



Digital Jersey Limited  
Annual report and  
financial statements

31 December 2021



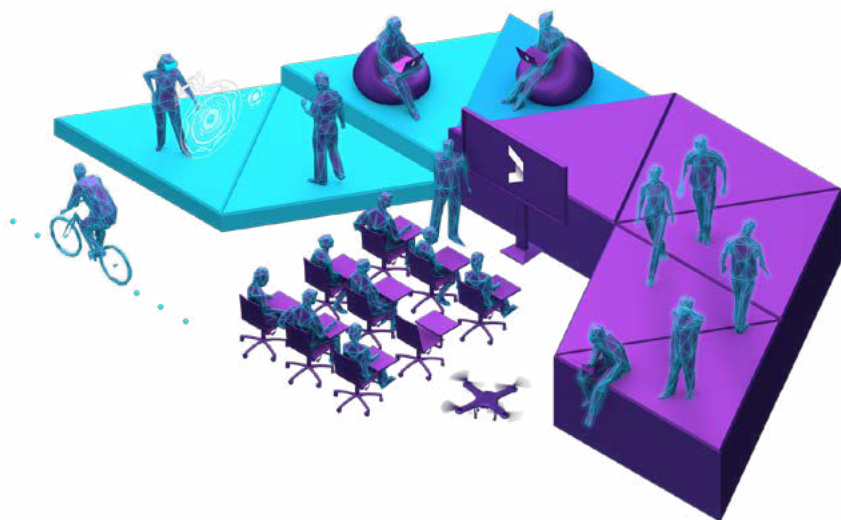


# INDEX TO THE ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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## PURPOSE

Digital Jersey is the government-backed economic development agency and industry association dedicated to the growth of the digital sector.

Digital Jersey is an Arms' Length Organisation and is predominantly funded through grants from the Government of Jersey. The annual business plan and budget is agreed by the Minister for Economic Development each year.

The key priority for the organisation is to develop strategies to help on-Island industry thrive and remove barriers for inward investors choosing Jersey as their world-leading base for digital innovation.

## CHAIR'S STATEMENT

I am delighted to present our Annual Report which sets out our activities and performance in 2021 and the impact Digital Jersey is having on our local community and economy.

Digital has become a thread running through every aspect of our lives and never more so than since the pandemic caused us to rethink how we do business, learn and connect with friends and family. Digital technology and businesses are becoming increasingly significant in driving productivity and economic growth across all business sectors as well as improving our quality of life and enabling us to develop more sustainable ways of living and interacting with our world.

In this context, Digital Jersey has a core remit as a government-backed economic development agency to help on-island industry thrive through technology and to grow the local digital community. Key successes in 2021 included enabling the allocation of 22 new business licences, endorsing 28 work permissions, and providing short courses for over 500 attendees across a range of digital skills.

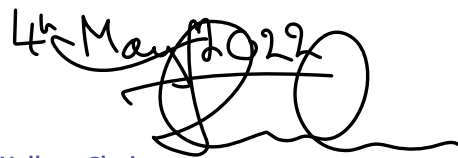
In 2021 we also launched our 5-year strategy, which sets out deliverables across all areas of focus for us as an organisation. But we cannot deliver it alone – it will take the collaboration of industry, government and the community to build our digital future and to realise all the benefits that digital can bring to our island.

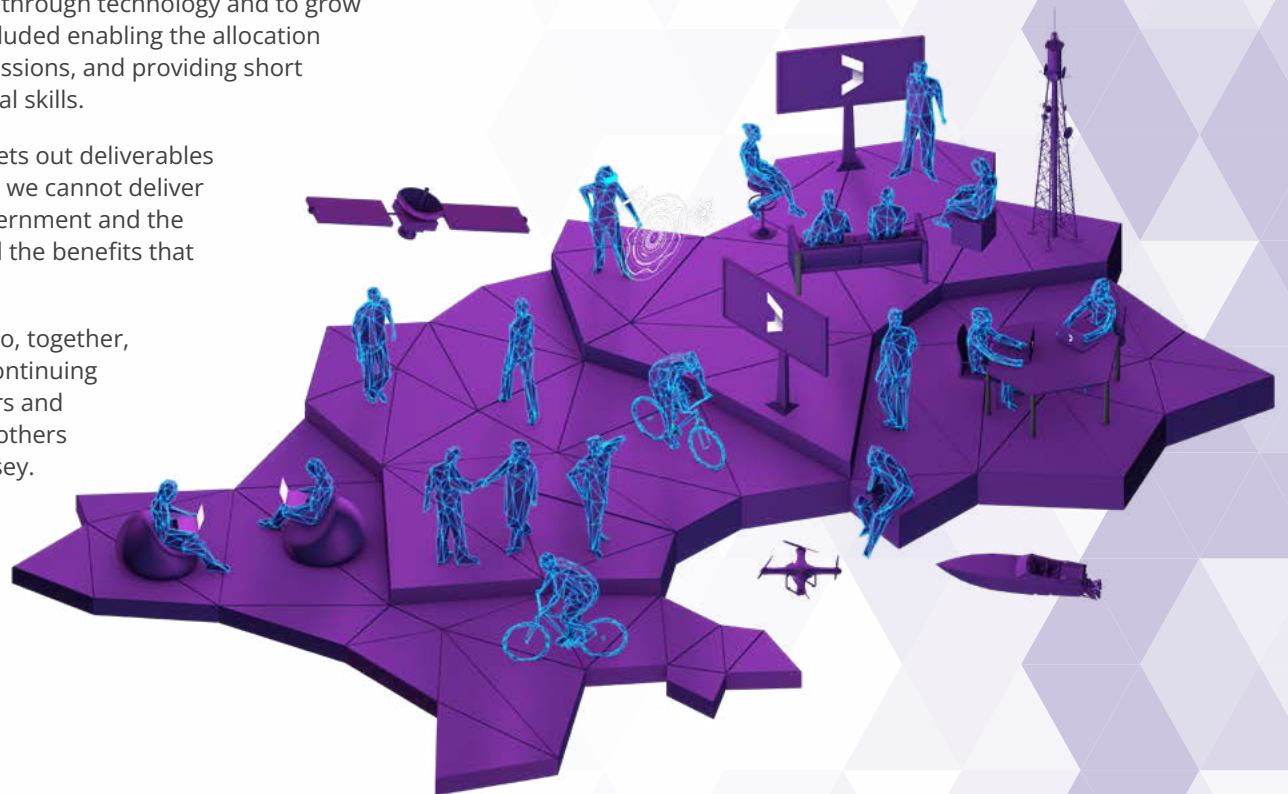
There is much still to achieve, and more that we can do, together, to ensure that we reach our goals. I look forward to continuing to work with the Digital Jersey team, with our members and stakeholders, with government colleagues and many others across our island to do all we can to build a digital Jersey.

Date

Signed

Frank Walker, Chair

4<sup>th</sup> May 2022  






## CHIEF EXECUTIVE'S REPORT

Following a year in which all aspects of the way we live, learn and work turned upside down, we entered 2021 tentatively hoping that we would begin to emerge from the worst of the restrictions imposed by the pandemic.

The first half of the year was still heavily impacted by restrictions, and we were unable to hold in-person events we had planned for the Annual Review, TechAwards, and other member events. Restrictions also meant that our Hub, the Digital Jersey Xchange (DJX) and our permanent desk spaces were quieter than we would hope. That said, we ran both our big events online, successfully, as well as a number of other smaller events. As restrictions eased, we saw members returning to our facilities and by the end of the year there was increasing pressure for space and the Hub was often buzzing with course attendees, members, stakeholders and the Digital Jersey team.

We had taken the time during 2020 to reflect and to create our 5-year strategy, which sets out a new approach to delivering our overall aim of developing Jersey as a sustainable Tech Hub. We launched the Strategy in February 2021 and a key focus for the remainder of the year was working on engaging with our stakeholders to ensure island-wide adoption of the proposals. There is more detail on what we are aiming for and how we did in year 1 in the following pages.

In September 2021 we held a two-day workshop, 'Building a Digital Jersey', that was attended by stakeholders from across industry, government, education and our membership and facilitated by Professor Alan Brown from the University of Exeter. There were over 120 participants at each of the days, who enjoyed keynote speeches and discussion time on all aspects of how we can work together to achieve our collective aspirations for our island.

### In addition to this, key highlights for 2021 included:

- We launched a range of Fintech initiatives including the Jersey for Fintech micro-site, a joint project with Jersey Finance and Government of Jersey, and a two day 'Future of Finance' event in November
- A smart-island project 'Smart Fields', working with Jersey Royal growers, was commenced to enable farmers to access live data about the health of their crops and manage inputs more effectively through sensors, drones and a new app
- We ran a series of workshops exploring Data Stewardship Services, sponsored by our non-executive director Dame Wendy Hall, Regius Professor of Computer Science at the University of Southampton, and with input from a range of legal and regulatory experts, both on and off island
- We were successful in bidding for Fiscal Stimulus funding to run a series of short courses covering a range of digital skills for both those in work seeking to upskill, and those who have been affected by the pandemic and are seeking new opportunities. As the need to upskill becomes an increasing focus to drive productivity and enable economic growth, we hope that these courses will be the starting point for continued investment in this area
- We launched Springboard, a new website aimed at connecting entrepreneurs and investors for both crowdfunding and equity-based investment. Our focus for 2022 will be building on the learning from this and supporting more small businesses with great ideas to access the funding and advice that they need

## CEO'S REPORT CONTINUED

We strengthened the team with new roles focused on improving operations and member support. Some of our plans did not come to fruition but we responded with a number of new initiatives.

We delivered on our core goals of attracting digital talent to the island and supporting licence applications for local businesses. We ran a range of successful and informative events for a number of different interest groups, including the well-attended event 'Building a Brand Brick by Brick'. And we saw the graduation of our first set of students who completed the Digital Leadership Programme. An initiative that began in 2018 with a proposal to Government, and weathered the impact of the global pandemic, ended in 16 students receiving their qualifications. For me personally, this was a real highlight of 2021.

Towards the end of the year it was great to see the success of JT's IoT division realised, and we worked with Government to use some of the proceeds of that sale to develop plans for a Technology Accelerator Fund. I am looking forward to the tremendous boost this will give both our digital sector ambitions and the island as a whole, as everyone increasingly realises that technology is a key part of solving our major challenges, whether economic, social or environmental.

I would like to close with thanks. Thanks to the Board for all their support, to our government colleagues for their advice and collaboration, to our members and stakeholders for their continued engagement, and especially to my whole team who have worked incredibly hard to deliver a wide and diverse range of objectives.

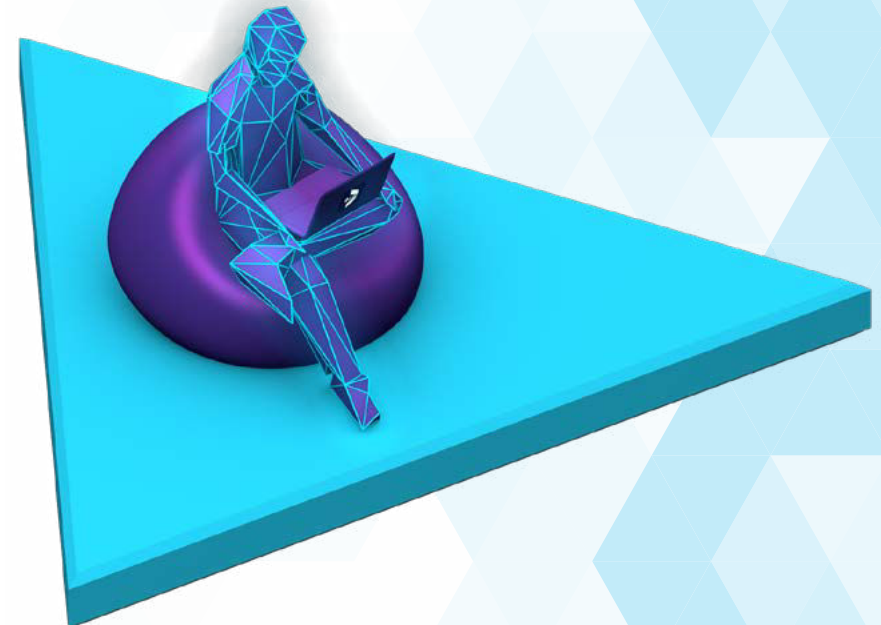
I look forward to another year of change and delivery and to working with all our stakeholders to deliver the digital future we all hope to see here in Jersey.

Date 4 . 5 22

Signed



Tony Moretta, CEO



## ACTIVITIES AND OPERATIONAL PERFORMANCE ANALYSIS

The five-year strategy published in 2021 sets out the core workstreams for Digital Jersey from 2021-2025. There are four key segments:

### TRANSFORMING INDUSTRY

Developing thriving business clusters, supporting digital transformation and enabling access to funding and growth tools.

### GROWING INFRASTRUCTURE

Promoting Jersey as an Innovation Island, extending the reach and number of international connections and promoting world-class infrastructure and institutions.

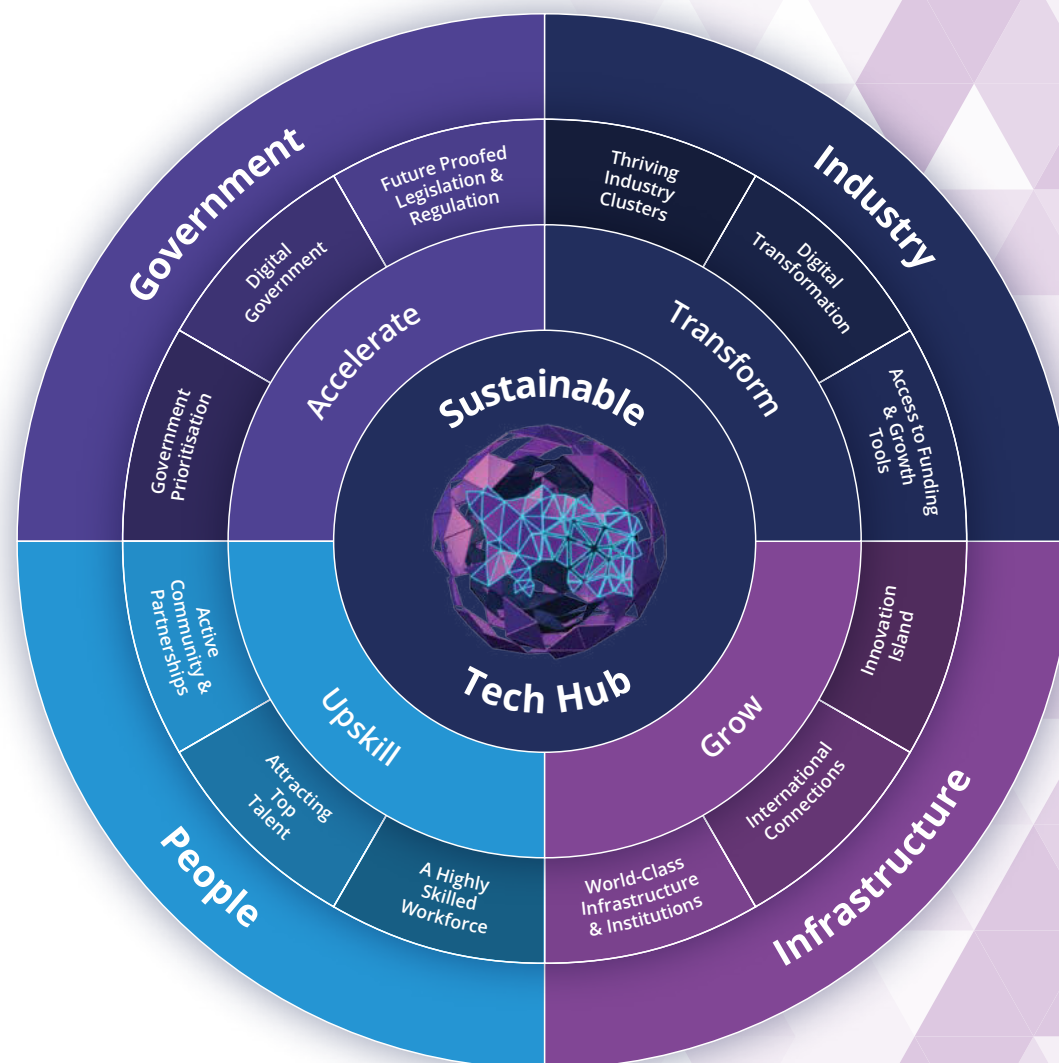
### UPSKILLING PEOPLE

Supporting a highly skilled workforce, attracting top talent and developing an active digital community and partnerships.

### 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.

Set out in the pages that follow is our performance against the KPIs we agreed with government for 2021, an analysis of each of the objectives we set for the year in our Operational Plan, and our performance against each one.





## 2021 IN NUMBERS



&gt;1900

event  
attendees

103

entries to  
TechAwards

28

work permissions  
endorsed

22

business licences  
supported

536

fiscal stimulus  
course attendeesGlobal Brand Award: Most Innovative  
Digital Growth Facilitator – UK 2021CityWealth Bronze Award for  
best digital marketing category

45

enterprise  
members

90

small business  
members

&gt;600

individual  
members

45

Digital Jersey  
Ambassadors

23

Digital Jersey  
Mentors6 new data sets added  
to the Digital Twin3 smart-island  
projects initiated6 school groups engaged in  
Postbox challenge initiative

## KEY PERFORMANCE INDICATORS

Each year a set of Key Performance Indicators (KPIs) is agreed by the Board and then with the Government of Jersey under our Partnership Agreement. In 2021:

- 16 targets were met or exceeded
- 2 targets were only partially achieved
- 2 targets were not achieved

## HIGHLIGHTS

Business and entrepreneur relocations were better than target with a total of 22 relocations confirmed in 2021 and 7 in the pipeline.

28 work permissions were endorsed (out of annual target of 25).





















## CHALLENGES

Hub and DJX utilisation targets improved but the continuing impact of COVID at the end of 2021 led to some events and activities being cancelled.

Public procurement workshops were not delivered as the ongoing impact of COVID prevented the Government scheduling these (target of 3).

Jersey Research Foundation has not yet launched as they are awaiting charitable status – this is still subject to ongoing discussions with the Charity Commissioner.

While significant numbers of members and other businesses were supported in 2021, the target of 100 was not reached (78).

		KPI	OUTCOME	RAG RATING
1	Attract 10 business relocations	10	12	
2	Support 30 non-digital businesses in their efforts to digitally transform	30	30	
3	Create introductions for 5 digital businesses with the investor community	5	8	
4	Support the raising of £50,000 for the Jersey Research Foundation	£50,000	£0	
5	Support 5 businesses in prototyping and deploying new smart technologies	5	5	
6	Include 5 new data sets within the Digital Twin	5	6	
7	Connect 10 local businesses to international markets	10	15+	
8	Maintain 70% occupancy of our Hub facilities	70%	>70% (once restrictions lifted)	
9	Occupancy of DJX to be increased to 70%	70%	Improving	
10	25 Digital Leadership Programme students	25	28	
11	Train 100 students at 15 courses/events	100	870	
12	300 attendees at 15 Academy courses/events	300	351	
13	Endorse 25 working permissions	25	28	
14	Relocate 10 digital entrepreneurs and freelancers	10	10	
15	Run 6 member and stakeholder events that attract over 500 virtual / physical attendees	500	1,904	
16	Attract 100 submissions to our Tech Awards	100	103	
17	Support over 100 members through our business initiatives	100	78	
18	Submit proposals to Government to fund new initiatives	N/A	3	
19	At least 3 public procurement workshops	3	0	
20	Publish a Data / AI strategy	Workshops and report	Workshops complete, report in draft	

## Industry

## ACTIVITY

**DIGITAL INDUSTRY GROWTH  
ROADMAPS**

Explore the opportunities and growth trends in Jersey's digital industries, by creating a roadmap to prioritise Digital Jersey's activity in developing specific digital sectors. This includes our continued drive to execute the Fintech Roadmap and Digital Health Strategy.

## METRIC / INDICATOR

Publish and promote Digital Industry Growth Roadmaps; with the intention to implement the recommendations in 2022.

## PROGRESS EVIDENCE

Deprioritised to make room for Building a Digital Jersey Event at which a cross-section of stakeholders were engaged and their views canvassed. This has provided a good base from which to progress work in 2022.

Towards the end of 2021 we supported work on The Technology Accelerator Fund.

**DIGITAL RELOCATIONS**

Grow the digital sector, by encouraging expertise from off-island to relocate to Jersey. This could include: company relocations, entrepreneurs starting businesses, digital freelancers or tech employees who can strengthen local businesses. This would be supported by additional resource in target markets and an improved understanding of Jersey's value proposition and a clear narrative that defines 'why Jersey' to specific audiences.

Allocate 10 business licenses to relocating companies.

We submitted 22 successful applications for licences – 4 off island start-ups, 5 on-island start-ups, 8 Business Relocations and 5 Entrepreneur/Freelancers.

**DATA OPPORTUNITY**

Digital Jersey will evaluate whether Jersey has business development opportunity in positioning itself in the global market as a "data safe" location and consider whether any particular governance structures might facilitate growth in that sector. To be achieved by analysing the legal, regulatory and policy implications of this initiative, and whether a commercial case can be identified for local firms.

Go/No Go approach to positioning Jersey as a "data safe" haven for 2022 as part of Digital Jersey's ongoing work.

Workshop series conducted with working group that brought together industry, regulators and government for 6 workshops informed by expert speakers from UK and Europe.

Next steps are to publish the working group report and to initiate a pilot scheme to test some of the key structures and requirements.

**TECH ADOPTION**

Improve the productivity and international competitiveness of Jersey's businesses, by encouraging the digital transformation of local non-digital firms. This will accelerate the adoption of technologies and recruitment of digital skills. To be achieved by acting as a matchmaker between non-digital and digital companies and targeting support at sectors with low digital adoption.

30 businesses supported by Digital Jersey in their efforts to digitally transform through tech adoption and smart tech.

We ran webinars to an audience of 100+ attendees from the hospitality sector. Across the agricultural sector we have helped gain insights using both UAV and IoT technologies, giving the farmers information they have not previously had access to. We worked with Jersey Finance on their FinTech Demo Day and on a 'digital matchmaker' portal to make it easier for finance firms to procure solutions locally. We also launched our Smart Fields project.

## Industry

## ACTIVITY

## FINTECH

Raise Jersey's profile as supportive jurisdiction for attracting and growing fintech businesses. Help drive innovation and adoption of digital technology in the local financial services sector to become more competitive, efficient and reduce risk.

## METRIC / INDICATOR

Launch of the 'Jersey for Fintech' proposition, send a delegation to an off-island conference and implement the Fintech Roadmap with the Fintech Ambassador.

## PROGRESS EVIDENCE

We ran our first standalone Fintech conference since 2016 this year called the "Future of Finance". Our Fintech Ambassador Dave Birch has represented Digital Jersey at several events/forums including Finovate, a channel island Fintech conference, our local Fintech event and in blogs & articles. We launched the Jersey for Fintech brand in collaboration with Jersey Finance and Locate Jersey. The CEO spoke alongside FinTech Scotland and FinTech Wales at a session as part of London Fintech Week in July.

SECTOR-BY-SECTOR  
TECHNOLOGY ROADMAPS

Digital Jersey will apply for a significant bid to the Fiscal Stimulus. Fund to develop sector specific technology roadmaps. This will support the digital transformation of Jersey's core industries. We developed proposals for the Technology Accelerator Fund to address this objective in 2022.

Develop at least 2 Technology Roadmaps of Jersey's core industries, if funding is secured. Fully consider the advantages of implementing Productivity Improvement Grants.

Activity ceased. Unsuccessful in securing funding from Fiscal Stimulus.

We supported the development of proposals for the Technology Accelerator Fund which will address this objective in 2022.

## INVESTMENT COMMUNITY

Create introductions for digital businesses with the investor community, who could provide funding opportunities. To be achieved by delivering a web application that will support local start-ups raise funds by connecting investors with businesses and by running networking events etc.

5 companies to promote investment opportunities via the platform.

Following the launch of Springboard we have worked with all participating companies to increase their exposure in order to raise funds. However, as the selected platform removed key functionality at the end of the year, we have removed the rewards based crowdfunding opportunities. Rewards based opportunities were not attracting sufficient local interest.

## PUBLIC INCENTIVES

Encourage Government to introduce incentives for local investment.

Trial of one of the incentives, if successful in securing Government support.

Not successful in securing Government support for an incentive plan in 2021. However our discussions with Government around use of JT IoT sale dividend led to the inclusion of £20m 'Technology Accelerator Fund' within Government Plan.



## Industry

### ACTIVITY

#### JERSEY RESEARCH FOUNDATION

Support the operation and capitalisation of the JRF which has the aim of supporting a broad range of scientific research projects such as using digital technology for the advancement of health, agriculture, and education.

### METRIC / INDICATOR

Provide support to the Jersey Research Foundation, with a fundraising aim of £50,000 for 2021.

### PROGRESS EVIDENCE

Incorporated in 2021. Awaiting confirmation of charitable status by the Charities' Commissioner.

#### ACCESS TO FINANCIAL SERVICES

Work with the regulatory and industry, to improve access to banking and payments services for digital businesses in Jersey.

Ten engagements with key decision makers.

We have initiated conversations with Stripe to enable implementation in Jersey, although no progress has been achieved to date. We have also initiated discussions with the JFSC on access to companies' registry similar to UKs companies house which is a known barrier to accessing off island services. Jersey Finance is tasked with improving access to banking and this is documented as part of the Fintech Framework. We have been working successfully with Jersey Finance to enable Jersey banks to access UK Open Banking platforms.





## Infrastructure

## ACTIVITY

## SMART ISLAND

Digital Jersey will support businesses in prototyping new Smart Island products and innovations that utilise Internet of Things and other digital innovations. To achieve this, our DJX Technologist will liaise with public, private and community stakeholders to scope problem statements, identify technology solutions, and support in deployment of specialist IoT technologies that help deliver Sandbox Jersey.

## METRIC / INDICATOR

5 businesses supported by Digital Jersey in their efforts to digitally transform through tech adoption and smart tech.

## PROGRESS EVIDENCE

We have launched projects to use IoT and UAV technology, in particular in conjunction with the Smart Agriculture working group.

## DIGITAL TWIN

Make use of real-time and historic data to enable data-driven decision making. The digital twin enhances Jersey's Sandbox proposition by providing a virtual alongside the physical environment for testing; as well as accelerating open data which will unlock greater collaboration within Jersey's growing digital community. To achieve this, we will continue to populate the island's digital twin, a virtual replica of Jersey, overlaid with interactive maps and visual representations.

Populate the Digital Twin with a minimum of 2 new datasets.

Obtaining data for the digital twin to create a full traffic model for St Helier has been one of the goals for 2021. While not yet complete we have obtained a significant amount of data including traffic, cycle and bus data. A cycling data project is being developed for launch in 2022.

## REPUTATION BUILDING

Drive interest in and awareness of Jersey internationally to support the diversification of the Island's economy. To be achieved by working with partnerships across industry and Government to deliver a unique brand narrative, promoted through digital marketing campaigns and submissions to international rankings, awards and accolades.

Submit an entry to international rankings, awards and accolades.

We won a bronze award at CityWealth awards for best digital marketing category. We also won a Global Brand award for "Most Innovative Digital Growth Facilitator - United Kingdom, 2021". We developed relationships with UK Universities and other organisations and supported Government in meetings with various UK Ministers to inform them about Jersey's digital sector.

## AMBASSADORS

Improve connections with Jersey's overseas population to raise the island's international profile, generate relocation leads and to create collaboration opportunities for local businesses. To be achieved by expanding the network of Digital Jersey Ambassadors and by enhancing communication with and between them.

Work with the Ambassadors to ensure they are equipped to represent Jersey at off-island events and meetings.

Our total number of Ambassadors is 45. Specific workstreams with Ambassadors were constrained in 2021 by COVID restrictions on travel and events. Further engagement is planned in 2022.

# Infrastructure

## ACTIVITY

### INTERNATIONAL PARTNERSHIPS

Create opportunities that expose local businesses to globally innovative ideas, technology and partners, to accelerate the adoption of advanced technologies (AI, Digital Twin etc.). To be achieved by brokering partnerships with top innovators including universities and technology research centres.

## METRIC / INDICATOR

Deliver on the objectives outlined in existing international MoU's with the New Jersey Big Data Alliance (NJBDA) and Bahrain.

## PROGRESS EVIDENCE

This area has been restricted due to Covid, but we have had good discussions with both Exeter and Southampton universities along with CYPES. We continue work with our Norwegian partner re our Digital Twin, and the Data Stewardship project has led to us working with organisations in UK and Brussels. We also still work closely with the External Relations team in Government and have kept up our links with Estonia.

### INFRASTRUCTURE & INSTITUTIONS REVIEW

Safeguard future prosperity by investing in cross-cutting infrastructure and institutions needed to underpin a sophisticated and resilient tech eco-system. To be achieved by exploring gaps in Jersey's existing infrastructure and institutional, identifying a clear narrative, rational and action plan to address gaps.

Publish and promote an Infrastructure & Institutions Review; with the intention to implement the recommendations in 2022.

Preliminary work done to try and benchmark Jersey against various business competitiveness indices. This work has changed into a digital sector analysis which is being taken forward in 2022.

We set up a Telecoms group, chaired by Digital Jersey to address industry wide issues such as security, 5G and Chinese vendors.

### HUB, DJ OFFICES & DJX

Continue to foster a vibrant and collaborative tech community to help accelerate the growth of Digital Jersey Hub residents. To do this, we will maintain high levels of occupancy and activity at Digital Jersey's Hub and Offices.

70% occupancy of co-working spaces.

In 2021 we adapted to host both virtual and physical events and meetings and managing our spaces more actively. While COVID prevented the attainment of the target in the first half of the year, occupancy was typically significantly higher than target in the final quarter of the year as restrictions lifted. Also in 2021 we were successful in attaining high occupancy of the permanent offices and increasing use of the permanent desks.

# People

## ACTIVITY

### DIGITAL JERSEY ACADEMY

To retrain, upskill and support in the redeployment of Jersey's school leavers and existing workforce, the Digital Jersey Academy will continue in its role as the island's hub for digital learning. To achieve this, the Academy will host events, courses, and community gatherings.

## METRIC / INDICATOR

Support a digitally-savvy workforce by training at least 100 students and 300 attendees at 15 courses/ events at the Digital Jersey Academy. 70% occupation of rooms during the semester periods.

## PROGRESS EVIDENCE

The Fiscal Stimulus courses have training 536 students in 43 Courses.

Digital Jersey has also run 6 events with 351 attendees as well as 334 students on other digital short courses. Fiscal Stimulus extension approved for 430 more spaces from January – March 2022.

We commissioned University of Exeter Business School to refresh our Digital Skills Strategy.

### DIGITAL SKILLS IN SCHOOLS

There are ever changing demands on students to learn the latest digital skills, meaning that curriculums regularly fall behind labour market needs. For this reason, we will support CYPES with guidance, evidence, and tools to support students to learn digital skills. To achieve this, Digital Jersey will work with industry, educators, and experts to deliver a roadmap for a future digital competencies and computing framework/ curriculum.

None.

Working with Skills Jersey on Digital Curriculum review and formulated a teacher digital skills training programme which will be delivered in 2022.

We supported CYPES to develop the tender documents for a review of digital learning in schools.

### TECHNOLOGY PACT

Encourage private sector investment into workforce skills, retraining and redeployment to help prepare the island for the impact of technology on employment. To deliver this, Digital Jersey will work with the Digital Skills Partnership to agree and launch a Technology Pact, committing partners to make a concerted effort to improve alignment between education and the technology job market. We were asked to incorporate our work within JEG.

Have a minimum of 5 companies as signatories to the Technology Pact.

This was not completed in 2021, however we are working with Jersey Employment Group to formulate digital solutions to cross sector skills gaps. This is envisaged to develop to form a technology pact between businesses.

### ONLINE LEARNING

Enhance the Academy's online learning offer and explore what immersive or virtual classrooms technology is needed to seamlessly allow students to connect and collaborate where every they are.

Go / No Go approach to Academy online learning growth.

Several virtual training events for teachers as well as a permanent online training section on our website.

Support on delivery of Jersey Postbox challenge both virtual and physical.

# People

## ACTIVITY

### ADVANCED SKILLS

We will work with members to help them develop new businesses, and create new highly skilled jobs. Digital Jersey will continue to train people for these roles to ensure demand can be met locally. However, when advanced skills cannot be found in Jersey, we will work with firms to help find and bring over skills from elsewhere. We will promote Jersey as a good place to live, assist companies with Work Permissions, and help the employee feel settled in Jersey through the Hub community.

## METRIC / INDICATOR

28 working permissions granted.

## PROGRESS EVIDENCE

28 working permissions granted.

### IMPROVED MIGRATION RULES

Generate new economic activity and increased tech capabilities by continually encouraging government to adopt tech-talent friendly migration rules for start-ups; entrepreneurs; digital freelancers; and employees.

Work with the Immigration Department to encourage the creation of tech specific work permit and visa routes.

Responded to the Government's planned Common Population Policy consultation, in support of the Digital Sector.

MoU with the Population Office amended to support the relocation of digital freelancers and digital remote workers.

### SUPPORTING MEMBERS

Over the last few years Digital Jersey has supported many existing and start-up businesses on their route to success. This will continue in 2021 by getting businesses involved in our work through joining as members. Getting more businesses ready to recruit more staff, running networking events, and promoting our co-working spaces. We will also conduct a survey of members to understand how Digital Jersey can better serve them.

Grow Membership by 30%.

Number of member businesses grew by 22% overall, with strong growth in the small business membership sector

### MENTORING

Create opportunities for students and entrepreneurs to access free, impartial, and tailored advice from trusted and experienced digital/business experts. Through these relationships, students and start-ups will be guided through their journey – improving the livelihood of success. To be achieved by continuing the Digital Jersey mentorship scheme and connecting members with experienced digital business leaders.

Connect 5 mentors with mentees via the scheme

We have a total of 23 mentors and 28 mentees signed up. One new mentor and one new mentee joined the programme in 2021 which was below the target set. This will be an area of focus for 2022 to review and boost the programme.

# People

## ACTIVITY

### COMMUNITY EVENTS

Create opportunities for the tech savvy community to network and collaborate, to encourage the next generation of ideas and businesses that will drive the sectors growth. To be achieved by running networking events, competitive challenges, alumni meet-ups, round tables and more etc. This could include a re-run of our Covid-Community Challenge, repositioned as a Business Challenge.

## METRIC / INDICATOR

Hold 6 events, attracting 500 attendees in total (virtual or physical).

## PROGRESS EVIDENCE

During various virtual (and 2 physical) events, particularly the newly launched TechTalk series, we secured over 1000 registrations for events throughout 2021.

### TECHAWARDS

Celebrate the very best of Jersey's digital talent, creativity, and entrepreneurship by launching the TechAwards 2021. The ceremony is an opportunity to recognise the sector and tech community for their achievements, raising the sectors profile locally and internationally.

Successfully run the TechAwards, attracting over 100 submissions and 300 virtual/physical attendees.

103 submissions received across 13 categories. Virtual event hosted in January 2021.





## Government

## ACTIVITY

## FISCAL STIMULUS FUND

Digital Jersey will submit proposals to the FSF, to fund initiatives to help and grow the digital sector.

## METRIC / INDICATOR

Funding approval from the FSF, and successful implementation of proposal, against agreed criteria.

## PROGRESS EVIDENCE

Three applications to the Fiscal Stimulus Fund were submitted. One was approved for Skills training in conjunction with Highlands. See above for delivery statistics.

## TECHNOLOGY AT CORE

Digital Jersey will work with Government to make sure that technology is at the heart of key strategic proposals, such as sustainable transport, retail strategy, and carbon neutrality.

Work collaboratively with Government and other parties.

Digital Jersey seconded a member of the team as technical advisor to the Climate Change Citizens Panel. In addition we have continued to liaise closely with the Sustainable Transport team in Government and have developed our Data trust pilot to support gathering data to enhance sustainable transport services.

## FORESIGHT CAPABILITY

To prepare for the long-term implications of social-technical developments by systematically horizon scanning for emerging issues and responding accordingly. To be achieved by supporting the development of the Government of Jersey's foresight capability, as a member of the project team and by acting as the interface with local businesses and digital stakeholders.

Support and deliver the Government's Foresight Capability roadmap; with the intention to implement the recommendations in 2022.

MOU signed with government's Strategic Policy, Planning and Performance directorate to collaborate on Foresight capability. Activity which has taken place under this includes the Mobility as a Service feasibility/review as part of the Sustainable Transport workstream and acting as 'Tech Lead' for the Carbon Neutral Assembly expert panel.

## STATISTICS ON THE DIGITAL ECONOMY

Establish benchmarks to record the growth and changes in the digital economy. To be achieved by working with the Statistics Unit or other bodies.

Development of appropriate benchmarks.

We continue to advocate for digital sector specific indicators to be included in economic statistics. Benchmarks on digital skills have been developed, and we continue to encourage development of other economic measures.

## Government

## ACTIVITY

## PUBLIC PROCUREMENT

Support and inform Government policies on local procurement, encouraging the use of local digital suppliers as a preference.

## METRIC / INDICATOR

Workshops coordinated between Industry and Government to promote local digital business.

## PROGRESS EVIDENCE

We have continued to raise this issue with Ministers at our Partnership Meetings and continue to get support for this issue at a political level. However no workshops were run in 2021. This remains on the agenda for 2022.

## DIGITAL HEALTH

In conjunction with the new Digital Health Team within Government, Digital Jersey will help to implement the Digital Health and Care strategy by acting as a facilitator between public and private sector.

Number of engagements with the Health Department & industry.

Although we made little progress on this in 2021, towards the end of the year we revisited our Digital Health Strategy (launched 5 years ago but not implemented by Government). We are seeking ways to take this work forward with Government in 2022.

## DATA STRATEGY TO UNLOCK ARTIFICIAL INTELLIGENCE

Develop a data strategy to ensure Jersey has a proactive approach to data, which is essential for businesses to benefit from AI tools. This will cover topics such as: data foundations, data skills, data availability, Smart Island, government Open-by-Default, Digital Ethics Council i.e., principals of Fairness, Accountability, Trustworthiness and Ethicalness (FATE).

Publish and promote the Data Strategy to Unlock AI.

The draft Data Manifesto has been circulated to stakeholders and we will now seek expertise/ advice from key off-island players including the Open Data Institute.

## SUPPORT GOVERNMENT POLICY DEVELOPMENT

Drive the formation of a government committee/ working group whose remit is to constantly review existing regulations and identifying opportunities to supporting digital adoption/innovation. This should include the adoption of 'digital first' legislation.

None.

We have continued to work with Government in several finance and data areas to support legislative and regulatory development.

## FINANCIAL PERFORMANCE

The company's activities are primarily funded by a core grant from the Government of Jersey. The 2021 core grant was £2,025,000 (2020: £1,725,000).

Total income was 15% higher than budgeted (18% higher than 2020) and expenditure was 8% higher than budgeted (17% higher than 2020). For 2021, an additional £375,000 of grant funding was provided through the Fiscal Stimulus programme for the provision of a range of free short courses and this was fully spent on commissioning courses in 2021.

Membership income increased by over 14% in 2021 to £162,500. Although COVID restrictions remained in place for significant portions of the year, the introduction of a membership

and stakeholder team improved both engagement with existing members and attraction of new members.

Expenditure for 2021 was in line with expectations. Additional expenditure related to course costs funded by the fiscal stimulus grant. A significant proportion of costs for the organisation are fixed (rental and salary costs). There was an underspend of £258,000 (as shown overleaf) which primarily related to areas impacted by COVID-19 restrictions (travel, events etc) as well as a small underspend relating to role vacancies.

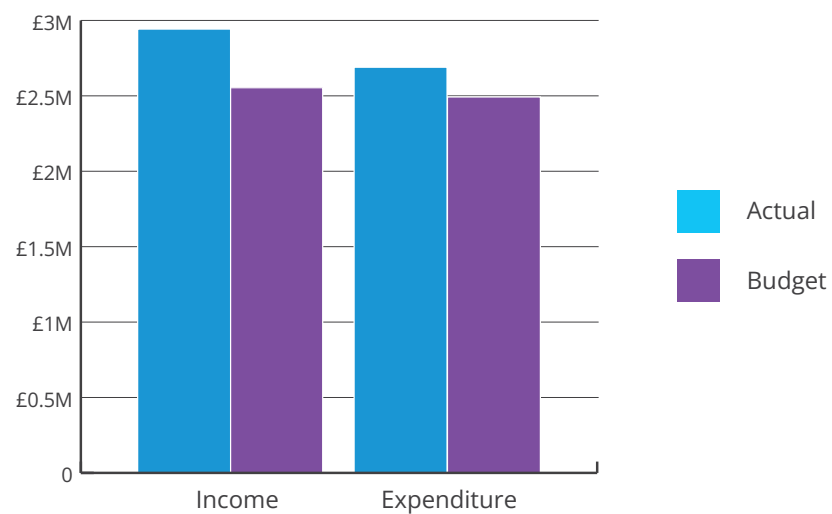
Furthermore a number of new initiatives were launched in the second half of 2021, which were not complete at year end.

In particular the smart island project, data stewardship project and digital matchmaking tool project were all ongoing at the year end and therefore allocated budgets are carried forward for completion into 2022.

**SUMMARY OF PERFORMANCE AGAINST BUDGET**

	<b>ACTUAL £'000</b>	<b>BUDGET £'000</b>	<b>VARIANCE £'000</b>
Government grant core	2,025	2,025	0
Fiscal stimulus funding	375	0	375
CYPES funding for the Digital Jersey Academy	366	366	0
Other income (predominantly membership income)	176	163	13
Staff and Board costs	(1,211)	(1,217)	6
Other expenditure	(1,098)	(1,276)	178
Fiscal Stimulus courses	(375)	0	(375)
<b>NET OPERATING SURPLUS BEFORE DEPRECIATION*</b>	<b>258</b>	<b>61</b>	<b>197</b>

\*Results are shown before depreciation and exclude the facilities grant which was received and spent in 2019 but is being recognised over the useful life of the facilities improvements

**ACTUAL V BUDGET TO 31 DECEMBER 2021**

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
<b>Frank Walker OBE*</b> Non-Executive Director and Chair of the Board / member of R&N	01/07/2017
<b>Gailina Liew</b> Non-Executive Board Director / Chair of R&N / member of A&R and Senior Independent Director	01/01/2016
<b>Aaron Chatterley*</b> Non-Executive Board Director / Member of A&R/ Member of R&N	01/01/2016
<b>Tom Hacquoil</b> Non-Executive Board Director/ Member of R&N	01/07/2020
<b>Dame Wendy Hall</b> Non-Executive Board Director	01/07/2020
<b>Robert Kirkby</b> Non-Executive Board Director / Chair of A&R	01/07/2020
<b>Tony Moretta</b> Chief Executive Officer and Director	07/09/2015

\*The terms of office for Frank Walker and Aaron Chatterley were considered by the Board during the year on the recommendation of the R&N Committee. And were extended to 30 June 2023 and 31 December 2022 respectively.

There were 4 Board meetings, 3 R&N meetings and 3 A&R meetings during 2021. All Board members attended all applicable meetings during the year, except that Dame Wendy Hall gave her apologies for the October board meeting (attended 3 out of 4).

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.

In the year the Board also conducted a Board skills assessment which demonstrated that the Board as a whole has a diversity of skills and experience.

All Board members are asked to declare any potential conflicts of interest or new business activities at the start of each Board meeting and the Board agree collectively whether any matters create actual conflicts. A register of interests is maintained and all new activities are recorded therein.



**KEY ACTIVITIES OF THE SUB-COMMITTEES IN 2021****R&N Committee**

- Adoption of new Terms of Reference modelled on the ICSA example terms
- Review of employee benefits, working arrangements and remuneration, including an informal benchmarking exercise
- Board skills assessment and gap analysis
- Commissioning of an exit interview report to ensure learning and identify any themes
- Review and recommendation of CEO remuneration and bonus
- Consideration of board rotation and succession

**A&R Committee**

- Adoption of new Terms of Reference modelled on the ICSA & FRC example terms
- Review of 2020 financial statements for recommendation to the Board
- Oversight of the annual audit process and meetings with the external auditor
- Completion of Jersey Office of the Information Commissioner NED checklist
- Review of key Data Protection policies for recommendation to the Board
- Review and update of Risk Register (ongoing)

**KEY BOARD DECISIONS IN 2021**

- 1) Approval of budget for 2021
- 2) Approval of 2020 audited accounts
- 3) Approval of new project activity – including allocation of resources to the Data Stewardship and Smart Island projects
- 4) Approval of 2022 budget and Operational Plan
- 5) Adoption of new Terms of Reference for the sub-committees
- 6) Adoption of updated suite of Data Protection policies
- 7) Appointment of a new Company Secretary (appointed 11 March 2021)

The Board relies on data produced by the Leadership team on a quarterly basis. The data used by the Board in 2021 included a new suite of Board reports introduced in Q2 following a review by the COO.

- Quarterly performance reports provide financial, performance and risk data. This is compiled from the financial system, the CRM system and other operational records managed by the team
- The Board update report sets out a quarterly update on business activity and operational matters and identifies matters for the Board to approve.

**CEO RESPONSIBILITIES**

The CEO has overall responsibility for leading the delivery of the organisation's strategy and for setting and overseeing the objectives of the team. The CEO also represents Digital Jersey in the media, with Government and industry and acts as ambassador on behalf of the company on the international stage.

Operationally the CEO is supported by the COO and five Heads of Department who together comprise the organisation's leadership team.



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

There were no incidents of significant lapses of security or data losses in the year.

## REMUNERATION AND STAFF REPORT

### REMUNERATION OF DIRECTORS

#### POLICY

Non-Executive Director fees are agreed in advance and are not variable during the course of the year. Reasonable expenses (travel etc) are also reimbursed. All NEDs are paid the same (currently £15,000) except the Chairperson (£25,000). The fees were reviewed in 2020 and increased part way through that year. There was no increase in 2021. Fees are reviewed by the R&N Committee and approved by the Board.

Details on the remuneration received by each Director is shown in note 5 of the financial statements on page 34 and is therefore not repeated here.

The company pension scheme arrangements are available to Executive Directors on the same basis as for other employees. Pension contributions are not available to non-Executive Directors.

### STAFF REPORT

The Board has decided it is not appropriate to disclose detailed information on the range and levels of staff remuneration. Given the team is small (13 employees at year end) (5 men and 8 women) and each role is unique within the team, such disclosures would enable individual colleagues to be identified.

The organisation has a diversity policy which is rigorously applied during recruitment and ongoing employment. Where individuals have needed adaptations to working environment or practices to enable them to work effectively, this has been implemented. Further details on how this has been applied cannot be provided in this report as they would risk identifying individuals within the small team.

A focus in 2021 was a full review of the employee value proposition, considering remuneration, benefits and working arrangements. This was conducted in consultation with employees and resulted in the following key changes:

- Change of working hours to enable more flexibility for employees
- Clarification of sickness arrangements including standardisation of policy for sick pay
- Review of pay levels, benchmarked where appropriate, and adjustments to pay where material divergences were identified
- Review and revision of employee benefits
- Full review of the handbook and revision to ensure compliance with current law and best practice

As well as ongoing informal discussions with staff as policies and benefit proposals were developed, it was identified that new contracts would be required and the handbook would require formal consultation. This had been scheduled for November and December 2021, but due to absences and workload it was deferred to 2022. This has now been completed post year end.

In addition to direct employment contracts a range of contract / consultancy staff were engaged during 2021. These included:

- Accounting services
- HR consultancy services (new for 2021)
- Data Protection Management
- IT managed services (new for 2021)
- FinTech Expert consultancy (new for 2021)

The total expenditure on these consultancy and contract services was £43,460 in 2021. These contracted services have been engaged based on a cost-benefit analysis, where outsourced services are better value for money than employment of staff directly. This is generally due to the specialist nature of the services provided, which are only required on a part-time basis.

During the year 5 new appointments were made to new and existing roles, and 5 employees resigned. Exit interviews were conducted with all those that resigned from which there were no adverse findings.

There were no off-payroll arrangements, and no exit packages were agreed in the year.

## CLIMATE REPORTING

The Board is aware of the developing requirement to report on carbon emissions and climate change. The company already has travel policies in place to minimise emissions, including prioritising air travel on carriers with lower emissions. The Board is planning to further review Scope 1 emissions which are largely associated with travel and power usage. In due course the Board will consider extending the review.

The organisation is actively engaged in government climate change and sustainability initiatives. Given the size and purpose of Digital Jersey a detailed set of disclosures is not deemed appropriate at this stage. However, the Board actively seeks to engage with and support the climate-change response. In 2021 in particular this included:

- Acting as technical expert for the Citizens' Assembly on climate change
- Supporting local housing providers with projects to improve efficiency
- Engaging with and supporting the sustainable transport team and local private sector initiatives, including Evie
- Developing proposals for a data stewardship pilot scheme that will capture data to support sustainable transport
- Including a Sustainability Award in the 2021 TechAwards to draw attention to digital incentives





## DIRECTORS' REPORT

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The Directors present their report and the audited financial statements for year ended 31 December 2021.

### **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 2021, 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 2021 and a new 5-year strategic plan was published in February 2021.

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

The Directors do not recommend the payment of a dividend for the year (2020: £nil).

It is proposed that the surplus of £227,000 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.

## SECRETARY

Amy Taylor

 04 05 22

## AUDITOR

Alex Picot Chartered Accountants have indicated their willingness to continue in office. However as part of good governance the audit contract will be tendered in 2022.



1st Floor, The Le Gallais Building  
6 Minden Place  
St Helier, Jersey. JE2 4WQ

## 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 2021 which comprise the Statement of Income and Retained Earnings, 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 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 2021 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.

### 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 26 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.



1st Floor, The Le Gallais Building  
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St Helier, Jersey. JE2 4WQ

## 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 Data Protection regulation, 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.

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/auditors-responsibilities](http://www.frc.org.uk/auditors-responsibilities). 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.

2021  
Donald Connolly  
for and on behalf of  
Alex Picot Chartered Accountants

4 May 2022

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2021

	NOTE	2021 (£'000)	2020 (£'000)
<b>INCOME</b>			
Government partnership grants	3	2,619	2,477
Fiscal Stimulus Funding		375	–
Other income		176	250
		<b>3,170</b>	<b>2,727</b>
<b>EXPENDITURE</b>			
Salaries and emoluments	4	1,103	1,058
Non-executive board fees	5	100	65
Non-executive board expenses		8	2
Premises and maintenance		323	233
Courses and training costs		567	374
Business operating expenditure		553	560
Depreciation and loss on disposal of fixed assets	7	289	275
		<b>2,943</b>	<b>2,567</b>
<b>RETAINED SURPLUS FOR THE YEAR</b>		<b>227</b>	<b>160</b>
Reserves brought forward		349	189
<b>RESERVES CARRIED FORWARD</b>		<b>576</b>	<b>349</b>

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 2021**

	NOTE	2021 (£'000)	2020 (£'000)
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	605	861
<b>CURRENT ASSETS</b>			
Debtors and prepayments	8	208	127
Cash at bank and in hand		704	481
		<b>912</b>	<b>608</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	(653)	(604)
<b>NET CURRENT ASSETS</b>		<b>259</b>	<b>4</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>864</b>	<b>865</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year			
Deferred Income	10	(288)	(516)
		<b>576</b>	<b>349</b>
<b>CAPITAL AND RESERVES</b>			
Reserves	12	576	349
		<b>576</b>	<b>349</b>

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 04 May 2022, who confirmed that they had made available all relevant records and information, and signed on its behalf by:

Chair 



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2. ACCOUNTING POLICIES (CONTINUED)

#### 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.

#### 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% (2020: 0%).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 3. GOVERNMENT OF JERSEY FUNDING

	2021 (£'000)	2020 (£'000)
Government of Jersey core grant	2,025	1,725
CYPES funding for the Digital Jersey Academy	366	524
Facilities development grant	228	228
	<b>2,619</b>	<b>2,477</b>

In addition to the core grant and Academy funding, in 2019 Digital Jersey received a facilities development grant.

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

### 4. SALARIES AND EMOLUMENTS

	2021 (£'000)	2020 (£'000)
Salaries	914	846
Contract and consultancy staff	44	75
Social Security	51	48
Pension and other benefits	94	89
	<b>1,103</b>	<b>1,058</b>

The average number of staff employed by Digital Jersey Limited (excluding Non-Executive Directors) during the year was 16 (2020: 14).

The company operates a defined contribution pension scheme on behalf of employees which they can opt in to 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.

In 2021 the company introduced additional benefits schemes for employees as part of an overall review \ of remuneration packages.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5. DIRECTORS' REMUNERATION

	<b>BASIC SALARY £'000</b>	<b>PERFORMANCE- RELATED PAYMENT £'000</b>	<b>PENSIONS CONTRIBUTIONS £'000</b> (see note below)	<b>2021 TOTALS £'000</b>	<b>2020 TOTALS £'000</b>
Non-Executive Directors	100	-	-	100	65
Executive Director	196	20	20	236	240

Non-Executive remuneration for 2021 is approved at £25,000 per annum for the Chair 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6. DIGITAL JERSEY ACADEMY INCOME AND EXPENSES

	2021 (£'000)	2020 (£'000)
<b>INCOME</b>		
CYPES funding for the Digital Jersey Academy (see note 3)	366	524
Fiscal Stimulus funding – skills training	375	–
<b>Total income</b>	<b>741</b>	<b>524</b>
<b>EXPENDITURE</b>		
Digital Jersey direct expenses	221	135
Fiscal stimulus course costs	375	–
Service provider support	209	317
<b>Total expenditure</b>	<b>785</b>	<b>452</b>
Net position	(44)	72

Direct expenses and service provider support costs are shown as part of overall expenditure in the Statement of Income and Retained Earnings, allocated to the appropriate expense line. Here the costs are analysed separately to show expenditure against the separate funding agreement with CYPES.

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 2021 the Government of Jersey awarded fiscal stimulus funding to a joint bid from Highlands and Digital Jersey to deliver a range of skills courses. The funding for Digital Jersey enabled 536 places to be provided on 43 courses. The programme was extended into the first quarter of 2022.

The funds carried forward from 2020 were used to fund the operational deficit in 2021 and to enable the retention of a small cashflow reserve for the operations of the Academy.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7. TANGIBLE FIXED ASSETS

	LEASEHOLD IMPROVEMENTS (£'000)	COMPUTER EQUIPMENT (£'000)	OFFICE EQUIPMENT (£'000)	TOTAL (£'000)
<b>COST</b>				
At 1 January 2021	972	135	148	1,255
Additions	14	19	-	33
Disposals	-	(10)	(20)	(29)
At 31 December 2021	<b>986</b>	<b>144</b>	<b>128</b>	<b>1,258</b>
<b>DEPRECIATION</b>				
At 1 January 2021	265	62	66	393
Charge for the year	187	45	57	289
Disposals	-	(10)	(20)	(29)
At 31 December 2021	<b>452</b>	<b>97</b>	<b>103</b>	<b>653</b>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<b>534</b>	<b>47</b>	<b>40</b>	<b>605</b>
At 31 December 2020	706	73	82	861



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8. DEBTORS AND PREPAYMENTS

	2021 (£'000)	2020 (£'000)
Trade debtors	126	56
Prepayments	61	57
Other debtors	18	14
	<b>208</b>	<b>127</b>

### 9. CREDITORS

Amounts falling due within one year

	2021 (£'000)	2020 (£'000)
Sundry creditors	338	255
Lease incentive	87	121
Deferred Income (see explanation in Note 10)	228	228
	<b>653</b>	<b>604</b>

### 10. CREDITORS

Amounts falling due after one year

	2021 (£'000)	2020 (£'000)
Facilities development grant from Government of Jersey	<b>288</b>	<b>516</b>

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 as deferred income.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

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

	LESS THAN 1 YEAR (£ £'000)	BETWEEN 2 & 5 YEARS (£ £'000)	GREATER THAN 5 YEARS (£ £'000)
<b>PREMISES</b>			
Forum 3, Grenville Street	83	136	–
Forum 4, Grenville Street	84	136	–
	<b>167</b>	<b>272</b>	<b>–</b>

### 12. CALLED UP SHARE CAPITAL

	2021 (£)	2020 (£)
<b>AUTHORISED</b>		
Ordinary shares of £1 each	10,000	10,000
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
Ordinary shares of £1 each	£3	£3

### 13. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year that require disclosure (2020: £nil).

### 14. POST BALANCE SHEET EVENTS

There were no post balance sheet events that require adjustment or disclosure. The impact of COVID-19 restrictions on the organisation have continued into 2022 but there is limited impact on the financial position of the company. The recent declaration of war in Ukraine has had no material impact on the finances or operations of Digital Jersey.

### 15. 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:

Tim Bullock

Paul Masterton

Ray Parker

