
STATES OF JERSEY



JERSEY FINANCIAL REPORTING MANUAL 2025

**Presented to the States on 19th December 2025
by the Minister for Treasury and Resources**

STATES GREFFE

REPORT

Jersey Financial Reporting Manual 2025

(Based on the United Kingdom's Financial Reporting Manual 2024-25)

1. Background

The Public Finances (Jersey) Law 2019 requires the annual financial statements of the States of Jersey be prepared in accordance with accounting standards issued by the Treasurer with the approval of the Minister.

Historically, it has been the policy of the Government of Jersey for the Jersey Financial Reporting Manual (JFRoM) to be based on the standards and accounting policies adopted by the UK Government in their annually updated Financial Reporting Manual ("UK FReM"), adapted as appropriate for the Public Sector in Jersey, with a year's delay. This approach is continued, with the JFRoM being based on the UK FReM issued for the year ending 31 March 2025. Any adaptations from the UK FReM are set out below.

Applying the UK FReM in a Jersey context requires judgement. There are many similarities between Jersey's public sector institutions and those in the UK, nevertheless, differences exist which means the UK FReM must be modified to make it relevant to Jersey.

The JFRoM is issued as an accompanying document to the UK FReM, setting out any adaptations and interpretations for the context of the Public Sector in Jersey. This is structured to include general interpretations and adaptations (i.e. those that apply to several chapters), and those that apply to specific chapters of the UK FReM. In the case of any uncertainty of application of these interpretations, the Minister will make the ultimate decision (after consultation with the Comptroller & Auditor General).

Summary Key Differences between UK FReM and JFRoM

The budgeting process in Jersey differs from that in the UK and so a number of adaptations are needed to reflect this. Similarly, the different pension arrangements require adaptations, most notably to Chapter 12 of the UK FReM.

As the Annual Report and Accounts applies to the whole of the States of Jersey, Chapter 13 (Whole of Government Accounts) does not apply.

2. General Interpretations and Adaptations

Applicable Legislation

UK Legislation does not apply in Jersey. The key pieces of legislation relevant to the preparation and audit of the States Annual Report and Accounts are:

- Public Finances (Jersey) Law 2019

- Comptroller and Auditor General (Jersey) Law 2014

The requirements for the preparation of the Accounts are set out in Article 37 of the Public Finances (Jersey) Law 2019.

37 Annual financial statements

The Treasurer must, within 3 months of the end of a financial year –

- (a) prepare a financial statement in respect of the accounts of the States for that financial year; and
- (b) send the statement to the Comptroller and Auditor General for auditing.

The requirements for audit and presentation to the States Accounts to the Assembly are set out in Article 12 of the [Comptroller and Auditor General \(Jersey\) Law 2014](#).

12 Duty to ensure that the annual financial statement of the States is audited

- (1) When the annual financial statement in respect of the accounts of the States for a financial year is sent to the Comptroller and Auditor General by the Treasurer in accordance with Article 37(b) of the Public Finances Law, the Comptroller and Auditor General must ensure –
 - (a) that an audit of it is completed, whether by the Comptroller and Auditor General or whether by a person appointed by the Comptroller and Auditor General for the purpose;
 - (b) that a certificate from the person carrying out the audit is attached to the statement; and
 - (c) that the statement with the attached certificate and any note mentioned in paragraph (3) are forwarded to the Minister, before the end of the period of 5 months after the end of the financial year.
- (2) The certificate mentioned in paragraph (1)(b) must certify whether the annual financial statement properly represents the activities of the States for the financial year and whether the accounting standards referred to in the Public Finances Manual issued under the Public Finances Law have been complied with.
- (3) The Comptroller and Auditor General may also attach to the statement a note drawing the attention of the States –
 - (a) to any matter in the statement that the Comptroller and Auditor General considers should be of concern to the States or should receive the attention of the States; and
 - (b) to any matter that prevented or hindered an audit of any part of the statement or, in the Comptroller and Auditor General's

opinion, constituted a significant breach of a provision of the Public Finances Law or of any other enactment referred to in Article 11(1)(b) to (e) of this Law.

- (4) The Minister for Treasury and Resources and Treasurer must each sign the annual financial statement.
- (5) The Minister for Treasury and Resources must then present the statement, the certificate mentioned in paragraph (1)(b) and any note mentioned in paragraph (3) to the States as soon as practicable.
- (6) The States may, on a proposition lodged by the Minister for Treasury and Resources, extend the time within which an action specified in paragraph (1) must be taken.

References are made throughout the UK FReM to the UK Companies Act 2006. Although the States of Jersey is not required to comply with this legislation it has chosen to consider its requirements as best practice and comply with those requirements which it considers relevant.

Requirements in the UK FReM based on other UK legalisation will in general not apply, for example:

- the Government Resource and Accounts Act 2000
- the Trade Union (Facility Time Publication Requirements) Regulations 2017 (SI 2017/328)

Similarly, other UK government issued documents such as “Managing Public Money”, Public Expenditure System (PES) papers and Employer Pension Notices (EPNs) referred to in the UK FReM do not apply, and should be read as the Jersey equivalent.

Jersey Equivalents

The UK FReM is written to be applied by a large number of government entities who draft their own financial statements, whereas in Jersey it only applies to the States of Jersey. The UK FReM should therefore be read in this context.

The UK FReM applies to the Government in the UK, and so references to the UK and its institutions must be adapted for the context in Jersey. Not all of these are directly equivalent, but it is not considered that this impacts the interpretation of the requirements.

UK FReM	JFReM
Country	Island
United Kingdom	Jersey
England	Jersey
Government Annual Report and Accounts	States of Jersey Annual Report and Accounts
Relevant Authorities	Minister for Treasury and Resources
Government Financial Reporting	Financial Reporting by the States of Jersey
Parliament	States Assembly
HM Treasury	Treasury and Exchequer Department
Select Committees	Scrutiny Panels
Accounting Officer	Treasurer of the States

Managing Public Money	Public Finances Manual
UK Civil Service	Jersey Public Service
Directors	Members of Executive Leadership Team (ELT)

Some UK institutions have no direct Jersey equivalent, for example, UK Local Government, Clinical Commissioning Groups. Requirements relating to these institutions shall not apply.

References to the Discount Rate set by HM Treasury should be interpreted to be a suitable discount rate as determined by the Treasurer of the States.

Budget setting

The budgeting process for the States of Jersey is set out in the Public Finances (Jersey) Law 2019, and differs from the arrangements in the UK. The following adaptations/interpretations are therefore applied:

- references to Statement of Outturn against Parliamentary Supply (“SOPS”) are replaced with the Statement of Outturn against Approvals (“SOA”).
- reference to comparisons to “Estimates” should be interpreted to mean comparisons against Government Plan approvals.
- reference to “Spending Reviews” should be interpreted to mean the Government Programme (including the Common Strategic Policy and the Government Plan)
- different types of approval in the UK (RDEL, CDEL, RAME, CAME) should be interpreted to be types of approval based on the relevant Government Plan (e.g. Heads of Expenditure).

Signatures in the Annual Report and Accounts

The Annual Report and Accounts will be signed and dated as follows:

- the **Performance Report: by the Chief Executive Officer;**
- the **Accountability Report: by the Treasurer of the States;**
- the **Governance Statement: by the Chief Executive Officer and Treasurer of the States; and**
- the **Statement of Financial Position: by the Minister for Treasury and Resources and the Treasurer of the States.**

Any references to signatures in the UK FReM to signatures should be adapted as above.

Changes to UK FReM 2024- 2025

Changes from the previous UK FReM are as follows:

Change	Impact
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Section 2.6, 3.7 - Removal of references to the FRC 2018 guidance on the strategic report.	No impact to JFReM.
6.5.8 and 6.5.15 - Removal of guidance on when pension data is not available in a timely manner	Section has been removed for the purposes of the JFReM.
6.5.8 and 6.5.15 – New disclosure explaining basis of calculation following McCloud judgement	No remedy in Jersey for unlawfully discriminatory on the basis of age, therefore no impact on States of Jersey.
9.1.10 – Paragraph added clarifying what information in the accountability report requires restating after a machinery of government change	Section has been removed for the purposes of the JFReM as noted below within section 9.1.
9.1.19 – Paragraph amended for business combinations	Section has been removed for the purposes of the JFReM
10.1.63 and 10.1.64 - Paragraph covering initial measurement of indexed-linked PPPs transition to IFRS 16 deleted.	States of Jersey implemented IFRS 16 in 2024.
10.5.5 – Paragraph deleted	Relates to goods held under price support and stabilisation programmes, which are not used by States of Jersey, therefore have no impact.
Section 5.26, 5.3 and 5.4 - Updates to language on what government department outcomes and strategic objectives to report against	No impact to JFReM, minor updates to language used for UK specific Spending Review process.

3. Chapter 1 – Introduction

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

Section 1.1 The purpose of the Government Financial Reporting Manual (FReM)

Paragraphs 1.1.4, 1.1.7, 1.1.8 are UK specific and are not adopted.

Section 1.2 The scope of the FReM

The UK FReM is written to be applied by a large number of government entities who draft their own financial statements, whereas in Jersey it only applies to the States of Jersey. Paragraphs 1.2.1-1.2.5 therefore do not apply and are replaced by:

- 1.2.1 The JFReM applies directly to funds, flows of income and expenditure and any other accounts (referred to collectively as 'reportable activities') that are prepared on an accruals basis and consolidated within States of Jersey Consolidated Accounts, defined in chapter 4 based on a Statistical Boundary.*

4. Chapter 2 – The purposes and principles of government financial reporting

This chapter is adopted subject to the general adaptations set out in section 2.

5. Chapter 3 – Best practice in narrative reporting

This chapter is adopted subject to the general adaptations set out in section 2.

6. Chapter 4 - The annual report and accounts general adaptations set out in section 2).

Section 4.2 Accounting principles for government annual reports and accounts

Accounting policies and budgetary controls

The budgeting regime in Jersey is set out in the Public Finances (Jersey) Law 2019, and differs from the arrangements in the UK, and so paragraphs 4.2.20 to 4.2.24 do not apply.

Paragraph 4.2.25 should be interpreted in line with the adaptations to Chapter 6.

Section 4.3: Consolidation and accounting boundaries

The UK FReM is written to be applied by a large number of government entities who draft their own financial statements, whereas in Jersey it only applies to the States of Jersey.

Therefore, all references to *Departments* with this section will be updated to *States of Jersey*.

For clarity, the following interpretations have been made:

- 4.3.1 *The operation of the Common Investment Fund (the 'CIF') as an administrative investment pooling arrangement is under the direct control of the States. However, the proportion of the CIF that relates to participant entities that are not part of the Statistical Boundary shall be recognised as a liability in the States of Jersey consolidated financial statements.*
- 4.3.2 *Trust Funds are monies donated or left to the States of Jersey through citizens wills with their wishes over what these funds are to be used for. The States of Jersey will do its best to ensure these funds available are effectively utilised to satisfy the wishes of the donors. Where the wishes of the donor are unclear or unable to satisfy very specific wishes the State will approach the courts to redirect the funds to the closest possible outcome to the original wish. These trust funds (including bequest funds) that invests into the CIF's pooling arrangement will be treated as out of group participants*

4.3.3 *For those entities which fall outside the States of Jersey statistical boundary, States of Jersey has made the irrevocable election under IFRS 9: Financial Instruments to account for the following investment entities, to which the States holds equity instruments for, as fair value through other comprehensive income:*

- *JT Group Limited;*
- *Jersey Post International Limited;*
- *Jersey Electricity plc;*
- *The Jersey New Waterworks Company Limited;*
- *States of Jersey Development Company,*
- *Andium Homes Limited and*
- *Ports of Jersey Limited.*

These entities are categorised in the States of Jersey Consolidated accounts as “Strategic Investments”.

4.3.4 *There are a number of smaller entities which fall within the States of Jersey Statistical Boundary but which are not consolidated as they are immaterial to the financial statements as whole. These are referred to as "Minor Entities" and comprise:*

- *Government of Jersey London Office*
- *Digital Jersey Limited*
- *Jersey Legal Information Board*
- *Jersey Business Limited*
- *Bureau des Iles Anglo-Normandes*
- *Jersey Finance Limited*
- *Channel Islands Brussels Office*
- *Visit Jersey Limited*

Section 4.4: Reporting requirements beyond central government departments

This section is not applicable to Jersey and therefore not adopted.

Section 4.5: Presentation to Parliament and publication

The requirements to audit and present the States Accounts to the Assembly are set out in Article 12 of the [Comptroller and Auditor General \(Jersey\) Law 2014](#), and consequently this section does not apply.

7. Chapter 5 - the performance report

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

The performance report in the Annual Report and Accounts will cover the States of Jersey, but will also refer to detailed Annual Reports of entities who report separately where appropriate.

Section 5.4: Performance analysis

The budgeting regime in Jersey is set out in the Public Finances (Jersey) Law 2019, and differs from the arrangements in the UK. The general interpretations set out in section 2 should be applied. In particular, performance reporting should be against the priorities set out in the Government Programme rather than Spending Review.

In general this section has been drafted for the UK context, and so does not directly apply to the States of Jersey. The content of the section will be considered when determining the appropriate format and content of the performance report, but is not mandatory.

Sustainability reporting

The Annual Report and Accounts will provide information on environmental matters including the impact of the entity's business on the environment. As the mandatory sustainability reporting requirements referred to in paragraphs 5.4.7 to 5.4.16 relate to UK specific guidance, these paragraphs are considered to be examples of best practice rather than mandatory requirements. These will be considered when drafting the sustainability report, and adopted where appropriate.

Specific requirements for sustainability reporting by the States of Jersey based on recognised best practice remain under review.

8. Chapter 6 - The accountability report

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

Section 6.4: Corporate governance report

Paragraph 6.4.3 is interpreted as follows:

- b) the name of the "person occupying the position of the permanent head of the department" should be interpreted as the Chief Executive

Section 6.5: Remuneration and staff report

For all instances where 'Director' is used though out Section 6.5, this will be replaced with 'Directors and all Accountable Officers appointed under the Public Finances (Jersey) Law 2019'.

Paragraph 6.5.8 d) is replaced by: "Accrued pension benefits – employer pension contributions will be used to represent accrued pension benefits. Accrued pension benefits will be disclosed in bands of £5,000."

This change reflects the different tax and pension structures in Jersey which make the 'multiplied by 20' and references to lump sums irrelevant.

Section 6.6: Statement of Outturn against Parliamentary Supply (SOPS)

The budgeting process in Jersey is set out in the Public Finances (Jersey) Law 2019, and differs from the arrangements in the UK.

The Statement of Outturn against Approvals will be prepared in the Jersey context, and consequently paragraphs 6.6.10 to 6.6.20 do not apply as included in the UK FREM, and are replaced with the following:

The Statement of Outturn against Approvals

6.6.10 *The Statement of Outturn against Approvals is the States' accountability statement. It reports the following to the States:*

- a) a comparison of outturn against estimates for General Revenue Income*
- b) a comparison of outturn against the approval for net revenue expenditure;*
- c) a reconciliation of the revenue outturn to net revenue expenditure disclosed in the Statement of Comprehensive Net Expenditure;*
- d) a comparison of outturn against the approval for project expenditure; and*
- e) a statement showing the unallocated consolidated fund balance at the end of the financial year.*

6.6.11 *Explanations of variances between the approval and outturn should be given in the Management Commentary and any accompanying reports and information.*

6.6.12 *The Statement of Outturn against Approvals is supported by notes to the statement. The following information must be given in the supporting notes, however some detail may be included as an annex to the supporting notes.*

Analysis of Outturn Against Approvals - Forecast Operating Balance

6.6.13 *This note analyses the net revenue expenditure outturn against approval as follows:*

- a) Net General Revenue Income by income line as presented in the Government Plan, against the Estimate.*
- b) Net revenue expenditure outturn for the Consolidated Fund by head of expenditure, comparing the net total outturn for each head of expenditure with the Approval.*
- c) Net revenue expenditure outturn for each Trading Operation, comparing the net total outturn for each operation with the Estimate.*

6.6.14 *A brief explanation of the reasons for significant variances between approvals and outturn should be given in the Management Commentary and any accompanying information to the Accounts.*

Analysis of project expenditure outturn

6.6.15 *This note analyses the project expenditure outturn against approval as follows:*

- a) Project expenditure outturn for the Consolidated Fund by head of expenditure, comparing the net total outturn for each head of expenditure with the Approval.*
- b) Project expenditure outturn for Trading Operations by project, comparing the net total outturn for each project with the Estimate.*

Section 6.7: Other Notes relating to Parliamentary accountability

“Managing public money” does not apply to the States of Jersey. No limit is applied to losses and special payments, and the limit over which Gifts made should be disclosed is £10,000.

Section 6.8: the certificate and report of the comptroller and auditor general to the House of Commons

Section 6.8 is not adopted into the JFReM, with the equivalent requirements set out in Article 12 of the [Comptroller and Auditor General \(Jersey\) Law 2014](#).

9. Chapter 7 - The financial statements

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

Some of the provisions in the Chapter refer to UK concepts that do not apply in Jersey:

- "Supply Issued from the Consolidated Fund" and related concepts
- Funding from "Grant-in-aid"
- "General Fund" as a component of equity

10. Chapter 8 – adapting and interpreting IFRS Standards

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

Section 8.2 Interpretations and adaptations of the public accounts context

A number of the UK FReM adaptations that are clearly not applicable in the Jersey context are not explicitly removed for brevity.

IFRS 15

For clarity: taxation through the Consolidated Fund is included in the Annual Report and Accounts. Non-exchange income will be accounted for on an accruals basis (in line with the second adaptation to the standard), provided that a reasonable estimate of that income can be determined.

IAS 19 and 26:

These standards are adapted in line with the adaptations to Chapter 12.

11. Chapter 9 – Further guidance on accounting boundaries

This chapter will generally not apply as it relates to transfers between entities preparing separate sets of accounts.

12. Chapter 10 – Further guidance on accounting for assets and liabilities

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

Section 10.3 Climate Change Levy (CCL)

This section does not apply, as it is not relevant to Jersey.

13. Chapter 11 - Further guidance on accounting for income and expenditure

This chapter is adopted subject to the following adaptation and interpretations (in addition to general adaptations set out in section 2).

Section 11.1 Income

The definitions in set out in Paragraphs 11.1.1-11.1.4 are specific to the UK and are not applied.

Section 11.2 Accounting for Supply

This section is specific to the UK and does not apply.

Section 11.3 Consolidated Fund Revenue

Whilst the Consolidated Fund in the UK is a different concept to Jersey, most of this section applies where relevant, subject to the general interpretations.
For the sake of clarity, the following types of income will be classified as non-exchange income, and accounted for in the following way:

Revenue type	Recognition point
Social Security Contributions, Long-term Care Contributions and Personal income tax	Accrued for in the year the assessable income is earned.
Companies tax	Accrued for in the year company tax returns are

Revenue type	Recognition point
	due unless no return was submitted and it is impracticable to make an estimate of tax due, i.e. year after assessable income is earned based on company returns.
Goods and Services Tax (GST) and Stamp Duty	Accrued for in the year the taxable activity occurs.
Impôts Duties	When the goods are landed in Jersey.
Island rates	Accrued in the year the Island Rates are charged for on a calendar year basis. Income is recognised in the period for which the rates are charged.
Fines and penalties	Accrued for when the fines and penalties are imposed.

Paragraphs 11.3.11 to 11.3.22 relating to Trust Statements and Devolved Taxes accounts do not apply and are not adopted.

Sections 11.4 and 11.5 are not applicable and therefore not adopted into the JFRm.

14. Chapter 12 – Further guidance on pensions accounting

The arrangements for Pension Funds in Jersey differs to that in the UK, and consequently the chapter as included in the UK FRm does not apply. However, a relevant interpretation of standards is introduced:

Recognition of pension schemes: Public Employees' Pension Fund (PEPF) and Jersey Teachers Superannuation Fund (JTSF)

12.1.1 The PEPF comprises a final-salary section known as the Public Employees Contributory Retirement Scheme (PECRS) and a career average section known as the Public Employees' Pension Scheme (PEPS).

12.1.2 Whilst the schemes characterise the benefits that members can receive, they are not conventional defined benefit schemes as the employer is not responsible for meeting any past service deficiency in the schemes. Regulations and communications to scheme members clearly state that benefits are dependent on the financial position of the pension funds remaining satisfactory – they are not guaranteed. If there is a deficit in the funds, employee benefits may be reduced in order to bring the funds back to a balanced position. Whilst employer contributions could be increased to meet scheme deficits, the possibility is considered remote and within the employer's control with an employer's contribution cap in legislation in the case of PEPF.

12.1.3 The characteristics of the schemes leave them open to interpretation against the definitions in IAS 19. Based on the limitations to employer

liabilities identified above, IAS 19 is being interpreted to recognise these schemes as defined contribution schemes.

15. Chapter 13 - Whole of Government Accounts

This chapter is not applicable to Jersey and is not adopted into the JFReM.

16. Annexes

As the Annexes give illustrative wording and further guidance, they are considered only to the extent that they are applicable and appropriate to the States of Jersey Annual Report and Accounts.