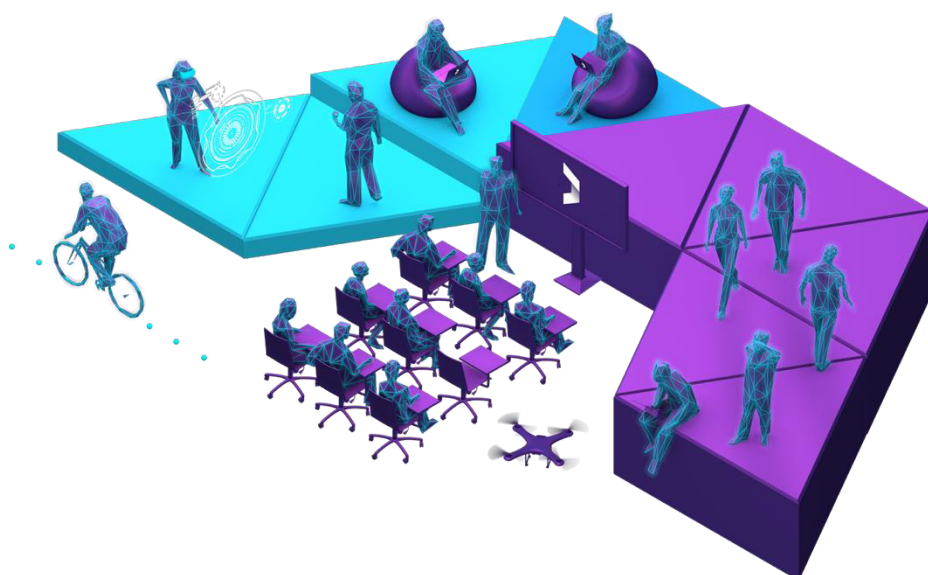


**DIGITAL JERSEY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2020**



### **DIRECTORS**

F Walker OBE (Chairman)  
G Liew  
A Chatterley

T Hacquoil  
Dame W Hall  
R Kirkby

A Moretta (CEO)

### **SECRETARY**

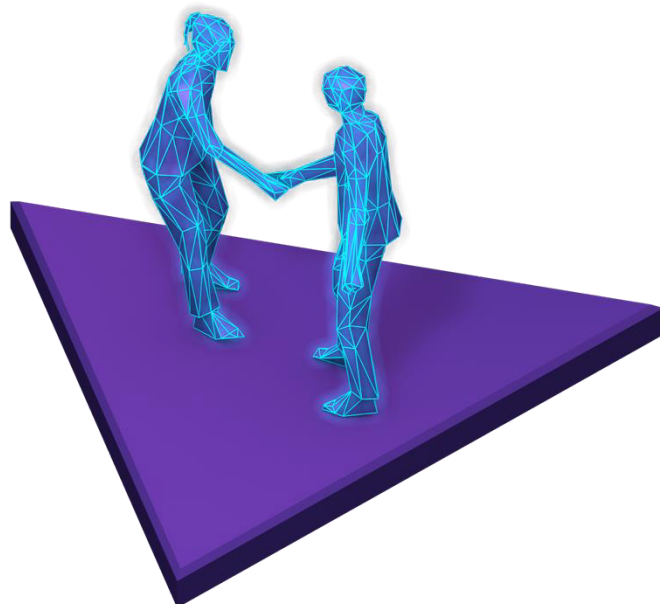
A Taylor

### **REGISTERED OFFICE**

Block 3 The Forum  
Grenville Street  
St Helier  
Jersey  
JE2 4UF

### **AUDITORS**

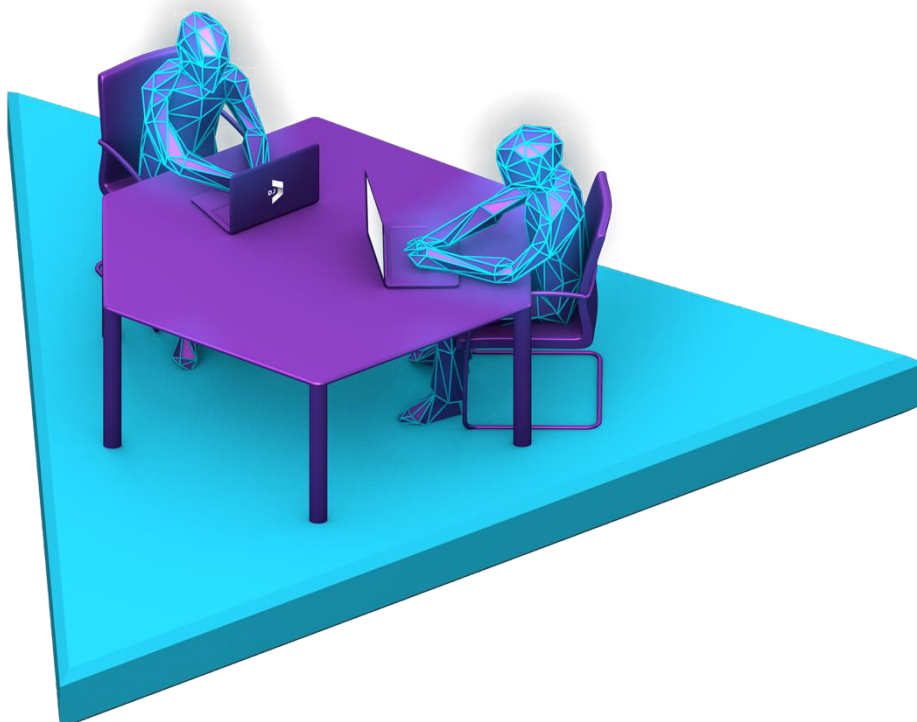
Alex Picot  
Chartered Accountants  
95/97 Halkett Place  
St Helier  
Jersey  
JE1 1BX



**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Page**

1-7	Directors' report
8-10	Independent Auditor's Report
11	Statement of Income and Retained Earnings
12	Statement of Financial Position
13-18	Notes to the Financial Statements



## **DIRECTORS' REPORT**

The Directors present their report and the audited financial statements for year ended 31 December 2020.

### **INCORPORATION**

The company was incorporated in Jersey, Channel Islands on 2 July 2012 with the registered number 110982.

### **PRINCIPAL ACTIVITIES**

The company's principal activity during the year was to represent Jersey as a digital centre and promote Jersey's digital industries.

### **STRATEGY & OBJECTIVES**

Digital Jersey Limited ("Digital Jersey") is an independent organisation, funded by the Government of Jersey, acting as a development agency and industry association for the digital economy. Digital Jersey's purpose is to accelerate the growth of the digital sector and the development of a digitally enabled society. Commencing operations in July 2012, Digital Jersey established long-term goals to 2020, including economic, social and reputational objectives. These long-term goals are enabled through annual business plan targets.

The strategy was refreshed at the end of 2020 and a new 5-year strategic plan was published for consultation in February 2021.

The new 5-year strategy sets out a new approach to delivering our overall aim of developing Jersey as a sustainable Tech Hub. There are four key segments to the strategy:

- 1) Transforming Business: developing thriving business clusters, supporting digital transformation and enabling access to funding and growth tools.
- 2) Growing Infrastructure: promoting Jersey as an Innovation Island, extending the reach and number of international connections and promoting world-class infrastructure and institutions.
- 3) Upskilling people: supporting a highly skilled workforce, attracting top talent and developing an active digital community and partnerships.
- 4) Accelerating a digital Government: supporting Government prioritisation in the digital sector, promoting a digital Government and participating in the development of future-proofed legislation and regulation for the tech sector.

Details of the long-term objectives and annual business plans are available on the Digital Jersey website at [www.digital.je/plans](http://www.digital.je/plans)

### **ACTIVITIES AND ACHIEVEMENTS**

2020 was not the year that we planned for. Yet despite the pandemic and its impact on all our lives, it's been a busy year for Digital Jersey, as it has for many of our members.

#### **Key successes:**

Of our planned activities key successes included:

- 1) We launched *Jersey for FinTech*, working with Locate Jersey and Jersey Finance. As part of this we hosted an E-ID roundtable with the JFSC on smart regulation and organised three Fintech CoFI (community of interest) groups with Jersey Finance Limited.

## **DIRECTORS' REPORT (continued)**

- 2) We supported 5 high-growth start-ups to relocate to Jersey and 1 established business relocation.
- 3) We held a successful and innovative TechWeek 2020 – blending the physical and virtual to gain exposure to a global audience with more than a third of viewers located overseas.
- 4) We stepped up our focus on Smart Island technologies, including the creation of Jersey's Digital Twin (funded through joint investment from JT Global, Sure, Ports of Jersey and States of Jersey Development Company); supporting the launch and roll out of Evie (eco-friendly car and bikes) and partnered with the Allan Land and Hawksford to set up the Jersey Research Foundation to enable and encourage on-island research.
- 5) We strengthened access to tech talent by endorsing 15 new work permissions, adding 14 individuals to our network of overseas Digital Ambassadors and agreeing an MoU with the New Jersey Big Data Alliance. In addition we delivered the first digital Labour Market Report, which will help to monitor the performance of the digital economy and wider labour market.
- 6) The Digital Jersey Academy was strengthened and embedded, including the recruitment of 28 new students onto the Digital Leadership Programme, accreditation for the course on the OfQual Register as a level-6 degree equivalent course and enabling over 100 students to attend upskilling courses.
- 7) We also worked closely throughout the year with our colleagues in Government to deliver the adoption of the Digital Health & Care Strategy and the Telecoms Strategy, as well as supporting work on the vision for the Island's economy of the future and supporting the development of relationships with key countries and contacts alongside the External Relations Department.

In addition, we pivoted our focus to support the response to COVID-19 across both Government and industry. Our key achievements were:

- 1) We launched the COVID-19 Community Challenge to seed fund digital solutions to support our community through the crisis.
- 2) We built a Connected Jersey section of our website to enable our community to find all shops that delivered locally. In addition we promoted online campaigns from local business and provided ongoing information and guidance throughout the crisis.
- 3) We worked with Telecoms companies to bridge the digital divide, delivering a range of initiatives including increased broadband speed and capacity for all, free broadband for disadvantaged school children and a free health and wellbeing app.
- 4) We partnered with Skills Jersey to create a single platform that links students and career changers with localised career guidance, course options and labour market information.
- 5) We pivoted our Digital Academy options to create a 6-week Digital Leadership Programme for 35 students, bringing some of the Academy teaching online, facilitating online teacher training with over 250 attendees and publishing a range of remote working Vlogs to help the lockdown economy.
- 6) We were central to the Government health response to the pandemic, seconding three members of staff to the Government Covid Team. Through this, we were part of the team delivering the COVID-19 testing process, workforce return programme and information governance. We also worked with Government colleagues to develop and promote Jersey's contact tracing app as well as promoting and supporting the use of Trax to enable local business compliance with contact tracing requirements.
- 7) We set up and ran the first fully virtual parliament in the Commonwealth for the States Assembly, and supported the adoption of new Government systems such as the arrivals testing process.

If you want any more detail, then it can be found here [Digital-Jersey-Annual-Review-2020.pdf \(netdna-ssl.com\)](https://netdna-ssl.com/Digital-Jersey-Annual-Review-2020.pdf)

## DIRECTORS' REPORT (continued)

### Key Performance Indicators:

Each year a set of Key Performance Indicators (KPIs) is agreed with the Government of Jersey.

For 2020 the KPIs were revised mid-year to reflect the impact of COVID-19 on the business. KPIs and our performance against them are set out in the table below.

		Initial KPI	Revised KPI	Outcome
1	Allocate Business Licences within the Smart Island, Fintech and other digital sector businesses	15	7	9
2	Allocate Work Permission Licences for highly skilled digital staff from off-island to work in local businesses	20	10	15
3	Support and develop proposals for private sector investment in Smart Island technology <sup>1</sup>	3	1	2
4	Leads generated from Sandbox Jersey campaigns and promotion	40	10	16
5	Sandbox Jersey projects <sup>2</sup>	5	2	4
6	Connections on the Mentorship Scheme	6	6	14
7	Gain Digital Jersey Ambassadors who are actively promoting Jersey around the world at conferences and events	6	4	14
8	New Individual Members of Digital Jersey by end of year	100	50	81
9	New Small Business Members of Digital Jersey by end of year	20	7	28
10	New Enterprise Members of Digital Jersey by end of year	10	3	4
11	Stretch target of £50,000 Events and £80,000 additional membership <sup>3</sup>	£50,000 £80,000	£0 £0	£0 £0
12	Host larger workshops, corporate, networking or educational events <sup>4</sup>	4	4	15
13	Reach and maintain 60% utilisation rate of the 30 permanent desks and 8 offices <sup>5</sup>	60%	-	-
14	Run 1 workshop which encourage firms to utilise the available data sets on the Digital Twin <sup>6</sup>	1	1	1

<sup>1</sup> Supported the launch of Evie on-demand vehicles and bikes. Obtained investment from firms for Digital Twin.

<sup>2</sup> CDD sharing platform using blockchain developed. Air quality tracking system developed.

<sup>3</sup> Not able to secure events and membership stretch target due to stress on firms from COVID-19

<sup>4</sup> Events included the Digital Jersey Annual Review, TechWeek and 6 Fintech Focus events.

<sup>5</sup> Not deliverable due to work from home requirements

<sup>6</sup> Digital Twin focused heavily in 2020 TechWeek

## DIRECTORS' REPORT (continued)

### GOVERNANCE AND RISK

#### Governance arrangements:

Digital Jersey is led by a Board of 7 Directors comprising 6 non-Executive Directors and the CEO. The company is owned by a non-charitable purpose trust, the Digital Jersey Trust which has three trustees and for which there is an independent enforcer.

Non-Executive Board members are appointed for an initial 3-year term, extendable by approval of the Board, up to a maximum of 9 years.

The Board of Directors has set up two sub-committees to provide oversight over key areas of governance and risk. These are:

- 1) Remuneration and Nominations Committee: responsible for setting remuneration principles, agreeing the remuneration of the CEO and overseeing the nomination and appointment of Board members.
- 2) Audit & Risk Committee: responsible for overseeing finance and risk including the annual audit and budgeting processes.

Board member and roles	Date of first appointment
Frank Walker OBE Non-Executive Director and Chair of the Board / member of R&N	01/07/2017
Gailina Liew Non-Executive Board Director / Chair of R&N / member of A&R and Senior Independent Director	01/01/2016
Aaron Chatterley Non-Executive Board Director / Chair of A&R (to 30/06/20) / member of A&R / member of R&N	01/01/2016
Tom Hacquoil Non-Executive Board Director	01/07/2020
Dame Wendy Hall Non-Executive Board Director	01/07/2020
Robert Kirkby Non-Executive Board Director / Chair of A&R (from 01/07/20)	01/07/2020
Tony Moretta Chief Executive Officer and Director	07/09/2015

There were 4 Board meetings, 4 R&N meetings and 4 A&R meetings during 2020, and all Board members attended all applicable meetings during the year.

The Trustees of the Digital Jersey Trust met twice in 2020 (usual pattern twice per annum). All trustees attended both meetings.

In addition to the company structure, there is direct oversight of the activities and performance of Digital Jersey under the grant agreements with the Government of Jersey.

## DIRECTORS' REPORT (continued)

### Risk management:

Set out below are the principal risks and uncertainties included within the company's strategic risk register. In addition to the risks identified, the Board of Directors continues to monitor the impact of COVID-19 on business operations. The Government of Jersey, from time to time, will implement restrictions on the movement of people and the opening of businesses in order to reduce the spread of the outbreak. The Directors of Digital Jersey Limited have a robust and effective continuity plan for whenever a Government directive to work at home is implemented.

The Board identifies and manages risks through our risk management processes including regular review at the Audit & Risk Committee. These processes are designed to manage and mitigate risk (rather than to eliminate it).

The Audit and Risk Committee regularly reviews the company risk register and reports to the Board on any material changes. The significant risks are summarised below:

Risk	Risk description	Mitigation
<b>Delivery risk</b>	Strategy and objectives cannot be fully delivered due to external constraints	Active stakeholder management including both public and private sector. Promotion of Jersey as a Tech Hub. Promotion of 5 year strategy to generate wide support across Jersey. Encouragement of entrepreneurial culture through initiatives such as Sandbox Jersey Explore non-Governmental funding streams to diversify income.
<b>Information &amp; technology risk</b>	Island is no longer, or is no longer perceived to be, a cyber secure location	Support for Government cyber strategy and membership of task force. Active influencer in the Island debate including with non-Governmental organisations.
<b>Reputational risk</b>	Risk that Digital Jersey is unable to prevent or mitigate the impact of an incident that damages the reputation of the island or organisation for digital initiatives	Open and transparent approach to operations. Recruitment of a high-quality executive and non-executive team. Implementation of key operational controls and robust corporate governance. Regular dialogue with key island stakeholders to ensure that the island's reputation is managed within available resources.
<b>Financial risk</b>	Insufficient funding to enable the organisation to fulfil its financial obligations	Regular financial reporting to the Board. Grant with Government agreed annually with full visibility of 5 year plan provided. Continued development of diversified funding approaches.
<b>Compliance risk</b>	Failure to comply with relevant laws and regulations	Oversight by the A&R Committee. Oversight by Trustees and Enforcer. Appointment of appropriately skilled and experienced COO with direct responsibility for compliance matters. Appointment of external expert support for key risk areas such as data privacy as and when required.



## **DIRECTORS' REPORT (continued)**

### **RESULTS FOR THE YEAR**

The company's activities are primarily funded by a core grant from the Chief Executive's Office of the Government of Jersey. The 2020 core grant was approved at £1,825,000 (2019: £1,250,000), however, the company received a grant of £1,725,000 in 2 instalments due to a reduction of £100,000 to support the COVID-19 response.

Membership income declined by 17% in 2020 as a direct result of COVID-19 measures. Fewer room bookings and desk rentals were achieved than in previous years due to Government-imposed restrictions. Despite this 2020 was a busy year for our members, who continue to be at the heart of Digital Jersey activity. In addition to new memberships and a number of projects delivered, our members were also busy registering 94 .je domain names as well as visiting our website for valuable information over 60,000 times.

The spend for 2020 was broadly in line with the revised budget set for the year. A significant proportion of costs for the organisation are fixed (rental and salary costs). There was a small level of underspend which mostly related to delays in recruitment and underspend on areas impacted by COVID-19 restrictions (travel, events etc).

### **DIVIDEND AND TRANSFER TO RESERVES**

The Directors do not recommend the payment of a dividend for the year (2019: £nil). It is proposed that the surplus of £160,042 is transferred to reserves.

### **DIRECTORS' RESPONSIBILITIES**

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

The Directors are required to prepare financial statements for each financial year under the Companies (Jersey) Law 1991. As permitted by applicable legislation the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Company and the income or expenditure of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

So far as the Directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware and each director has taken all the steps that (s)he ought to have taken as a director in order to make herself/himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**DIRECTORS' REPORT (continued)**

**SECRETARY**

Amy Taylor (appointed 11 March 2021)

**AUDITOR**

Alex Picot Chartered Accountants have indicated their willingness to continue in office.

Block 3 The Forum  
Grenville Street  
St Helier  
Jersey JE2 4UF



**SECRETARY**

**BY ORDER OF THE BOARD**

07 May

2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DIGITAL JERSEY LIMITED****Opinion**

We have audited the financial statements of Digital Jersey Limited (the "company") for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 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 company's affairs as at 31 December 2020 and of its surplus 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 Companies (Jersey) Law 1991.

**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 company 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 directors 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL JERSEY LIMITED (CONTINUED)

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept;
- returns adequate for the audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6 the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

*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 company 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, Jersey Company Law as well as general legislation applicable to a business operating in Jersey such as Employment Law and Health and Safety Regulation. 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.



**Alex Picot**  
chartered accountants

95-97 Halkett Place  
St. Helier, Jersey  
Channel Islands JE1 1BX

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DIGITAL JERSEY LIMITED (CONTINUED)**

**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;
- Review for any changes to activities which the company undertakes.

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

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

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

10 May 2021

  
**Donald Connolly**  
for and on behalf of  
**Alex Picot Chartered Accountants**

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>2020</b>		<b>2019</b>	
		£	£	£	£
<b>INCOME</b>					
Government of Jersey funding	3	2,476,779		1,859,657	
Membership fees		126,797		153,435	
Sponsorship		92,050		21,417	
Other income		31,660		16,937	
		<u>2,727,286</u>		<u>2,051,446</u>	
<b>EXPENSES</b>					
Salaries, social security and allowances	4,5	973,443	822,789		
Consulting and research		178,364	124,547		
Non-executive board remuneration	5	65,250	65,000		
Non-executive board expenses		1,862	6,144		
Advertising and marketing		58,949	103,424		
Digital Jersey Academy direct expenses	6	451,975	319,343		
Rent, rates and utilities expense		219,751	203,392		
Event support		67,366	50,403		
IT expenses		125,935	53,263		
Travel and entertainment		13,074	44,081		
Accountancy and audit fees		40,038	50,610		
Professional Development		9,629	23,885		
Legal and professional fees		17,496	68,431		
Printing, postage and subscription		5,108	11,801		
Sundries		16,169	27,933		
Depreciation	7	275,129	107,511		
Telephone and internet		6,550	11,107		
Insurance		13,106	6,074		
Student financing		28,050	36,225		
Loss on disposal of fixed assets		-	12,622		
		<u>2,567,244</u>	<u>2,148,585</u>		
<b>RETAINED SURPLUS/(DEFICIT) FOR THE YEAR</b>			160,042		(97,139)
<b>RESERVES BROUGHT FORWARD</b>			189,077		286,216
<b>RESERVES CARRIED FORWARD</b>			<u>£349,119</u>		<u>£189,077</u>

The company has not made any acquisitions nor discontinued any operations during the year. The results derive entirely from continuing operations. Furthermore, the company has not incurred any recognised gains or losses other than as reported in the Statement of Income and Retained Earnings.

**DIGITAL JERSEY LIMITED**
**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020**

	Note	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		861,401		1,115,061
<b>CURRENT ASSETS</b>					
Debtors and prepayments	8	127,146		163,802	
Cash at bank and in hand		480,889		302,911	
			<u>608,035</u>	<u>466,713</u>	
<b>CREDITORS:</b> Amounts falling due within one year	9,11	604,297		648,643	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>3,738</u>	<u>(181,930)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			865,139		933,131
<b>CREDITORS:</b> Amounts falling due after more than one year					
Deferred Income	10,11		(516,017)		(744,051)
			<u>£349,122</u>	<u>£189,080</u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		3		3
Reserves			349,119		189,077
			<u>£349,122</u>	<u>£189,080</u>	

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies' regime and were approved by the Board on 07 May 2021, who confirmed that they had made available all relevant records and information, and signed on its behalf by:

  
 .....  
 Chairman

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. GENERAL INFORMATION**

Digital Jersey Limited is a company limited by shares and incorporated in Jersey, Channel Islands. The company's principal place of business, which is also its registered office, is Block 3, The Forum, Grenville Street, St Helier, Jersey, JE2 4UF. The principal activity of the company is described in the report of the Directors.

**2. ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, and remain unchanged from the previous year. The company has adopted FRS 102 in these financial statements.

**2.1 Basis of Preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with FRS 102 and Companies (Jersey) Law, 1991 (as amended).

The company has a Partnership Agreement with the Chief Executive's Department of the Government of Jersey for the three years ending 31 December 2023. As at the date of this report, the company's annual grant which forms part of the Agreement (as detailed in Note 2.3 below) for 2021 had been approved and the first half of the grant had been received in accordance with standard arrangements. As a result, the Board of Directors do not foresee any material impact on the organisation's ability to continue as a going concern.

**2.2 Statement of compliance**

The financial statements have been prepared in compliance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", adopting the presentation and disclosure requirements of Section 1A. There were no material departures from that standard.

**2.3 Income recognition and Grants**

The company receives a grant from the Chief Executive's Department of the Government of Jersey in order for it to achieve its objectives of working alongside industry and Government to coordinate activities that improve the environment for digital business in Jersey. In addition, the company receives a grant from the Department for Children, Young People, Education and Skills to enable the creation of the Digital Jersey Academy and the ongoing running costs of this education facility.

Government grants are recognised on an accruals basis and accounted for in line with the grant agreement for each year, with grant income being matched with the expenditure it is intended to compensate. Grant proceeds that are used for investment in fixed assets are therefore recognised in income on a systematic basis over the expected useful life of the asset.

Membership fee income is recognised on an accruals basis when services have been delivered to members.

Other income (fees and sponsorship) is recognised on an accruals basis when services or activities have been delivered.

**2.4 Expenses**

Expenses are recognised on an accruals basis.



## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

### **2. ACCOUNTING POLICIES (continued)**

#### **2.5 Tangible Fixed Assets and Depreciation**

Tangible fixed assets are capitalised when the purchase cost is £1,000 or greater, and are included in the financial statements at cost less depreciation and impairment. Depreciation is charged on all fixed assets on a straight-line basis, calculated to write each asset down to its estimated residual value over its expected useful life as follows:

Computer equipment	-	3 years
Office equipment	-	3 years
Leasehold improvements	-	5 years

Depreciation is charged in the year of acquisition from the month the asset becomes operational and until the month of disposal.

#### **2.6 Leases and lease incentives**

Rents payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

The benefits of lease incentives are recognised in the profit and loss account over the lease period.

#### **2.7 Financial Instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### **(a) 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 the market rate of interest.

Such assets are subsequently stated at amortised cost using the effective interest method.

##### **(b) Financial liabilities**

Basic financial liabilities including trade and other payables and bank loans 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. Debt instruments are carried at amortised cost using the effective interest method.

##### **(c) Impairment**

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying value and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. ACCOUNTING POLICIES (continued)**

**2.8 Pension costs**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the profit and loss account when due.

**2.9 Taxation**

The company is subject to Jersey income tax at 0% (2019: 0%).

**3. GOVERNMENT OF JERSEY FUNDING**

	<b>2020</b>	<b>2019</b>
	£	£
Core grant receivable	1,725,000	1,250,000
CYPES funding for the Digital Jersey Academy	523,745	419,883
Facilities development grants	228,034	189,774
	<u>£2,476,779</u>	<u>£1,859,657</u>

The grants received for the fit out of the Hub and the Academy are being recognised over the useful economic life of the improvements in accordance with the requirements for accounting for Government grants.

**4. STAFF COSTS**

	<b>2020</b>	<b>2019</b>
	£	£
Salaries	846,411	711,852
Social Security	47,543	40,463
Pension allowance (see notes below)	79,489	70,474
Total	<u>£973,443</u>	<u>£822,789</u>

The average number of staff employed by Digital Jersey Limited (excluding Non-Executive Directors) during the year was 14 (2019: 13).

The company operates a defined contribution pension scheme on behalf of employees which they can opt to enrol in following successful completion of probation. Alternatively, employees can elect to receive additional remuneration equivalent to 10% of salary as part of their basic remuneration in order to make their own pension arrangements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**FOR THE YEAR ENDED 31 DECEMBER 2020**
**5. DIRECTORS' REMUNERATION**

	<b>Basic Salary</b>	<b>Performance- Related Payment</b>	<b>Pensions Contributions (see note below)</b>	<b>2020 Totals</b>	<b>2019 Totals</b>
Non-Executive Directors	<u>£65,250</u>	<u>£ -</u>	<u>£ -</u>	<u>£65,250</u>	<u>£65,000</u>
Executive Director	<u>£196,160</u>	<u>£25,000</u>	<u>£19,616</u>	<u>£240,776</u>	<u>£230,103</u>

Non-Executive remuneration for 2020 is approved at £25,000 per annum for the Chairperson with all other Non-Executive Directors receiving £15,000 per annum.

The company pension scheme arrangements (described in note 4 above) are available to Executive Directors on the same basis as for other employees. Pension contributions are not available to non-Executive Directors.

**6. DIGITAL JERSEY ACADEMY INCOME AND EXPENSES**

	<b>2020 £</b>	<b>2019 £</b>
<b>Income</b>		
Facilities development grant income (see note 3)	134,878	38,006
CYPES funding for the Digital Jersey Academy	<u>523,745</u>	<u>381,877</u>
Total income	<u>£658,623</u>	<u>£419,883</u>
<b>Expenditure</b>		
Digital Jersey direct expenses	134,943	18,467
Service provider support	<u>317,032</u>	<u>300,876</u>
Total direct expenditure	451,975	319,343
Digital Jersey indirect expenses	-	51,185
Depreciation	<u>134,878</u>	<u>31,662</u>
Total expenditure	<u>£586,853</u>	<u>£402,190</u>

The Digital Jersey Academy provides a level 6 qualification in Digital Leadership and short courses in digital skills. Funding for the Academy is provided by CYPES under a grant agreement, which funds direct expenses for Digital Jersey and seed funding for the course provider in the initial 3-year period.

**7. TANGIBLE FIXED ASSETS**

	<b>Leasehold improvements £</b>	<b>Computer equipment £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2020	953,134	132,261	147,685	1,233,080
Additions	<u>18,895</u>	<u>2,574</u>	<u>-</u>	<u>21,469</u>
At 31 December 2020	<u>972,029</u>	<u>134,835</u>	<u>147,685</u>	<u>1,254,549</u>
<b>Depreciation</b>				
At 1 January 2020	75,301	20,446	22,272	118,019
Charge for the year	<u>190,173</u>	<u>41,421</u>	<u>43,535</u>	<u>275,129</u>
At 31 December 2020	<u>265,474</u>	<u>61,867</u>	<u>65,807</u>	<u>393,148</u>
<b>Net book value</b>				
At 31 December 2020	<u>£706,555</u>	<u>£72,968</u>	<u>£81,878</u>	<u>£861,401</u>
At 31 December 2019	<u>£877,833</u>	<u>£111,815</u>	<u>£125,413</u>	<u>£1,115,061</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>8. DEBTORS AND PREPAYMENTS</b>	<b>2020</b>	<b>2019</b>
	£	£
Trade debtors	55,856	129,449
Prepayments	57,225	23,246
Other debtors	14,065	11,107
	<u>£127,146</u>	<u>£163,802</u>

<b>9. CREDITORS:</b> Amounts falling due within one year	<b>2020</b>	<b>2019</b>
	£	£
Sundry creditors	255,378	318,377
Lease incentive	120,885	102,232
Deferred Income (see explanation in Note 10)	228,034	228,034
	<u>£604,297</u>	<u>£648,643</u>

<b>10. CREDITORS:</b> Amounts falling due after one year	<b>2020</b>	<b>2019</b>
Facilities development grant from Government of Jersey	<u>£516,017</u>	<u>£744,051</u>

A grant received in 2019 from the Government of Jersey was used to fund the creation of the Digital Jersey Academy and expanded Hub, including the purchase of fixed assets and investment in Leasehold Property. In accordance with the company's accounting policy for Grants, the income is being recognised in the Statement of Income and Retained Earnings over the expected useful life of the assets.

**11. GUARANTEES AND OTHER FINANCIAL COMMITMENTS**

The company has the following future operating lease commitments at the balance sheet date.

	<b>Less than 1 year £</b>	<b>Between 2 &amp; 5 years £</b>	<b>Greater than 5 years £</b>
<b>Premises</b>			
Forum 3, Grenville Street	83,400	219,215	-
Forum 4, Grenville Street	130,732	219,503	-
	<u>£214,132</u>	<u>£438,718</u>	<u>£ -</u>

<b>12. CALLED UP SHARE CAPITAL</b>	<b>2020</b>	<b>2019</b>
<b>Authorised</b>		
Ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>£3</u>	<u>£3</u>

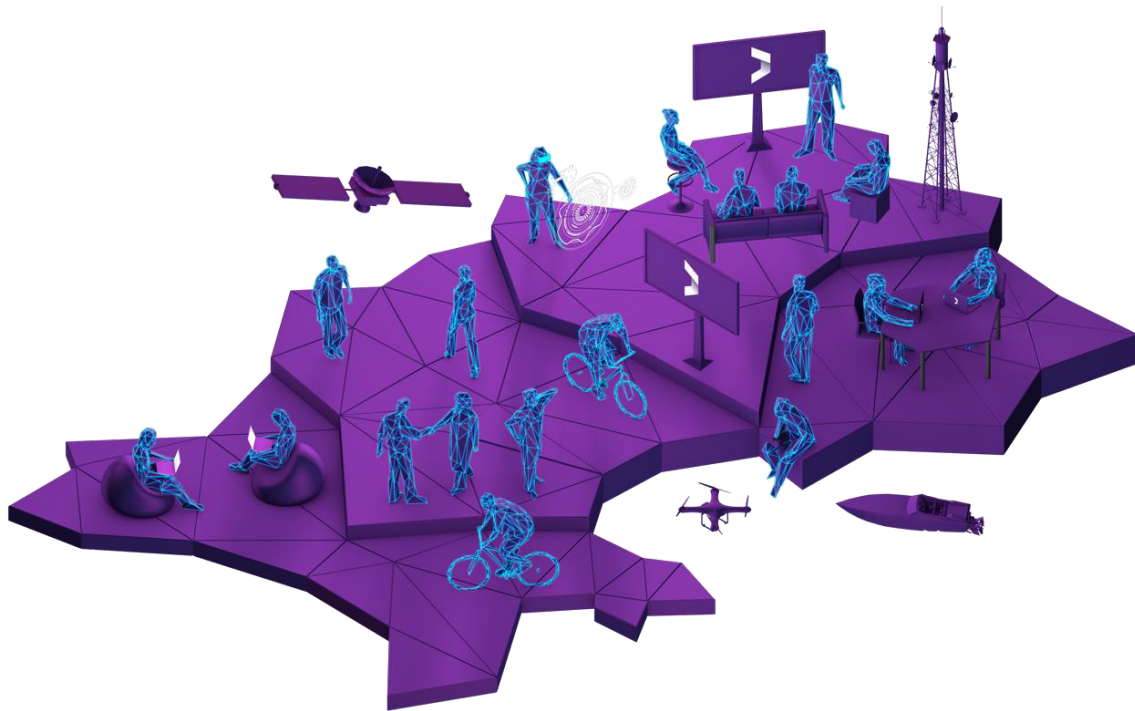
**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2020****13. RELATED PARTY TRANSACTIONS**

There were no related party transactions during the year that require disclosure (2019: £nil).

**14. ULTIMATE CONTROLLING PARTY**

The Company is wholly owned by a non-charitable purpose trust, the Digital Jersey Trust. In the Directors' opinion, the Digital Jersey Trust is the ultimate controlling party of the Company. The Trustees of the Digital Jersey Trust during the year were as follows:

Mr T Bullock  
Mr P Masterton  
Mr R Parker



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