

**Jersey Advisory & Conciliation Service**

Board Members' Report and

Financial Statements

For the year ended 31 December 2017

## **Jersey Advisory & Conciliation Service**

### **Information**

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#### **Board Members**

Sarah Beirne  
Alison Mellor  
Advocate Zoë Blomfield  
Lynda Vautier  
Jimmy McCormack  
Donna Abel  
Sara Gardwood

#### **Executive Director**

Patricia Rowan

#### **Registration 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

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## **Jersey Advisory & Conciliation Service**

### **Board Members' report for the year ended 31 December 2017**

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The Board Members present their report and the audited financial statements for the year ended 31 December 2017 for the Jersey Advisory & Conciliation Service (the "Service").

#### **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 the United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 Service was established in Jersey under the Jersey Advisory and Conciliation (Jersey) Law 2003 and 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 (2016: £nil).

#### **Results**

The profit and loss account for the year is set out on page 5.

**Jersey Advisory & Conciliation Service**

**Board Members' report for the year ended 31 December 2017**

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**Board Members**

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

Sarah Beirne  
Alison Mellor  
Advocate Zoë Blomfield  
Lynda Vautier  
Jimmy McCormack  
Donna Abel  
Sara Gardwood (appointed on 3<sup>rd</sup> March 2017)

**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 each Board Member is aware, there is no relevant audit information of which the Service's auditors are unaware, and
- that each Board Member has taken all the steps that they ought to have been taken as a Board 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**

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

22 March 2018



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## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF JERSEY ADVISORY & CONCILIATION SERVICE AND THE MINISTER OF THE STATES OF JERSEY SOCIAL SECURITY DEPARTMENT**

### **Opinion**

We have audited the financial statements of Jersey Advisory and Conciliation Service ("the Service") for the year ended 31 December 2017 which comprise the Profit of Loss Account, the Balance Sheet and notes 1 to 9 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Service's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Jersey Advisory and Conciliation Service (Jersey) Law 2003.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Service in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Service's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Board Members' report. The Board Members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



We have nothing to report in this regard.

#### **Responsibilities of Board Members**

As explained more fully in the 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, and for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board Members are responsible for assessing the Service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Service or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

This report is made solely to the Service's Board Members, as a body, and 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 Service's members and to the Minister those matters we are required to state to them in an auditors' 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, the Service's members as a body and the Minister for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

*BDO Limited*

BDO Limited  
Chartered Accountants  
Jersey, Channel Islands  
22 March 2018

## Jersey Advisory & Conciliation Service

### Profit and Loss Account for the year ended 31 December 2017

	Note	2017 £	2016 £
<b>Turnover</b>			
Grant received	1	370,538	378,100
Other income		27,321	21,665
		<u>397,859</u>	<u>399,765</u>
<b>Administration expenses</b>			
Staff costs		287,076	277,710
Travel and entertainment		902	955
Telephone		2,439	2,958
Computer support and maintenance		12,299	11,576
Advertising and promotion		1,572	4,112
Auditors' remuneration		3,199	2,907
Professional fees		1,916	-
Equipment/room rental		6,238	5,943
Sundry expenses		877	1,921
Rent		21,600	21,600
Light and heat		1,464	1,391
Service charges and maintenance		9,874	16,061
Postage		315	367
Insurance		342	704
Depreciation		-	2,985
Stationery, printing and production		1,399	1,284
Leasing charges		296	498
Bank charges		189	197
		<u>351,997</u>	<u>353,169</u>
Operating profit		45,862	46,596
<b>Profit for the year</b>	5	<u>45,862</u>	<u>46,596</u>

There were no items of other comprehensive income for the years ended 31 December 2016 and 2017.

All amounts relate to continuing activities.

The notes on pages 7 to 12 form part of these financial statements.



**Jersey Advisory & Conciliation Service**

**Balance sheet as at 31 December 2017**

	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed Assets</b>					
Tangible fixed assets	2		-		-
<b>Current Assets</b>					
Debtors and prepayments	3	5,100		5,040	
Cash at bank and in hand		242,613		202,917	
		<u>247,713</u>		<u>207,957</u>	
<b>Creditors:</b> amounts falling due within one year	4	(14,452)		(19,088)	
<b>Net current assets</b>			233,261		188,869
<b>Total assets less current liabilities</b>			233,261		188,869
<b>Creditors:</b> amounts falling due after more than one year	4		(21,600)		(23,070)
<b>Net assets</b>			<u>211,661</u>		<u>165,799</u>
<b>Capital and Reserves</b>					
Profit and Loss account	5		211,661		165,799
<b>Retained funds</b>			<u>211,661</u>		<u>165,799</u>

The financial statements on page 4 to 12 were approved and authorised for issue by the Board and were signed on its behalf by

**Executive Director**



Date: 2018

22 March

**Board Member**



22 March 2018

The notes on pages 7 to 12 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 United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland”. The financial statements have been prepared using the Small Entities Regime under section 1A of FRS 102. The financial statements are presented in Pound Sterling, which is also the functional currency of the Service.

### **1.2 Revenue Recognition**

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 over the period for which the services for which the grant has been provided are delivered and any grant received that relates to the provision of services for future periods is deferred as at the year-end. In the opinion of the Board Members there is no existing obligation to repay any unspent portion unless this is specifically requested by the Social Security Department.

Income from the provision of public and in-house training courses provide a secondary source of revenue to the Service. Training income is recognised in the profit and loss account in the same period the training was supplied and any training income received that relates to the provision of training courses for future periods is deferred as at the year-end.

### **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
Leased office equipment	Shorter of 33% straight line or lease term

### **1.4 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand and deposits held at call with banks with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

### **1.5 Taxation**

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

## **1. Accounting policies (continued)**

### **1.6 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.

### **1.7 Provisions**

Provisions are recognised when the Service has a present legal, or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

### **1.8 Financial Instruments**

The Service has chosen to adopt Sections 11 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently carried at amortised cost, using the effective interest rate method.

Financial Assets are derecognised when (a) the contractual right to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the asset are transferred to the other party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### **1.9 Pensions**

The Company participates in a group defined benefit scheme (PECRS). It is not possible to identify the Company's share of assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 102 p28.11 (multi-employer exemption), the schemes are accounted for as if they were defined contribution schemes.

**Jersey Advisory & Conciliation Service**

**Notes to the financial statements for the year ended 31 December 2017**

**2. Tangible fixed assets**

	<b>Furniture, fittings and equipment £</b>	<b>Computer equipment £</b>	<b>Leased office equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2017	27,499	5,152	6,043	38,694
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>27,499</u>	<u>5,152</u>	<u>6,043</u>	<u>38,694</u>
At 31 December 2017	<u>27,499</u>	<u>5,152</u>	<u>6,043</u>	<u>38,694</u>
<b>Depreciation</b>				
At 1 January 2017	27,499	5,152	6,043	38,694
Charge for the year	-	-	-	-
Disposals	-	-	-	-
	<u>27,499</u>	<u>5,152</u>	<u>6,043</u>	<u>38,694</u>
At 31 December 2017	<u>27,499</u>	<u>5,152</u>	<u>6,043</u>	<u>38,694</u>
<b>Net book value</b>				
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**3. Debtors and prepayments**

<b>Amounts falling due within one year</b>	<b>2017 £</b>	<b>2016 £</b>
Prepayments and accrued income	<u>5,100</u>	<u>5,040</u>

## Jersey Advisory & Conciliation Service

### Notes to the financial statements for the year ended 31 December 2017

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#### 4. Creditors

<b>Amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other creditors	11,702	14,600
Lease creditor	1,470	1,408
Deferred income re Training courses	1,280	3,080
	<u>14,452</u>	<u>19,088</u>
	=====	=====
<b>Amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Provisions for Dilapidations on repairing office lease	21,600	21,600
Lease creditor	-	1,470
	<u>21,600</u>	<u>23,070</u>
	=====	=====
<b>Net obligations under finance leases</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Repayable within one year	1,470	1,408
Repayable between two and five years	-	1,470
	<u>1,470</u>	<u>2,878</u>
	=====	=====

## Jersey Advisory & Conciliation Service

### Notes to the financial statements for the year ended 31 December 2017

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#### 5. Reserves

	<b>Profit and loss Account £</b>
At 1 January 2017	165,799
Profit for the year	45,862
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At 31 December 2017	211,661
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#### 6. Ownership

The Service is managed by an Executive Director and a Non-Executive Board consisting of a Chairman and up to 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 earned a salary on an arm's length basis.

#### 8. Commitments

At 31 December 2017 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 (2016: £21,600).

<b>Total future minimum lease payments under non-cancellable operating leases</b>	<b>2017 £</b>	<b>2016 £</b>
Lease repayments within one year	21,600	21,600
Lease repayments between two to five years	21,600	43,200
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	43,200	64,800
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## Jersey Advisory & Conciliation Service

### Notes to the financial statements for the year ended 31 December 2017

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#### 9. Pensions

##### Defined benefit pension scheme

The Company participates in a group defined benefit scheme (PECRS). It is not possible to identify the Company's share of assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 102 p28.11 (multi-employer exemption), the schemes are accounted for as if they were defined contribution schemes.

The total pension contribution charge for the year amounted to £31,042 (2016: £30,219).