

**Jersey Advisory & Conciliation Service**

Board Members' Report and

Financial Statements

For the year ended 31 December 2020

## **Jersey Advisory & Conciliation Service**

### **Information**

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#### **Board Members**

Donna Abel  
Lynda Vautier  
Jimmy McCormack  
Sara Garwood  
Chris Mutton  
Hilary Griffin  
Hannah Gauvin

#### **Executive Director**

Patricia Rowan

#### **Registration number**

19091

#### **Service Office**

Law House  
1-3 Seale Street  
St. Helier  
Jersey  
JE2 3QG

#### **Auditors**

Alex Picot Chartered Accountants  
95-97 Halkett Place  
St. Helier  
Jersey  
JE1 1BX

## Jersey Advisory & Conciliation Service

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## **Jersey Advisory & Conciliation Service**

### **Board Members' report for the year ended 31 December 2020**

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The Board Members present their report and the audited financial statements for the year ended 31 December 2020 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 (2019: £nil).

#### **Results**

The Statement of Comprehensive Income and Retained Earnings for the year is set out on page 6.

## Jersey Advisory & Conciliation Service

### Board Members' report for the year ended 31 December 2020

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#### Board Members

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

Donna Abel (Chairman)	(effective 29th September 2020)
Lynda Vautier	
Jimmy McCormack	
Sara Garwood	
Sarah Beirne	(retired on 29 <sup>th</sup> September 2020)
Alison Mellor	(retired on 29 <sup>th</sup> September 2020)
Chris Mutton	(appointed on 12 <sup>th</sup> October 2020)
Hilary Griffin	(appointed on 12 <sup>th</sup> October 2020)
Advocate Zoë Blomfield	(retired on 28 <sup>th</sup> February 2021)
Hannah Gauvin	(appointed on 28 <sup>th</sup> February 2021)

#### 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

Alex Picot Chartered Accountants were appointed on 21<sup>st</sup> October 2020 and have expressed their willingness to continue in office.

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

Board Member

25/3/2021

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

**Opinion**

We have audited the financial statements of Jersey Advisory and Conciliation Service (the "Service") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income and Retained Earnings, Statement of Financial Position and Notes 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, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the state of the Service's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards;
- 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 in the UK, 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**

In auditing the financial statements, we have concluded that the Board Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Service's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF JERSEY ADVISORY AND CONCILIATION SERVICE AND THE MINISTER OF THE STATES OF JERSEY FOR SOCIAL SECURITY (CONTINUED)**

Our responsibilities and the responsibilities of the Board Members with respect to going concern are described in the relevant sections of this report.

**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 we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 set out on page 1, 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**

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.

*Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud:*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

During our audit we assessed the risk of material misstatement of the financial statements as a result of non-compliance with relevant laws and regulations (irregularities), including fraud. Based on our understanding of the Service and its environment, together with discussion with senior management where appropriate, we were able to identify those laws and regulations which would have a direct effect on the financial statements as well as those which may have an effect on amounts in the financial statements, for instance through the imposition of fines or litigation. These included, but were not limited to the Jersey Advisory and Conciliation Service (Jersey) Law 2003 as well as general legislation applicable to an entity operating in Jersey, such as Data Protection requirements, Employment Law and Health and Safety Regulation. The risks arising from these laws and regulations were discussed amongst the audit engagement team, including consideration as to how and where fraud might occur.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD MEMBERS OF JERSEY ADVISORY AND CONCILIATION SERVICE AND THE MINISTER OF THE STATES OF JERSEY FOR SOCIAL SECURITY (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

Based on our assessment, the Engagement Partner ensured that the audit engagement team was composed appropriately with suitable competence and capabilities in order to allow identification and recognition of non-compliance with laws and regulations. The risks identified were communicated to all engagement team members who remained alert during the course of the audit for any indication of irregularities, including fraud.

Our procedures in response to the risks identified included the following:

- Enquiry of management, including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- Review all available minutes of meetings held by those charged with governance;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In common with all audits carried out under the ISAs(UK), we carried out procedures in response to the threat of management override, including those considering the appropriateness of journal entries and judgements made in making accounting estimates;
- Review for any changes to activities which the Service undertakes;

There are inherent limitations in the audit procedures above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. In addition, the risk of not detecting material misstatement due to fraud is higher than detecting one resulting from error, as fraud may involve deliberate concealment by, for example forgery, collusion or intentional misrepresentations. We are not responsible for preventing non-compliance and cannot be expected to detect all non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on 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.

**Use of our report**

This report is made solely to the Service's members, as a body, and the Minister of the States of Jersey for Social Security ("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 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 Service's members as a body and the Minister, for our audit work, for this report, or for the opinions we have formed.

26 March 2021

**Alex Picot Chartered Accountants**



## Jersey Advisory & Conciliation Service

### Statement of Comprehensive Income and Retained Earnings for the year ended 31 December 2020

	Note	2020 £	2019 £
<b>Turnover</b>			
Grant received	1	354,900	354,900
Other income		7,350	23,786
		<u>362,250</u>	<u>378,686</u>
<b>Administration expenses</b>			
Staff costs		326,640	321,549
Travel and entertainment		217	1,821
Telephone		2,433	2,208
Computer support and maintenance		15,205	21,165
Advertising and promotion		575	1,587
Auditors' remuneration		4,974	4,067
Repairs & Renewals		614	-
Sundry expenses		4,942	4,504
Rent		24,486	24,540
Release of provision for dilapidations		-	(4,809)
Light and heat		1,235	1,362
Service charges and maintenance		7,625	24,945
Relocation costs		-	3,353
Postage		81	56
Insurance		342	342
Depreciation		8,911	8,356
Stationery, printing and production		662	846
Leasing charges		450	654
Bank charges		189	197
		<u>399,581</u>	<u>416,743</u>
<b>Loss for the year</b>		<u>(37,331)</u>	<u>(38,057)</u>
Retained Funds brought forward		<u>176,285</u>	<u>214,342</u>
Retained Funds carried forward		<u>138,954</u>	<u>176,285</u>

There were no items of other comprehensive income for the years ended 31 December 2019 and 2020.

All amounts relate to continuing activities.

The notes on pages 8 to 12 form part of these financial statements.

## Jersey Advisory & Conciliation Service

### Statement of Financial Position as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed Assets</b>					
Tangible fixed assets	2		19,667		25,370
<b>Current Assets</b>					
Debtors and prepayments	3	-		2,431	
Cash at bank and in hand		133,228		168,061	
		<u>133,228</u>		<u>170,492</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(12,648)</u>		<u>(16,514)</u>	
<b>Net current assets</b>			<u>120,580</u>		<u>153,978</u>
<b>Total assets less current liabilities</b>			<u>140,247</u>		<u>179,348</u>
<b>Creditors: amounts falling due after more than one year</b>	4		<u>(1,293)</u>		<u>(3,063)</u>
<b>Net assets</b>			<u><u>138,954</u></u>		<u><u>176,285</u></u>
<b>Capital and Reserves</b>					
Profit and Loss account			<u>138,954</u>		<u>176,285</u>
<b>Retained funds</b>			<u><u>138,954</u></u>		<u><u>176,285</u></u>

The financial statements on pages 6 to 12 were approved and authorised for issue by the Board and were signed on its behalf by

**Executive Director**

**Board Member**

Date: 25 March 2021

25/3/21

The notes on pages 8 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
Leasehold improvements	Shorter of 20% 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 Service is exempt from paying Jersey income tax in line with Article 14 of the Jersey Advisory and Conciliation (Jersey) Law 2003.

**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.

**Jersey Advisory & Conciliation Service**

**Notes to the financial statements for the year ended 31 December 2020**

**2. Tangible fixed assets**

	<b>Furniture, Fittings &amp; equipment £</b>	<b>Computer equipment £</b>	<b>Leased office equipment £</b>	<b>Leasehold improvements £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2020	10,513	4,100	6,400	13,876	34,889
Additions	-	3,208	-	-	3,208
	<u>10,513</u>	<u>7,308</u>	<u>6,400</u>	<u>13,876</u>	<u>38,097</u>
At 31 December 2020	<u>10,513</u>	<u>7,308</u>	<u>6,400</u>	<u>13,876</u>	<u>38,097</u>
<b>Depreciation</b>					
At 1 January 2020	2,278	1,347	2,486	3,408	9,519
Charge for the year	2,103	1,902	2,132	2,774	8,911
	<u>4,381</u>	<u>3,249</u>	<u>4,618</u>	<u>6,182</u>	<u>18,430</u>
At 31 December 2020	<u>4,381</u>	<u>3,249</u>	<u>4,618</u>	<u>6,182</u>	<u>18,430</u>
<b>Net book value</b>					
At 31 December 2020	<u>6,132</u>	<u>4,059</u>	<u>1,782</u>	<u>7,694</u>	<u>19,667</u>
At 31 December 2019	<u>8,236</u>	<u>2,753</u>	<u>3,914</u>	<u>10,468</u>	<u>25,370</u>

**3. Debtors and prepayments**

**Amounts falling due within one year**

	<b>2020 £</b>	<b>2019 £</b>
Prepayments and accrued income	<u>-</u>	<u>2,431</u>

## Jersey Advisory & Conciliation Service

### Notes to the financial statements for the year ended 31 December 2020

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#### 4. Creditors

<b>Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	10,878	14,948
Finance Lease creditor	1,770	1,566
	<u>12,648</u>	<u>16,514</u>

  

<b>Amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Lease creditor	1,293	3,063
	<u>1,293</u>	<u>3,063</u>

  

<b>Net obligations under finance leases</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Repayable within one year	2,016	2,016
Repayable between two and five years	1,344	3,360
	<u>3,360</u>	<u>5,376</u>
Less: Finance charges	297	747
	<u>3,063</u>	<u>4,629</u>

#### 5. Ownership and Governance

The Service is created by Jersey Advisory and Conciliation (Jersey) Law 2003. There is no ultimate controlling party. The Service is managed by an Executive Director and a Non-Executive Board consisting of a Chairman and up to 6 other Board Members appointed by Social Security Minister. 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 in Jersey.

#### 6. 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.

## Jersey Advisory & Conciliation Service

### Notes to the financial statements for the year ended 31 December 2020

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#### 7. Commitments

At 31 December 2020 the Service had annual commitments under an operating lease in respect of the premises at Seale Street, being a 9-year lease subject to rent reviews at 3 and 6 years, and break clause at year 5. This lease was entered into on the 21 November 2018, with a commencement date of 1 September 2018. The current annual commitment is £24,486 (2019: £24,540).

<b>Total future minimum lease payments under non-cancellable operating leases</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Lease repayments within one year	24,486	24,486
Lease repayments between two to five years	73,458	97,944
	<hr/>	<hr/>
	97,944	122,430
	<hr/> <hr/>	<hr/> <hr/>

#### 8. Pensions

Certain employees of the company are members of the Public Employees Pension Fund ('PEPF'), which includes the Public Employees Contributory Retirement Scheme ('PECRS') and a career average revalued earnings (CARE) section known as the Public Employees' Pension Scheme (PEPS). The PECRS, whilst a final salary scheme, is not a conventional defined benefit scheme as the employer is not responsible for meeting any ongoing deficiency in the scheme. The PEPS is a career average revalued earnings scheme, but is not a conventional defined benefit scheme as the employer is not responsible for meeting any past service deficiency in the scheme. The pension funds are therefore, in accordance with FRS 102 p28.11 (multi-employer exemption), accounted for as defined contribution schemes.

Since 1 January 2016 all new employees have been admitted into PEPS. Existing employees in the PECRS transferred into PEPS on 1 January 2019.

Contributions to the Scheme are at the rate of:

- 15.2% of salary in 2020 in respect of each employee who was a member of the PECRS.
- 16% of pensionable earnings in respect of each employee who enrolled as active member of the PEPS.

Salaries and wages include pension contributions for staff amounting to £32,493 (2019: £30,096).

#### 9. Average number of employees

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	<b>2020</b>	<b>2019</b>
Full time equivalent	4	5

