

Jersey Advisory & Conciliation Service

Board Members' report and

Financial Statements

For the year ended 31 December 2010

Jersey Advisory & Conciliation Service

Information

Board Members

Tom Slattery
Ed Daubeney
Lorna Pestana
Kevin Keen
David Warr
Julie Crabtree
John Moulin

Executive Director

David Witherington

Company number

19091

Service Office

Trinity House
Bath Street
St. Helier
Jersey
JE2 4ST

Auditors

BDO Alto 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 2010

Contents

	Page
Board Members' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

Jersey Advisory & Conciliation Service

Board Members' report and financial statements for the year ended 31 December 2010

The Board Members present their report and the audited financial statements for the year ended 31 December 2010.

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 (2009: £nil).

Results

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

Board Members

The Board Members who served during the year were:

Tom Slattery
Ed Daubeney
Lorna Pestana
Kevin Keen
David Warr
Julie Crabtree
John Moulin

Jersey Advisory & Conciliation Service

Board Members' report and financial statements for the year ended 31 December 2010

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

During the year the auditors, Mazars Channel Islands Limited, resigned. The appointment of BDO Alto Limited ("BDO") as auditors was approved by the Board on 23 November 2010. BDO have expressed a willingness to remain in office.

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



Board Member

24 March 2011

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 2010 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 Board Members 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 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, the Board Members 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.

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 2010 and of its profit 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 Alto Limited

BDO Alto Limited
Chartered Accountants
Jersey
24 March 2011

Jersey Advisory & Conciliation Service

Profit and Loss Account for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover			
Grant received	1	314,700	307,000
Other income		6,650	11,000
		<u>321,350</u>	<u>318,000</u>
Administration expenses			
Staff costs		267,913	233,049
Motor running costs		1,309	4,024
Travel and entertainment		2,611	2,038
Telephone		2,429	2,488
Computer support and maintenance		7,602	7,504
Advertising and promotion		3,923	10,373
Legal and professional		976	1,068
Auditors' remuneration		4,098	3,090
Equipment/room rental		6,293	5,948
Sundry expenses		5,010	5,687
Rent		21,600	21,600
Light and heat		2,531	2,530
Service charges and maintenance		9,949	7,511
Insurance		1,397	2,336
Depreciation		2,638	1,449
Stationery, printing and production		1,860	6,780
Subscriptions		586	2,336
Loss on disposal of assets		6	-
Leasing charges		331	-
		<u>343,062</u>	<u>319,811</u>
Operating loss		(21,712)	(1,811)
Interest income		-	481
Release of deferred income provision	4	69,000	-
Profit/(loss) for the year	5	<u>47,288</u>	<u>(1,330)</u>

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

There were no recognised gains and losses for 2010 and 2009 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 2010

	Note	£	2010 £	£	2009 £
Fixed Assets					
Tangible fixed assets	2		4,150		1,644
Current Assets					
Debtors and prepayments	3	5,757		5,630	
Cash at bank and in hand		177,878		195,101	
			<u>183,635</u>	<u>200,731</u>	
Creditors: amounts falling due within one year	4	(12,423)		(78,227)	
Net current assets			<u>171,212</u>		<u>122,504</u>
Total assets less current liabilities			<u>175,362</u>		<u>124,148</u>
Creditors: amounts falling due after more than one year	4		(3,926)		-
Net assets			<u><u>171,436</u></u>		<u><u>124,148</u></u>
Capital and Reserves					
Profit and Loss account	5		<u>171,436</u>		<u>124,148</u>
Retained funds			<u><u>171,436</u></u>		<u><u>124,148</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: 24 March 2011

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.

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2010

2. Tangible fixed assets

	Furniture, fittings and equipment £	Computer equipment £	Leased office equipment £	Total £
Cost				
At 1 January 2010	25,210	18,721	-	43,931
Additions	-	-	5,150	5,150
Disposals	-	(12,381)	-	(12,381)
	<u>25,210</u>	<u>6,340</u>	<u>5,150</u>	<u>36,700</u>
At 31 December 2010	<u>25,210</u>	<u>6,340</u>	<u>5,150</u>	<u>36,700</u>
Depreciation				
At 1 January 2010	23,587	18,700	-	42,287
Charge for the year	923	15	1,700	2,638
Disposals	-	(12,375)	-	(12,375)
	<u>24,510</u>	<u>6,340</u>	<u>1,700</u>	<u>32,550</u>
At 31 December 2010	<u>24,510</u>	<u>6,340</u>	<u>1,700</u>	<u>32,550</u>
Net book value				
At 31 December 2010	<u>700</u>	<u>-</u>	<u>3,450</u>	<u>4,150</u>
At 31 December 2009	<u>1,623</u>	<u>21</u>	<u>-</u>	<u>1,644</u>

3. Debtors:

Amounts falling due within one year	2010 £	2009 £
Other debtors	618	-
Prepayments and accrued income	5,139	5,630
	<u>5,757</u>	<u>5,630</u>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2010

4. Creditors:

Amounts falling due within one year	2010 £	2009 £
Trade creditors	11,678	9,227
Lease creditor	745	-
Accruals and deferred income	-	69,000
	<u>12,423</u>	<u>78,227</u>
Deferred income	2010 £	2009 £
Balance bought forward	69,000	69,000
Grant received during the year	314,700	317,000
Released to profit and loss account	(383,700)	(317,000)
	<u>-</u>	<u>69,000</u>
Deferred income carried forward	-	69,000

During the 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, that the balance brought forward should be written off in the year. This is 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 this year includes the release of the brought forward £69,000 provision.

Amounts falling due after more than one year	2010 £	2009 £
Lease creditor	3,926	-
	<u>3,926</u>	<u>-</u>
Net obligations under finance leases	2010 £	2009 £
Repayable within one year	745	-
Repayable between two and five years	3,926	-
	<u>4,671</u>	<u>-</u>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2010

5. Reserves

	Profit and loss Account £
At 1 January 2010	124,148
Profit for the year	47,288
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At 31 December 2010	171,436
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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 2010 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 (2009: £21,600).

Net obligations under operating leases	2010 £	2009 £
Expiring within one year	-	21,600
Expiring between two to five years	-	-
Expiring after more than five years	21,600	-
	<hr/>	<hr/>
	21,600	21,600
	<hr/> <hr/>	<hr/> <hr/>