

Guernsey Banking Deposit Compensation Scheme

Report and Financial Statements

Year Ended

31 December 2015

Guernsey Banking Deposit Compensation Scheme

Scheme Information

Board

Charles Tracy (Chairman)
John Lee (Deputy Chairman)
Steve Butterworth
Nigel Carey

Registered office

PO Box 380
Maison Trinity
Trinity Square
St Peter Port
Guernsey
GY1 3FY

Guernsey Banking Deposit Compensation Scheme

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Guernsey Banking Deposit Compensation Scheme

Directors' Report For the Year Ended 31 December 2015

The Board present their report and the financial statements for the year ended 31 December 2015.

Boards' responsibilities statement

The Board are responsible for preparing the Scheme financial statements in accordance with applicable law and generally accepted accounting practice.

The Ordinance requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Scheme and of the profit or loss of the Scheme for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Scheme will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the Scheme's transactions and disclose with reasonable accuracy at any time the financial position of the Scheme and enable them to ensure that the financial statements comply with the Banking Deposit Scheme (Bailiwick of Guernsey) Ordinance 2008. They are also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Scheme is the administration of the Scheme which was established by the States of Guernsey on 26 November 2008.

Dividends paid

There were no dividends paid in the year under review (2014 -£NIL).

Results

The Profit and Loss Account for the year is set out on page 5.

Board

The members of the Board who served during the year were:

Charles Tracy (Chairman)
John Lee (Deputy Chairman)
Steve Butterworth
Nigel Carey

Guernsey Banking Deposit Compensation Scheme

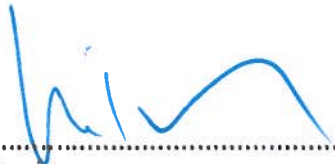
Directors' Report For the Year Ended 31 December 2015

Auditors

The auditors, BDO Limited, are deemed to be reappointed in accordance with the Banking Deposit Scheme (Bailiwick of Guernsey) Ordinance 2008 by virtue of an elective resolution passed by the members on 21 January 2015.

This report was approved by the board on 18 April 2016

and signed on its behalf.



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Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GUERNSEY BANKING DEPOSIT COMPENSATION SCHEME

We have audited the financial statements of Guernsey Banking Deposit Compensation Scheme for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice').

This report is made solely to the Scheme Board, in accordance with The Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008. Our audit work is undertaken so that we might state to the Board 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 Scheme as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Boards' Responsibilities Statement within the Report of the Board, the Scheme Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors, including "FRC Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 3 to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Scheme's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GUERNSEY BANKING DEPOSIT COMPENSATION SCHEME
(continued)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Scheme's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with The Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008.

BDO Limited

CHARTERED ACCOUNTANTS
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date: 18 April 2016

Guernsey Banking Deposit Compensation Scheme

Statement of Comprehensive Income For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Income		178,290	176,957
Administrative expenses		<u>(164,975)</u>	<u>(165,446)</u>
Operating profit		13,315	11,511
Interest receivable and similar income		<u>1,145</u>	<u>1,298</u>
Profit for the financial year		<u>14,460</u>	<u>12,809</u>
Other comprehensive income		-	-
		<u>14,460</u>	<u>12,809</u>

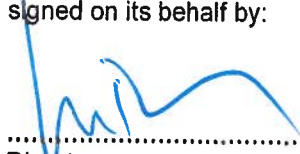
The notes on pages 9 to 11 form part of these financial statements.

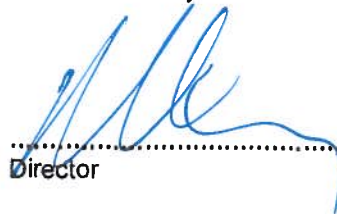
Guernsey Banking Deposit Compensation Scheme

Statement of Financial Position As at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Debtors: Amounts falling due within one year	6	7,909	69
Bank and cash balances		328,695	309,925
		336,604	309,994
Creditors: Amounts falling due within one year	7	(208,716)	(196,566)
Net current assets		127,888	113,428
Total assets less current liabilities		127,888	113,428
Net assets		127,888	113,428
Capital and reserves			
Profit and loss account		127,888	113,428
		127,888	113,428

The financial statements were approved and authorised for issue by the Members of the Board and were signed on its behalf by:


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Director


.....
Director

Date: 18/04/2016

The notes on pages 9 to 11 form part of these financial statements.

Guernsey Banking Deposit Compensation Scheme

Statement of Changes in Equity As at 31 December 2015

	Retained earnings	Total equity
	£	£
At 1 January 2015	113,428	113,428
Profit for the year	14,460	14,460
Total transactions with owners	-	-
At 31 December 2015	127,888	127,888

Statement of Changes in Equity As at 31 December 2014

	Retained earnings	Total equity
	£	£
At 1 January 2014	100,619	100,619
Profit for the year	12,809	12,809
Total transactions with owners	-	-
At 31 December 2014	113,428	113,428

The notes on pages 9 to 11 form part of these financial statements.

Guernsey Banking Deposit Compensation Scheme

Statement of Cash Flows For the Year Ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Profit for the financial year	14,460	12,809
Adjustments for:		
Interest received	(1,145)	(1,298)
Increase in debtors	(7,840)	(69)
Increase in creditors	12,150	8,232
	17,625	19,674
Cash flows from investing activities		
Interest received	1,145	1,298
	1,145	1,298
Net cash from investing activities		
	18,770	20,972
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of year	309,925	288,953
	328,695	309,925
Cash and cash equivalents at the end of year		
Cash at bank and in hand	328,695	309,925

The notes on pages 9 to 11 form part of these financial statements.

Guernsey Banking Deposit Compensation Scheme

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies (Guernsey) Law 2008.

Information on the impact first-time adoption of FRS 102 is given in note 10.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Scheme's accounting policies (see note 10).

The following principal accounting policies have been applied:

1.2 Going concern

The Board has prepared the financial statements on a going concern basis.

The Board has the power to levy the Participants of the Scheme on an annual basis to cover the expected costs of the forthcoming year.

1.3 Income

Income is recognised in the Statement of Comprehensive Income on an accruals basis. Fees received in advance are deferred over the period to which they relate.

1.4 Debtors

Short term debtors are measured at their transaction price, less any impairment.

1.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.6 Creditors

Short term creditors are measured at transaction price and are subsequently measured subsequently at amortised cost using the effective interest method.

Guernsey Banking Deposit Compensation Scheme

Notes to the Financial Statements For the Year Ended 31 December 2015

1. Accounting policies (continued)

1.7 Foreign currency translation

Functional and presentation currency:

The company's functional and presentational currency is GBP.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.8 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

There were no key judgements required in the application of the Scheme's accounting policies.

3. APB Ethical Standard - Provisions Available for Small Entities

In common with many other entities of its size and nature the scheme uses its auditor to assist with the preparation of the financial statements.

4. Income

During the year the main source of income was obtained from 31 Participant banks of £5,750 per Bank (2014: 32 Participant Banks at £5,500, during September 2014 an additional bank joined the Scheme and the fee was pro rated for 2 months of the financial year).

5. Taxation

In accordance with the Banking Deposit Compensation Scheme (Bailiwick of Guernsey) Ordinance, 2008 the Scheme is exempt from tax. Provision had therefore not been made in these financial statements for Guernsey Income Tax.

Guernsey Banking Deposit Compensation Scheme

Notes to the Financial Statements For the Year Ended 31 December 2015

6. Debtors

	2015 £	2014 £
Due within one year		
Trade debtors	5,750	-
Prepayments and accrued income	2,159	69
	<u>7,909</u>	<u>69</u>

7. Creditors: Amounts falling due within one year

	2015 £	2014 £
Accruals	41,966	41,316
Deferred income	166,750	155,250
	<u>208,716</u>	<u>196,566</u>

8. Post balance sheet events

There have been no post balance sheet events to note.

9. Controlling party

The Scheme is established under the Banking Deposit Compensation Scheme (Baliwick of Guernsey) Ordinance, 2008 and is under the direction of the Board. The Board members are appointed by the States of Guernsey Commerce and Employment Department.

10. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The company has presented comparative information under FRS102 and therefore the company's date of transition was 1 January 2014. This is the first set of financial statements prepared under FRS 102.

Guernsey Banking Deposit Compensation Scheme

Detailed Accounts

Year Ended

31 December 2015

**THE FOLLOWING PAGES DO NOT FORM A
PART OF THE AUDITED FINANCIAL
STATEMENTS OF THE SCHEME AND ARE
PRESENTED FOR INFORMATION
PURPOSES ONLY**

Guernsey Banking Deposit Compensation Scheme

Detailed profit and loss account For the Year Ended 31 December 2015

	2015 £	2014 £
Income	178,290	176,957
Gross profit	<u>178,290</u>	<u>176,957</u>
	<u>178,290</u>	<u>176,957</u>
Less: overheads		
Administration expenses	(164,975)	(165,446)
Operating profit	<u>13,315</u>	<u>11,511</u>
Interest receivable	1,145	1,298
Profit for the year	<u>14,460</u>	<u>12,809</u>

Guernsey Banking Deposit Compensation Scheme

Schedule to the Detailed Accounts For the Year Ended 31 December 2015

	2015 £	2014 £
Income	178,290	176,957
 Administration expenses		
Directors fees	85,000	85,000
Consultancy	52,500	52,500
Disaster recovery	12,363	12,641
Legal and professional fees	6,132	7,977
Audit fee	4,400	3,825
Travel and entertaining	2,175	302
Printing and stationery	1,106	1,834
Website design and maintenance	840	1,170
Telephone and postage	322	84
Bank charges	137	113
	164,975	165,446
 Interest receivable		
	2015 £	2014 £
Interest received		
Bank interest	1,145	1,298