

**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 2021

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

20th September 2021

Dear Sir

The Public Trustee (Bailiwick of Guernsey) Law, 2002 sets out in Section 6(1) that the Committee *for* Economic Development is required to 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 2021.

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

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'Neil Inder', written in a cursive style.

**Deputy Neil Inder**  
President



**REPORT OF THE PUBLIC TRUSTEE  
TO THE COMMITTEE *for* ECONOMIC DEVELOPMENT  
  
YEAR ENDED 31 DECEMBER 2021**

**Introduction**

1. Under Section 6(1)(a) of The Public Trustee (Bailiwick of Guernsey) Law, 2002 (the 'Law') (Appendix 1), the Public Trustee ('PT' or 'I' as context admits) is required in each calendar year to submit to the Committee *for* Economic Development (the 'Committee') a report on the exercise of her/his functions in the preceding year together with audited accounts of the Office of the Public Trustee ('OPT').

**Functions and Activity**

2. Matters relating to the IXG Schemes continued to constitute the vast majority of the case management activities of the OPT.
3. As referred to in my previous report, decisions of the Royal Court of Guernsey were both made and awaited in relation to hearings held before it in the Account Application during 2020. The Account Application (as summarised in my previous report) encompasses a number of distinct stages and seeks orders necessary for eventual resolution of the IXG Schemes and discharge of the Public Trustee from her/his obligations as previously ordered by the court.
4. Following judgments of the Royal Court issued against them (pursuant to hearings at the end of 2020), the former trustees of the IXG Schemes and/or individuals associated with them sought to make applications for appeal to the Court of Appeal of Guernsey. None of these were successful, culminating in a judgment of the Court of Appeal in October 2021.

5. Thereafter, the Royal Court issued orders in December 2021 against various parties including and associated with the former trustees requiring the provision and release of information to the PT.
6. It is anticipated that further activity, including court proceedings in the Account Application (and elsewhere), will continue during 2022 (and probably beyond) in relation to the IXG Schemes. The OPT will therefore continue to require the provision of funding from the Committee in order to meet its costs and expenses (in particular, legal expenses). It is intended that the same will be subject to application for recovery by the PT in future as may be authorised in the Account Application.
7. The OPT continued to provide trusteeships as reported in prior years.
8. Advice and assistance was provided to parties enquiring in relation to potential appointments of the OPT. No new appointments as trustee (or other cases) were undertaken during the period.

#### **Office of the Public Trustee**

9. The Deputy Public Trustee ('DPT') has continued in office, and the services of a part-time Administrator were secured.
10. The effects of the coronavirus pandemic and all associated governmental measures and requirements continued to affect the OPT. Due to constraints arising, primarily, as the result of information technology ('IT') requirements (whether or not connected with lockdown restrictions, etc.), some reduction in immediate operational efficiencies was experienced. However, the OPT was able to continue operating without substantive adverse effects on cases under its remit.
11. The physical location of the OPT is expected to change during 2022 as a result of reorganisation of the States of Guernsey's property operations. This will be confirmed in a future report.

#### **Organisation, Reporting and Oversight**

12. Development of the existing operational framework of the OPT continued during the year. This was substantially achieved, subject to continuing reporting and any ongoing revisions as may be required (see also paragraphs 14 to 16 below).
13. The existing operational framework includes:-
  - a. the OPT's statement of purpose;
  - b. identification of fiduciary and operational risks and their management and mitigation;

- c. quarterly management and financial reporting; and
- d. external audit.

14. Quarterly (and any requisite interim) meetings continue to be held with the Public Trustee Liaison Group ('PTLG') to which reports are presented in accordance with the operational framework.
15. To the best of the PT's understanding, no matters of concern were raised by or remain outstanding with the PTLG.
16. As mentioned above, it is anticipated that the OPT will continue to review and develop its practices and procedures in consultation with the PTLG, for example as to management, delegation, nature or financing of cases falling under its remit, or potential suggestions concerning its functions under the Law.

#### **Accounts and Auditors' Report**

17. The accounts of the OPT for the year ended 31 December 2021 together with the Auditor's report thereon accompany this report (Appendix 2).

#### **Other Matters**

18. The PT is aware that the Committee is required to submit this report and the audited accounts and auditors' report to the States pursuant to Section 6(2) of the Law (Appendix 1) and may at the same time submit their own report to the States, and I remain at the disposal of the Committee in respect of anything it may require for this purpose.

Luis Gonzalez

**Public Trustee**

July 2022

## **Appendix 1 – Section 6 of the Law**

### **Annual reports.**

6. (1) The Public Trustee shall, as soon as practicable in each calendar year, submit to the Committee –

- (a) a report on the exercise of his functions in the preceding year, and
- (b) the audited accounts of the Office of the Public Trustee together with the auditors' report thereon.

(2) The Committee –

- (a) shall submit –
  - (i) the Public Trustee's report made under subsection (1)(a), and
  - (ii) the audited accounts and auditors' report thereon referred to in subsection (1)(b),  
to the States, and
- (b) may at the same time submit their own report to the States –
  - (i) covering the period of the Public Trustee's report,
  - (ii) covering the matters described in subsection (1)(a), and
  - (iii) containing the Committee's comments (if any) on the audited accounts and auditors' report thereon referred to in subsection (1)(b).

OFFICE OF THE PUBLIC TRUSTEE

STATEMENT OF ACCOUNT

31ST DECEMBER 2021

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

**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 the Public Trustee for the year ended 31st December, 2021 on pages 5 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 2021 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.

**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.

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:

- As part of the audit we gained an understanding of the legal and regulatory framework applicable to The Office of the Public Trustee and the industry in which it operates, by reviewing relevant legislation, including The Public Trustee (Bailiwick of Guernsey) Law, 2002, as well as any guidance issued. We considered the risk of acts by The Office of the Public Trustee that were contrary to applicable laws and regulations, including fraud, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**INDEPENDENT AUDITOR'S REPORT TO THE OFFICE OF THE PUBLIC TRUSTEE****Auditor's responsibilities for the audit of the financial statements (continued)**

- We tailored our audit programmes to include:
- making enquiries of the Public Trustee and key personnel as to whether there had been any non-compliance with laws and regulations; and
- a review of internal documentation, including minutes, policies and procedures, and an assessment of the efficacy of such documentation.
- The engagement partner assessed the appropriateness of the engagement team to identify or recognise non-compliance with laws and regulations, and details of those matters about non-compliance with laws and regulations and fraud that were communicated to the engagement team.
- We performed our audit work within a reasonable timeframe of the year end, corresponding to the Office of the Public Trustee's requirement to present its financial statements to the relevant committee of the States of Deliberation.
- There are inherent limitations in the audit procedures described 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. We did not identify any material misstatements relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Board that represented a risk of material misstatement due to fraud.

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.

6<sup>th</sup> July 2022

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 2021**

	Note	2021 t	2020 £
<b>Receipts</b>			
Grant from States of Guernsey	I(b)	43,088	20,917
Public Trustee Cost Recoveries	I(c)	146,616	191,615
		<hr/>	<hr/>
		189,704	212,532
		<hr/>	<hr/>
<b>Expenditure</b>	I(d)		
Audit fees		4,260	4,500
Bank charges		97	82
Office administration		3,000	3,329
Contracts for services		165,829	203,103
Legal fees		16,200	1,500
		<hr/>	<hr/>
		189,386	212,514
		<hr/>	<hr/>
Operating surplus before tax		318	18
Tax	2	-	-
		<hr/>	<hr/>
<b>Surplus for the year</b>		318	18

OFFICE OF THE PUBLIC TRUSTEESTATEMENT OF FINANCIAL POSITIONAT 31ST DECEMBER 2021

	Note	2021	2020
			
Current Assets			
Debtors		4,214,823	3,490,267
Bank		11,061	9,848
		<hr/>	<hr/>
		4,225,884	3,500,115
		<hr/>	<hr/>
Current liabilities			
Potential liability - grants	3	4,108,714	3,415,233
Accruals	3	24,789	30,528
Creditors	3	78,250	40,541
		<hr/>	<hr/>
		4,211,753	3,486,302
		<hr/>	<hr/>
<b>Net assets</b>		14,131	13,813
		<hr/>	<hr/>
Funded by:			
The Public Trustee Fund	2, 4		
Opening		13,813	13,795
Surplus/(Deficit) for the year		318	18
		<hr/>	<hr/>
Closing		14,131	13,813
		<hr/>	<hr/>

The statement of account was approved on **b**<sub>4</sub>,  2022.

OFFICE OF THE PUBLIC TRUSTEENOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31ST DECEMBER 2021**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 IA 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 the 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 TRUSTEENOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31ST DECEMBER 2021**3. CREDITORS AND ACCRUALS**

<u>Creditors</u>	<b>2021</b>	<b>2020</b>
Other creditors	78,250	40,541
	;	t
<u>Accruals</u>		
Audit fee	4,500	9,000
Contracts for Services	11,289	15,528
Other accruals	9,000	6,000
	24,789	30,528
<u>Potential Liabilities - Grants</u>		
Grants from States of Guernsey	4,108,714	3,415,233

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**

	<b>2021</b>	<b>2020</b>
	E	;
Balance brought forward	13,813	13,795
Surplus for year	318	18
Balance carried forward	14,131	13,813

**5. GENERAL INFORMATION**

The Office of the Public Trustee is an unincorporated entity established under The Public Trustee (Bailiwick of Guernsey) Law, 2002. Its address is Sir Charles Frossard House, La Charotterie, St. Peter Port, GY11FH.

**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 (2020: nil).