

2023

Jersey Gambling Commission
Annual Report and Accounts



R.126/2024

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Chairman's Statement

This is the thirteenth Annual Report of the Jersey Gambling Commission for presentation to the Assembly and my eighth since becoming Chair of the Commission.

It has been and remains, my earnest hope, that one of the lasting legacies of this organisation will be the delivery of a specialist problem gambling treatment in the Island. This has been for many years the core concern of the Commission and while progress is constantly being made, obstacles seem to appear with dull regularity. Last year the Commission came to within days of signing a contract with a major overseas treatment specialist to establish just such a service, when the other party undertook a strategic review and changed course, choosing to focus only on its domestic work and end overseas partnerships. This was a cruel blow after expending a significant amount of time and money getting to what looked like the finish line, only to have the prize snatched away at the last moment. However, our resolve remains undaunted and while this would have provided a solid solution, work with government continues. I have said for many years that such a service should be provided by government as addictions across the piece are public health issues and I am pleased to say that notwithstanding changes in administration, the commitment of government and the adult mental health service in particular remains solid. To that end, the priority of the Commission must now be to work with and support colleagues in government to establish such a service.

A positive note to sound in respect of having to abandon the planned third party approach is that it will ensure the cohesion of the Social Responsibility Fund moving forward. The money that would have been expended on the proposed treatment service can now be used both to assist and promote the plans of government, but also to provide direct financial support to individuals properly assessed and accepted for residential or other treatment services overseas. During 2023, two individuals received support from the Commission with their travel and accommodation costs while receiving treatment in the United Kingdom. While we look forward to the time when such a service can be provided locally, in the meantime the Commission will continue to consider specific requests for assistance by local residents who have been admitted (after professional assessment) to programmes in third countries.

Turning now to the oversight and supervision of gambling services on the Island, the position in terms of the land-based sector appears stable. The current bookmaker companies were granted new five-year licences in December after a thorough application process and after several years of decline, stability through the sector is expected. Companies operating online have also been subject to competitive changes, with two licensees giving notice to the Commission that as a consequence of change in corporate owner, they would be leaving the Island to sit within their new group structures based elsewhere. While this is a natural consequence of business, the relatively small size of the industry in Jersey means that it will be increasingly difficult to attract new licensees to consider the Island as their base. Further difficulties, to which I also referred last year, most especially the reluctance of the banking sector to provide essential business services, compound this.

Finally, it is worth mentioning the MONEYVAL Inspection and the tremendous amount of work done by government, the JFSC and other organisations to prepare for the assessors visit. It has been extremely encouraging to see 'Team Jersey' come together to work for the common good and it bodes extremely well for a successful outcome.

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

This is my first year reporting as both the Chief Executive and as a Commissioner, having been appointed by the Minister in January of 2023. The terms of such an appointment are set out in Article 3(3) and 4(3)(c) of Schedule 1 to the Gambling Commission (Jersey) Law (2010) and essentially state that no extra remuneration can be received for the appointment and that service will end whenever termination of employment occurs. I consider the appointment to be a particular honour for which I am most grateful.

The Chair has already highlighted the disappointment caused by the withdrawal of our proposed partner to deliver a service to people affected by their or a loved ones gambling. I share his view, but there are still benefits to be drawn from the experience. The Commission executive is developing a greater understanding of gambling addiction, not only in the academic and theoretical sense, but directly as a consequence of working with people battling this illness and gaining greater empathy and understanding through their lived experience. This relationship is essential if the Island is to develop a model that works here and reflects the unique character of Jersey. I am also pleased to report that the industry itself is also clearly changing in order to give customers the best possible experience and to identify those whose gambling might be leading to harm at an earlier stage. Some of this is being driven by changing regulatory rules overseas, but it is clear from meetings with senior industry executives that there is a clear understanding and sense of responsibility for dealing compassionately and effectively with this issue.

Turning to the financial position, the Commission has ended the year with a surplus of £114,363 from the previous period's deficit of £41,648. This fully justifies the decision taken in 2022 to increase licence fees by RPI and reflects the core methodology that regulation of the industry should be undertaken without the benefit of any public money. To that end, all monies received by the Commission come from its licences and other fees and charges to the industry, together with a modest contribution from the Third Sector. The Commission understands that many charities, clubs and societies raise a significant amount of their income through lotteries and other gambling products. There has also been an increase in people seeking to raise money for good causes using social media and the Commission received some criticism when we reiterated that individuals cannot raise money through offering lotteries or other means of gambling. The reason for this is two-fold. The first is pure public protection. Consumers have a right to expect that lotteries offered in Jersey are bone fide and run according to the rules. Secondly, charities are held accountable for their fund raising and thus face a significant risk to their brand if individuals, albeit well intentioned, decide to engage in gambling fund-raising without their knowledge. Let me be clear: no-one is saying that individuals can't help raise money for good causes, but it must be with the agreement and co-operation of the charity concerned.

Finally, my role as President of the International Association of Gaming Regulators (IAGR) came to an end in October 2023 with the conclusion of our annual conference and business meeting in Gaborone, Botswana. We were honoured by the presence of His Excellency, Mokgweetsi Eric Keabetswe Masisi, President of the Republic of Botswana, and I was privileged to spend thirty minutes with His Excellency and Cabinet Ministers at a private meeting after the official opening. IAGR is a vital part of the Commission's remit to stay informed and engaged with allied regulators across the world. Participation in the association and its working groups, together with those of GREF, its regional European counterpart, ensures that the executive receive professional development and keep informed of current research and share experience of regulatory developments across the sector. To that end I continue as a Board Trustee of the Association and also Co-Chair the Working Group on Compliance and Enforcement as well as the Membership Working Group.

Dr Jason Lane
Chief Executive and Commissioner

The Board and its Responsibilities

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 subsequent re-appointments of Advocate Whelan and Ms Sebire that will take them to the maximum of 10 years service allowed by Law. In January 2023 the Minister appointed Dr Jason Lane, the Commission's Chief Executive as a Commissioner, bringing the total number back to three after Advocate Swan's resignation the previous year. Dr Lane will receive no additional remuneration for the role (Article 3(3) of the Gambling Commission (Jersey) Law 2010 refers) and in accordance with Article 4(3)e, the term of office for this appointment is to cover the period of his employment with the Commission.

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.

CYRIL WHELAN, CHAIRMAN

First Appointment, November 2015

Appointed Chair, October 2016

Re-Appointed November 2019

Re-Appointed April 2022

Re-Appointed February 2023.

Advocate Whelan will have completed the full ten-year maximum tenure as a Commissioner in November 2025.



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, Advocate Whelan completed the ten-year maximum tenure as a Commissioner of the Jersey Financial Services Commission in June 2020. 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.

DEBBIE SEBIRE, COMMISSIONER

First Appointment, November 2015

Re-Appointed November 2019

Re-Appointed January 2023.

Commissioner Sebire will have completed the full ten-year maximum tenure as a Commissioner in November 2025.



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.

Ms Sebire additionally sits on the Board of Highvern Trustees Limited as a non-executive director.

JASON LANE, COMMISSIONER AND CHIEF EXECUTIVE



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), and Past President of the International Association of Gaming Regulators (2021-23), Jason continues to serve as a Trustee of IAGR and is Co-Chair of its Compliance and Enforcement Working Group.

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

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 also meets 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 2023, the Commissioners met formally on four occasions with the third quarter regular meeting deferred because of the need to hold an ad hoc meeting slightly earlier:

27th March 2023; 27th June 2023; 1st September 2003 (ad hoc); 5th December 2023.

Attendance:

	Present	Absent
Cyril Whelan	4	0
Debbie Sebire	4	0
Jason Lane	4	0

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
- Report on Operational 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 licences 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 Board has a statutory duty in respect of Responsible Gambling and oversight of the Social Responsibility Fund which is managed and accounted for separately from the Commission's funds. The importance of this work has grown significantly in recent years and, coupled with a modest decline in the amount of commercial licensees, is now the main area where the Board exercises its leadership and strategic direction.

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, 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 / Licensing Officers who undertake due diligence, monitor reporting and inspect for compliance.

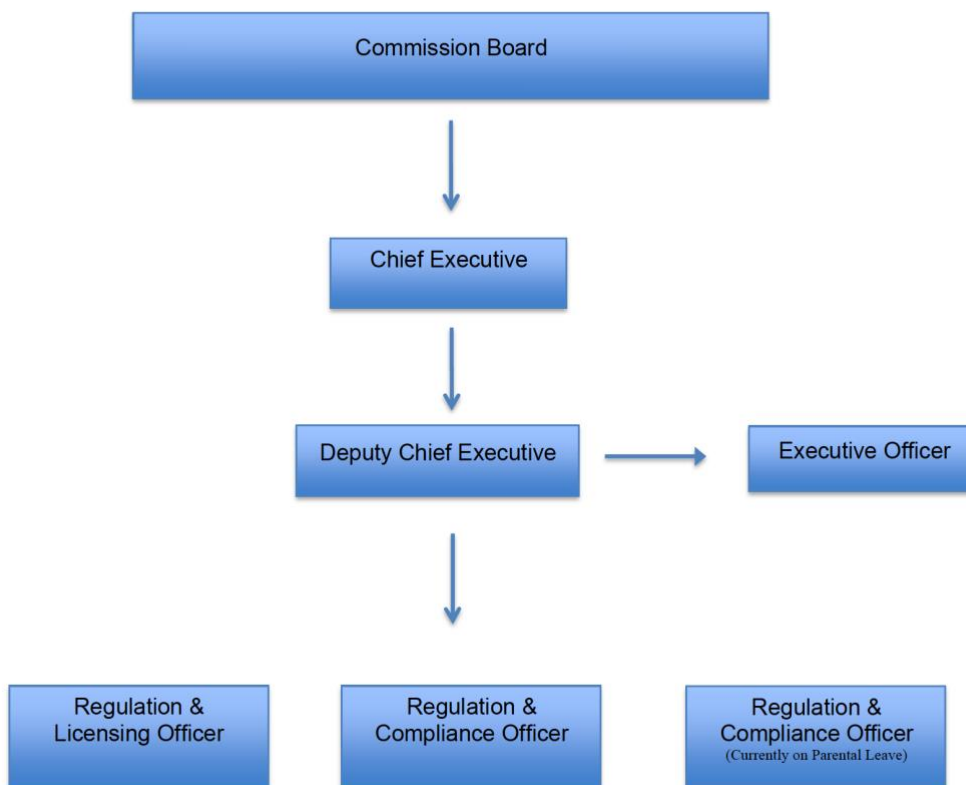


David has worked for the UK Financial Services Authority and Pensions Regulator. In 2001 he joined the Gaming Board for Great Britain (latterly the Gambling Commission) as Inspector for Intelligence and Operations, also serving as the Board's Money Laundering Reporting Officer.

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

ORGANISATIONAL CHART: JERSEY GAMBLING COMMISSION



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 2023:

Staff



5 (5 in 2022)
Gender Balance M/F 3:3

Commissioners 3

Gender Balance M/F 2:1

Income 2023



	(2022)
Commercial Fees	
£770,973	£620,721
3rd sector Fees	
£2,925	£2,945

Fees & Salaries 2023



	(2022)
Staff	
£399,148	£369,185
Commissioners	
£73,100	£76,650

There were no formal arrangements requiring implementation of the Commission Decision-Making Process during the year.

Types of Permitted Commercial Gambling



Horse Racing



Internet Gambling



Sports Betting



Crown and Anchor

Types of Permitted Charitable Gambling



Cinema Racing



Raffles / Lotteries

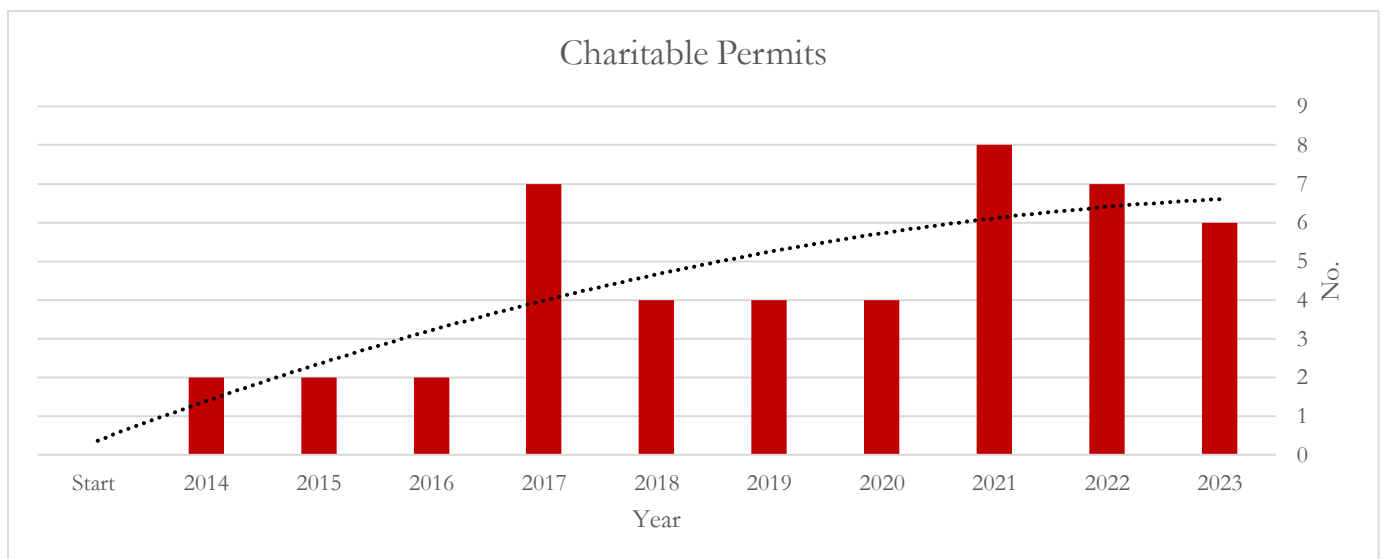
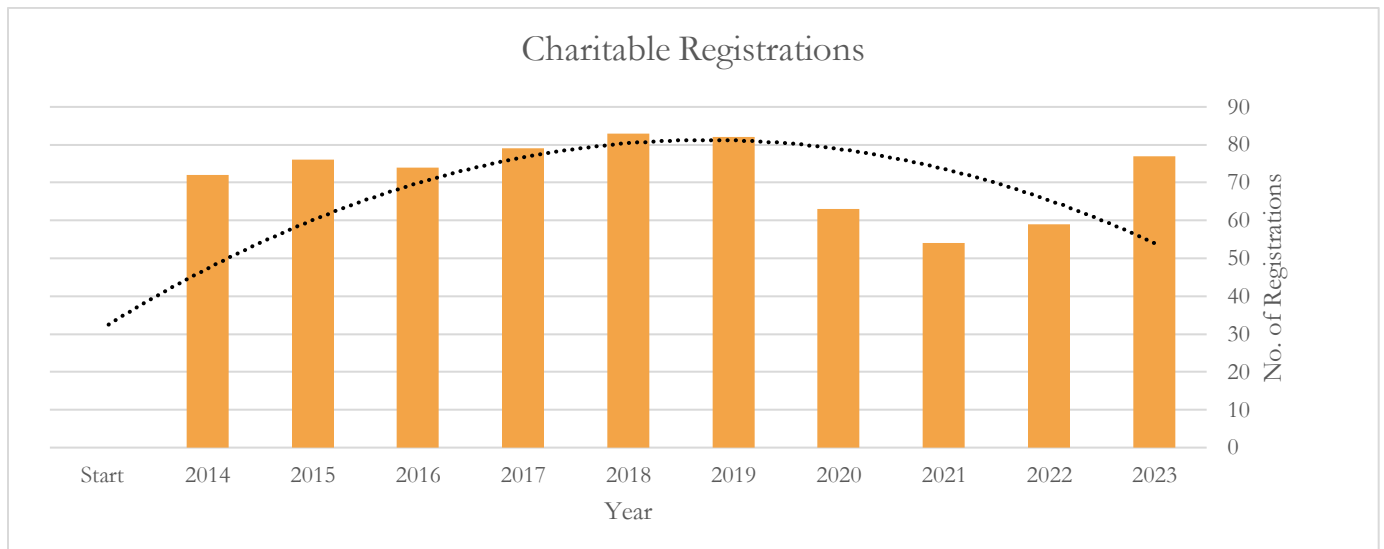


Bingo



Crown and Anchor

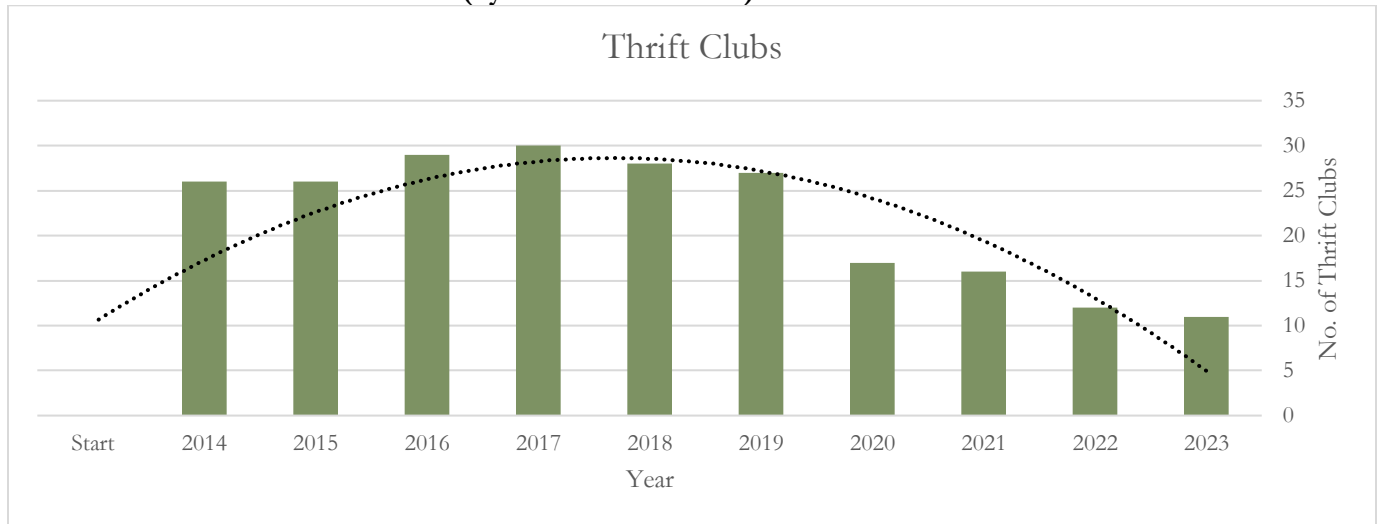
Levels of Charitable Gambling



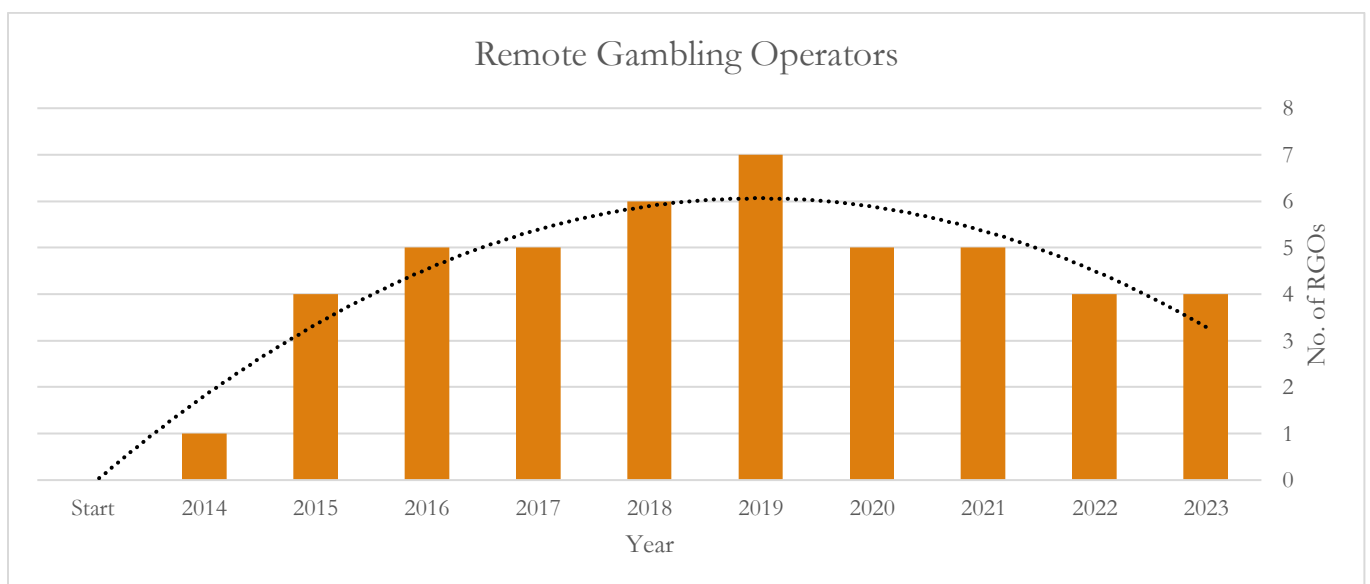
The Commission undertook a targeted fees consultation during 2023 recommending that the charge for charitable registrations and permits be increased. Article 26(3)(b)(i) of the Gambling (Jersey) Law (2012) restricts this fee to a maximum of £50 (unless proscribed by Ministerial Order) and the Commission had kept charges frozen for ten years at £20 for a registration and a permit fee of £175 for smaller events¹ and £550 for those where the accumulated prize pool was over £500,000. The Commission received one reply that broadly supported the move and the fee change was brought into effect for the forthcoming year. Registrations will henceforth cost £30, with permits at £215 or £680 depending upon the scale.

Looking at the trend, registrations continue their recovery after the significant detrimental impact of the Covid pandemic. Permits have decreased by one, but 2021 was probably an outlier to make up for lost opportunities during Covid and it seems to be generally accepted that charities are all experiencing greater difficulties in fundraising across the board.

Numbers of Commercial Licences (by Sector – over time)

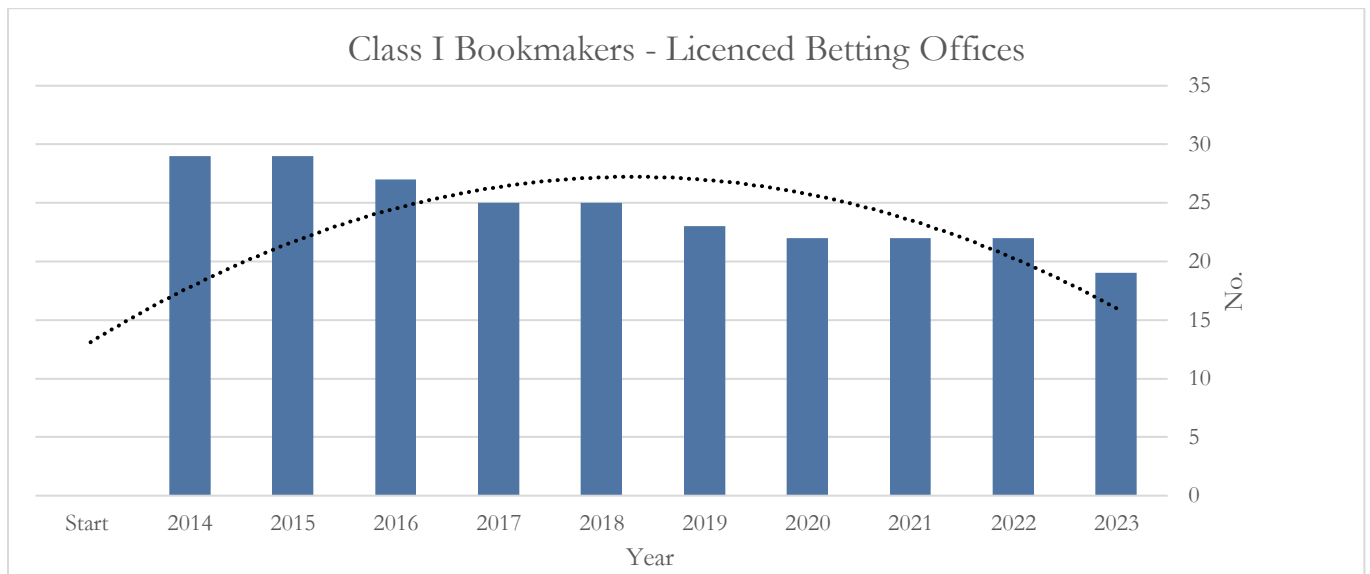


It seems unlikely that the numbers of thrift clubs will ever return to its 2017 peak. While Covid may have had an impact, clubs have been significantly affected by the general trend in banks to charge full commercial rates for their services, or to just close their accounts altogether.

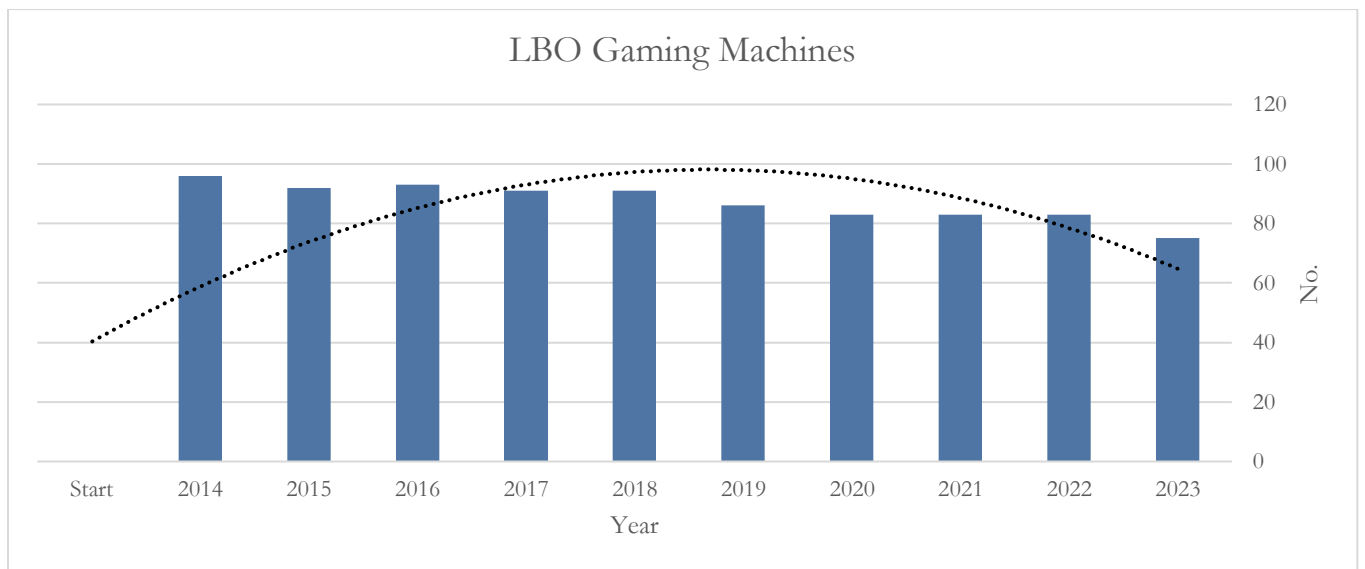


¹ Any event exceeding a single prize pool of £12,000 or exceeding an accumulated prize pool of £30,000 (up to £500,000) per calendar year.

The numbers of remote gambling operators remained stable during the period, but two have given notice of their intention to surrender their licences once the work on their corporate restructuring has been completed.

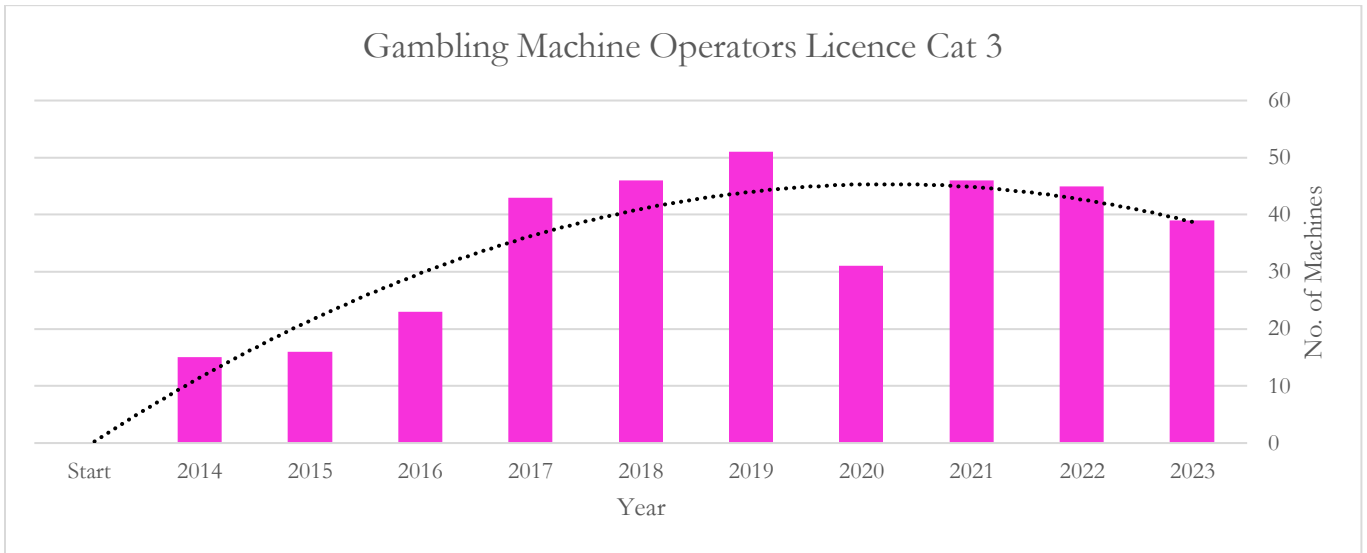


Licensed Betting Office numbers further reduced with the final closure of all the former E Coomes premises, but the market now seems stable and further reductions are not expected. Associated declines were also noted in the gaming machine estate.



In terms of restaurants, pubs and clubs, the numbers of gaming machines (category 3) also reduced by a small margin (see overleaf).

Gambling Machine Operators Licence Cat 3



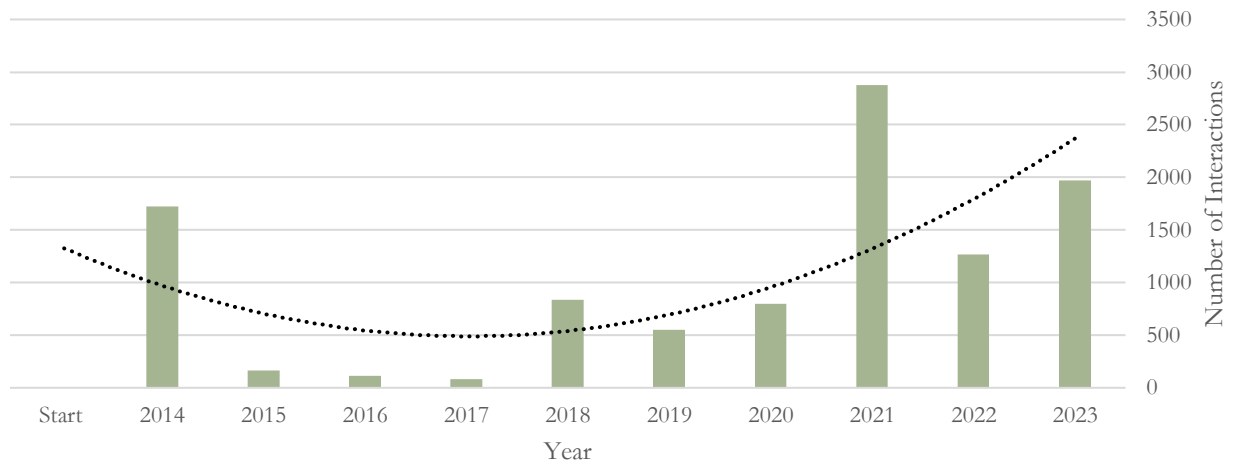
LBOs Self-Exclusion Data 2014-2023 (Note Self-Exclusion Section of the Report)



Self-exclusions are actions taken by customers to effectively ban themselves from gambling. Customers have the choice to exclude from a single shop, from the group (if part of a group) or now, following the implementation of the Multi-operator exclusion scheme (Moses), from all betting shops in the Island. It is important to note that exclusions are recorded per premises, so a customer who excluded using Moses would be recorded as 19 exclusions.

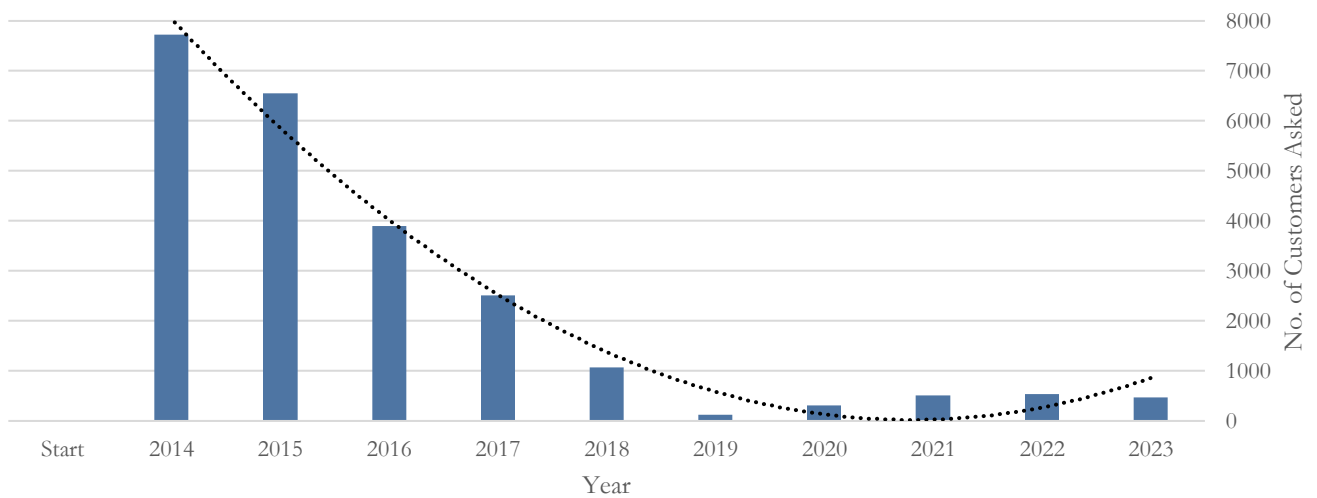
Numbers of interactions, shown overleaf, are a more useful measure of the actions taken by staff in shops to ensure that their customers are not experiencing signs of anxiety or displaying behaviour characteristic of problematic play. In this sense it is encouraging to see the numbers of interactions going up. Not all of these will be because a customer is experiencing harm, but it is hoped that more frequent interactions will encourage those potentially susceptible to excessive play to have an opportunity to reflect and reduce or stop their play.

LBOs No. of Customer Interactions



This final chart shows the general reduction in numbers of customers specifically asked to prove that they are over 18. Operators use the ‘Think 21’ scheme to inform customers of the policy. While a small number of customers may now be challenged specifically in respect of their age, the greater numbers of interactions are in respect of play interventions and this is welcomed.

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 executive review and update the register monthly and report to the Board annually. 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 pandemic that highlighted the vulnerabilities facing a small work force. Remote and flexible working is now embedded for those staff who wish to avail of it. The approaching maximum terms of Commissioners Whelan and Sebire highlight the need for continuity and proper succession planning, as does the relative aging of the executive. While recruitment would seem the simple and obvious solution, the relatively modest packages on offer in comparison to the commercial sector make recruitment and retention difficult.

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 and the Commission therefore has bank accounts with two providers, as well as 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 was delivered as planned for 2023, and wholesale replacement and modernization of software and hardware is planned for 2024.

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 2023 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

The Commission recognises that it has not historically published a large number of measures to demonstrate its effectiveness and this is something that it seeks to change, recognizing the work undertaken by the Comptroller and Auditor-General to improve reporting by Government and other public bodies. Our job, as the Island's gambling regulator, is to set the standards and conditions for industry to operate and offer their services to the public and to ensure, as they do so, that this does not cause disproportionate harm or impact children. In some of these, such as access by children, we demonstrate this by on-site visits, checking registers and speaking to staff. Where appropriate, we review on-line data held by licensees to ensure compliance. I am confident, therefore, that children do not have access to commercial gambling products on the Island, but it would be naïve to state from this that children do not gamble. Children are involved in gambling in Jersey in many ways, through schools that send lottery tickets home via their pupils, to social and charitable events, fetes and so on. This is not necessarily wrong and I believe that their exposure to these types of activities is low enough to mitigate the risks. The Commission particularly welcomes engagement with the public on this issue and is always willing to consider opportunities for review and improvement.

We also work to ensure fairness of products and test this through monitoring of certificates for game testing, reviewing terms and conditions of play, reviewing causation and resolution of faults in systems and monitoring levels of complaints by customers. In 2023 there was one reportable error notified to the Commission and this was mitigated satisfactorily. In the financial space we measure our performance in terms of our ability to operate and invest in our staff and systems without recourse to any public funding. Keeping gambling free from crime is centred upon appropriate levels of due diligence when applications are received and then ongoing reviews, working with colleagues in other sectors, particularly the JFSC, for compliance in terms of AML/CFT and the wider government programme of engagement to ensure the Island complies with international standards. During the period, all the Island bookmakers received new licences (4 companies, 19 premises), after all premises were inspected and senior management and shareholders vetted. Prior to this, the Commission issued in October a new AML/CFT Code of Practice for bookmakers, ensuring that regulatory standards are kept in line with international best practice.

Protection of consumers, the young and the vulnerable: The Commission continues its engagement with the Government of Jersey in order to ensure that the dangers posed by gambling are better understood. This involved exchange of correspondence with 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. Making this change tangible, however, and translating it into delivery of a treatment service remains embryonic, albeit looking toward 2024 the picture seems brighter in that regard. The Commission continued its dialogues with Gordon Moody (GamblingTherapy) and GamCare, but discussion has now changed from delivery of a Jersey-based service to one of providing signposting to local services and more specific information about gambling harms. Most important, however, is our direct interaction with members of the public in discussing gambling harms. In 2023 we recorded 14 direct interactions in respect of problem gambling issues, up from 4 the previous year. The Commission remains aware that it has a duty to ensure that children are not harmed from gambling. While the evidence pointing to the transfer of compulsive behaviour in playing online (non-gambling) games into gambling products is not yet established, there is a clear correlation between the use of loot boxes in these types of games and instant lottery products. Loot boxes require a stake and deliver a random prize. They differ from being a pure gambling product only insofar as every event produces a 'win', even if the majority of these are considered of low value, thus providing impetus for further plays and increased spend. This behaviour is a concern and will be raised as part of our ongoing dialogue with both Education and Health departments.

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 either monthly or quarterly 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.

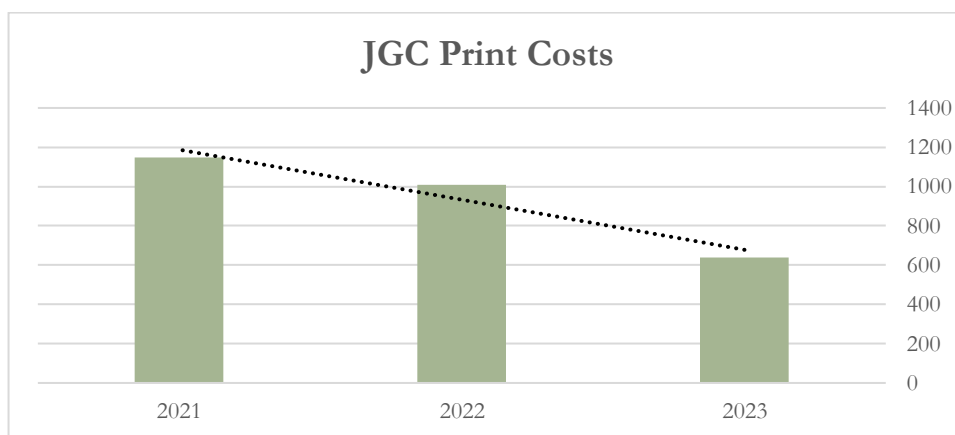
To advise Ministers and government on all matters relating to gambling and gambling regulation: as stated above, the Commission has enjoyed a positive relationship with Ministers. There has been engagement and support in terms of the Commission’s remit around consumer protection and problem gambling, 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.

Information on environmental matters: this is an area the Commission has not reported on previously. Sustainability recognises that the three pillars of the economy, society and the environment are interconnected. It is a long-term, integrated approach, to achieving quality of life improvements while respecting the need to live within environmental limits. The Commission has made an ongoing investment in technology to support hybrid working, reducing emissions in commuting to and from work, and work-related travel.

Air travel is the one area where the Commission does have a direct negative impact. In 2023 we were responsible for the creation of 24.77 tonnes of CO₂ as a consequence of air travel. We consider this travel to be important as we rely, as a small team within a small jurisdiction, on contact with our peers worldwide. We will, however, monitor this level from now on.

Direct energy savings are made by reduction in unnecessary use of lighting and printing is restricted to save energy costs and paper, with colour only used where absolutely necessary. The Commission has also replaced its main printer which was not as energy-efficient as its modern replacement. 1500 sheets of 80gsm paper were purchased in the year, together with 250 160gsm sheets at a total cost of £236.33



Consumer Single Use Plastics are not used and we do not produce food or food wastes, nor do we require use of single use plastics anywhere in our operation. We provide staff with washable cutlery, glasses and cups. The

Commission does not monitor its levels of disposable waste, but does recycle aluminium cans which are donated to charity. As a single site organisation in a shared building, our ability to influence meaningful change is limited. We can and will look for further reductions in travel and other carbon producing activities. For these reasons, a Climate Change Risk Assessment (CCRA) has not been undertaken to date, but may be considered in future years.

Regulatory Review 2023

Commercial

As has been noted for a number of years, the position of the industry is one of managed decline in the land-based sector. There has been exponential growth worldwide for online gambling, but the Island has not benefited from this. The exiting of another 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 landbased 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 31st December 2023 reflected the poor performance noted in previous years. The Island now has 4 Class I Bookmakers, operating 19 shops and 75 machines (2022: 6 operating 22 shops and 83 machines). Pub machines, (Category 3 Gambling Machine licences) dropped further to 39 (45 in 2022).

Thrift Clubs have also faced significant pressures in recent years, with the loss of another in 2022/3 bringing the total down to 11. 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 remain at one, and three additional Promotional Prize Lottery permits were granted, total of 5. In relation to remote gambling services and operators, the number of permits and licences was largely consistent with the 2022 permissions: 2 Hosting Providers, 1 Gambling Software Provider and 4 platform providers (5 in 2022). The existing Mirroring and Load Balancing Licence also renewed. Holders of a Remote Gambling Operators Licence remained static at 4, but as noted previously, two have given notice of intention to withdraw.

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. Remote gambling operators also provide regular data in respect of their operations, exclusions and other reportable events.

Charitable and Social Gambling

Charitable Registrations and Permits

The Commission issued 6 charitable permits in 2023, three of these to one provider. The number of Registrations increased quite significantly from the past number of years, with 77 issued, up from 59 in 2022, but still significantly down from the 82 issued 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 as per last year, most were in respect of wanting advise on how to offer part of their sales and marketing online.

During the year we updated our Advice notes and website to give clarity regarding private individuals using gambling to raise funds for Charities. Staff from the Commission also gave a presentation to the Association of Jersey Charities. In recognition of evolving methods of sale, we plan to update our Code of Conduct and Advice Notice to allow sale of tickets online and also the charitable application form with a guidance section to simplify the application process.

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 this capacity, the Commission updated the AML/CFT Code of Practice for bookmakers.

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 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 £143,790 in the Fund, up from £129,511 in 2022. The Commission continues to offer support to Islanders needing 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. 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 2023 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 187 self-exclusions were in place across the whole Jersey estate during 2023, an decrease from 209 in 2022 (321 in 2021). 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 four 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 106 ‘new’ self-exclusions made over 2023 (128 in 2022), with 38 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 61, from 40 in 2022 (29 in 2021). There were 26 transactions recorded for self-excluded persons managing to gamble, significantly up from 5 last year.

In 2022 it was noted that the recorded number of staff interactions with customers had increased significantly from 796 in 2020, 2877 in 2021 and 1266 in 2022. This year that has again increased to 1972, reflecting the 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, 504 in 2021 and 541 for 2022. This year, 2023 has seen a small reduction to 416. Individuals unable to prove age was 37 in 2020, 103 in 2021 and 89 in 2022. This figure has also slightly decreased to 77. 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 and reflects the greater risk of occurrence of problem gambling over under age 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. 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. Even though this changed last year, the very low take up of the service has sadly led to it being discontinued, making it all the more important that a local service is established. Ultimately, the numbers of people seeking help will always be low, but the Commission takes the view that if its funded services provide help to even one Islander then this will have made it worthwhile.

Financial Commentary

The core principle 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.

In terms of its operating costs, payroll remains the most significant. 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 considers itself particularly fortunate to have obtained the services of an additional experienced regulator on a part-time basis. 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 was inevitable that these very low fees had to increase modestly to combat inflation. 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 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. Last year's deficit of £49,770 was reversed as predicted and the Commission can report of surplus of £145,312.

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 2023 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 2023

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023

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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 2023.

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)

RESULTS

The financial statements provide an overview of the Commission's income and expenditure for 2023. The Commission reports a surplus for the year of £145,312 (2022: Deficit £49,770).

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 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 24th July 2024

**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 2023 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 2023 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.

**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. 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.

Stephen Phillips
for and on behalf of
Alex Picot Chartered Accountants

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS

	Notes	Gambling Operations	Social Responsibility Fund	2023	2022
		£	£	£	£
TURNOVER	4	<u>776,388</u>	<u>14,466</u>	<u>790,854</u>	<u>640,410</u>
EXPENSES					
Administrative expenses		<u>676,304</u>	<u>187</u>	<u>676,491</u>	<u>682,058</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>100,084</u>	<u>14,279</u>	<u>114,363</u>	<u>(41,648)</u>
Changes in fair value of investments		12,519	-	12,519	(11,875)
Interest receivable and similar income		<u>18,430</u>	<u>-</u>	<u>18,430</u>	<u>3,753</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION	6	<u>131,033</u>	<u>14,279</u>	<u>145,312</u>	<u>(49,770)</u>
TAXATION	7	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>131,033</u>	<u>14,279</u>	<u>145,312</u>	<u>(49,770)</u>
RETAINED SURPLUS AT 1 JANUARY		<u>547,007</u>	<u>129,511</u>	<u>676,518</u>	<u>726,288</u>
RETAINED SURPLUS AT 31 DECEMBER		<u>678,040</u>	<u>143,790</u>	<u>821,830</u>	<u>676,518</u>

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

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

**JERSEY GAMBLING COMMISSION
AS AT 31 DECEMBER 2023**

STATEMENT OF FINANCIAL POSITION	Notes	2023	2022
		£	£
NON-CURRENT ASSETS			
Intangible assets	8	-	-
Property, plant and equipment	9	4,067	1,341
Investment bonds	10	249,644	237,125
		<u>253,711</u>	<u>238,466</u>
CURRENT ASSETS			
Trade and other receivables	11	349,458	143,965
Cash and cash equivalents	12	934,311	926,233
		<u>1,283,769</u>	<u>1,070,198</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Trade, other payables and deferred income	13	715,650	632,146
		<u>568,119</u>	<u>438,052</u>
NET CURRENT ASSETS		<u>568,119</u>	<u>438,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>821,830</u>	<u>676,518</u>
NET ASSETS		<u>821,830</u>	<u>676,518</u>
ACCUMULATED RESERVES			
Social Responsibility Fund	14	143,790	129,511
Income and Expenditure Account		678,040	547,007
		<u>821,830</u>	<u>676,518</u>

The financial statements on pages 30 to 40 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 24th July 2024 by the Jersey Gambling Commission and signed on its behalf by:

Dr Jason Lane
Chief Executive and Commissioner

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.

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.

Social Responsibility Fund contributions

Contributions to the Social Responsibility Fund are recognised when the invoice 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% (2022: 16%).

Actuarial valuations are performed on a triennial basis; the most recently published was the PEPF Actuarial Valuation for 31 December 2021 in April 2023. 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

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.

NOTES 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
---------------	--

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.

NOTES TO THE FINANCIAL STATEMENTS

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. Trade payables 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	2023	2022
	£	£
Licence fees	768,813	618,971
Social permits	1,425	1,625
Social registrations	1,500	1,320
Software designers permits	2,160	1,750
Social Responsibility Income	14,466	14,399
Other income	2,490	2,345
	<u>790,854</u>	<u>640,410</u>

**JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTES TO THE FINANCIAL STATEMENTS

5 Payroll costs	2023	2022
	£	£
Staff salaries	399,148	369,185
Commissioners' fees	73,100	76,650
Employer pension contributions	47,772	34,776
	<u>520,020</u>	<u>480,611</u>

	2023	2022
Number of permanent staff employed during the year	<u>5</u>	<u>5</u>

6 Surplus for the financial year

Surplus for the financial year is stated after charging:	2023	2022
	£	£
Auditors remuneration	11,241	8,155
Depreciation	1,083	2,643
Amortisation	821	821
	<u>13,145</u>	<u>11,619</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 2023 the Commission was due a repayment of £1,147 (2022: £2,962).

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

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	24,383	24,383
Charge for the year	-	-
Balance carried forward	<u>24,383</u>	<u>24,383</u>
<i>Net book value</i>		
Balance carried forward	<u>-</u>	<u>-</u>
Balance brought forward	<u>-</u>	<u>-</u>

9 Property, plant and equipment

	Computer Equipment £	Fixture & fittings £	Total £
<i>Cost</i>			
Balance brought forward	43,513	1,500	45,013
Additions	1,500	3,130	4,630
Balance carried forward	<u>45,013</u>	<u>4,630</u>	<u>49,643</u>
<i>Depreciation</i>			
Balance brought forward	42,172	1,500	43,672
Charge for the year	1,591	313	1,904
Balance carried forward	<u>43,763</u>	<u>1,813</u>	<u>45,576</u>
<i>Net book value</i>			
Balance carried forward	<u>1,250</u>	<u>2,817</u>	<u>4,067</u>
Balance brought forward	<u>1,341</u>	<u>-</u>	<u>1,341</u>

10 Investment

	2023 £	2022 £
Investment bonds	<u>249,644</u>	<u>237,125</u>

The Commission holds investments 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 each year end.

**JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023**

NOTES TO THE FINANCIAL STATEMENTS

11 Trade and other receivables	2023	2022
	£	£
Licence fees receivable	319,209	121,687
Other debtors	<u>30,249</u>	<u>22,278</u>
	<u>349,458</u>	<u>143,965</u>

All debtors are receivable within one year.

12 Cash and cash equivalents

The cash includes £138,051 (2022: £120,334) 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.

13 Trade, other payables and deferred income	2023	2022
	£	£
Amounts due in less than one year:		
Licence fees billed in advance (deferred income)	684,601	599,352
Other creditors and accruals	<u>31,049</u>	<u>32,794</u>
	<u>715,650</u>	<u>632,146</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.

	2023	2022
	£	£
Balance brought forward	129,511	127,268
Amounts billed	14,466	14,399
Amounts used	<u>(187)</u>	<u>(12,156)</u>
Surplus	<u>14,279</u>	<u>2,243</u>
Balance carried forward	<u>143,790</u>	<u>129,511</u>

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

14 Statement of Comprehensive Income and Retained Earnings - 2022

	Gambling Operations	Social Responsibility Fund	2022
	£	£	£
TURNOVER	<u>626,011</u>	<u>14,399</u>	<u>640,410</u>
EXPENSES			
Administrative expenses	<u>669,902</u>	<u>12,156</u>	<u>682,058</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION	(43,891)	2,243	(41,648)
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>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	(52,013)	2,243	(49,770)
TAXATION	<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>
RETAINED SURPLUS AT 1 JANUARY	<u>599,020</u>	<u>127,268</u>	<u>726,288</u>
RETAINED SURPLUS AT 31 DECEMBER	<u>547,007</u>	<u>129,511</u>	<u>676,518</u>

15 Related party transactions

During the year salaries paid to the Commissioners totalled £73,100 (2022: £76,650). 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.

JERSEY GAMBLING COMMISSION
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTES TO THE FINANCIAL STATEMENTS

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 was a break out option on 31 October 2023, subject to notice, this option was not taken. 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:

	2023 £	2022 £
Not later than a year	39,560	28,667
Later than one year and not later than five years	<u>72,527</u>	<u>-</u>
	<u><u>112,087</u></u>	<u><u>28,667</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.

2023



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