

**Jersey Advisory & Conciliation Service**

**Board Members' report and**

**Financial Statements**

**For the year ended 31 December 2011**

## **Jersey Advisory & Conciliation Service**

### **Information**

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#### **Board Members**

Tom Slattery  
Ed Daubeney  
Julie Crabtree  
Sarah Beirne  
Alison Mellor  
Craig Channing  
Advocate Zoë Blomfield

#### **Executive Director**

David Witherington

#### **Company number**

19091

#### **Service Office**

Trinity House  
Bath Street  
St. Helier  
Jersey  
JE2 4ST

#### **Auditors**

BDO Limited  
Windward House  
La Route de la Liberation  
St. Helier  
Jersey  
JE1 1BG

## **Jersey Advisory & Conciliation Service**

### **Board Members' report and financial statements for the year ended 31 December 2011**

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## **Jersey Advisory & Conciliation Service**

### **Board Members' report and financial statements for the year ended 31 December 2011**

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The Board Members present their report and the audited financial statements for the year ended 31 December 2011.

#### **Statement of Board Members' responsibilities**

The Board Members are responsible for preparing the Board Members' report and the financial statements in accordance with applicable law and generally accepted accounting practice applicable in the United Kingdom.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and 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 Service will continue in business.

The Board Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Service's transactions and disclose with reasonable accuracy at any time the financial position of the Service and enable them to ensure that the financial statements comply with the Jersey Advisory and Conciliation (Jersey) Law 2003. They are also responsible for safeguarding the assets of the Service and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activities**

The principal activity of the Service is to assist in the building of harmonious relationships between employers and employees in Jersey.

#### **Dividends**

There were no dividends declared in the year under review (2010: £nil).

#### **Results**

The profit and loss account for the year is set out on page 4.

## Jersey Advisory & Conciliation Service

### Board Members' report and financial statements for the year ended 31 December 2011

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#### Board Members

The Board Members who served during the year and subsequently were:

Tom Slattery	
Ed Daubeney	
Lorna Pestana	(resigned 29 March 2012)
Kevin Keen	(resigned 29 September 2011)
David Warr	(resigned 29 September 2011)
Julie Crabtree	
John Moulin	(resigned 31 December 2011)
Sarah Bierne	(appointed 1 October 2011)
Alison Mellor	(appointed 1 October 2011)
Craig Channing	(appointed 1 January 2012)
Advocate Zoë Blomfield	(appointed 1 March 2012)

#### Provision of information to auditors

Each of the persons who are Board Members at the time when this Board Members' report is approved has confirmed that:

- so far as that Member is aware, there is no relevant audit information of which the Service's auditors are unaware, and
- that Member has taken all the steps that ought to have been taken as a Member in order to be aware of any information needed by the Service's auditors in connection with preparing their report and to establish that the Service's auditors are aware of that information.

#### Auditors

The Company's auditors BDO Alto Limited were succeeded by BDO Limited on 1 January 2012 and BDO Limited have been the appointed auditor to the Company from that date. BDO Limited have expressed their willingness to continue in office.

This report was approved by the Board and signed on its behalf by:



Board Member

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS AND THE MINISTER OF THE STATES OF JERSEY SOCIAL SECURITY DEPARTMENT

We have audited the financial statements of the Jersey Advisory and Conciliation Service (the "Service") for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 8. 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 Minister of the States of Jersey Social Security Department ("the Minister"), in accordance with Section 10 of the Schedule to the Jersey Advisory and Conciliation Service (Jersey) Law 2003. Our audit work has been undertaken so that we might state to the Board Members and to the Minister 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 service and the Minister, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of Board Members and auditor

As explained more fully in Statement of Board Members' Responsibilities, the Board Members are 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 Auditing Practices Board's Ethical Standards for Auditors.

### 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 service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board Members; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Board Members' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implication for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Service's affairs as at 31 December 2011 and of its loss 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 Jersey Advisory and Conciliation Service (Jersey) Law 2003.

*BDO Limited*

BDO Limited  
Chartered Accountants  
Jersey  
5<sup>th</sup> April 2012

## Jersey Advisory & Conciliation Service

### Profit and Loss Account for the year ended 31 December 2011

	Note	2011 £	2010 £
<b>Turnover</b>			
Grant received	1	316,272	314,700
Other income		15,315	6,650
		<u>331,587</u>	<u>321,350</u>
<b>Administration expenses</b>			
Staff costs		279,279	267,913
Motor running costs		1,385	1,309
Travel and entertainment		1,679	2,611
Telephone		2,614	2,429
Computer support and maintenance		8,003	7,602
Advertising and promotion		3,353	3,923
Legal and professional		58	976
Auditors' remuneration		4,123	4,098
Equipment/room rental		5,363	6,293
Sundry expenses		1,740	5,010
Rent		21,600	21,600
Light and heat		2,178	2,531
Service charges and maintenance		10,717	9,949
Insurance		951	1,397
Depreciation		1,882	2,638
Stationery, printing and production		3,142	1,860
Subscriptions		200	586
Loss on disposal of assets		-	6
Leasing charges		676	331
		<u>348,943</u>	<u>343,062</u>
Operating loss		(17,356)	(21,712)
Release of deferred income provision	4		69,000
<b>(Loss)/profit for the year</b>	5	<u>(17,356)</u>	<u>47,288</u>

There is no difference between the net (loss)/profit retained for the year as stated above and its historical cost equivalent.

There were no recognised gains and losses for 2011 and 2010 other than those included in the profit and loss account.

All amounts relate to continuing activities.

The notes on pages 6 to 9 form part of these financial statements.

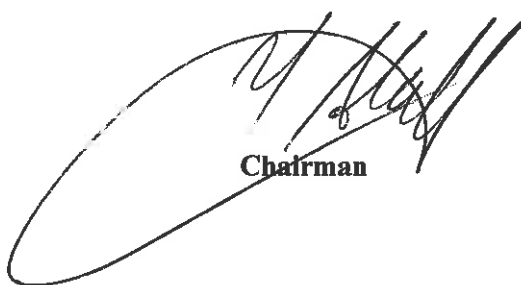
Jersey Advisory & Conciliation Service

Balance sheet as at 31 December 2011

	Note	£	2011 £	£	2010 £
<b>Fixed Assets</b>					
Tangible fixed assets	2		2,268		4,150
<b>Current Assets</b>					
Debtors and prepayments	3	5,140		5,757	
Cash at bank and in hand		160,263		177,878	
		<u>165,403</u>		<u>183,635</u>	
<b>Creditors: amounts falling due within one year</b>	4	(10,578)		(12,423)	
<b>Net current assets</b>			<u>154,825</u>		<u>171,212</u>
<b>Total assets less current liabilities</b>			<u>157,093</u>		<u>175,362</u>
<b>Creditors: amounts falling due after more than one year</b>	4		(3,013)		(3,926)
<b>Net assets</b>			<u><u>154,080</u></u>		<u><u>171,436</u></u>
<b>Capital and Reserves</b>					
Profit and Loss account	5		154,080		171,436
<b>Retained funds</b>			<u><u>154,080</u></u>		<u><u>171,436</u></u>

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

  
Executive Director

  
Chairman

Date: 5<sup>th</sup> April 2012

The notes on pages 6 to 9 form part of these financial statements.



## 1. Accounting policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with generally accepted accounting standards in the United Kingdom.

### 1.2 Government Grants

Grants provided by the States of Jersey Social Security Department have been given to finance the general activities of the Service over the year and as such constitute the Service's major income source. Grants are recognised in the profit and loss account in full in the period in respect of which they are received as in the opinion of the Board Members there is no existing obligation to repay any unspent portion.

### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixture and fittings	20% straight line
Other fixed assets	33% straight line

### 1.4 Taxation

For taxation purposes the above entity is treated as a charity and is therefore exempt from paying Jersey income tax.

### 1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of either their useful lives or the lease term. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

### 1.6 Cashflow

JACS is exempt from the requirements to prepare a cashflow statement under Financial Reporting Standard 1 (revised) on the grounds of its size.

**2. Tangible fixed assets**

	Furniture, fittings and equipment £	Computer equipment £	Leased office equipment £	Total £
<b>Cost</b>				
At 1 January 2011	25,210	6,340	5,150	36,700
	<u>25,210</u>	<u>6,340</u>	<u>5,150</u>	<u>36,700</u>
At 31 December 2011	<u>25,210</u>	<u>6,340</u>	<u>5,150</u>	<u>36,700</u>
<b>Depreciation</b>				
At 1 January 2011	24,510	6,340	1,700	32,550
Charge for the year	182	-	1,700	1,882
	<u>24,692</u>	<u>6,340</u>	<u>3,400</u>	<u>34,432</u>
At 31 December 2011	<u>24,692</u>	<u>6,340</u>	<u>3,400</u>	<u>34,432</u>
<b>Net book value</b>				
At 31 December 2011	<u>518</u>	<u>-</u>	<u>1,750</u>	<u>2,268</u>
At 31 December 2010	<u>700</u>	<u>-</u>	<u>3,450</u>	<u>4,150</u>

**3. Debtors:**

Amounts falling due within one year	2011 £	2010 £
Other debtors	-	618
Prepayments and accrued income	5,140	5,139
	<u>5,140</u>	<u>5,757</u>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2011

4. Creditors:

Amounts falling due within one year	2011 £	2010 £
Other creditors	9,666	11,678
Lease creditor	912	745
	<u>10,578</u>	<u>12,423</u>

Deferred income	2011 £	2010 £
Balance brought forward	-	69,000
Grant received during the year	316,272	314,700
Released to profit and loss account	(316,272)	(383,700)
	<u>-</u>	<u>-</u>
Deferred income carried forward	<u>-</u>	<u>-</u>

During the prior year, the Board concluded that as there was no existing obligation for the repayment of the deferred income provision which was recognised several years earlier, and that the balance brought forward should be written off. This was in accordance with the accounting policy that grant income is recognised in full in the period in respect of which it is received. Accordingly, the profit and loss account in the prior year includes the release of the brought forward £69,000 provision.

Amounts falling due after more than one year	2011 £	2010 £
Lease creditor	3,013	3,926
	<u>3,013</u>	<u>3,926</u>

Net obligations under finance leases	2011 £	2010 £
Repayable within one year	912	745
Repayable between two and five years	3,013	3,926
	<u>3,925</u>	<u>4,671</u>

## Jersey Advisory & Conciliation Service

### Notes to the financial statements for the year ended 31 December 2011

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#### 5. Reserves

	Profit and loss Account £
At 1 January 2011	171,436
Loss for the year	(17,356)
	<hr/>
At 31 December 2011	154,080
	<hr/> <hr/>

#### 6. Ownership

The Service is managed by an Executive Director and a Non-Executive Board consisting of a Chairman and 6 other Board Members. The Service, as a quasi-government body, is funded by the States of Jersey Social Security Department. The aim of the Service is to assist in the building of harmonious relationships between employers and employees.

#### 7. Related party transactions

The Board Members are considered key management personnel. There were no transactions with any of the Members of the Board. The Executive Director, David Witherington, earns a salary on an arm's length basis.

#### 8. Lease commitment

At 31 December 2011 the Service had annual commitments under an operating lease in respect of the premises, being a 9 year lease subject to rent reviews and break clauses at 3 and 6 years. This lease was entered into on the 10 March 2010, with a commencement date of 1 January 2010. The current annual commitment is £21,600 (2010: £21,600).

Net obligations under operating leases	2011 £	2010 £
Expiring within one year	-	-
Expiring between two to five years	-	-
Expiring after more than five years	21,600	21,600
	<hr/>	<hr/>
	21,600	21,600
	<hr/> <hr/>	<hr/> <hr/>