

LETTER TO ACCOMPANY ANNUAL REPORT AND ACCOUNTS 2019

I am delighted to report that the Government's accounts were issued to the Government's external auditors (Deloitte) on the 31 January 2020 and have now been audited with the opinion being signed on the 17 March 2020. The Comptroller and Auditor General has also confirmed that the audit has been completed and there are no matters she wishes to draw to the attention of the States Assembly. No material errors were identified during the audit which is very positive news given there were substantial changes to the process and a faster timetable than in previous years. This achievement is something the Government can be proud of during a year of significant change and uncertainty.

The auditors also confirmed that the consolidated financial statements of the States of Jersey, including its subsidiaries (the 'group'), give a true and fair view of the state of the group's net revenue expenditure for the year then ended; that they had been properly prepared in accordance with the States of Jersey Financial Reporting Manual and in accordance with the requirements of the Public Finances (Jersey) Law 2019.

The key figures show Group revenue of £1.3 billion (up 4 per cent from 2018); Net General Revenue Income of £810 million (also up 4% from 2018) and Group expenditure of £1.3 billion (up 5% from 2018). Departmental net expenditure excluding depreciation was £782 million (up 3% from 2018). The reported overall group surplus was £368 million compared to a £65 million deficit in 2018.

The Group balance sheet remains strong with £7.6 billion net assets (up 6% from 2018) as at 31 December 2020. Across the States of Jersey group a total of £162.1 million was spent on capital projects in 2019 on a range of important projects including Les Quennevais School, the sewage treatment works, roads, drainage and sea defence infrastructure projects and investment by Andium Homes on affordable homes sites such as Samares Nurseries, Le Squez and Ann Court. Strong investment performance in 2019 also further strengthened the balances of the key funds held across the States.

Whilst I am pleased to receive the audit opinion from the auditors and the Comptroller and Auditor General we cannot ignore the fact that a great deal has changed in a very short time since then. We are facing the most significant challenge since the Occupation with the Corona Virus pandemic affecting the life of every Islander and the world around us. Many of the changes we are facing will significantly impact our short, medium and long term financial stability. The Annual Report and Accounts show that we have a strong base on which to build.

I do not, however, underestimate the challenges we are encountering and as an island we will need to take some difficult decisions in order to maintain our long term future prosperity.