

# **Jersey Charity Commissioner Annual Report for 2022**

Jersey Charity Commissioner's Annual Report for 2022,  
Provided to the Minister for it to be laid before the States  
pursuant to Schedule 1 of the Charities (Jersey) Law 2014.  
This report is available at [www.charitycommissioner.je](http://www.charitycommissioner.je)



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*protecting public trust and confidence  
in registered charities.....*

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## **1. 2022 Highlights (at 31 December 2022)**

- 457 charities on the register (2021: 443). 411 of those (90%) registered in the general section with the remaining 46 (10%) registered in the restricted section (26, 6%) and historic section (20, 4%) of the register (2021: 23 restricted, 6 historic)
- 14 charities newly registered during the year (2021: 22)
- 400 annual returns filed and validated during the year (2021: 426)
- since inception in 2018, 66 applications for registration withdrawn without formal determination, 6 of those during 2022
- 14 deregistrations in 2022 (2021: 6)
- no negative determinations of applications for registration, and no appeals to the Charity Tribunal, in 2022 (2018-2021: 0)
- total assets of Jersey registered charities estimated to be of the order of £2 billion (2021: £660 million). This excludes 'hard to value' immoveables such as public buildings, artworks or museum pieces
- median assets of registered charities (liquid funds, investments and valued assets) about £54,000, and average assets around £4.4 million (2021: median £61,000, average £1.5 million)
- current spending of registered charities in 2022 estimated to be around £179 million (2021: £204 million). This includes spending by charities which give to other charities
- median current spending of registered charities was about £31,000 and the average £390,000 (2021: median £35,000, average £460,000)
- annual running cost of the Charity Commissioner's office (including maintaining the Register) £0.178 million (2021: £0.2 million), financed from the Jersey Reclaim Fund established under the Dormant Bank Accounts Law 2017. One member of staff in post throughout the year with a second post being vacant for part of the year, plus the (part time) Commissioner (2021: 2 members of staff plus Commissioner)

## **2. Report by the Charity Commissioner**



1. Under the Charities (Jersey) Law 2014 (“the Law”), I am required to publish an annual report on my work as Commissioner, and provide the Minister with a copy of it within four months of the end of the year to which it relates. It is then her or his duty to lay the report before the States as soon as practicable after having received it. The Minister may give me directions as to the content and form of my annual report, but has not done so. I have, however, sought to take account of guidelines for statutory annual reports issued by the Comptroller & Auditor General.
2. It is now approaching five years since the Law came fully into force and applications for registration were first sought and began to be received. The majority of these were received in 2018 from entities that had previously regarded or styled themselves as charities (and had equally been so regarded by the Tax Department) but which, pursuant to the Law, were now required to apply to me for registration. Almost all these were determined favourably by the end of 2020, some cases proving a little harder than others to resolve satisfactorily. The flow of new applications for registration has since then been rather more slow. There were 14 new registrations in 2022. An entity’s successful registration permits it to be known as a Jersey registered charity. (It is unlawful for an unregistered entity to intitule itself a ‘charity’.)
3. There are now over 450 Jersey registered charities whose essential information, save for a small number registered in the restricted section of the register, may be viewed at will by citizens of Jersey or, indeed, of anywhere in the world. That information includes registered public benefit statements and (for public register entries) annual narratives, which set out how a charity intends to deliver public benefit in furtherance of its objects and how it has gone about doing that in the preceding year. It was a key objective of the legislators in 2014 to seek to increase transparency in and about the country’s charity sector and this now has, to a considerable degree, been met, although the prospect remains, subject to legislation, of widening the information available on the register to include, for example, annual accounts.
4. The level of transparency already achieved, however, represents a fair outcome for public policy. This fruition, moreover, has come to pass without, I believe, an onerous regulatory approach and free, as far as I can reasonably discern, from the burthens for small entities that some commentators in 2014 and before were concerned might be

likely to arise. I have a duty to act proportionately, which I certainly seek to aim to do in the case of small entities (although they must, equally with all others, meet the charity test). At least, any burden imposed by the requirements of applying for, and sustaining, registration are, it seems self-evident to me (although I suppose I would say that), outweighed by the reputational and fiscal advantages of registration as well as the benefit to the public at large from the availability of much better information about the charities they may choose to support and from which they may seek or receive benefit. Charities also benefit from knowing, and being able to say, that they meet the charity test and are subject to the scheme of the Law, in a manner that has been verified by an independent person and kept under review by the same, an obtention which, in previous times, was perhaps quite often just taken for granted without particular enquiry or necessarily proper evidence.

5. It is, I think, also worth observing in passing that the status of ‘Jersey registered charity’ seems to be able to emerge as a badge or hallmark worth seeking out for the safe and satisfactory pursuit of charitable purposes at an international, even global level, managed and overseen at St Helier. I do not have a specific duty to pursue the economic interests of Jersey, and meeting the charity test is what matters in each and every case, but where those coincide, and can be sustained by effectual regulation both on my part and others’, there is, for sure it seems to me, economic and reputational benefit to be had.
6. It was also an objective a decade ago when the then draft Law was in preparation for policy-makers and citizens alike to be able to cognise the form and scale of the charity sector in Jersey much better than up to then had generally been the case, or even possible. That was a main case for requiring applications for registration from all ‘existing’ entities, large or small, so that we could all get to know. We do now know, at least as far as registered charities are concerned, although it is lacunal that ‘charitable trusts’ made under the Trusts Law remain, by and large, esoteric and unilluminated, and perhaps not always exclusively ‘charitable’ in the way the ordinary person in the street might understand that term. It is my intention during the next one or two periods to develop recommendations for the Minister on this. It is quite possibly not an entirely straightforward matter, but it deserves the careful regard of policy-makers.
7. Broadly, however, as this report serves, I hope, to indicate, it can be perceived that civil society in Jersey, even measured only by reference to registered charities, is manifestly a significant and vibrant sector of the economy in its own right, one which, however, unfortunately seems to have remained somewhat untouched by official statistics. It would be of interest, and one might imagine not of unimportance, to see the impact on measured GVA were the normally unpaid labour of charity governors and volunteers in some overt way to be brought within the scope of the national accounts. There are, we think, about 1700 or so charity governors in the country, which is a goodly several percentage points of the ‘working age’ and ‘retired’ age cohorts. That is not to mention the labour of volunteers, whose broad quantum we have not yet been able reliably to establish.
8. The main wave of applications for registration having been addressed, our attention in 2022 continued to focus more intensively on the process of receiving annual returns

from registered charities and ensuring that the information therein was in order for inclusion on the public register, where it forms an ongoing library of materials for public perusal and research. We dealt with 400 of these during the year, which must include narratives of activity for the year past. These are to be fairly short, intended to give a succinct account, or ‘snapshot’, of main activity towards delivering the public benefit to which a charity must aspire. Not surprisingly, some of those we have received are more informative than others; some are indeed pellucid. On the other hand, some look to be a little wanting, and maybe subitaneous, while from time to time in creeps prolixity. A few years yet needs to pass before too much generalised judgement is made about the overall quality of the annual narratives but I do take every opportunity to emphasise that they are a critical element of the register (for charities registered in the restricted section, too) and it is important that they are informative and, without question, veredicious. Where most necessary, we have sought to help charity governors to get their narratives right, the simple objective being the integrity and continuing usefulness of the public register.

9. As with 2021, one may not look back on 2022 without reference to the impact on the activities of registered charities of the measures taken by the Ministry to attempt to deal with the ‘pandemic’, and all the consequences of those for the conduct of society. I reported last year that, possibly surprisingly (but, on reflection, perhaps not), it was evident that many Jersey charities, undaunted, continued as usual to do a great deal to help and support people in need, despite the oddness of the moment and, all too obviously, the foregoing of fund-raising opportunities with which they were faced. There were lots of reports in the annual narratives in 2022 (many of which mainly referenced 2021) of ‘extra miles’ being freely gone and intense activity by volunteers. Clearly the picture was variable, with some, especially very small, charities having had little choice but to put much activity on hold. Those with interests overseas were naturally affected in varying ways. But, looking across the whole scene, one cannot but be impressed by the way that registered charities, not only those which are ‘people-facing’, kept on serving in unusual times, showing in so doing the best face of civil society.
10. None of anything, of course, could have been accomplished without the commitment and effort of all those individual citizens who are the face of charities, whether paid staff, governors or volunteers, whose work is mostly too unsung; they all deserve the public’s strong approbation. It is good that we are able to preserve some record of their endeavour through the medium of the public register and it is of remark that the esteem in which they are, in general, held continues to be adduced by official statistics on the ‘trustworthiness’ of different institutions. That give me the confidence to say that public trust and confidence in registered charities is being protected, by the efforts of charities themselves. The few exceptions to that, some of which have come to public attention or which it has been my own duty to publicise, I think prove the rule.
11. Challenges naturally remain. A number of registered charities (but only a few) came to the view in 2022 that continuation was unrealistic or beyond reasonable effort – for a range of reasons, among which, however, the ‘pandemic’ has not generally been the first. Thus in 2022 there were 14 deregistrations (the same number as that of new registrations, as it happened), which is 3% of registered charities. I am of the view that

this is no more than an outcome of natural turnover; charities are businesses, albeit public not private facing, and they rise and fall just like firms. In some cases it has been a matter of loss of one key person, for whatever reason, who had been the driving force. In each instance, though, the requisite provisions of the Law have been understood and have worked well, so that any residual charitable assets are passed over to other charities with similar objects. (The rule, set out in the Law but of origin in the common law of charity, is that an asset, once a charitable asset, must stay that way, in whomsoever's hands. That is why the Commissioner is required to approve deregistrations. And in the historic section of the public register I must retain details for ten years, for reasons of transparency.) It is probably fair to say that I expect a continuing small stream of deregistrations as we go along, not only where size or scale is maybe deficient but also where it has proven hard to find successor governors or simply because of things serendipitous, which are ever present. Business is like that.

12. Related to this point is the notion of mergers of registered charities. This is, to date, a rarity (and not just in Jersey) but one can envision the prospect possibly gaining some traction flowing from charities working in partnership with each other and coming to see the advantages of combination both for service delivery and economical administration. Just to illustrate the point, there are 68 registered charities whose principal object is the advancement of health. It is hard not to presume that, as time goes by, there might not be a degree of common ground among at least some of them about the benefits of merger. Those who help finance them, which includes taxpayers, may at some point decide, with a sanction, to choose to promote the same.
13. There were a few instances during the year, but only a few, where regulatory intervention was needed in some degree. This has always, so far, been in 'soft' form; I have had no occasion as yet to use the powers given me under the Law to require registered charities to do, or refrain from doing, certain things. Examples are some instances where charities have sought to give money to individuals 'in need' when that is not within their constitutions or absent criteria that would aim to ensure that the benefit was genuinely available to the public at large; where there have been proposed changes to charitable objects in constitutions without prior assent; or where it was not entirely evident that charity governors were acting in their charities' best interests and in a manner consistent with registered public benefit statements. The latter was generally related to decisions about moneys or assets. More to the point, we continued fairly regularly to receive requests for advice from governors about how they should best or most properly proceed in certain situations; such requests have usually not been hard to resolve and I judge that they are evidence of our regulatory mandate working as intended, but with a light touch.
14. There were eight complaints about registered charities received in 2022 (2021: 7) and while the number is small, one view which it might be possible to draw from them is that charities need, especially, to pay attention to maintaining up to date policies and procedures and equally to adhere to them in their day to day activities. A number of cases of less than wholly satisfactory, or maybe untoward, governance by registered charities have also come to our attention, not necessarily as 'complaints', for example concerning the role of charity governors in relation to the employment of staff and the importance of declaring and acting upon conflicts of interest. I would not want to overemphasise this



sort of thing, which in a cohort of 450 entities is at the edge, so to speak, but there is, one suspects, some work to be done both by and with charity governors so that they perform well their generally voluntary roles as employers and ‘owners’ of businesses and act fully in accordance with their statutory duties to act in their entities’ best interests with the utmost good faith. I commend the work to seek to ensure this that has been instituted by the Association of Jersey Charities.

15. But, with no complacency, I judge from the materials and information I see, and the contact I am fortunate to have with quite a lot of charity governors, that the overall picture is healthy and good, and I admire and congratulate all those many people who make Jersey’s registered charity sector as strong and vibrant, and ethical, as it is. The evidence is increasingly there to see in the public register. Our current best estimate of the number of charity governors in the land, as already noted, is about 1700. In a line they would stretch for a mile, being such a large and important cohort of our place.
16. I end by thanking the range of officials and others who have provided me during the year with good advice and, where necessary, help and support on matters financial, legal and procedural. Notable among these is Richard Jouault, who heads our small office. It is he who principally makes everything work well and who has become a fount of knowledge and advice about our mandate for all our ‘stakeholders’. For 2022 I single out especially the work he has led, in close cooperation with the Jersey Financial Services Commission, on ensuring, with expertise and exactitude, that the new statutory rules on non-profit organisations have been written proportionately and sensibly as far as they must apply to the charity sector. It is always so important to take time to ensure that statutes and regulations are written in a way that really does serve to achieve intended policy outcomes, and which averts the unintended or over-burdensome. That he has done, with some aplomb.

**John Mills CBE**

**Jersey Charity Commissioner**

**30 April 2023**

### **3. Performance Report by the Head of the Office of the Jersey Charity Commissioner**

17. Hopes that 2022 might see some return to more normal patterns of activity as the pandemic began to subside were soon dampened by war in Europe prompting an urgent and ongoing humanitarian response. Those local charities with objects to provide assistance in emergencies pivoted their support towards Ukrainian refugees via the Bailiff's Ukraine Appeal. The Charity Commissioner provided advice to the public about the most effective and safe ways to support those in need and further advice to charity governors setting out their responsibilities about being sure that they know their donors and consider carefully whether or not to accept donations which may have originated from Russia or persons known to be associated with the government of that country.
18. Rising energy costs, intensified by the conflict in Ukraine resulted in cost of living pressures for all families. This has led to increasing demand for services provided by local charities and made fund raising just that bit harder whilst rising inflation has had a negative impact on the real term value of reserves. These are tough times for charities, with a tight labour market and rising wage costs making service delivery whether it be by paid staff or volunteers more difficult.
19. Less obvious effects of the Russian war against Ukraine include increased need for cybersecurity and developing an appropriate response to international sanctions. In response to this, there were further developments undertaken with the online public charity register during 2022 to improve resilience to cyberattack and improve the functionality of the register so that users can find information on the register more easily and search charities by charitable purpose.
20. The year ended with twin tragedies on land and sea with the explosion at the Haut De Mont Apartments and the sinking of the l'Ecume II. Charities, once again, were front and centre in the immediate responses to both tragedies and continue to seek to support the physical and mental wellbeing of those affected.
21. The aim of the office of the Jersey Charity Commissioner is to protect public trust and confidence in registered charities. It is of note that Jersey registered charities stand out in the Jersey Opinions & Lifestyle Survey Report 2022 by scoring as the most trustworthy Jersey Institution with a mean average score of 7.3 out of 10. This is up from the 2019 score of 7.0. This is made even more impressive when compared with similar measures of public trust and confidence recorded in England and Wales for registered charities in those countries. As in the Jersey Survey, the measure tracks public trust and confidence in charities in absolute terms and relative to other professions and institutions. It also seeks to understand the extent to which trust and confidence in charities varies among different parts of the public. In England and Wales in 2022, trust and confidence in charities among the public dipped slightly from 6.4 out of 10 to 6.2. Research by the Charity Commission for England and Wales shows that this is against a background of falling trust in all social institutions, compared to which, charities have actually held up well.

22. Looking forward to 2023 and the changing legislative and regulatory landscape ahead of the MoneyVal evaluation, the Office of the Jersey Charity Commissioner is working closely with the Jersey Financial Services Commission to support those charities that work overseas to ensure that they understand the legislative and regulatory requirements for the prevention and detection of money laundering, the financing of terrorism, and the financing of proliferation.

**Richard L Jouault**

**Head of the Office of the Jersey Charity Commissioner**

**30 April 2023**

## The Charity Test and the Commissioner's Main Duties

23. The purpose of this section of the report is to remind readers of exactly what the rules are as they relate to 'charity' and charitable status. They are scriven in some detail in the Commissioner's statutory guidance but nonetheless bear repetition. In particular, it is important to discern the difference between the legal concept of *charity* and the broader term *philanthropy*, which latter term often seems to be used somewhat loosely, but widely, as if to mean the same as *charity*, but which it is not, or not necessarily. Some reflections about the Commissioner's role as prescribed in the Law are given, too.
24. The Commissioner is established by the Law as a corporation sole, independent of both the Ministry and the legislature. The general functions of the office flow from the Law, together with certain regulations and orders made under it. In summary, her or his main functions are to:
- determine the charity test for the purposes of registration and to ensure that registered charities' meeting the charity test is continuant
  - maintain the charity register, which has three sections: the general, the restricted and the historic
  - publish and maintain guidance on the operation of the Law
  - supervise the compliance of charity governors with their duties. (The heart of those is that governors are to seek, in good faith, to ensure that their charities act in a manner consistent with their registered charitable purposes and registered public benefit statements.)
  - seek to ensure that the expression 'charity' is used but in respect of registered charities, or UK charities operating at Jersey but not wholly or mainly managed from there, as warranted by the Law
  - assist other persons (including the Attorney General, the court, the Bailiff, the Comptroller and the Financial Services Commission, and equivalent bodies in other lands) to discharge, in relation to registered charities and entities with charitable purposes, any function of such a person under any enactment or law
  - generally encourage, facilitate and monitor compliance of registered charities with the Law; and
  - do anything (other than acting as a governor of a charity or of an entity with charitable purposes) that is calculated to facilitate, or is conducive or incidental to, the performance of any of her or his functions.
25. The Commissioner may:
- provide information to the public about the system of registration of charities, including information about the difference between charities and bodies with charitable purposes, information about the advantages of donating to entities that are registered as charities, and information by way of model constitutions

- advise the Minister as to the nature of charities in Jersey and as to the merits of any proposal for further regulation of charities
26. In performing her or his functions, so far as appears to her or him to be reasonably practicable, seek to act in a way that protects public trust and confidence in registered charities, and is compatible with the encouragement of all forms of charitable giving and voluntary participation in the work of registered charities, which is proportionate as to the burdens imposed on registered charities, and which supports their development.
27. The charity test is met by an entity if
- (i) all its purposes are charitable purposes, save for any purpose purely ancillary or incidental; and
  - (ii) in giving effect to those purposes (including the ancillary and incidental), it provides or intends to provide public benefit in Jersey or elsewhere to a reasonable degree
28. The statutory charitable purposes given in the Law are listed at the end of this report for ease of reference
29. Public benefit is not defined in the Law but the concept is deeply embedded in the common and customary law of charity. In essence:
- it must be available to the public at large, or a sufficient section of it
  - it is to be contrasted with private benefit, accruing (as an example) to the members of an entity themselves, and with any public *disbenefit* which may arise, in consequence of the entity's exercise of its functions. Any private benefit should be but incidental to the delivery of public benefit or no more than a side consequence, so to speak, of that delivery. The Law requires these possibly competing considerations to be weighed by the decision-maker, which for registration purposes is the Commissioner. (On the other hand, a decision about the public benefit to be delivered under the objects of a charitable trust, where the Commissioner is not the decision-maker, would not normally, or perhaps ever, be overtly in the public domain or subject to regulatory avouchment.)
  - where public benefit is, or is likely to be, provided to only a section of the public, there must be no undue restriction on the obtaining of the benefit, such as, for example, through excessive fees or, say, restrictive or opaque membership rules
  - a section of the public may not be one particular natural person or a group of identified such persons
  - and no particular charitable purpose is to be presumed to be for the public benefit. The delivery of public benefit has to be demonstrated for the charity test to be met, and for it to continue to be met
30. As observed, the Charity Test can be applied by any person to any entity but by only the Commissioner insofar as registration is concerned.
31. The statutory rules outlined above are, by recommendation of the Jersey Law Commission in 2006, derived quite considerably from the Charities and Trustee

Investment (Scotland) Act 2005 (an Act of the Scottish Parliament). The position in England & Wales is essentially similar but there is greater reliance on the common law of charity rather than provisions derived from it being put on the face of the statute (currently the Charities Act 2011, a significant consolidating measure).

32. To return to the point made at the start of this section, the key difference between *charity* and *philanthropy* lies in the former's deriving from exclusively charitable purposes. On the other hand, a philanthropic foundation, for instance, could have mixed purposes, both charitable and non-charitable, or a rather greater, perhaps a significant, element of private benefit in favour of a founder. It is important for the good governance of Jersey's scheme for the regulation of charities and for its accurate portrayal when the 'financial services industry' is being promoted (or is promoting it, the scheme) that this significant distinction is acknowledged, somewhat more veridically than may, perhaps, always tend to have been the case in the last period. It is the Commissioner's duty to be vigilant on this. The point has been addressed in the statutory guidance on the charity test [Guidance Note 2, at paragraphs 51-53].

## Performance Analysis

33. The majority of applications for registration were received during 2018 when the online registration system first went live. Since then, there has been a steady rate of applications for registration of between 2 and 5 applications per month. By the end of 2022, there had been 565 applications submitted for registration as a Jersey charity, and 457 of those had been determined positively by the Commissioner and the entity duly registered. At the end of 2022, there were 42 applications pending determination, the majority being 'on hold' at the applicant's request or awaiting further information or amendment by the applicant.
34. The bulk of initial registration work had been completed by the end of 2020 with the focus then shifting to the filing and validation of annual returns for the 400 or so charities registered at that point. Only 8 annual returns were filed and approved in 2019 but by the end of 2020 that had increased to 139. In 2021, a further 426 annual returns were filed and approved with some of the earliest registered charities on their third round of filing. By the end of 2022, a total of 965 annual returns had been filed, enabling us to keep the public register up to date.
35. The majority of charities (90%) are registered in the general section of the register with 411 general section charities being registered at the end of 2022. The restricted section, which contains charities that do not solicit donations from the general public, is much smaller by number but not in terms of available resources and continues to grow steadily to a total of 26 charities registered by the end of 2022.
36. 2022 also saw a further 14 charities seeking deregistration bringing the total number of deregistrations to 20. Once approved by the Commissioner for deregistration, the entity's details are moved to the historic section of the register. The scheme in the Law for deregistration has ensured that the assets of charities that have decided to cease operations are maintained as charitable assets in perpetuity. Information is available on the public register as to how other charitable organisations have benefitted from the cessation of the 20 registered charities now recorded in the historic section of the register.
37. While no application has yet been rejected by the Commissioner, by the end of 2022 66 applications had been withdrawn by the applicant. In the majority of these cases, this had come about as a result of dialogue, sometimes lengthy, between the applicant and the Commissioner to ascertain that either the charity test was unlikely to be met or that the entity might be better placed to operate effectively without registration as a social enterprise or other kind of not-for-profit organisation. In some instances, such dialogue has preceded a formal application and then averted the need for the same. A number of Jersey charitable trusts are included among the 66 withdrawals, but it should also be noted that a number of such trusts have readily been approved for registration. The test for all applications is the same: they must, in an objective manner, meet the charity test.

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<i>Number of applications received in year</i>	20	32	24	55	434
<i>Total number of applications received by year end</i>	565	545	513	489	434
<i>Number of charities registered in year</i>	14	22	121	264	36
<i>Total number of charities registered by year end</i>	457	443	421	300	36
<i>Number of applications awaiting determination</i>	42	42	44	177	398
<i>Total number of charities registered in General Section</i>	411	414	400	287	34
<i>Total number of charities registered in Restricted Section</i>	26	23	21	13	2
<i>Total number of charities registered in Historic Section</i>	20	6	0	0	0
<i>Total number of applications withdrawn</i>	66	60	48	12	0



<i>Total number of applications rejected</i>	0	0	0	0	0
<i>Annual Returns filed and approved in year</i>	400	426	131	8	0
<i>Total number of Annual Returns filed and approved by year end</i>	965	565	139	8	0

## Financial performance

38. Resources for the Office of the Jersey Charity Commissioner were allocated from the Jersey Reclaim Fund, where proceeds due under the Dormant Bank Accounts (Jersey) Law 2017 are held. This is pursuant to Ministerial Decision [MD-ER-2022-811](#) . Costs for 2022 were £178,000 (2021 costs: £201,661, similar to 2020 costs which were £202,097). The reduction compared with 2021 resulted from a part year staff vacancy and some savings on office accommodation, as well as from running things better.

## Website and communications

39. During 2022, we continued to update the charitycommissioner.je website to include latest news updates, revisions to guidance, and other notices. As well as a number of items in the local media during the year, both the Commissioner and his Head of Office took part in several events and spoke in webinars on a range of governance issues, notably in relation to the implications for the registered charities sector arising from all the work being done at Jersey on counter-terrorist financing and tackling money laundering in respect of non-profit organisations.

## Digitalisation

40. We have invested in technology to enable the entire end to end process of application, registration, certification, and the filing of annual returns to be paperless for the end user and completed entirely online. There is a back-up register for security assurance.

## Other non-financial information

41. No new regulations under the Charities (Jersey) Law 2014 were put in place in 2022. The Non-Profit Organisations (Prescribed NPOs – Additional Obligations) (Jersey) Order 2022, however, was made on the 8 December 2022, coming into force on 1 January 2023. This Order puts certain additional obligations on those NPOs (including registered charities) that raise or disburse funds outside Jersey, Guernsey, the Isle of Man, England and Wales, and Scotland. These obligations are to ensure that the entities

concerned have in place appropriate accounting systems and controls so that funds are fully accounted for and any risks of moneys being used to assist terrorism or the financing of terrorism well mitigated.

### **Key risks**

42. The Office of the Jersey Charity Commissioner keeps main risks under regular review, that is to say, risks with the potential to have a significant adverse impact on the functioning of the Office including maintenance of the Public Register. This task is organised around the following key themes:

#### **Risk theme: People**

43. The risks associated with the COVID-19 pandemic were, unsurprisingly, identified during 2020 and carried over to 2021 and 2022. The risk of office closure arising from our two staff members both being indisposed at the same time, or being required to 'isolate', were readily mitigated by remote working, and lone working in our small office when duties or otherwise appropriate. One member of staff left the office for another work opportunity during 2022 again emphasising the challenge associated with running a small office. Although the vacancy remained throughout 2022, colleagues from the Department of Strategy, Performance, Policy and Population were swift to provide enhanced back office functions and talks are in train about the possibility of providing secondment opportunities for junior policy officers in the Commissioner's Office, where some not unvaluable experience may be on offer. The vacancy arising from last year's resignation has lately been filled on a part-time basis, which is good.

#### **Risk theme: Finance**

44. The risks associated with having insufficient resources for discharging responsibilities and inadequate information to manage our modest budget were mitigated by our carefully staying within the 2022 budget which we had set in conjunction with officials. Everything, as it happened, went to plan.

#### **Risk theme: Technology**

45. The delivery of the registry function is reliant upon a robust online technological platform. The risks associated with hacking or other registry failure are mitigated by independent technology support which includes regular testing and software updates. Further registry developments were implemented in 2022 to improve resilience from cyberattacks and improve the user experience and registry functionality.

#### **Risk theme: Reputation**

46. The Charity Commissioner's principal general duty is to act in a way that protects public trust and confidence in registered charities. It could be argued that the reputation of the charity sector, globally and certainly not just at Jersey, is capable of hanging by a slender thread and if things go wrong, such as, say, charity staff or governors being implicated in malfeasance or even mere misfeasance, then the adverse impact has the potential to be equal upon the Commissioner, let alone the sector as a whole. As on especial way of seeking to mitigate this risk, a substantive assessment of all registered charities was

undertaken in 2022 to identify those charities likely to be at a higher risk of being misused for such purposes as fraud, money laundering or terrorist financing. The test for this was where public benefit was largely or wholly being delivered abroad, often in distant or 'high risk' lands. We are developing a risk-based approach to the filing and validation of annual returns so that those registered charities prospectively at higher risk in such spheres are subject to enhanced oversight. This will be developed further for 2023 annual returns. This work has also involved us in contact with a variety of professional trustees at St Helier, who have been without exception diligent and helpful, and cognisant of the need for enhanced assurance as part of their own duties as much as ours. The issue, moreover, touches closely the charitable trusts sector.

### **Priorities for the remainder of 2023, and for 2024**

47. Looking ahead over the next year or so, our priorities are a mix of continuing to ensure delivery of the Commissioner's statutory functions plus refreshed or new thinking on some other issues:

- timely validation of all annual returns, subject to the risk considerations noted above. This is essential for the continuing integrity of the charity register as a free source of up to date, accurate and useful information
- determination of applications for registration, both the small number of new ones to be expected and those held over or still under consideration from previous years
- a review of the Commissioner's guidance on the charity test, which would be subject to public consultation
- refreshed guidance on the duties of charity governors and on certain other aspects of the Law
- considering further, and developing advice on, whether charitable trusts made under the Trusts (Jersey) Law 1984 might or should (or might or should not, as the case may be) be brought within the scope of the Charities Law.

A handwritten signature in black ink that reads "John F. Mills". The signature is written in a cursive style and is positioned above a horizontal line that serves as a separator.

**John Mills CBE**

Jersey Charity Commissioner

#### **4. Accountability Report**

48. The Accountability Report has three parts:

- Corporate Governance Report,
- Remuneration and Staff Report
- Annual Accounts

#### **Corporate Governance Report**

49. I was appointed as Commissioner in July 2017. My appointment was extended by the Minister for External Relations on 12 June 2020 for a second three-year term, following approval by the Jersey Appointments Commission. That term ends on 11 June 2023. It is open to the Minister to decide to reappoint me for a third three-year term and I should be happy to serve if so reappointed.

50. The Office maintains a register of interests for the Commissioner and staff and the Head of Office has responsibility for data protection. There were no personal data-related incidents during the year that would have needed to be reported to the Office of the Information Commissioner.

#### **Remuneration and Staff Report**

51. Schedule 1 of the 2014 Law provides that the Minister must make available to the Commissioner such number and descriptions of staff as the Minister considers are required for the proper and effective discharge of the Commissioner's functions.

52. During 2022, two full-time officers were employed to support the Commissioner. The officers were:

The Head of Office; and

The Research, Customer Service and Administration Officer (part year only due to resignation)

53. Total staff costs, including on-costs, for 2022 were £117,154<sup>1</sup> (2021: £143,005<sup>2</sup>) Staff numbers are too low to permit the publication of more detail.

54. The Charity Commissioner fees for 2022 were £42,691 (2021: £18,000<sup>3</sup>)

55. The Office of the Charity Commissioner is a small team and outsources the provision of specialist technology advice and support to external contractors where this is more cost-effective than dedicated in-house resource. In 2022, this cost was £7,247. (2021: £23,443<sup>4</sup>)

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<sup>1</sup> Admin Officer left May 2022 and post remains vacant.

<sup>2</sup> Executive Officer from April; Administration Officer from March (including salary, pension, social security) Salary + agency fee for temporary assistant to expedite application processing

<sup>3</sup> This figure reflects the fact that a significant portion of 2021 fees were paid in 2022.

<sup>4</sup> 2021 included a payment for technical rebuild

## Annual Accounts

56. The Law provides that no charge shall be levied on any person applying for registration or wishing to consult the public part of the register. The Minister is required to provide such accommodation and equipment as he or she thinks is necessary for the proper and effective discharge of the Commissioner's functions; and the cost of this, and staff, is to be met from the public purse.

57. Expenditure for 2022 was £178,064 (2021: £207,820) coming not from taxpayers themselves but from the Jersey Reclaim Fund, where proceeds due under the Dormant Bank Accounts (Jersey) Law 2017 are held. This arrangement was mandated by the legislature as part of that law. The following table summarises the outturn for 2022.

Cost	Actual 2022	Actual 2021	Actual 2020	Comments
Charity Commissioner - fees	£42,691	£18,000	£45,500	Some 2021 fees were paid in 2022. 2020 costs relate to 2020 and 2019 fees (£10,000 2019 activity and £35,500 2020 activity)
Charity Commissioner staff <ul style="list-style-type: none"> <li>• 1 fte Executive Officer</li> <li>• 1 fte Administration Officer</li> <li>• Hired services</li> </ul>	£117,154	£143,005	£104,022	Admin Officer left May 2022 and had not been replaced by the year's end. 2021 costs are full year costs for Executive Officer & Administration Officer (including salary, pension, social security) 2020 costs are part year costs from April for EO and from March for AO (plus Salary + agency fee for temporary assistant to expedite application processing)
Office Premises	£10,740	£13,624	£15,443	The Office moved premises part way through 2021 with a rent reduction
Office Move		£229		

Other Overheads Including: stationery telephone cleaning electricity	£232	£3,288 [including £526 £1,637 £668 £457]	£4,766 [including £197 £1,223 £2,511 £835]	Now included in premises rental. Moved mid-2021
IT costs including Registry development, Website hosting (annual fee), support and platform licence	£7,247	£23,443	£32,348	2021 included a payment for technical rebuild.
TOTAL	£178,064	£207,820	£201,661	

**5. Data about registered charities [current aggregate position in 2022 column]**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Number of applications for registration received in year	20	32	24	55	434
Number of applications received by year end	565	545	513	489	434
Number of applications withdrawn	66	60	48	12	0
Number of charities registered in year	14	22	121	264	36
Number of charities registered by year end	457	443	421	300	36
Number of applications awaiting determination	42	42	44	177	398
Number of applications rejected	0	0	0	0	0
Number of charities registered in General Section of the Public Register	411	414	400	287	34
Number of charities registered in Restricted Section of the Public Register	26	23	21	13	2

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Number of charities registered in Historic Section of the Public Register (having been deregistered)	20	6	0	0	0
Annual Returns filed and approved in year	400	426	131	8	0
Number of Annual Returns filed and approved since inception	965	565	139	8	0
Cost of the Commissioner's Office	£0.178m	£0.2m	£0.2m	£0.136m	£0.148m
Indicative total value of assets held (all registered charities)	£2035m	£660m	£607m	£228m	£76m
Indicative total value of assets held (Restricted Section)	£1704m	£337m	£313m	£36m	£0.5m
Indicative total value of assets held (General Section)	£331m	£322m	£294m	£192m	£75m
Indicative average value of assets held (all charities)	£4.4m	£1.5m	£1.5m	£0.76m	£2.1m
Indicative average value of assets held (Restricted Section)	£65.5m	£14.6m	£15m	£2.75m	£0.27m



	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Indicative average value of assets held (General Section)	£0.8m	£0.78m	£0.75m	£0.67m	£2.6m
Indicative median value of assets held (all registered charities)	£54k	£61k	£54k	N/R	N/R
Indicative median expenditure (all registered charities)	£31k	£35k	£37k	N/R	N/R
Indicative total expenditure (all registered charities)	£179m	£204m	£125m	£82m	£32m
Indicative total expenditure (Restricted Section)	£55m	£83m	£11m	£46m	£62K
Indicative total expenditure (General Section)	£123m	£120m	£115m	£36m	£32m
Indicative average expenditure (all charities)	£0.4m	£0.5m	£0.3m	£0.3m	£0.9m
Indicative average expenditure (Restricted Section)	£2.1m	£3.6m	£2.7m	£3.5m	£31k
Indicative average expenditure	£0.3m	£0.3m	£0.3m	£0.1m	£0.1m

(General Section)					
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Number of registered charities operating only in Jersey	298	337	278	201	23
Number of registered charities operating overseas (including UK)	30	47	28	20	4
Number of charities operating both in Jersey and overseas (including UK)	129	59	115	79	9
Indicative total expenditure of registered charities operating only in Jersey	£99m	£96m	£90m	£57m	£19m
Indicative total expenditure of charities operating only overseas	£53m	£96m	£10m	£3m	£0.4m
Total expenditure of charities operating both in Jersey and overseas	£27m	£12m	£25m	£22m	£12m
Indicative total expenditure of all charities	£179m	£204m	£125m	£82m	£32m

Number of charities registered by statutory charitable purpose	2022	2021	2020	2019	2018
(a) prevention or relief of poverty	51	46	44	33	4
(b) advancement of education	93	90	87	57	10
(c) advancement of religion	83	81	80	62	4
(d) advancement of health	68	67	64	45	11
(e) saving of lives	16	15	15	14	2
(f) advancement of citizenship or community development	94	90	83	62	7
(g) advancement of the arts, heritage, culture or science	45	44	41	32	5
(h) advancement of public participation in sport	26	25	21	12	2
(i) provision of recreational facilities for improving the conditions of life for those for whom the facilities are primarily intended	39	36	35	24	4

(j) advancement of human rights, conflict resolution or reconciliation	15	15	13	11	2
(k) promotion of religious or racial harmony	6	6	6	4	0
(l) promotion of equality and diversity	25	24	23	17	4
(m) advancement of environmental protection or improvement	23	22	22	17	7
(n) relief of those in need by reason of disadvantage	117	111	110	89	12
(o) advancement of animal welfare	14	14	14	11	4
(p) any purpose that may reasonably be regarded as analogous to any of the above (mostly those which give grants to other charities)	54	52	50	24	0

Total number of registered charities by legal entity	2022	2021	2020	2019	2018
Jersey body corporate	10	8	7	6	1
Court-approved fideicommiss	16	17	16	9	0
Incorporated '1862' association	98	97	93	75	12
Jersey company	65	59	55	38	3
Jersey foundation	6	7	6	2	0
Jersey trust	79	77	73	42	4
Other (mostly unincorporated associations)	183	178	171	128	16
<b>Total</b>	<b>457</b>	<b>443</b>	<b>421</b>	<b>300</b>	<b>36</b>
Complaints received about registered charities	8	7	6	4	0
Complaints received about charitable organisations not registered	1	0	4	8	1
<b>Total complaints received</b>	<b>9</b>	<b>7</b>	<b>10</b>	<b>12</b>	<b>1</b>

Income band (£)	% Jersey charities (2022)	% Jersey charities (2021)	% Eng & Wales Charities (2022)	% Eng & Wales Charities (2021)	
0-to-5k	24	20	37	36.02	
5k-to-10k	9	9	9	10	
10k-to-25k	11	12	15	16	
25k-to-50k	13	13	9	9	
50k-to-100k	13	13	9	9	
100k-to-250k	13	14	9	9	
250k-to-500k	6	7	5	4	
500k-to-1m	5	5	3	3	
1m-to-5m	4	5	3	3	
5m-to-10m	1	1.4	0.6	0.6	
Over 10m	0.5	0.5	0.8	0.8	

## **6. The Statutory Charitable Purposes [Charities (Jersey) Law 2014, Art.6]**

- (a) the prevention or relief of poverty
- (b) the advancement of education
- (c) the advancement of religion
- (d) the advancement of health
- (e) the saving of lives
- (f) the advancement of citizenship or community development
- (g) the advancement of the arts, heritage, culture or science
- (h) the advancement of public participation in sport
- (i) the provision of recreational facilities, or the organisation of recreational activities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- (j) the advancement of human rights, conflict resolution or reconciliation
- (k) the promotion of religious or racial harmony
- (l) the promotion of equality and diversity
- (m) the advancement of environmental protection or improvement
- (n) the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage
- (o) the advancement of animal welfare
- (p) any other purpose that may reasonably be regarded as analogous to any of the purposes [listed above]

Art.6(2) of the Law qualifies the statutory purposes as follows:

- (d) includes the prevention or relief of sickness, disease or human suffering
- (f) includes rural or urban regeneration, and the promotion of civic responsibility, volunteering, the voluntary sector or the effectiveness or efficiency of registered charities
- (h) *sport* means sport that involves physical skill and exertion
- (i) applies only in relation to recreational facilities or activities that are primarily intended for persons who have need of them by reason of their age, ill-health, disability, financial hardship or other disadvantage, or which are available to members of the public at large or to male or female members of the public at large
- (n) includes relief given by the provision of accommodation or care

- (p) the advancement of any philosophical belief (whether or not involving belief in a god) is analogous to purpose (c)

The Commissioner has also set out in statutory guidance two further analogous purposes under (p) that may reasonably be regarded as analogous with the statutory purposes:

- analogous with (f): providing financial or other kinds of support in advancement of any of the statutory charitable purposes, including, but not confined to, providing such support to other registered charities; and
- also analogous with (f): promoting the effectiveness, welfare and standing in the community of Jersey of the Armed Forces of the Crown, including the Army Reserve, cadet forces and veterans

[Guidance Note 2 on the Charity Test, at paragraphs 54-58, refers]

The Commissioner has not to date been faced with a decision as to whether any other proposed purpose may or may not reasonably be regarded as analogous to the statutory purposes. The most common analogous purpose is supporting other registered charities or charitable purposes.