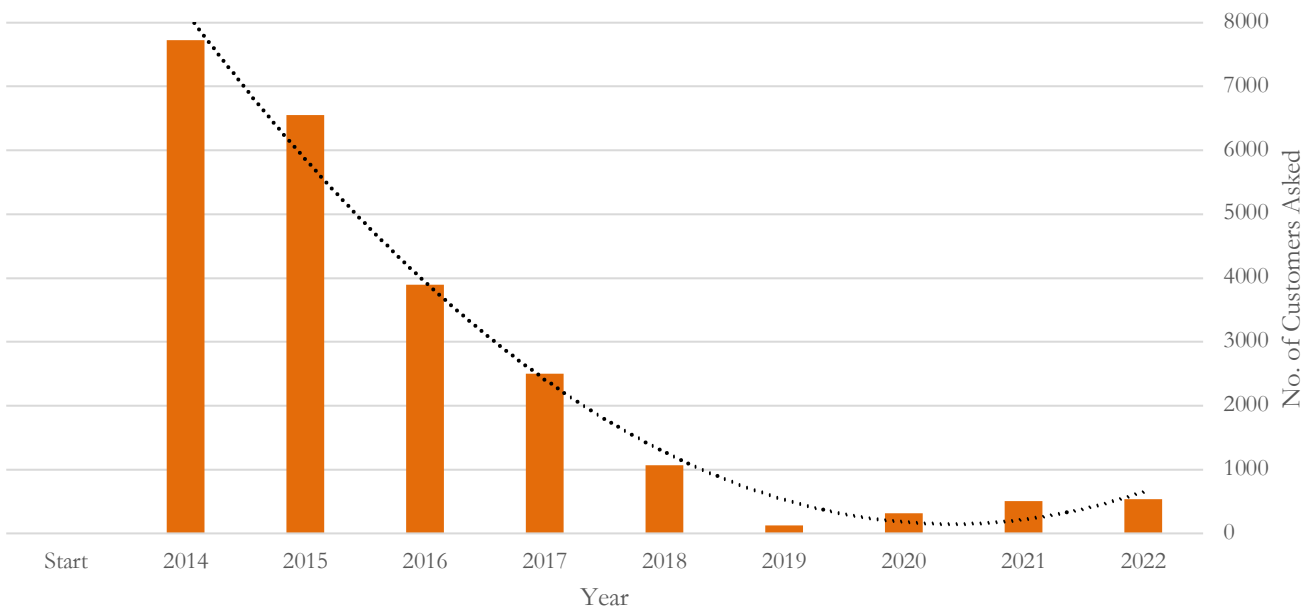
### LBOs Self-Exclusion Data 2014-2022 (Note Self-Exclusion Section of the Report)



### LBOs No. of Customer Interactions



### LBOs No. of Customers asked for Proof of Age



## Licensing and Regulatory Strategy

The Commission is not a promoter of Jersey, or the gambling industry and takes a neutral approach to the sector. It has a clear duty in law to regulate legitimate businesses and those who wish to make use of gambling for charitable, sporting, social or educational purposes. Given that there is no proactive equivalent to Jersey Finance championing the sector, it is, and in all likelihood will remain, niche.

The Commission licences and regulates four areas:

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

### Articles 8 and 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.

## Regulatory Risk

Given that Risk is inherent in everything that an organisation does, 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.

## **Key Risks**

The Commission operates a risk register to record and consider the possible risks that could have a substantial and unfavourable effect on the Commission. The register is organised around the following key themes:

### **Risk theme: Staff**

As previously stated, the Commission is not a big organisation, comprised of three Commissioners and five executives. The risks concomitant with sickness were clearly brought home during the COVID-19 pandemic that highlighted the vulnerabilities facing a small work force. Remote working is now embedded for those staff who wish to avail of it. The resignation of Commissioner Swan and the approaching maximum terms of Commissioners Whelan and Sebire highlight the need for continuity and proper succession planning. The Commission will therefore prepare for a recruitment process in 2024 to seek new Board members, while the appointment of Dr Lane will ensure continuity.

### **Risk theme: Finance**

The Commission is not a publicly funded body, all income is derived from fees and it must manage its resources prudently. A reserve fund has been built up over a number of years to enable the Commission to mitigate any fluctuations in income, as well as meet any legal challenges. With the decrease in returns, diversification of funds has also become prudent; the Commission has therefore added both a new bank to its accounts and placed some of its reserve into an investment bond.

### **Risk theme: Technology**

The majority of remote licensees submit reporting through a portal on the Commission's website. To ensure the ongoing robustness of our systems, management is outsourced to a trusted third party technology company. A new internal case management system is planned for 2023, as its predecessor is no longer supported.

### **Risk theme: Reputation**

The Gambling Commission (Jersey) Law makes it a specific duty of the Commission that in carrying out its functions under Article 7 (5) the Commission must in particular aim to secure the protection and enhancement of the reputation and integrity of Jersey in commercial and financial matters, as those are affected by gambling. Although a small regulator of a small industry, the impact of any misconduct in the facilitation of commercial or charitable gambling would seriously impact the Island's reputation as a finance centre and erode public confidence. The Commission must also observe its duty not to create an undue burden in its oversight of all its permissions, that regulation is proportionate, and that Jersey is not over-bureaucratic and is a place to do business.

## **Operational Review 2022 Highlights**

The Jersey Gambling Commission gears itself towards fulfilling five core aims:

1. To protect consumers, the young and the vulnerable;
2. To regulate fairly and responsibly in a manner proportionate to the sector;
3. To ensure that gambling legislation is kept up to date and fit for purpose;
4. To advise Ministers and government on all matters relating to gambling and gambling regulation;
5. To ensure that the Commission works to support government policy and the commitment to economic diversification.

## **Performance Report Overview Statement by CEO**

**Protection of consumers, the young and the vulnerable:** key action undertaken by the Commission after following its published Decision Making Process, was to issue an Article 35 Direction banning a Director from acting with or for any licensee or permit holder. The Decision was not appealed. The use of formal powers such as these are rare, but prove their value and importance. The Commission believes that the statutory cap of £5,000 per licence breach is too low, but recognises that the pressure on the law drafting process is such that this is unlikely to be addressed



before 2024 at the earliest. The Commission, therefore, continues its engagement with the Government of Jersey in order to ensure that the dangers posed by gambling are better understood. This involved meeting the Minister of Health and Minister for Economic Development, Tourism, Sport and Culture, both of whom recognise the issue and understand the requirement for change.

The Commission continued its dialogues with Gordon Moody (Gambling Therapy) and GamCare with the aim of ensuring that its knowledge base remains current and that prompt assistance can be offered to Jersey residents who present with specific gambling harms. Unfortunately, the provision of specific assistance within the Island remains dependent upon an increasingly constrained public health service and consequently the Commission believes that engaging with an external provider provides the best likelihood of future delivery. To that end the Commission is looking at likely funding streams required to ensure the set-up of such a service.

**Regulate fairly and responsibly in a manner proportionate to the sector:** the Commission does not operate a 'one size fits all' policy and all physical premises that offer gambling services to the Jersey public will inevitably have at least one visit by the Executive in any one year. These may range from a low-key and unannounced visit to a pub or club operating gambling machines, to a more formal review of licence conditions in a bookmaker. A Remote Gambling Operator on the other hand, will likely only have one onsite inspection during the course of its licence (which may not be in Jersey), but will be subject to annual review of its financials, systems and other reporting conditions. This level of scrutiny is not placed upon the charitable sector, save for specific examples (such as the Hospice Million Pound Draw) where the scale of the permitted gambling is such that failure would have a disproportionate impact. In all of its undertakings the Commission remains cognizant of its duty in Law (Article 3(5) of the Gambling Commission (Jersey) Law refers) to ensure that it carries out its functions in a way that does not give rise to, or maintain, unnecessary burdens. There is, therefore, a clear need for consistency in approach and ultimately, we recognise that we are subject to challenge and take account of this in our decisions.

**Ensure that gambling legislation is kept up to date and fit for purpose:** the Commission is pleased to report that it does have a good relationship with Ministers and the civil service in terms of accessibility and contact, however, translating this into action in terms of legislative change is extremely challenging because of relative priorities of government and the special case presented by Moneyval. This was anticipated, however, in the initial drafting instructions for both the Commission Law and Gambling Law, which have both stood the test of time fairly well. Change is inevitably required, however, as a component of experience, technological developments and policy review and the Commission now has a small, but increasingly important list of amendments that would make it both more efficient and effective.

**To advise Ministers and government on all matters relating to gambling and gambling regulation:** as stated above, the Commission has enjoyed a positive relationship with Ministers. There has been engagement and support in terms of the Commission's remit around consumer protection and problem gambling, with the department facilitating meetings with other departments of government. As should be expected, there was also challenge and questioning of regulatory policy and its application by the Commission. This is welcome, as political understanding and support for the Commission's statutory duties is vital to the proper functioning of any public authority.

**To ensure that the Commission works to support government policy and the commitment to economic diversification:** support of government policy in terms of keeping gambling crime free and ensuring it does not bring the Island into disrepute is clear and unambiguous. The Commission has been invited to join meetings chaired by government on preventing financial crime and ensuring that levels of AML/CFT oversight are rigorously maintained.

## Regulatory Review 2022

### Commercial

As noted in the introductory statements, the position of the industry is somewhat uncertain. The exiting of two businesses from the terrestrial bookmaking market should provide greater stability and resilience to those who remain, but the outlook remains one of evolving progression from a land based industry to one dominated by the online operators. Worldwide, the remote gambling industry is thriving, with significant improvements in customer care amongst those based in equivalent jurisdictions, but the picture in Jersey remains difficult. The decision of most banks to withdraw or not offer banking services to those companies in the sector (even when some do so in other jurisdictions) is unfortunate and will do little to bolster the sector.

The picture as of 31<sup>st</sup> December 2022 reflected the poor performance noted in 2020/21. The Island now has 4 Class I Bookmakers, operating 20 shops and 78 machines. Pub machines, (Category 3 Gambling Machine licences) dropped back to 45 (47 in 2021) across 30 pubs and clubs.

Thrift Clubs have also faced significant pressures in recent years, down another four to 12 over the period. As per last year's report, several have reported a difficulty in keeping or finding banking facilities and anecdotal evidence points to major banking institutions being less likely to offer this type of account as a consequence of their own competitive pressures. The most common events remain 'Open the Box', Football Cards and Meat Raffles, all of which are promoted in public houses.

Personal Gambling Licence Holders stand now at one and two Promotional Prize Lottery permit were granted. In relation to remote gambling services and operators, the number of permits and licences was largely consistent with the 2021 permissions: 2 Hosting Providers, 1 Gambling Software Provider and 5 platform providers (6 in 2021). The existing Mirroring and Load Balancing Licence also renewed. Holders of a Remote Gambling Operators Licence are now 4.

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 can expect to receive a minimum of 1 full inspection, with a small number receiving additional *ad hoc* or thematic inspections. 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.

### Charitable and Social Gambling

#### Charitable Registrations and Permits

The Commission again issued 8 charitable permits in 2022. The number of Registrations increased slightly, with 59 issued, up from 54 in 2021, but still significantly down from the 82 in 2019. As is usual, several meetings were requested by the Commission with some of the charities to explain and offer advice on conducting lotteries, but this year, most if not all were in respect of wanting to offer online products.

#### Cooperation with overseas authorities and associations

The Commission continued to meet virtually with the Gambling Commission for Great Britain to discuss and agree regulatory strategies and provide updates on mutual licensees. These meetings are arranged quarterly.

The Commission continued to interact and share information and regulatory experiences with the membership of the International Association of Gaming Regulators and the Gaming Regulators European Forum, while on-Island, periodic meetings take place with the Jersey Financial Services Commission.

In relation to fraud prevention, the Commission continued to participate in Gamshield, an industry group established to alert its membership to emerging threats and fraud typologies.

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

The Commission remains a member of the Jersey Financial Crime Strategy Group and engages in the work necessary to ensure that it can contribute to the shared responsibility of keeping the Island and Islanders safe. The Commission is not a designated supervisory body under the Proceeds of Crime (Supervisory Bodies) (Jersey) Law 2008, and responsibility for the AML/CFT supervision of casinos therefore sits with the Jersey Financial Services Commission. That having been said, Article 16(3)(b) of the Gambling (Jersey) Law (2012) mandates that the Commission monitor and ensure that any 'licensee and any employee or agent of the licensee must, in conducting gambling in or from within Jersey and any related activity, comply with all anti-money laundering and counter-terrorism legislation'. To that end, although not a designated body in terms of Schedule 2 of the Proceeds of Crime (Jersey) Law (1999), nevertheless the Commission must monitor its licensees for AML/CFT compliance and does so across its regulated entities, not just casinos. In large part this work also continues in preparation for the Moneyval inspection scheduled for 2023.

## **Social Responsibility**

### **The Social Responsibility Fund**

The Commission 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.

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.org/je](http://www.gamblingtherapy.org/je) website as well as published material distributed to public-facing licensees as well as radio and print media.

At the close of the year, there was £129,511 in the Fund, slightly up from £127,268 in 2021. The Commission was able to financially support an Islander who had to travel to the UK in order to receive in-house counselling treatment and continues to work with a number of providers to ensure dedicated support is available for Jersey residents. While the Fund remains healthy, it is not sufficient to undertake, support or deliver significant long-term projects, such as delivery of an on-Island treatment and counselling service. The Commission must, therefore, receive external assistance if it is to deliver a sustainable treatment provision on the Island moving forward. 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 Fund can effectively be applied to achieve the most practical outcomes.

## **Social Responsibility Initiatives**

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.

Throughout 2021 the Commission sought to enhance awareness of problem gambling, the availability of support groups and build upon signposting for those wishing to self-exclude and making it easier for them to do so.

## **Gamblers, Family and Friends in Recovery (GFFR)**

As noted in last year's report, Paul Merson, the former international footballer and television personality recommended a virtual support network facilitated by Zoom meetings. GFFR was born out of a need to support compulsive gamblers, their families and friends affected by someone's gambling addiction and who were no longer able to attend face-to-face meetings during the Covid-19 pandemic.

GFFR's online meetings continue post-pandemic and have a global reach; meetings are accessed by using the following link: <https://gamblersinrecovery.com/>

## **About Multi Operator Self Exclusion Scheme**

The self-exclusion scheme for betting shops is now extended to Jersey. It is managed by the Multi-Operator Self Exclusion Scheme Limited. The MOSES scheme in addition to recording and notifying operators of registrants and the terms of their self-exclusion, the team also take reports of breaches by registrants and notifies the operators in question. Operators, generally, are accountable to the Commission under the terms of the licence for their management of self-exclusion. MOSES however affords a central point for self-exclusion and rather than have problem gamblers submit exclusion requests in person and to multiple operators, the scheme distributes the request and its terms to those betting shops listed on an exclusion. The MOSES scheme is funded by fees payable by each participating operator based on the number of betting shops owned.

## **Gamstop**

Whereas MOSES deals solely with exclusion from retail bookmakers, Gamstop provides a self-exclusion service from online gambling operators. The scheme is limited to UK licensees because the British Gambling Commission (BGC) makes it a licence condition for online operators to sign up to the initiative. However, discussions with the BGC and Gamstop concluded that facilitating exclusions of Jersey residents from its licensees was the right thing to do. Once a person signs up to Gamstop they will receive an email confirming the registration. The email will contain information about further practical tools and support designed to help. It can take up to 24 hours for your self-exclusion to become effective. A person will then be excluded from gambling with all online gambling companies licensed in Great Britain for a period of either 6 months, 1 year or 5 years. Cancellation of the selected self-exclusion period is not possible and after this period concludes the exclusion will remain in force unless the person expressly contacts GAMSTOP to ask for its removal.

## **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 209 self-exclusions were in place across the whole Jersey estate during 2022, a decrease from 321 in 2021 (206 in 2020). 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 – this can cause some distortion of the figures. Therefore, the self-exclusion figure noted above will represent a much smaller group of people who have elected to exclude across the estate. We know there were 128 ‘new’ self-exclusions made over 2022 (95 in 2021), with 55 returning to gambling after the self-exclusion period lapsed.

The number of unsuccessful self-exclusion breaches (self-excluded persons identified while attempting to gamble) increased again to 40, from 29 in 2021 (21 in 2020). There were 5 transactions recorded for self-excluded persons managing to gamble, the same as 2020.

Last year it was noted that the recorded number of staff interactions with customers had increased significantly from 796 in 2020, to 2877 in 2021. This year that has gone down to 1266, but it remains a significant number and continues to reflect a more active approach taken by LBO staff in addressing concerns to customers in relation to their gambling. However, as with self-exclusions, this number does not always reflect separate individuals and is more probably a statistic of recurring interaction with some customers. Interaction can also include a request for proof of identification which, more often than not, is a response to the Think 21 initiative, for example proof of age requests increased from 317 in 2020 to 504 in 2021 and now stands at 541 for 2022. Individuals unable to prove age increased from 37 in 2020 to 103 in 2021 and now stands at 89. To that end, a decreasing trend in ‘proof of age’ requests must be balanced against the increasing number of ‘interactions’ which give customers an opportunity to reflect (and pause or stop) their gambling.

### **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.

### **Environmental impact and Sustainability**

This remains a new initiative for the Commission and we remain very much at the learning stage of development. The Commission has not yet undertaken a sustainability audit, but has invested in new equipment designed to reduce its carbon footprint and increase efficiency. It has also made better use of technology to reduce the need for business travel, but maintains that in-person involvement in international groups such as GREF and IAGR provide additional benefit making the investment worthwhile.

## Financial Commentary

The core principal that the Commission has worked to since establishment has been financial independence and ensuring that the service that it provides is wholly funded by those companies and organisations that benefit from its work, rather than the public. This was one of the pillars upon which the Commission was founded and it takes this responsibility extremely seriously. That is clearly a positive, but the downside to being an independent body with no public funding, is that the importance of gambling regulation (relative to its own demands) decreases in the eyes of government as the strong personal links that existed upon establishment slowly wither away. If regulation was all that the Commission did, this might not matter, but it has also been given a statutory duty to protect the vulnerable and it is here where the level of funding available to the Commission does not match potential demand. Treatment of compulsive gambling is a specialist task, requiring dedicated professional help. The Commission cannot impose what would amount to an undue burden on its relatively small industry to fund a programme of this sort. Such an action would be counter-productive. It needs the engagement and assistance of government to do this. The competing financial pressures facing everyone have been well rehearsed over the past few years and the Commission realises this, which is why it has always sought the most efficient, light-touch and low-cost model that it can. The Commission believes that it may now have found such a model, but in order to be sustainable, it cannot be funded just from the Commission's Social Responsibility Fund. To that end the Commission urges all interested parties, within government, the industry and the third sector, to engage and help deliver a programme of assistance that is right for Jersey.

In terms of its operating costs, payroll remains the most significant and this is true of most organisations. The difficulties of finding staff in Jersey are well known and the financial rewards offered by the finance industry only exacerbate this. The Commission must, therefore, strike a balance between resisting wage inflation against the need for professional staff who can be trained and developed in what is something of a niche area. The Commission also sets a great importance upon its links with allied regulators overseas and commits approximately 5% of its income towards travel and conferences to maintain these links and deliver the learning and engagement that comes with it. Finally, office, administration and technological costs make up the balance of the operating costs of the Commission. IT provision, particularly the specialist oversight and analysis tools required by the Commission are resource hungry and must be maintained and updated. The Commission also seeks to recover some of the costs of its inspection programme where it believes they are over and above the normal level maintained through its licence fees.

The income of the Commission, as noted above, comes from its commercial licensees, with a very modest amount generated from the charitable sector. The Commission will continue to regulate good causes at what is essentially a below-market rate as part of its contribution to the good work that these organisations do for the Island, but it is inevitable that these very low fees will have to increase in the very near future. The commercial sector remains sensitive to the longer-term impact of the pandemic and increased global competition. The modest decline in the attractiveness of in-person bookmaking (noted in the graphics on p11) will likely continue as habits and demographics change. Remote gambling, while globally strong, faces increased competitive pressures and can also expect higher levels of regulation, reductions in advertising and punitive action for failures. Thus, while the outlook for the sector as a whole remains positive, the licence fee income to the Commission will continue to decrease if nothing is done to reverse it. Total spending across all budget lines resulted in a year-end deficit of £49,770 (2021: £82,557), but this is not structural and the realistic response of licensees to proposed fees will reverse that situation before it becomes a trend.

In terms of financial controls, the Board reviews the finances of the Commission on a quarterly basis with its management accountants, the Chief Executive and Deputy Chief Executive. Between meetings, governance is assured through a system of internal controls. These controls, as well as the actual expenditure and financial planning of the Commission is subject to independent external audit and any findings are required to be declared in this Report.

The following Accounts provide an overview of the Commission's income and expenditure for 2022 in accordance with Financial Reporting Standard 102.

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 2022**

JERSEY GAMBLING COMMISSION  
FOR THE YEAR ENDED 31 DECEMBER 2022

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## COMMISSIONERS' REPORT

The Commissioners present their report and the audited financial statements of the Jersey Gambling Commission (the "Commission") for the year ended 31 December 2022.

## 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

Dr J Lane (appointed 30 January 2023)

Advocate M Swan (resigned 14 April 2022)

## RESULTS

The financial statements provide an overview of the Commission's income and expenditure for 2022. The Commission reports a deficit for the year of £49,770 (2021: Surplus £82,557).

## GOING CONCERN

The Commissioners have reviewed the Company's forecasts and projections and 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 and there are no material uncertainties that lead to significant doubt upon the Commission's ability to continue as a going concern.

## REGULATIONS

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

## SOCIAL RESPONSIBILITY FUND

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

COMMISSIONERS' REPORT (continued)

## COMMISSIONERS' RESPONSIBILITIES

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

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 their 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 31 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 and Commissioner

Approved on 25<sup>th</sup> July 2023

**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 Jersey Gambling Commission ('the Commission') for the year ended 31 December 2022 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the state of the Commission's affairs as at 31 December 2022 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**

In auditing the financial statements, we have concluded that the Commissioners' 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 Commission'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 Commissioners with respect to going concern are described in the relevant sections of this report.

**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**

**Other information (continued)**

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

*Explanation as to what extent the audit was considered 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:

During our audit we assessed the risk of material misstatement of the financial statements as a result of non-compliance with relevant laws and regulations (irregularities), including fraud. Based on our understanding of the Commission and its environment, together with discussion with senior management where appropriate, we were able to identify those laws and regulations which would have a direct effect on the financial statements as well as those which may have an effect on amounts in the financial statements, for instance through the imposition of fines or litigation. These included, but were not limited to the Gambling Commission (Jersey) Law, 2010. The risks arising from these laws and regulations were discussed amongst the audit engagement team, including consideration as to how and where fraud might occur.

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St Helier, Jersey  
JE2 4WQ

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

**Auditor's responsibilities for the audit of the financial statements (continued)**

Based on our assessment, the Engagement Partner ensured that the audit engagement team was composed appropriately with suitable competence and capabilities in order to allow identification and recognition of non-compliance with laws and regulations. The risks identified were communicated to all engagement team members who remained alert during the course of the audit for any indication of irregularities, including fraud.

Our procedures in response to the risks identified included the following:

- Enquiry of management, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- Review all available minutes of meetings held by those charged with governance;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In common with all audits carried out under the ISAs(UK), we carried out procedures in response to the threat of management override, including those considering the appropriateness of journal entries and judgements made in making accounting estimates.

There are inherent limitations in the audit procedures above 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 would become aware of it. In addition, the risk of not detecting material misstatement due to fraud is higher than detecting one resulting from error, as fraud may involve deliberate concealment by, for example forgery, collusion or intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

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

**Use of our report**

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

**25<sup>th</sup> July 2023**

**Stephen Phillips  
for and on behalf of  
Alex Picot Chartered Accountants**

**STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS**

	Notes	Gambling Operations	Social Responsibility Fund	2022	2021
		£	£	£	£
TURNOVER	4	<u>626,011</u>	<u>14,399</u>	<u>640,410</u>	<u>701,439</u>
EXPENSES					
Administrative expenses		<u>669,902</u>	<u>12,156</u>	<u>682,058</u>	<u>621,807</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(43,891)	2,243	(41,648)	79,632
Changes in fair value of investments		(11,875)	-	(11,875)	-
Interest receivable and similar income		<u>3,753</u>	<u>-</u>	<u>3,753</u>	<u>2,925</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(52,013)	2,243	(49,770)	82,557
TAXATION	7	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>(52,013)</u>	<u>2,243</u>	<u>(49,770)</u>	<u>82,557</u>
RETAINED SURPLUS AT 1 JANUARY		<u>599,020</u>	<u>127,268</u>	<u>726,288</u>	<u>643,731</u>
RETAINED SURPLUS AT 31 DECEMBER		<u>547,007</u>	<u>129,511</u>	<u>676,518</u>	<u>726,288</u>

The Commission's turnover and expenses all relate to continuing operations. There are no recognised gains or losses other than those shown above.

STATEMENT OF FINANCIAL POSITION	Notes	2022 £	2021 £
<b>NON-CURRENT ASSETS</b>			
Intangible assets	8	-	821
Property, plant and equipment	9	1,341	3,982
Investment bonds	10	<u>237,125</u>	<u>-</u>
		<u>238,466</u>	<u>4,803</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	11	143,965	324,476
Cash and cash equivalents	12	<u>926,233</u>	<u>934,818</u>
		<u>1,070,198</u>	<u>1,259,294</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade, other payables and deferred income	13	<u>632,146</u>	<u>537,809</u>
<b>NET CURRENT ASSETS</b>		<u>438,052</u>	<u>721,485</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>676,518</u>	<u>726,288</u>
<b>NET ASSETS</b>		<u>676,518</u>	<u>726,288</u>
<b>ACCUMULATED RESERVES</b>			
Social Responsibility Fund	14	129,511	127,268
Income and Expenditure Account		<u>547,007</u>	<u>599,020</u>
		<u>676,518</u>	<u>726,288</u>

The financial statements on pages 7 to 17 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 Tuesday 25<sup>th</sup> July 2023 by the Jersey Gambling Commission and signed on its behalf by:

Dr Jason Lane  
Chief Executive and Commissioner

*(The notes commencing on pages 9 to 17 form part of these Financial Statements)*

## 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.

#### 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.



## JERSEY GAMBLING COMMISSION

FOR THE YEAR ENDED 31 DECEMBER 2022 NOTES

TO THE FINANCIAL STATEMENTS

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

#### Licence fees

Under the terms of Gambling (Jersey) Law 2012 and subordinate legislation, licences granted by the Commission are valid for up to five years. Licence fees are payable on issue of the licence and at each anniversary of its issue. Licence fees are initially recorded as deferred income and released over the period of the licence as the commissioners believe that this treatment recognises the fact that the fees cover the cost of regulation and interaction with Commission staff over the term of the licence.

#### 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 16.00% (2021: 16%).

Actuarial valuations are performed on a triennial basis; the most recently published was the PEPF Actuarial Valuation for 31 December 2018 on 8 January 2020. 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 street, St Helier, JE2 3RR or online at:

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

#### Expenses

Expenses are accounted for on an accruals basis.

#### Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives. Amortisation is charged to administrative expenses in the statement of comprehensive income and retained earnings. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

## JERSEY GAMBLING COMMISSION

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TO THE FINANCIAL STATEMENTS

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

#### 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 & equipment are retained in the cost of property, plant & 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.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Website costs	Over an estimated useful life of 3 years
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#### Depreciation

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

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.

##### (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.

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

#### (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.

#### Investments

Investments comprises of investment bonds. Investments are initially measured in the Statement of Financial Position at cost. Investments are subsequently measured at fair value as at the year end. Any gains or losses arising from changes in the fair value are recognised in the profit or loss in the period they arise.

4 Analysis of turnover by category	2022	2021
	£	£
Licence fees	618,971	678,215
Social permits	1,625	1,800
Social registrations	1,320	1,040
Software designers permits	1,750	1,250
Social Responsibility Income	14,399	17,249
Other income	<u>2,345</u>	<u>1,885</u>
	<u>640,410</u>	<u>701,439</u>

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<b>5</b>	<b>Payroll costs</b>	2022	2021
		£	£
	Staff salaries	369,185	340,384
	Commissioners' fees	76,650	92,500
	Employer pension contributions	<u>34,776</u>	<u>32,261</u>
		<u>480,611</u>	<u>465,145</u>

	2022	2021
Number of permanent staff employed during the year	<u>5</u>	<u>5</u>

**6 Deficit/surplus for the financial year**

(Deficit)/surplus for the financial year is stated after charging:	2022	2021
	£	£
Auditors remuneration	8,155	6,572
Depreciation	2,643	3,395
Amortisation	<u>821</u>	<u>3,282</u>
	<u>11,619</u>	<u>13,249</u>

**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 2022 the Commission was due a repayment of £2,962 (2021: £1,052).

8 **Intangible assets**

	Website Costs £	Total £
<i>Cost</i>		
Balance brought forward	24,383	24,383
Additions	-	-
Balance carried forward	<u>24,383</u>	<u>24,383</u>
<i>Amortisation</i>		
Balance brought forward	23,562	23,562
Charge for the year	<u>821</u>	<u>821</u>
Balance carried forward	24,383	24,383
<i>Net book value</i>		
Balance carried forward	<u>-</u>	<u>-</u>
Balance brought forward	<u>821</u>	<u>821</u>

9 **Property, plant and equipment**

	Computer Equipment £	Fixture & fittings £	Total £
<i>Cost</i>			
Balance brought forward	43,513	1,500	45,013
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance carried forward	43,513	1,500	45,013
<i>Depreciation</i>			
Balance brought forward	39,531	1,500	41,031
Charge for the year	<u>2,641</u>	<u>-</u>	<u>2,641</u>
Balance carried forward	42,172	1,500	43,672
<i>Net book value</i>			
Balance carried forward	<u>1,341</u>	<u>-</u>	<u>1,341</u>
Balance brought forward	<u>3,982</u>	<u>-</u>	<u>3,982</u>

10 **Investment**

	2022 £	2021 £
Investment bonds	<u>237,125</u>	<u>-</u>

During the year the Commission invested in Prudential International Investment Bonds managed by Alexander Forbes Channel Island Limited. The investment of £249,000 was initially measured at cost and subsequently measured at fair value as at the year end.

JERSEY GAMBLING COMMISSION  
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<b>11 Trade and other receivables</b>	2022	2021
	£	£
Licence fees receivable	121,687	316,047
Other debtors	<u>22,278</u>	<u>8,429</u>
	<u>143,965</u>	<u>324,476</u>

All debtors are receivable within one year.

**12 Cash and cash equivalents**

The cash includes £120,334 (2021: £118,408) relating to the Social Responsibility Fund. The use of the Social Responsibility Fund is restricted by Article 10 of the Gambling Commission (Jersey) Law 2010.

<b>13 Trade, other payables and deferred income</b>	2022	2021
	£	£
Amounts due in less than one year:		
Licence fees billed in advance (deferred income)	599,352	496,982
Other creditors and accruals	<u>32,794</u>	<u>40,827</u>
	<u>632,146</u>	<u>537,809</u>

**14 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.

	2022	2021
	£	£
Balance brought forward	127,268	136,011
Amounts billed	14,399	17,249
Amounts used	<u>(12,156)</u>	<u>(25,992)</u>
Surplus/(Deficit)	2,243	(8,743)
Balance carried forward	<u>129,511</u>	<u>127,268</u>

14 **Statement of Comprehensive Income and Retained Earnings - 2021**

	Gambling Operations	Social Responsibility Fund	2021
	£	£	£
TURNOVER	<u>684,190</u>	<u>17,249</u>	<u>701,439</u>
EXPENSES			
Administrative expenses	<u>595,815</u>	<u>25,992</u>	<u>621,807</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	88,375	(8,743)	79,632
Interest receivable and similar income	<u>2,925</u>	<u>-</u>	<u>2,925</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	91,300	(8,743)	82,557
TAXATION	<u>-</u>	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME	<u>91,300</u>	<u>(8,743)</u>	<u>82,557</u>
RETAINED SURPLUS AT 1 JANUARY	<u>507,720</u>	<u>136,011</u>	<u>643,731</u>
RETAINED SURPLUS AT 31 DECEMBER	<u>599,020</u>	<u>127,268</u>	<u>726,288</u>

15 **Related party transactions**

During the year salaries paid to the Commissioners totalled £76,650 (2021: £92,500). The Commissioners did not receive any other benefits for services rendered in the current or prior year.

On 30 January 2023 Dr Jason Lane, Chief Executive of the Commission was appointed as a Commissioner. From this date Dr Jason Lane holds the positions of both Chief Executive and Commissioner.

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.

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**16 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:

	2022	2021
	£	£
Not later than a year	28,667	34,400
Later than one year and not later than five years	<u>-</u>	<u>28,667</u>
	<u><u>28,667</u></u>	<u><u>63,067</u></u>



**17 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.

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

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

2022



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