

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

COMMITTEE FOR ECONOMIC DEVELOPMENT

PUBLIC TRUSTEE ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 2019

The Presiding Officer
States of Guernsey
Royal Court
St Peter Port
Guernsey

16th June 2021

Dear Sir/Madam,

The Public Trustee (Bailiwick of Guernsey) Law, 2002 sets out in Section 6(2) that the Committee *for* Economic Development shall submit the report and accounts on the exercise of the Public Trustee's functions for the preceding year to the States of Deliberation.

I am therefore pleased to enclose a copy of the Public Trustee's annual report for the year ended 31 December 2019. The audited accounts for 2019 were submitted to the States of Deliberation as an Appendix to the Billet d'État at the June 2021 meeting.

I should be grateful if you would arrange to publish this submission as an Appendix to the next available Billet d'État.

Yours sincerely,



Deputy Neil Inder
President



REPORT OF THE PUBLIC TRUSTEE TO THE COMMITTEE *for* ECONOMIC DEVELOPMENT

YEAR ENDED 31 DECEMBER 2019

Introduction

1. Under Section 6(1)(a) of The Public Trustee (Bailiwick of Guernsey) Law, 2002 (the 'Law') (Appendix 1), the Public Trustee ('PT' or 'I' as context admits) is required in each calendar year to submit to the Committee *for* Economic Development (the 'Committee') a report on the exercise of her or his functions in the preceding year together with audited accounts of the Office of the Public Trustee ('OPT').

Functions and Activity

2. As referred to in prior reports, matters relating to the IXG Schemes have continued to constitute the vast majority of the case management activities of the OPT. As stated, pending conclusion of the investigation and other steps being undertaken pursuant to the orders of the Royal Court, the PT intends to continue to refrain from public commentary.
3. Having said the above, and particularly in light of the fact that (pending resolution of matters concerning the IXG Schemes, and depending upon the outcome of the same) it is anticipated that the OPT will continue to require and receive funding from the Committee (under the provisions of the Law) in respect of the costs and expenses (particularly legal expenses) arising in relation thereto, it is reported that the Bailiff of the Royal Court in Guernsey issued judgment in favour of the PT in certain proceedings previously brought against the former trustees (and associated companies and a named individual). The judgment is published under case reference Public Trustee v Red River Properties & Others [2019]GRC009. A further order was made in favour of the PT in related proceedings before the Property Chamber, Land Registration First-Tier Tribunal in England. In each case, costs (including indemnity costs) were ordered against the respondents (which will be subject to further recovery work).
4. It is anticipated that, as previously reported to the Committee, further court proceedings relating to the IXG Schemes will arise.

5. The OPT has continued to provide other trusteeships as reported in prior years. A pension scheme sub-fund was transferred to another Guernsey fiduciary during the course of the year.
6. No new appointments have been undertaken during the year. The OPT has received some enquiries as to potential new cases, none of which have (to date) progressed to an appointment.
7. There have been no retirements during the year.

Office of the Public Trustee

8. Pursuant to Section 1(8) of the Law and in accordance with the provisions of paragraphs 3. and 4. of the Schedule to the Law, and following discussion with the Public Trustee Working Group ('PTWG'), arrangements were made (as from June 2019) for delegation of functions by the PT and appointment of a Deputy Public Trustee ('DPT'). The person appointed has extensive experience in trust administration, litigation and accounting as well as organisational management and operations, and I should like to record my appreciation for their acceptance of the role.
9. The appointment was considered both necessary and appropriate in the context of the current case-load and responsibilities of the OPT, as well as for the enhancement of arrangements concerning its purpose and functions (as to which please see further below).

Organisation, Reporting and Oversight

10. During the second half of 2019 the DPT and PT commenced a review of the functions and operations of the OPT in order to develop or enhance its purposes and working arrangements where appropriate, within the requirements of the Law.
11. An initial summary of the matters under consideration was circulated to the PTWG towards the end of the year. Continuing work is required in order to conclude this, following which it is anticipated that the associated operational framework of the OPT will be the subject of further report. The review has to date focused on consideration of the following:-
 - a. OPT statement of purpose;
 - b. fiduciary and operational risks (and their management and control);
 - c. governance; and
 - d. financial reporting.
12. Meanwhile, it is confirmed that all significant operational matters relating to the OPT have been regularly reported to and discussed with the PTWG. To the best of the PT's

understanding, no matters of concern have been raised or remain outstanding in these respects (save to any extent as referred to it and receiving its consideration in relation to the future enhancement of the OPT as above).

13. The PT has also addressed the Committee with summaries of matters as they relate to the IXG Schemes (as set out in prior annual reports and further referred to below), particularly in relation to funding.
14. I would note my understanding that the Committee (or persons on its behalf) may have been engaged in consideration of procedures and/or matters brought to the attention of the Committee about the conduct of the Public Trustee and/or any recommendations under Section 1(6) of the Law. Almost by definition, these are outwith the scope of my functions and accordingly I would not propose to comment further, save to say that I believe this may have arisen in the context of the IXG Schemes, which are the subject of litigation (as above).

Accounts and Auditors' Report

15. The accounts of the OPT for the year ended 31 December 2019 together with the Auditor's report thereon accompany this report (Appendix 2).

Other Matters

16. The PT is aware that the Committee is required to submit this report and the audited accounts and auditors' report to the States pursuant to Section 6(2) of the Law (Appendix 1) and may at the same time submit their own report to the States, and I remain at the disposal of the Committee in respect of anything it may require for this purpose.

Luis Gonzalez

Public Trustee

Appendix 1 – Section 6 of the Law

Annual reports.

6. (1) The Public Trustee shall, as soon as practicable in each calendar year, submit to the Committee –
- (a) a report on the exercise of his functions in the preceding year, and
 - (b) the audited accounts of the Office of the Public Trustee together with the auditors' report thereon.
- (2) The Committee –
- (a) shall submit –
 - (i) the Public Trustee's report made under subsection (1)(a), and
 - (ii) the audited accounts and auditors' report thereon referred to in subsection (1)(b),to the States, and
 - (b) may at the same time submit their own report to the States –
 - (i) covering the period of the Public Trustee's report,
 - (ii) covering the matters described in subsection (1)(a), and
 - (iii) containing the Committee's comments (if any) on the audited accounts and auditors' report thereon referred to in subsection (1)(b).

Appendix 2 – Accounts and Auditor's Report

[Please see attached]