

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE *FOR* ECONOMIC DEVELOPMENT

PUBLIC TRUSTEE ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2019

The Presiding Officer
States of Guernsey
Royal Court
St Peter Port
Guernsey

27th May 2021

Dear Sir/Madam,

The Public Trustee (Bailiwick of Guernsey) Law, 2002 sets out in Section 6(2) that the Committee *for* Economic Development shall submit the report and accounts on the exercise of the Public Trustee's functions for the preceding year to the States of Deliberation. I am pleased to enclose a copy of the Public Trustee's report and audited accounts for the year ended 31 December 2019.

I should be grateful if you would arrange to publish this submission as an Appendix to the next available Billet d'Etat.

Yours sincerely,



Deputy Neil Inder
President

OFFICE OF THE PUBLIC TRUSTEE

STATEMENT OF ACCOUNT

31ST DECEMBER 2019

LINCE SALISBURY

Chartered Accountants

Avenue House

St. Julian's Avenue

St. Peter Port

GUERNSEY

OFFICE OF THE PUBLIC TRUSTEE

Office holder

The position of Public Trustee ("PT") throughout the period, at the year end and subsequent to the year end was held by:

Mr L. Gonzalez (appointed 16 May 2018)

Statement of responsibilities for the preparation of financial statements

In accordance with The Public Trustee (Bailiwick of Guernsey) Law, 2002 the PT is responsible for the preparation of a statement of account for each financial year which gives a true and fair view of the state of affairs of The Office of the Public Trustee. To ensure a true and fair view is reported the PT has continued to:

- apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts; and
- prepare the statement of account on a going concern basis, unless it is inappropriate to do so.

The PT acknowledges responsibility for keeping proper accounting records which disclose with reasonable accuracy the financial position of The Office of the Public Trustee.

It is the responsibility of The Office of the Public Trustee to identify and install a system of internal controls, including financial controls, which is adequate for its own purposes. Thus The Office of the Public Trustee is responsible for safeguarding the assets in its care and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The PT reports that so far as the PT is aware there is no relevant audit information of which the auditors are unaware and that the PT has taken all steps to make himself aware of such audit information and to establish that the auditors are aware of that information.

INDEPENDENT AUDITOR'S REPORT TO THE OFFICE OF THE PUBLIC TRUSTEE

We have audited the financial statements of The Office of Public Trustee for the year ended 31st December, 2019 on pages 4 to 8 which comprise the Statement of Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of The Office's affairs as at 31st December 2019 and of its result for the year then ended;
- have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with The Public Trustee (Bailiwick of Guernsey) Law, 2002.

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 financial statements section of our report. We are independent of the office in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the Financial Reporting Council'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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

The Public Trustee is responsible for the other information. The other information comprises page 1. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE OFFICE OF THE PUBLIC TRUSTEE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the office and its environment obtained in the course of the audit, we have not identified material misstatements in the information contained in page 1. We have nothing to report in respect of the following matters in relation to which The Public Trustee (Bailiwick of Guernsey) Law, 2002 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Public Trustee

As explained more fully in the Public Trustee's responsibilities statement set out on page 1, the Public Trustee is 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 Public Trustee determines 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 Public Trustee is responsible for assessing the ability of the office of the Public Trustee to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Public Trustee either seeks to liquidate the Office or to cease operations, or has no realistic alternative but to do so (which in the absence of statutory commission or information under S.1(1) of the Public Trustee (Bailiwick of Guernsey) Law 2002 may not occur).

Auditor's responsibilities for the audit of the financial statements

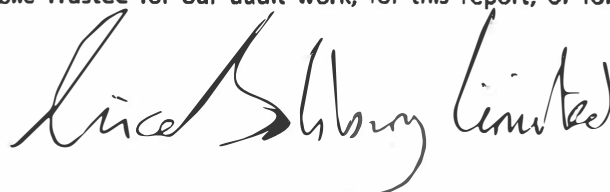
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

Use of our report

This report is made solely to the Office of the Public Trustee as a body, in accordance with Section 6 of The Public Trustee (Bailiwick of Guernsey) Law, 2002. Our audit work has been undertaken so that we might state to the Public Trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Public Trustee for our audit work, for this report, or for the opinions we have formed.

12th March 2021

**AVENUE HOUSE
ST. JULIAN'S AVENUE
ST. PETER PORT
GUERNSEY**



**LINCE SALISBURY LIMITED
CHARTERED ACCOUNTANTS**

OFFICE OF THE PUBLIC TRUSTEE

STATEMENT OF INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2019

	Note	2019 £	2018 Adjusted £	2018 Original £
Receipts				
Grant from States of Guernsey	1(b)	103,974	(10,411)	(10,411)
Public Trustee Cost Recoveries	1(c)	74,025	52,835	708,652
		<hr/>	<hr/>	<hr/>
		177,999	42,424	698,241
		<hr/>	<hr/>	<hr/>
Expenditure	1(d)			
Audit fees		4,500	4,250	4,250
Bank charges		31	26	26
Office administration		1,654	3,844	3,844
Contracts for services		142,499	48,458	48,458
Legal fees		27,747	-	-
Trust and company administration fees		-	-	655,817
		<hr/>	<hr/>	<hr/>
		176,431	56,578	712,395
		<hr/>	<hr/>	<hr/>
Operating surplus/(deficit) before tax		1,568	(14,154)	(14,154)
Tax	2	-	-	-
		<hr/>	<hr/>	<hr/>
Surplus/(Deficit) for the year		£1,568	£(14,154)	£(14,154)

OFFICE OF THE PUBLIC TRUSTEE

STATEMENT OF FINANCIAL POSITION

AT 31ST DECEMBER 2019

	Note	2019 £	2018 £ Adjusted	2018 £ Original
Current Assets				
Debtors		2,402,121	1,499,322	1,877,944
Bank		11,871	22,691	22,691
		<hr/>		
		2,413,992	1,522,013	1,900,635
		<hr/>		
Current liabilities				
Potential liability - grants	3	2,306,115	1,499,322	1,759,213
Accruals	3	20,057	10,464	10,464
Creditors	3	74,025	-	118,731
		<hr/>		
		2,400,197	1,509,786	1,888,408
		<hr/>		
Net assets		£13,795	£12,227	£12,227
		<hr/>		
Funded by:				
The Public Trustee Fund	2, 4			
Opening		12,227	26,381	26,381
Surplus/(Deficit) for the year		1,568	(14,154)	(14,154)
		<hr/>		
Closing		£13,795	£12,227	£12,227
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The statement of account was approved on 5 March 2021.



L. Gonzalez
Public Trustee

OFFICE OF THE PUBLIC TRUSTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

1. ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102') Section 1A for small entities issued by the Financial Reporting Council in September, 2015 and with The Public Trustee (Bailiwick of Guernsey) Law, 2002.

(b) Grants

Grants from the States of Guernsey Committee for Economic Development are included on a received basis. Grants have been recognised as revenue items where they are not expected to become repayable. Where grants have been received and a corresponding amount is considered recoverable in respect of the underlying transfers to which they relate the potential liability has been recognised.

(c) Public Trustee Cost Recoveries

Costs are recognised when services are delivered by the Office of Public Trustee in its capacity as trustee. Excluded from the statement of income are any costs for services provided by third party administrators or other parties including professional advisors appointed by the Public Trustee.

(d) Other income and expenditure

Other income and expenditure is included on an accruals basis.

(e) Financial Instruments

The Office of Public Trustee only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as accounts receivable and creditors, and loans from or to banks and related parties. Debt instruments that are payable or receivable within one year (typically loans, accounts receivable and creditors) or that bear a commercial rate of interest and are payable or receivable after more than one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid.

Bank balances are repayable on demand.

2. TAXATION

The Public Trustee fund was established for the purposes of:

- a) Paying fees or remuneration to the Public Trustee and his officers and servants; and
- b) meeting all other costs, fees, expenditure and liabilities properly incurred.

The fund and income thereof is not subject to Income Tax.

OFFICE OF THE PUBLIC TRUSTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

3. CREDITORS AND ACCRUALS

<u>Creditors</u>	2019	2018	2018
Other creditors		Adjusted	Original
	£74,025	£ -	£118,731

Accruals

Audit fee	4,500	7,450	7,450
Contracts for Services	12,557	-	-
Other accruals	3,000	3,014	3,014
	£20,057	£10,464	£10,464

Potential Liabilities - Grants

Grants from States of Guernsey	£2,306,115	£1,499,322	£1,759,213
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Grants (or loans) from the Committee for Economic Development of the States of Guernsey are made in accordance with section 8 of The Public Trustee (Bailiwick of Guernsey) Law, 2002. Any amounts paid to cover expenditure and liabilities that are subsequently recouped from trust structures within the responsibility of the Public Trustee become repayable. The potential liability due represents the disbursements the Public Trustee expects to be recoverable from those structures. Disclosing this amount separately on the balance sheet reflects the understanding of the contingent nature of the corresponding debtor.

4. THE PUBLIC TRUSTEE FUND

	2019	2018	2018
		Adjusted	Original
	£	£	£
Balance brought forward	12,227	26,381	26,381
Surplus for year	1,568	(14,154)	(14,154)
Balance carried forward	£13,795	£12,227	£12,227

5. GENERAL INFORMATION

The Office of Public Trustee is an unincorporated entity established under The Public Trustee (Bailiwick of Guernsey) Law, 2002. Its address is Raymond Falla House, Longue Rue, St Martin, Guernsey, GY1 6AF.

6. NUMBER OF EMPLOYEES

The Office of the Public Trustee was created by The Public Trustee (Bailiwick of Guernsey) Law, 2002. The holder of that office is known as the Public Trustee. During the year there were no employees (2018: nil).

OFFICE OF THE PUBLIC TRUSTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2019

7. CHANGE IN ACCOUNTING POLICY

Previously the accounting policy as noted in note 1(c) permitted the inclusion of third party disbursements in the Statement of Income (being fees raised for services provided by third party administrators or other parties including professional advisors appointed by the Public Trustee).

The recovery of these disbursements is now not shown as OPT income, nor the incurring of the disbursement as an OPT expense. The payment the third party disbursements and the associated recovery remain on the Balance Sheet of the OPT.

Previous to the change in accounting treatment disbursements incurred and subsequently disbursed where the Public Trustee was appointed as Trustee on a particular matter were reported as expenses and subsequently income (2018: £655,817).

Where these disbursements have been incurred in the capacity of Trustee they are now reported when settled.

Similarly disbursements incurred on matters where the PT acted as Trustee where previously accrued by the OPT in its own accounts. In the current year the accounting treatment has been amended so that these disbursements are only shown in the OPT's financial statements when they are paid. As the disbursements incurred by the PT acting as Trustee remain recoverable the impact of the change in treatment has a net zero impact on the net working capital of the OPT.

The net effect of the above changes is also nil in relation to the balance of the Office of Public Trustee Fund, the table below illustrates the above:

	2018 Previously stated £	Net change £	2018 Adjusted £
Public Trustee cost recoveries	708,652	(655,817)	52,835
Trust and company administration fees	(655,817)	655,817	-
	52,835	-	52,835
Debtors	1,877,944	(378,622)	1,499,322
Potential liability - grants	(1,759,213)	259,891	(1,499,322)
Creditors	(118,731)	118,731	-
	-	-	-