



Financial Report & Accounts – 2009

States of Jersey Treasury and Resources Department

FINANCIAL REPORT AND ACCOUNTS 2009

Treasury and Resources Department

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Treasurer of the States

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Minister's Report

States of Jersey
Financial Report and Accounts 2009



I am pleased to present the 2009 Financial Report and Accounts of the States of Jersey.

2009 has been a challenging year and the results for the year reflect the challenges the island has faced. The full force of recession has been felt around the globe and, while Jersey has weathered the storm well, we too have felt the effects in our community.

General Revenue Income, at £674 million, is £20 million higher than forecast. Income Tax receipts, at £508 million, are higher than the forecast of £488 million. This reflects the strength of Jersey's economy even in a time of relative weakness. Conversely investment income has been significantly impacted by the fall in interest rates, dropping 54% in comparison to 2008.

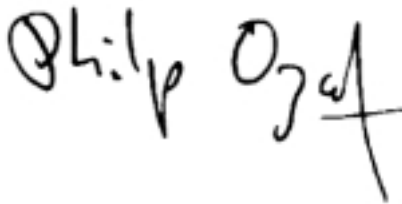
Departments finished the year £7.6 million underspent against their approved budgets. Underlying expenditure is up 3% compared to 2008. However this rise excludes the effect of a number of additional funding approvals which were granted by the States to meet the urgent costs of the Historical Child Abuse Enquiry, the loss of the Reciprocal Health Agreement income, the cost of preparing for a flu epidemic and the additional funds approved for Income Support which were essential to ensure that the most vulnerable and those most affected by the downturn are supported. Overall we finished the year in surplus, with a surplus of £71 million.

Our reserves have remained healthy in the difficult economic circumstances with the Strategic Reserve up 8.5% on 2008 to £550 million. The Stabilisation Fund has also demonstrated the prudence and wisdom of previous years where money was put aside to deal with a downturn in the economic cycle. As a result we have been able to use £44 million for Fiscal Stimulus projects which, I firmly believe, are playing a key role in supporting our local economy through difficult times.

As we look ahead, 2010 is proving to be another testing year. The well publicised structural deficit we are facing in our public finances means that we must bring to a successful conclusion the Comprehensive Spending Review and the Fiscal Strategy Review, both of which will be debated in the second half of the year. If we can make the savings we must deliver, we will enable Jersey to go forward from this turbulent time, stronger and even better prepared to deal with the future.

All that remains is for me to thank all the staff in Treasury and Resources for their hard work again this year. In particular I want to thank Ian Black, the Treasurer, for his leadership of the department, the Deputy Treasurer Jason Turner for his continued support and the Interim Treasurer Hugh McGarel-Groves for his leadership of the department this year. I also extend my thanks to Malcolm Campbell, the Comptroller of Income and Mike Robinson, Head of Customs and Immigration. Finance staff across the States have also made a significant contribution to the management of the States finances this year, and as the finance function, and in particular the Treasury, presses forward with an ambitious plan for change, I am confident that we will go from strength to strength.

Together with my Assistant Ministers, Deputies Edward Noel and John Le Fondre, I face another exciting and demanding year. Working with them I intend to vigorously pursue successful conclusions to current reviews, and to ensure that the Treasury and Resources department leads the States in effective financial management. Together I am confident we can ensure a positive future for our island.

A handwritten signature in black ink that reads "Philip Ozouf". The signature is written in a cursive style with a long, sweeping tail on the letter 'f'.

Senator PFC Ozouf

States of Jersey

Annual Report and Accounts 2009

Treasurer's Introduction

The 2009 accounts report on a very challenging financial year, both for world economies and locally for the States of Jersey.

In the light of the changing and demanding world in which the States of Jersey operates it is increasingly important that the annual report and accounts presents an understandable picture of the financial results for the year. That is why the Treasury has devoted resources to the introduction of GAAP based accounting. The 2010 accounts will be the first accounts to be presented in line with the GAAP based standards adopted by the States. In preparation, the 2009 accounts explain the transition from the current accounting basis to GAAP based accounting.

Following on from the improvements introduced in the 2008 accounts, further enhancements have been included in these accounts. The 2009 report and accounts have been separated from the supporting Annex as planned, standard best practice formats have been adopted and applied in the Annex to the accounts, and the principles of International Public Sector Accounting Standard 24 (Presentation of Budget Information in Financial Statements) have been adopted to improve the reporting of out-turn against budget.

Finally, the format and content of this, my covering report, have been changed to improve the interpretation and explanation of the financial information contained in the accounts. The remainder of this report is presented in three sections:

1. Financial Performance – an analysis of the financial performance and position of the States of Jersey in 2009.
2. Structure, governance, aims and objectives – an overview of the bodies included in the States of Jersey accounts, decision making processes, principal activities and objectives.
3. An introduction to the States of Jersey Accounts 2009

1. Summary of Financial Performance 2009

At a Glance – Financial Results (Table 1)

Year Ended 31 December	£m			
	Budget/ Business Plan 2009	Final Approved Budget/ Updated Forecast 2009	Actual 2009	Actual 2008
States Net General Revenue Income	650	654	674	660
Net Revenue Expenditure	(586)	(616)	(603)	(561)
Budgeted surplus for the year	64		71	99
Trading fund surplus	6	13	11	10
Non-operating Income/(Expenditure)	-	-	(7)	(52)
Accounting surplus for the Year			75	57

Summary of Performance

States Net General Revenue Income is up by £14 million to £674 million, an increase of 2.1% on 2008 ...

The main changes in comparison to the previous year are:

- A full year of income from Goods and Services Tax (£47 million) compared to 8 months of income in 2008 (£32 million);
- A small increase of £8 million in taxation revenue compared to 2008;
- A fall in other general revenue income of £10 million principally due to the dramatic fall in interest rates in 2009 compared to 2008.

... however, Net Revenue Expenditure of non-trading Departments is up by £42 million to £603 million compared to 2008 ...

This increase includes transfers from capital budgets to revenue budgets of £12.06 million which does not increase overall States spending. The like-for-like increase on 2008 is 6.6%.

The main drivers for this increase are:

- Net expenditure in the three major spending departments has increased by £28 million - Health and Social Services has increased by 6.1%; Social Security has increased 9.6%; and, Education, Sport and Culture has increased 5%;
- One-off additional expenditure approvals of £12.7 million largely relating to the Historic Child Abuse Enquiry, Pandemic Flu and the cessation of the Reciprocal Health agreement.

In total non-trading Departments ended the year £7.6 million underspent against Net Revenue Expenditure budgets (excluding non-cash capital repayments).

... non-operating expenditure is down in comparison to 2008 ...

The increase in the liability relating to the PECRS pre-87 debt is much lower than the previous year. The increases in both years are mainly due to the impact of lower interest rates on the actuarial calculation.

... £44 million has been allocated for Fiscal Stimulus funding ...

In 2009 the States Assembly agreed to allocate £44 million from the Stabilisation Fund to fund Fiscal Stimulus projects aimed at supporting the economy through the downturn. Many of these projects are now underway.

... and there is an overall increase in the States' Reserves.

At the end of 2009 funds of £664 million were held in the Strategic Reserve and Stabilisation Fund, compared to £582 million in 2008. This is principally due to an improvement in investment market in 2009.

The summary financial results in table 1 can be reconciled to the States accounts as shown in the table below:

States of Jersey Income and Expenditure 2009 (Table 2)

All figures shown in £ million

	Departments	General Revenues	Trading Funds	Other	States of Jersey as a whole
Income	116	674	54	20	864
Operating Expenditure	(719)	-	(43)	(9)	(771)
Non-operating expenditure	-	-	-	(18)	(18)
Surplus	(603)*	674*	11	(7)	75

* These figures are further analysed and compared to the Business Plan and Budget in table 3 of this report.

A detailed analysis, showing a comparison of the results for the year against the Business Plan and Budget, is set out in the table below. This analysis complies with the recommendations of International Public Sector Accounting Standard 24 (Presentation of Budget Information in Financial Statements).

2009 Comparison Actual to Budget (Table 3)

Outturn compared to Budget Summary Table A – States Income 2009	Budgeted Amounts		Actual Amounts	Difference: Final Budget and Actual
	2009 Budget £'000	Updated Forecast £'000	£'000	£'000
Net Income Tax	478,000	488,000	507,785	19,785
Goods and Services Tax	50,000	50,000	47,142	(2,858)
Impots Duty	49,340	51,220	51,247	27
Stamp Duty	20,500	19,500	23,577	4,077
Island Rate	10,560	10,560	10,306	(254)
Other Income	41,260	34,250	34,209	(41)
Total States net General Revenue Income	649,660	653,530	674,266	20,736
Outturn compared to Business Plan Summary Table A – A Revenue Expenditure Allocations 2009	2009 Business Plan £'000	Final Approved Budget – note 1 £'000	£'000	£'000
Ministerial Departments				
Chief Minister	15,844	22,392	21,496	(896)
- Grant to the Overseas Aid Commission	7,731	7,756	7,679	(77)
Economic Development	16,422	18,401	17,506	(895)
Education, Sport and Culture	98,513	99,717	98,988	(729)
Health and Social Services	153,600	159,383	157,546	(1,837)
Home Affairs	45,587	49,490	49,490	0
Housing	(22,362)	(20,551)	(21,482)	(931)
Planning and Environment	7,141	8,149	7,752	(397)
Social Security	157,066	159,565	159,533	(32)
Transport and Technical Services	23,705	24,330	24,100	(230)
Treasury and Resources*	61,073	62,817	55,703	(7,114)
Non Ministerial States Funded Bodies				
- Bailiff's Chambers	1,253	1,527	1,527	0
- Law Officers' Department	5,912	6,174	6,119	(55)
- Judicial Greffe	3,968	6,370	6,370	0
- Viscount's Department	1,425	1,438	1,438	0
- Official Analyst	599	545	545	0
- Office of the Lieutenant Governor	743	753	745	(8)
- Office of the Dean of Jersey	22	24	24	0
- Data Protection Commission	224	230	230	0
- Probation Department	1,544	1,562	1,562	0
- Comptroller and Auditor General	729	903	791	(112)
- States Assembly and its services	5,203	5,170	5,021	(149)
Net Revenue Expenditure - States funded bodies	585,942	616,145	602,683	(13,462)
*Capital Repayments variance				5,857
Net Departmental Underspend 2009				(7,605)
2009 General Revenue Income less Net Expenditure carried forward			71,583	

			Actual Amounts £'000	
2009 General Revenue Income less Net Expenditure brought forward			71,583	
Outturn compared to Business Plan Summary Table B – States Trading Operations for 2009	2009 Business Plan £'000	Final Approved Budget £'000	Actual Amounts £'000	Difference: Final Budget and Actual £'000
Airport	2,535	10,125	7,493	(2,632)
Harbours	1,500	1,530	1,805	275
Jersey Car Parks	1,375	1,385	1,486	101
Jersey Fleet Management	149	160	345	185
Surplus for the year	5,559	13,200	11,129	(2,071)

Further details of Departmental, Non-Ministerial States Funded Bodies and States Trading Operations income and expenditure can be found in the Annex to the Financial Report and Accounts.

	Actual Amounts £'000
Other Expenditure	
Waterfront Enterprise Board (surplus) / deficit	1,489
Separately Constituted Funds and Reserves (surplus) / deficit	(5,143)
Accounting adjustments:	
- Foreign exchange	556
- Movement in pension liability	23,682
- Gain on disposal of assets	(10,362)
- Other	(3,031)
Total	7,191
Surplus for the year as per Aggregated Operating Cost Statement	75,521

Note 1 – Reconciliation of Original to Final Net Revenue Expenditure Budgets

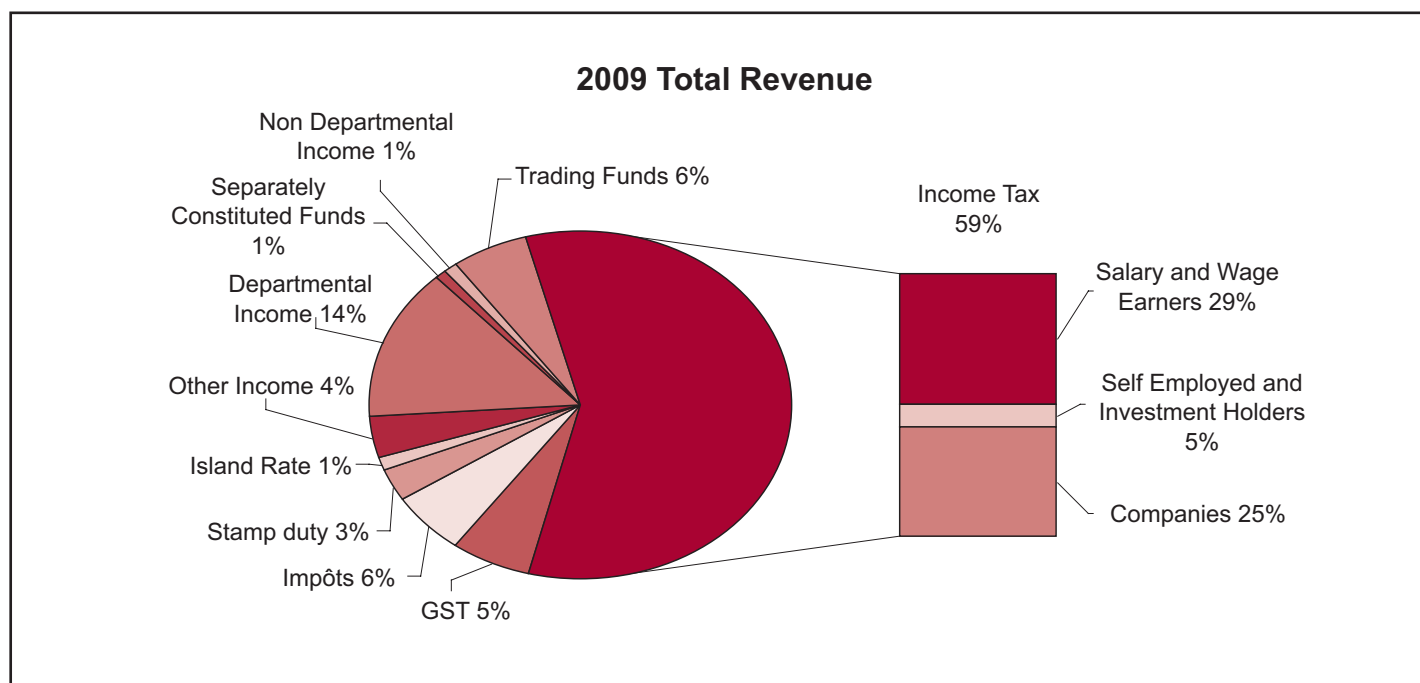
	£'000
Original Budget Total (as Per Business Plan)	585,942
Additional amounts voted by the States of Jersey	12,697
2008 approvals carried forward to 2009	5,449
Capital to Revenue Transfers	12,057
Final Approved Budget	616,145

Details of these transfers are shown in the Annex to the accounts.

Detailed Financial Analysis 2009

Total income as shown in the States Aggregated Operating Cost Statement is £864 million. This includes all States income as shown in the graph below.

States Income 2009 (Graph 1)



General Revenue Income

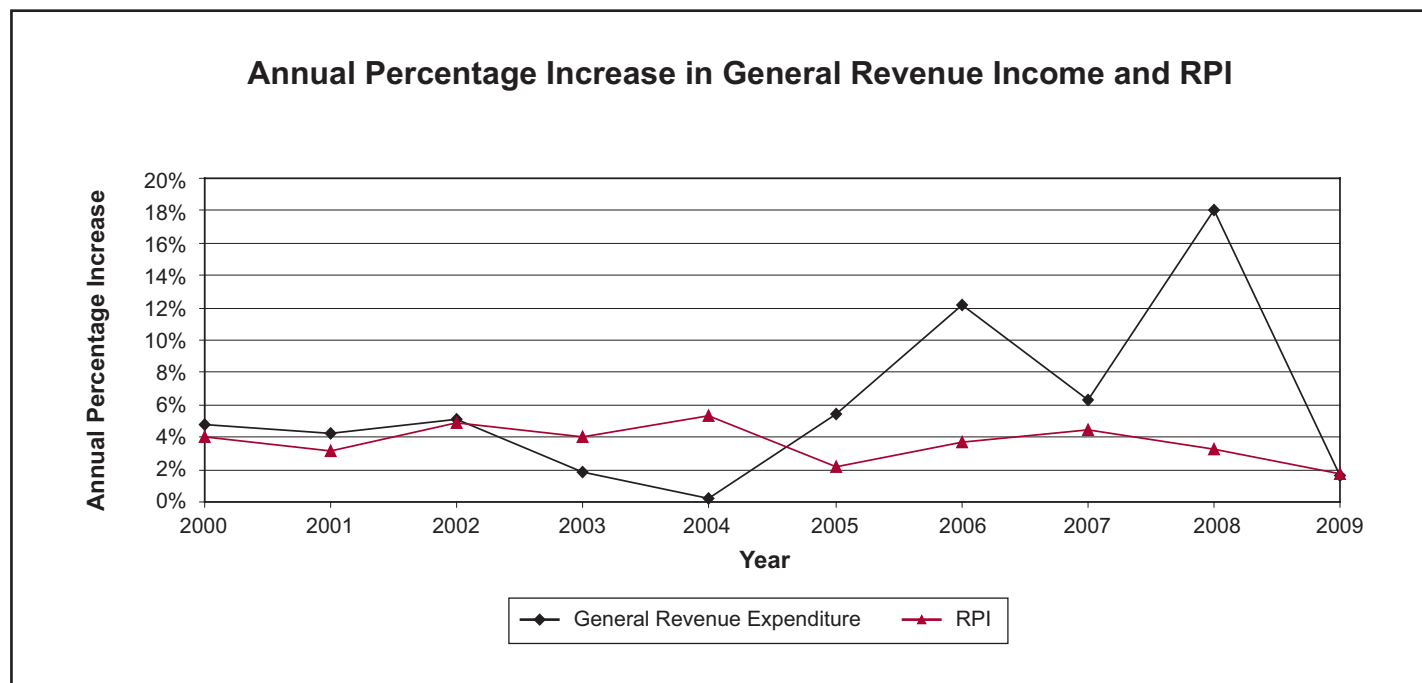
General revenue income was £674 million in 2009, representing a small increase over 2008 and the original budget. The following table shows the main types of income.

General Revenue Income (Table 4)

2009 Budget £' million		2009 Actual £' million	2008 Actual £' million	Increase/ (Decrease) %
478	Net Income tax	507	499	1.6%
50	Goods and Services Tax (GST)	47	32	47%
49	Impôts	51	50	2%
21	Stamp Duty	24	24	-
11	Island Rate	10	10	-
41	Other General Revenue income	35	45	(22%)
650	Total General Revenue Income	674	660	2.1%

The increase in General Revenue Income in 2009 was broadly in line with RPI as shown in the graph below. The 2009 income includes a full year of GST receipts compared to 8 months in 2008. Therefore on a like-for-like basis General Revenue Income has decreased compared to 2008.

(Graph 2)



Income Tax

Total income tax revenues were in line with 2008 and slightly ahead of the original budget as shown in the table below:

Income Tax Revenues (Table 5)

2009 Budget £' million		2009 Actual £' million	2008 Actual £' million	Increase/ (Decrease) %
235	Salary and Wage Earners	250	229	9%
36	Self Employed and Investment Holders	43	41	5%
207	Companies	218	233	(6)%
	Provision for bad and doubtful debts	(4)	(4)	-
478	Net Income Tax ¹	507	499	1.6%

¹ Gross Income tax receipts before provision for bad and doubtful debts amount to £503 million

The standard rate of Income Tax remained at 20 pence in the pound in 2009 (2008 year of assessment). International business companies are charged at lower rates than this on income and profits arising from international activities.

Tax raised in 2009 arises from averaged trading profits of the 2007 and 2008 financial periods. The 9% increase in personal tax reflects the introduction of proportional personal tax allowances and high levels of income for a small number of individuals which is not expected to be repeated. The tax raised from self employed and investment holders was significantly higher than budget due to a one-off peak in income from partnerships. Tax raised from companies has fallen due to the early impact of the zero/ten changes.

Goods and Services Tax

The Goods and Services Tax (GST) was introduced at 3% with effect from 6 May 2008. Income from GST during 2009 was £47 million, broadly in line with the original forecast in the 2009 budget.

Impôts and Customs Duties

Impôts and customs duties yielded £51 million in 2009, £1.5 million higher than 2008 and £2 million higher than originally budgeted. Vehicle Registration Duty ceased from 6 May 2008 and therefore none was collected in 2009.

Impôts and Customs Duties (Table 6)

2009 Budget £' million		2009 Actual £' million	2008 Actual £' million	Increase/ (Decrease) %	Duty Increase applied in 2009 Budget %
3.7	Spirits	4.2	4.0	5%	5.5%
6.0	Wines	6.3	5.9	7%	5.7%
0.8	Cider	0.9	0.7	29%	5.0%
5.2	Beer	5.3	5.1	4%	4.5%
12.8	Tobacco	13.8	12.7	9%	6.1%
20.7	Fuel	20.7	20.5	1%	-
0.0	Vehicle Registration Duty	0.0	0.7	(100%)	-
0.1	Customs Duty	0.1	0.2	(50)%	-
49.3	Total Impôts and Customs duties	51.3	49.8	3%	-

Stamp Duty and Island Rate

The yield from Stamp Duty was the same as 2008 at £24 million. The Island Rate was in line with budget and prior year at £10 million.

Stamp Duty and Island Rate (Table 7)

2009 Budget £' million		2009 Actual £' million	2008 Actual £' million	Increase %
21	Stamp Duty	24	24	-
11	Island Rate	10	10	-
32	Total	34	34	-

Other Income

Other income of £34.5 million is analysed in the table below.

2009 Other Income (Table 8)

2009 Budget £' million		2009 Actual £' million	2008 Actual £' million	Increase / (Decrease) %
8.2	Interest Income	4.9	10.6	(54%)
3.5	Jersey Currency Surplus	0.3	4.3	(93%)
15.5	Dividends and Internal Returns	15.2	13.8	10%
3.7	Returns from Jersey Financial Services Commission	3.7	4.4	(16%)
9.0	European Union Savings Tax Directive Administration Income	9.5	9.6	(4%)
1.4	Fines and Other Income	0.9	2.5	(64%)
41.3	Total Other General Revenue Income	34.5	45.2	(24%)

The main reason for the fall in other income compared to budget and prior year is the dramatic fall in interest rates at the end of 2008 and early 2009, after the budget was set.

Non-Trading Departments Net Revenue Expenditure

The vast majority of expenditure from the consolidated fund relates to Ministerial and Non-Ministerial Departments providing core public services to the island. This expenditure is offset by departmental income earned through operations. The following table summarises net revenue expenditure comprising both departmental income and expenditure.

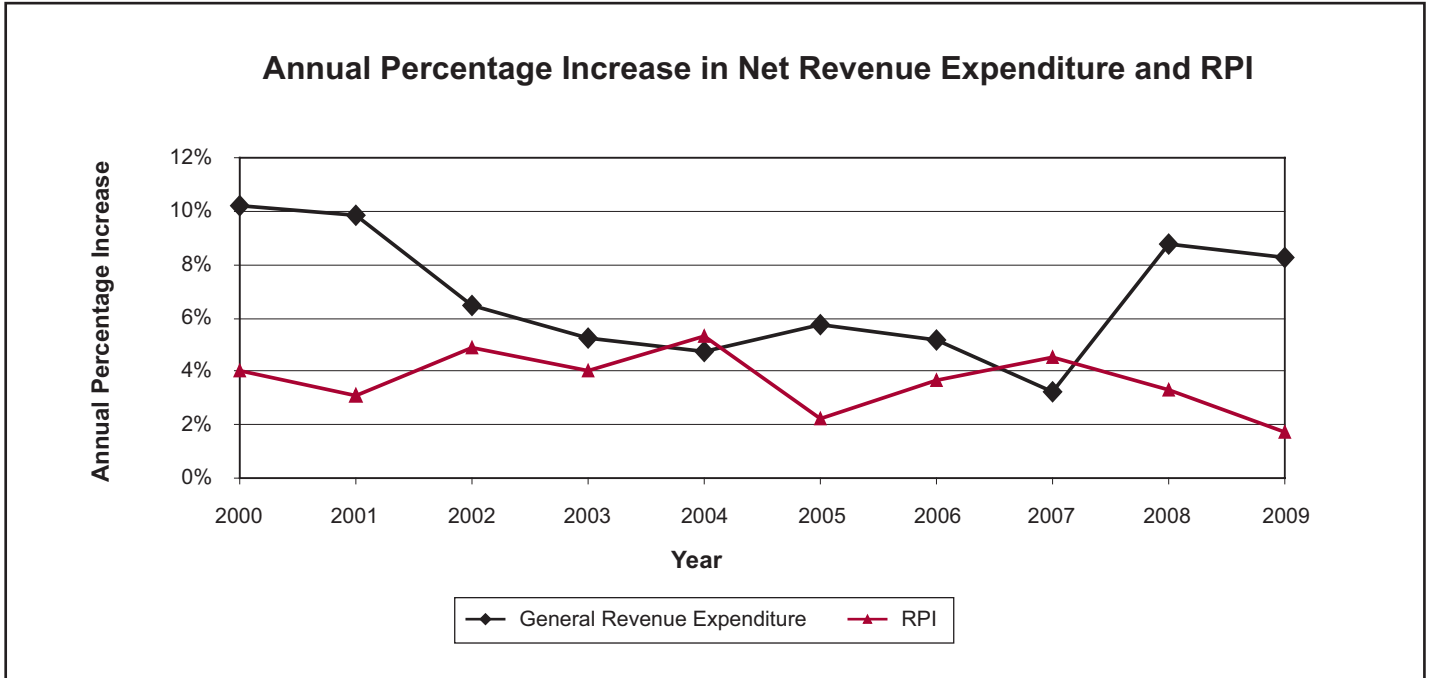
Departmental Net Revenue Expenditure (Table 9)

2009 Business Plan £' million		2009 Actual £' million	2008 Actual £' million
684	Gross Departmental Expenditure	719	675
(98)	Departmental Income	(116)	(109)
586	Total Net Revenue Expenditure	603*	566

* These figures have been analysed and compared to the Business Plan and Budget in table 3 of this report.

The increase in net revenue expenditure compared to RPI is shown in the graph below. The growth in net revenue expenditure is above RPI. This reflects capital budgets being transferred to revenue and one-off expenditure relating to matters such as the Historic Child Abuse Enquiry and Pandemic Flu. Allowing for these one-off impacts, the like-for-like increase in net revenue expenditure is still significantly above RPI, which reflects the expenditure approved in the 2009 Business Plan and subsequent propositions.

Net Revenue Expenditure and RPI (Graph 3)

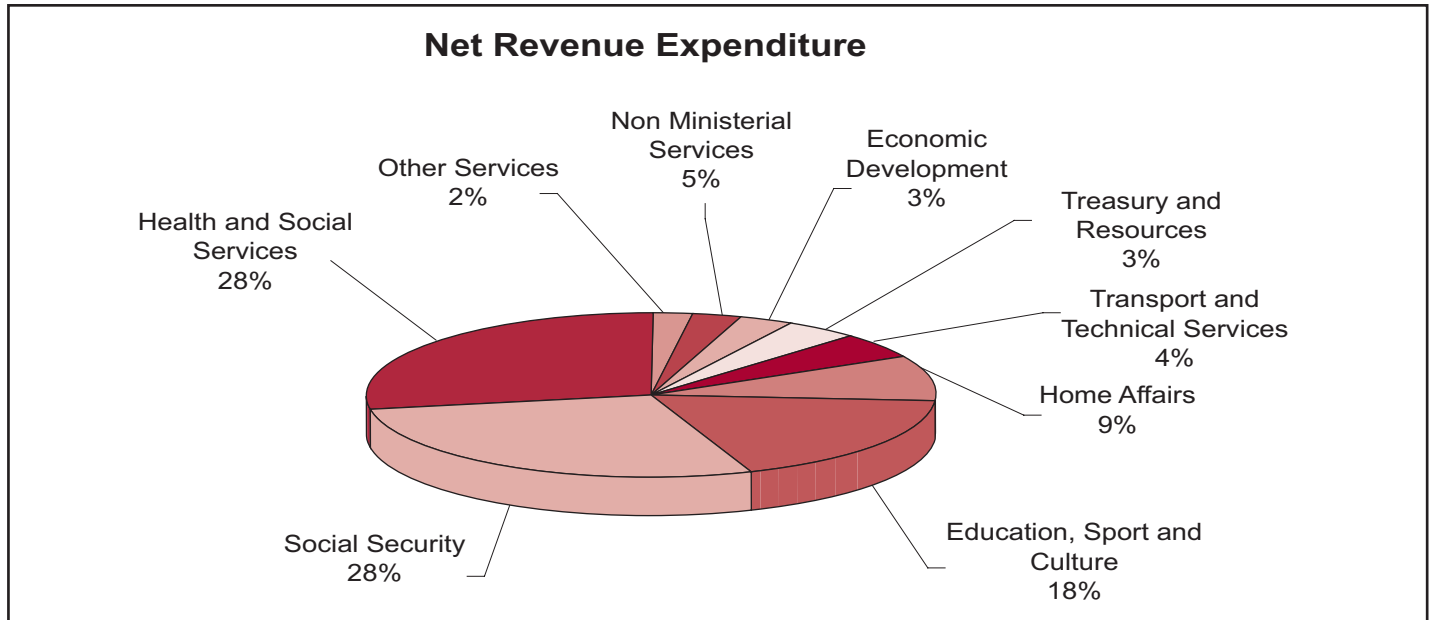


Departments' performance against budget is assessed on the basis of net revenue expenditure. The total net revenue expenditure (including capital repayments) of Departments totalled £603 million (£566 million in 2008), 74% of which related to expenditure on Health and Social Services, Education, Sport and Culture, and Social Security.

During 2009 the Council of Ministers reallocated some budgets to meet urgent cost pressures such as court and case costs. In addition there were a number of transfers between capital budgets and revenue budgets totalling £12.06 million in order to comply with the requirements of accounting standards. Whilst these transfers changed departmental expenditure approvals, they did not change the overall total of expenditure approvals including capital. After all such transfers departments ended the year underspent or in line with their final budgets.

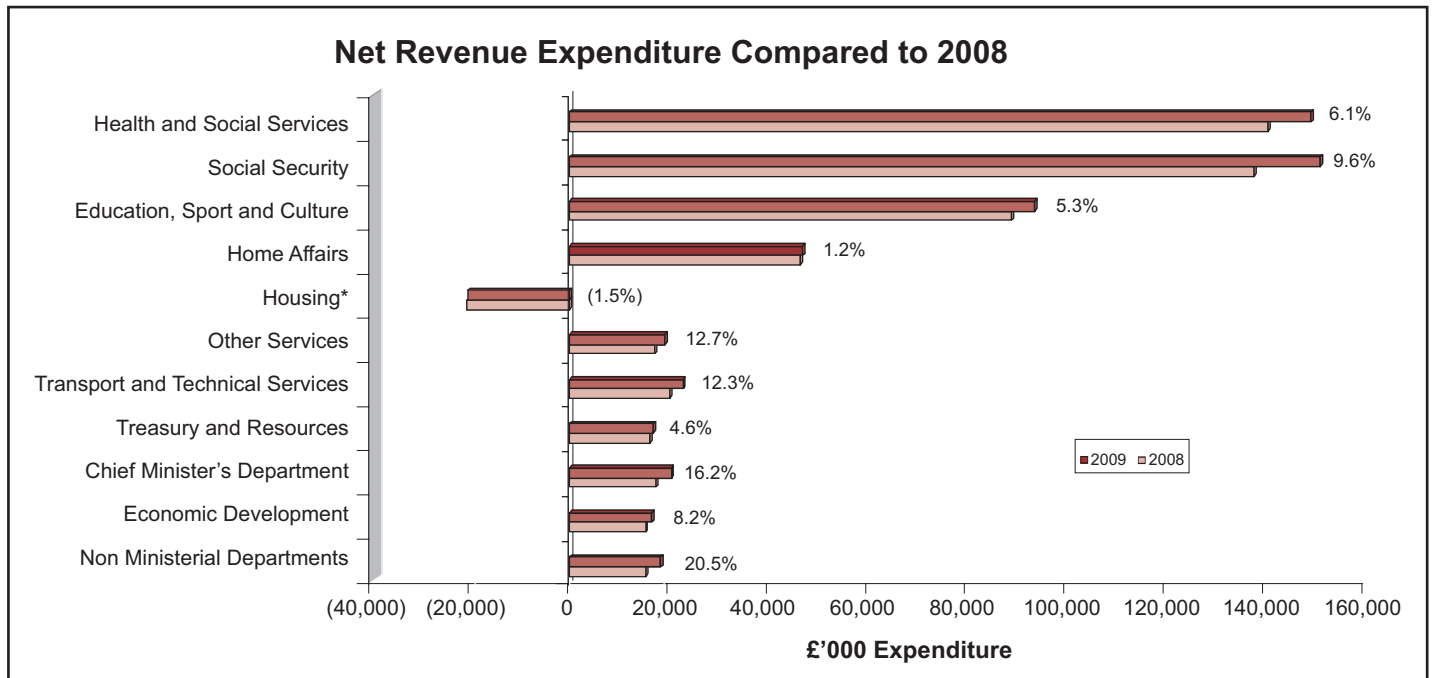
The following graph shows the distribution of net expenditure across the key public services, further details can be found in the annex to the accounts.

Distribution of Net Revenue Expenditure (Graph 4)



The following graph shows how expenditure on these key public services has changed compared to 2008. Percentages show the increase, or decrease, in spend by department compared to 2008.

Net Revenue Expenditure Changes Compared to 2008 (Graph 5)



In 2008 the Housing department ceased paying Rental Subsidies as these became part of the new Income Support system. As a result, the department now has a net revenue income budget and outturn (as shown above).

The following paragraphs consider the most significant of these changes; further detailed analysis is contained in the annex to the accounts.

Health and Social Services Department

Net revenue expenditure increased by £9 million (6.1%) in 2009 compared with 2008. The 2009 budget and spend reflects an additional allocation of £5.8 million to cover issues such as the cessation of the Reciprocal Health Agreement, the Historic Child Abuse Enquiry and Pandemic Flu, offset by the effect of the pay freeze. The underlying increase excepting these items was 2%.

Social Security Department

Net revenue expenditure increased over that of 2008 by £14 million (9.6%) to £159.5 million. This increase was predominantly due to an increase in the costs of Income Support as a result of increasing numbers receiving benefit and the low level of income increments in 2009.

Education, Sport and Culture Department

Net revenue expenditure increased over that of 2008 by £4.9 million (5.3%) to £99 million. The above inflation increase is due to provision of Early Years education, and additional allocation to Mont a L'Abbe school and the transfer to the department of administrative responsibility for the Aquasplash Leisure Pool contract.

Home Affairs Department

Net revenue expenditure increased over that of 2008 by £0.6 million (1.2%) to £49.5 million. Both 2008 and 2009 include additional budget provision related to the Historical Child Abuse Enquiry and a number of high profile court cases.

Transport and Technical Services Department

Net revenue expenditure increased over that of 2008 by £2.6 million (12.3%) to £24.1 million. In order to comply with UK GAAP, transfers of £1.1 million were made from capital heads of expenditure to revenue. This is not additional spend but just reclassification of the amounts voted in the 2009 Business Plan. £0.5 million was voted as additional budget for bus services and the eSafe Route to Schools' initiative.

Economic Development Department

Net revenue expenditure increased by £1.3 million (8%) compared to 2008. The majority of this is due to transfer of budget from capital to revenue in line with UK GAAP which does not increase overall expenditure. In addition the department has received £0.5 million additional budget which was spent on investor compensation claims and a grant of £250,000 from the Tourism Development Fund which has been spent on supporting Tourism during the economic downturn.

Treasury and Resources Department

Net revenue expenditure increased by £781,000 (4.6%) compared to 2008. These increases were largely non-recurring in nature and relate to work on fiscal policy, along with investment management and improving financial management across the States.

Chief Minister's Department

Net revenue expenditure increased by £3 million (16.2%) compared to 2008. The majority of the increase relates to transfers between capital and revenue budgets which do not increase overall expenditure, initiatives funded by budgets carried forward from 2008 and new posts granted in the amendment to the Business Plan.

Further, more detailed, narrative of each department's performance can be found in the Annex accompanying these accounts.

States Trading Operations

Use of Trading Funds is governed by the Public Finances (Jersey) Law 2005. Trading Funds are designated by the States as a distinct or disparate trading operation of the States. Planning for income and expenditure of Trading Operations is governed through the States Annual Business Plan. The following table summarises the outturn for each trading operation.

Trading Outturn 2009 (Table 10)

2009 Business Plan £' million		2009 Actual £' million	2008 Actual £' million
2.5	Airport	7.5	6.6
1.5	Harbours	1.8	2.2
1.4	Jersey Car Parks	1.5	0.7
0.2	Jersey Fleet Management	0.3	-
5.6	Surplus for the year	11.1	9.5

Financial statements for each fund can be found in the annex to these accounts.

Other income / expenditure for the year 2009

This represents non-departmental expenditure / income and technical accounting charges included in the States accounts.

In summary other income / expenditure is as follows:

Other income / expenditure (Table 11)

	Actual 2009 £' million	Actual 2008 £' million
Waterfront Enterprise Board Limited (surplus) / deficit †	1.5	(4.5)
Separately Constituted Funds and Reserves (surplus) / deficit	(5.1)	(33.4)
Accounting adjustments	10.8	89.9
	7.2	52.0

† The Waterfront Enterprise Board produces separate accounts which explain their results for the year.

Separately Constituted Funds and Reserves

The Public Finances (Jersey) Law 2005 allows the States to establish special funds. These are funds with a specific purpose and are usually established by legislation or a States decision. The governance arrangements are therefore specific to each individual fund. Accounts for each fund are shown in detail in the annex to these accounts.

The (surplus) / deficit for each of the Separately Constituted Funds and Reserves is shown in the table below:

(Table 12)

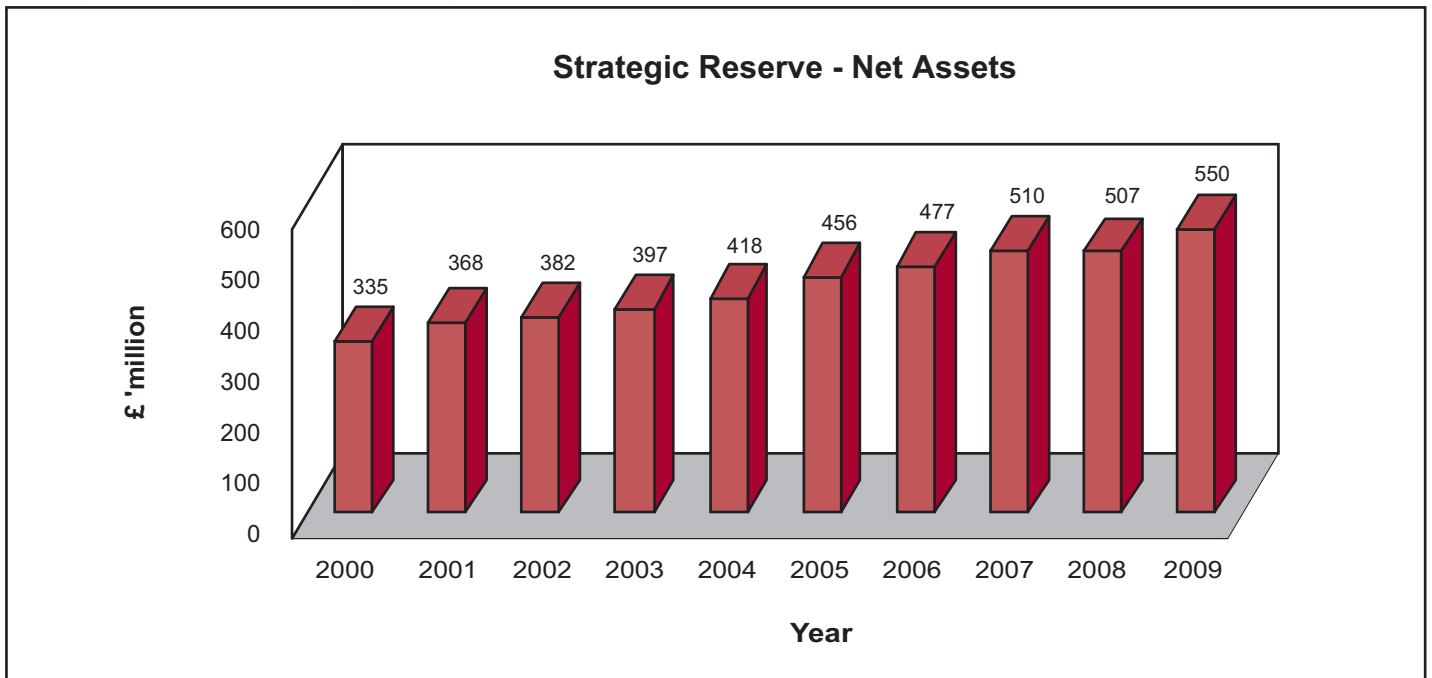
	Actual 2009 £' million	Actual 2008 £' million
Tourism Development Fund	0.4	0.6
Channel Islands Lottery (Jersey) Fund	-	(0.1)
Agricultural Loans Fund	(0.1)	1.9
Dwelling House Loan Fund	(1.2)	(1.9)
Assisted House Purchase Scheme	(0.1)	(0.2)
Housing Development Fund	(1.6)	(3.0)
Jersey Currency Notes	-	-
Jersey Coinage	-	-
Stabilisation Fund	(1.9)	(3)
Strategic Reserve	(0.6)	(27.7)
(Surplus) / Deficit for the year	(5.1)	(33.4)

Strategic Reserve

The Strategic Reserve is the States long-term reserve, set up in the mid 1980s to safeguard against a major downturn in the economy. The purpose of the reserve was clarified by the States in December 2006 when they agreed that the Strategic Reserve should be a permanent reserve, where the capital value is only to be used in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major island industry or from major natural disaster. The total value of the reserve at year end was £550 million (£507 million in 2008). This reflects a recognition of realised losses on disposal of investments resulting in a relatively low surplus of £0.6 million for the year, offset by a £42 million unrealised gain on revaluation of investments reflecting the improvement in capital markets in the second half of 2009. Overall the Reserve has weathered recent turmoil in the financial markets well.

The following graph shows the market value of the Strategic Reserve over recent years.

Strategic Reserve Net Assets (Graph 6)



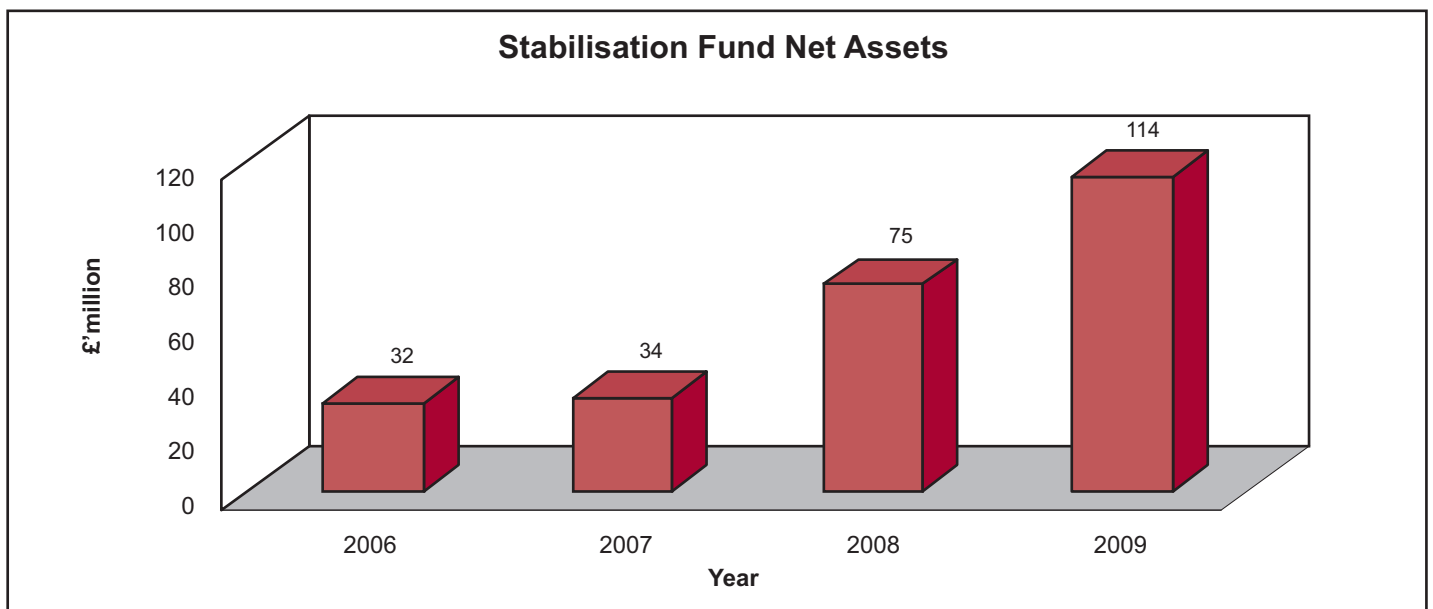
Stabilisation Fund

In December 2006 the States agreed to establish a Stabilisation Fund, the purpose of the fund being to make fiscal policy more countercyclical, providing some protection from the adverse impact of economic cycles, and creating a more stable economic environment in the Island with low inflation. This will involve taking money out of the economy and paying it into the Fund when the economy is strong and drawing money down from the Fund to support the economy when it is weaker.

Following the agreement of the States, the fund was established with a transfer of £32 million of surplus funds previously held in the Dwelling House Loans Fund. An additional transfer of £38 million was made in 2008. In 2009 a further £81 million was transferred to the Stabilisation Fund, £63 million from the Consolidated Fund and £18 million from the Dwelling House Loans Fund, and £44 million was transferred out of the Stabilisation Fund for the Fiscal Stimulus programme. The following graph shows the Net Assets of the Stabilisation Fund since inception.

The assets of the Stabilisation Fund are cash instruments. The income generated in 2009 (£1.9 million) is therefore considerably lower than in 2008 (£3.0 million) despite the increase in net assets. This is as a direct result of the significant fall in interest rates at the end of 2008 and early 2009.

Stabilisation Fund Net Assets (Graph 7)



The Minister for Treasury and Resources is responsible for proposing to the States transfers between the Consolidated Fund and Stabilisation Fund having regard to the advice of the independent Fiscal Policy Panel (FPP).

Accounting adjustments

The main items under this heading are the movement in pension liability and gains on disposal of fixed assets. Total accounting adjustments in 2009 are £10.8 million (2008: £89.9 million).

Movement in Pension Liability

The States of Jersey pension liabilities including the past service liabilities are accounted for in accordance with Financial Reporting Standard 17 and Financial Reporting Standard 12. The movement in the pension liability is broken down as follows. This is also shown in note 4 of the accounts.

Movement in pension liability (Table 13)

	Actual 2009 £' million	Actual 2008 £' million
Movement in PECRS pre-87 liability	24.5	103.2
Movement in provision for JTSF past service liability		(6.9)
Movement on the Discretionary Pension Scheme	0.2	-
Movement on the JPOPF scheme	(1.0)	(0.6)
Total movement	23.7	95.7

The actuarial valuation of the PECRS pre-87 liability is particularly sensitive to underlying assumptions such as discount rates and inflation rates. The recent increases in this actuarial valuation reflect the movement in a number of underlying assumptions, with the change in value largely driven by a fall in interest rates. A small change in these assumptions could have a significant effect on the value of the liability and the surplus/deficit for the year.

The payments in relation to this liability are made annually in accordance with an agreement adopted by the States in 2005 and are unaffected by the annual accounting valuation. The basis of the amount payable by the States to the PECRS by the States each year remains the same.

Gains on disposal of fixed assets

Gains on disposal of fixed assets arise principally from the sale of assets in line with the capital programme as set out in the Annual Business Plan. In the year Property Holdings made sales of property worth £5 million and Housing made sales worth £6 million.

The Capital Programme 2009

The States capital expenditure allocation from the Consolidated Fund for 2009 was £42 million. This was reduced in the year to £30 million as a result of capital to revenue transfers in order to meet the requirements of accounting standards. During 2009, capital expenditure from the Consolidated Fund amounted to £104 million (£45.4 million in 2008), the increase largely relating to the Energy from Waste Plant. This spend in the year includes capital expenditure from allocations made in previous years.

The major projects funded from the Consolidated Fund with a spend of more than £1 million in 2009 are listed below.

Spend on Major Capital Projects (Table 14)

	Spend in 2009 £' million	Spend to date £' million
Salisbury Crescent	1.0	1.3
Le Marais	1.1	6.9
The Cedars	2.4	5.9
ICR project - Health	2.6	4.0
Energy from Waste Plant	66.6	69.2
Infrastructure maintenance	1.0	3.8
Highlands College	3.2	4.8
A&E / Radiology extension	1.8	2.3
Prison Cell Block Reconstruction	3.7	10.8

At 31 December 2008 £176.5 million of capital funding allocated in 2009 and previous years had yet to be incurred. The significant approved but unspent funds included £35 million on the Energy from Waste Plant, £21 million for other Transport and Technical Services projects, £17 million for the relocation of the Police Station Headquarters, £11 million for other building projects, £10 million for Housing renovation projects and £4 million for the Health Integrated Care Record Programme.

The aggregated accounts also include capital expenditure from other States funds; total States capital expenditure in 2009 is summarised in the table below.

Capital Expenditure Summary (Table 15)

Capital Expenditure Financed from:	2009 £' million	2008 £' million
Consolidated Fund	104.0	45.4
Trading Funds	19.5	25.0
Housing Development Fund	-	0.2
Waterfront Enterprise Board Limited	-	2.3
Total Capital Expenditure	123.5	72.9

2. Structure, Governance, Aims and Objectives

Structure:

Principal Activities of the States of Jersey

The States of Jersey raises Taxes and other levies, and use these to fund the provision of a wide range of government and public services. These include the provision of the key public services of Health Care, Education and Social Security. These functions are primarily carried out by Departments, both Ministerial and Non-Ministerial.

The States of Jersey Accounting Boundary

The entities included within the States of Jersey Accounting Boundary is shown in the following diagram. More information on specific entities is given in the next section.

STATES OF JERSEY AGGREGATED ACCOUNTS				
CONSOLIDATED FUND	WHOLLY OWNED COMPANY	TRADING OPERATIONS	RESERVES	SPECIAL FUNDS
MINISTERIAL DEPARTMENTS	WATERFRONT ENTERPRISE BOARD LTD	AIRPORT	STRATEGIC RESERVE	LOANS FUNDS
NON-MINISTERIAL DEPARTMENTS		HARBOURS	STABILISATION FUND	CI LOTTERY FUND
GENERAL REVENUE INCOME		CAR PARKS		CURRENCY FUNDS
		FLEET MANAGEMENT		TOURISM FUND
				HOUSING DEVELOPMENT FUND

Some functions of Government are carried out by entities outside of the accounting boundary including some social benefits met by the Social Security Fund and Health Insurance Fund.

Description of Entities and their Functions

Consolidated Fund

The Consolidated Fund is governed by the Public Finances (Jersey) Law 2005 and is the fund through which the majority of the States income and expenditure is managed, including General Revenue Income and Departmental income and expenditure.

Planning for income to the Consolidated Fund is governed through the States Annual Budget which sets out the taxation measures and the expected level of income. Further details of this process can be found in the States Annual Budget.

Through the Annual Business Plan debate, the States Assembly allocates funding to Departments Net Expenditure Cash Limits (budgets) from the Consolidated Fund. Departmental Cash Limits may change during the year, subject to the approval of the Minister for Treasury and Resources or the States. Cash Limits may be changed for one of the following reasons; all such changes are reported to the States.

- Unspent Cash Limit voted by the States in one year approved for carry forward to the following year;
- Amounts may be transferred between approved capital projects and revenue budgets; or
- Additional amounts may be approved by the States during the year.

The component parts of the Consolidated Fund are shown below.

Ministerial Departments

These are departments that come under the control of a member of the Council of Ministers.

Department	Function
Chief Minister's Department	Provides support and advice to the Chief Minister and Council of Ministers, and co-ordinates policies and strategies across the States. Also responsible for a range of services including international relations, constitutional issues, States staffing and IT, statistics, and the Law Draftsman's Office.
Economic Development	Responsible for all areas of economic policy and development in Jersey, including support for the agriculture, fisheries, tourism, and finance industries. It also maintains an overview of policies that may affect the harbours, airport, postal and telecommunications services. It also oversees consumer and regulatory services.
Education, Sport and Culture	Provides educational, sporting and cultural opportunities for the people of Jersey supporting Jersey's commitment to encourage lifelong learning and enabling everyone to realise their potential.
Health and Social Services	Promotes health and social wellbeing for the whole community, providing prompt services to all and protecting the interests of the frail and the vulnerable.
Home Affairs	Responsible for the States of Jersey Police, the Fire and Rescue Service, the Prison Service, Customs and Immigration, criminal justice policy, the registration of births, deaths and marriages, and the Building a Safer Society Strategy.
Housing	Responsible for the provision of social housing and estates management.
Planning and Environment	Responsible for all planning and building control matters. It is also responsible for Jersey's environment in its widest sense, including environmental policy and regulation, and water resources and waste management regulation.
Social Security	Responsible for the administration of contributions and benefits, the Health and Safety Inspectorate, and a number of employment services.
Transport and Technical Services	Manages the highway, public transport and traffic management network, and has the responsibility for all transport policy in Jersey. Also ensures drivers and vehicles are roadworthy, manages the disposal of the Island's waste and provides cleaning and parks and gardening services.
Treasury and Resources	Manages the Island's finances and assets, ensuring the protection and good use of public funds. It is responsible for all taxation, States budgets and financial policies. It also manages States buildings and represents the States interests in publicly-owned companies.

Non-Ministerial Departments

Some States Departments do not come under direct Ministerial control, due to the nature of the work they perform. Also included in this section are the Overseas Aid Commission, who report directly to the States, and the States Assembly itself.

Department	Function
Bailiff's Chambers	Provides support to the Bailiff who is head of the judiciary, President of the States and civic head of Jersey.
Law Officers' Department	Provides legal advice to the Crown and the States, including States Ministries and other Departments.
Judicial Greffe	Provides administrative and secretarial support to ensure the effective operation of Jersey's courts.
Viscount's Department	Responsible for ensuring the decisions of Jersey's Courts and States Assembly are carried out.
Official Analyst	Carries out authoritative and impartial scientific analysis to support the work of other States departments, local businesses and individuals.
Office of the Lieutenant Governor	The Lieutenant Governor of Jersey is the representative of the British monarch in the Bailiwick of Jersey.
Office of the Dean of Jersey	The Dean of Jersey is the leader of the Church of England in Jersey.
Data Protection Commission	Promotes respect for the private lives of individuals through ensuring privacy of their personal information. The Commissioner also provides advice on data protection issues to the States, individual and businesses.
Probation and After-care Service	Works with the judicial system, the courts, victims of crime and the community to help reduce criminal activity in Jersey.
Comptroller and Auditor General	Examines how public bodies spend money, and looks at how best they can achieve value for money, by managing their finances to the highest standards.
Overseas Aid	Manages and administers the monies voted by the States of Jersey for overseas aid.
States Assembly	The highest decision-making authority of the Island. See Governance section "The States Assembly" for details.

General Revenue Income

General Revenue Income policy is set via the States Annual Budget, as explained further in the Governance section under “The States of Jersey Business and Financial Planning Cycle”.

The main income streams are: Taxation, Impôts (e.g. on alcohol, tobacco and fuel), Stamp Duty, Investment Income and Island Rates.

Reserves

The States operates two reserves with specific purposes.

Reserve	Function
Strategic Reserve	A permanent reserve, to be used only in exceptional circumstances to insulate the Island's economy from severe structural decline (such as the sudden collapse of a major island industry) or from major natural disaster.
Stabilisation Fund	Provides some protection from the adverse impact of economic cycles (by taking money out of the economy when it is strong, and releasing it when it is weaker), creating a more stable economic environment with low inflation.

States Trading Operations

Under the Public Finances (Jersey) Law 2005, the States can designate any distinct area of operation as a States Trading Operation. Estimates for Trading Operations are approved in the Annual Business Plan. At present, four such operations have been designated:

Trading Operation	Function
Jersey Airport	Provides a wide range of facilities and services for passengers over an extensive network of schedule and charter flight services across the UK and Europe.
Jersey Harbours	Responsible for the operation of Jersey's commercial port of St Helier and outlying ports.
Jersey Car Parking	Responsible for administration, management, financing, development and maintenance of public parking places.
Jersey Fleet Management	Responsible for the acquisition, maintenance, servicing, fuelling, garaging and disposal of vehicles and mobile plant on behalf of the States.

States Special Funds

The Public Finances (Jersey) Law 2005 allows the States to establish special funds (also known as Separately Constituted Funds). These are funds with a specific purpose and are usually established by legislation or a States decision. A summary of the purpose of the various funds is given below.

Special Fund	Purpose
Tourism Development Fund	Makes grants to stimulate investment in the tourism industry and infrastructure in order to improve Jersey's competitiveness and sustain the industry as a second pillar of the economy.
Channel Islands Lottery (Jersey) Fund	Promotes and conducts public lotteries, the draws of which may be held in Jersey or Guernsey.
Agricultural Loans Fund	Makes loans to individuals engaged in work of an agricultural nature in Jersey for the purpose of furthering their agricultural business. Approval of new loans to farmers has been suspended.
Dwelling House Loan Fund	Lends money to individuals for the acquisition or improvement of housing.
Assisted House Purchase Scheme	Aided the recruitment of staff from the UK, by facilitating the purchase of suitable properties by the States on behalf of the employee. It is no longer making new loans.
Housing Development Fund	Assists in meeting the requirements for the development of social rented and first-time buyer homes by providing development and interest subsidies.
Jersey Currency Notes	Produces and issues currency notes, and administers notes in issue.
Jersey Coinage	Produces and issues currency coins, and administers coins in issue.
99 Year Leaseholders Fund	Allowed the former Housing Committee to lend to individuals offering leasehold property as security (at a time when there was no share transfer or flying freehold legislation). It is no longer making new loans.

Wholly Owned Company

The Waterfront Enterprise Development Board Limited (WEB) is a wholly owned company of the States. This was incorporated in 1996 and vested with responsibility for the co-ordination and promotion of development in the St Helier Waterfront Area on behalf of the States of Jersey.

Public Sector Bodies Outside of the Accounting Boundary

Major Public Sector Bodies that are outside of the Accounting Boundary include:

Parishes

The Parishes perform various Government Functions, including Refuse Collection, Provision of Parks and Gardens and issue of Driving Licenses. Details of the functions of individual parishes can be found on the Parishes Websites.

<http://www.parish.gov.je/>

Social Security Funds

Fund	Purpose
Social Security Fund	These funds collect Social Security Contributions, and pay related benefits and any associated expenses. The Reserve fund provides a buffer for these payments in the future.
Health Insurance Fund	
Social Security (Reserve) Fund	

Confiscation Funds

Fund	Purpose
Criminal Offences Confiscation Fund	These funds hold any amounts confiscated under the law and pay these funds out in accordance with the relevant legislation. These funds will be consolidated as part of the move to GAAP.
Drug Trafficking Confiscation Fund	
Civil Asset Recovery Fund	

Strategic Investments

Fund	Purpose
Jersey Electricity Company Limited	The States owns controlling investments in these utility companies, but as it does not exert direct control these are accounted for as Strategic Investments in the Accounts.
Jersey New Waterworks Company Limited	
Jersey Telecom Group Limited	
Jersey Post International Limited	

Independent Bodies

Fund	Purpose
Including, for example	These bodies mainly provide supervisory and regulatory functions, and are established by legislation to be independent from the States of Jersey.
- Jersey Competition Regulation Authority	
- Jersey Financial Services Commission	

Governance, Aims and Objectives:

The States Assembly

The States Assembly is the highest decision-making authority of the Island and makes decisions about new laws or major policy changes. The principal functions of the States are -

- a) to pass Laws (which require the sanction of Her Majesty in Council) and Regulations on all domestic matters;
- b) to approve annual estimates of public expenditure (revenue and capital);
- c) to appoint a Council of Ministers charged with responsibility for the different aspects of public business;
- d) to appoint a Public Accounts Committee and scrutiny panels to hold the Executive to account;
- e) to determine policy on propositions presented by Ministers, scrutiny panels and other bodies or individual members, and executive matters such as compulsory purchases;
- f) to debate and decide issues of public importance;
- g) to consider petitions for the redress of grievances; and
- h) to represent the people of Jersey.

The constitution of the States and all general provisions governing procedure, are set out in the States of Jersey Law 2005, and in the Standing Orders of the States of Jersey made under the Law.

The Public Finances (Jersey) Law 2005 sets out the procedures that govern the administration of the States' finances. The present composition of the States, as determined by the States of Jersey Law 2005, is:

Elected Members

- 12 Senators
- 12 Connétables
- 29 Deputies

Non-Elected Members

- the Bailiff
- the Lieutenant-Governor
- the Dean of Jersey
- the Attorney General
- the Solicitor General

Officers

- the Greffier of the States, who is clerk of the States
- the Deputy Greffier of the States, who is the clerk-assistant of the States
- the Viscount, who is the executive officer of the States

Only the elected members have voting rights.

In 2005 Jersey adopted a Ministerial system of government. A Council of Ministers works alongside Scrutiny Panels. Of the 53 States members with voting rights, a maximum of 23 members are in ministerial positions either as Ministers (ten members) or Assistant Ministers (up to 13 members). Up to 20 other States members sit on the Scrutiny Panels. The following diagram shows this structure.



The Council of Ministers

The Council of Ministers is made up of a Chief Minister and nine other Ministers, who are chosen individually on a vote by all States members. Each Minister is accountable for their area of government. The ten Ministers together comprise the Council of Ministers. The current Ministers are:

Department	Minister
Chief Minister's	Senator Terry Le Sueur
Economic Development	Senator Alan Maclean
Education, Sport and Culture	Deputy James Reed
Home Affairs	Senator Ian Le Marquand
Health and Social Services	Deputy Anne Pryke
Housing	Senator Terry Le Main
Planning and Environment	Senator Freddie Cohen
Social Security	Deputy Ian Gorst
Transport and Technical Services	Connétable Mike Jackson
Treasury and Resources	Senator Philip Ozouf

The Council of Ministers is responsible for producing Jersey's Strategic Plan. Once the Plan is approved by the States Assembly, the Council will make sure the Strategic Plan is properly carried out throughout the public service.

The Council of Ministers is supported by a Chief Executive who is the head of the public service. The Chief Executive leads a Corporate Management Board that is made up of the chief officers of the main departments and heads of the principle support functions.

Scrutiny

Scrutiny is made up of the following elements:

- **Chairmen's Committee**
- **Public Accounts Committee**
- **Individual Scrutiny Panels**

Auditor

The financial statements for the States of Jersey are audited by PricewaterhouseCoopers LLP, who are appointed by the Comptroller and Auditor General under the Public Finances (Jersey) Law 2005. The Report of the auditor on the accounts is included with the accounts.

The audit fee is disclosed in Note 5 of the accounts.

The accounts are a true and fair reflection of the financial position of the States of Jersey for the financial year ended 31 December 2009. Our accounting policies are outlined in the accounts and have been fairly and consistently applied. We keep proper and up to date accounting records and take all reasonable steps to prevent and detect fraud and other irregularities.

There is no relevant audit information of which the States of Jersey's auditors are unaware, and all steps have been taken to identify any relevant audit information and to establish that the States of Jersey's auditors are aware of that information.

An Audit Committee, with an independent chair, operates throughout the year, considering internal control issues.

The States of Jersey Business and Financial Planning Cycle

The States Strategic Plan sets out the States vision for a next five year period including the broad financial framework.

A Strategic Plan was published in 2009, which aims to address the issues facing Jersey.

The States Objectives and Strategies are set out in detail in the States Strategic Plan, which is available on the States Website. The strategic aims outlined in the plan are:

- Enable people to reach their full potential;
- Meet our health, housing and education challenges;
- Prepare for the ageing society;
- Protect the countryside and our environment;
- Create a responsive and efficient government.

To achieve this, we [the States] must also:

- Support and maintain our economy

The Strategic Plan goes on to outline sixteen Priorities that support these aims, and Key Performance Indicators that can be used to measure progress against these priorities.

The Annual Business Plan provides the detail behind that framework and proposes financial allocations to both individual departments and capital projects in order to provide resources to departments to enable the achievement of Jersey's Strategic Aims, thus ensuring that funding is allocated in accordance with agreed strategic priorities. The Assembly debates the draft Annual Business Plan in September, which approves expenditure for the following year, and also approves indicative expenditure totals for a further four years.

Following approval of the Business Plan, the States then considers the annual Budget report that proposes the measures through which the approved expenditure limits can be funded, including taxation changes.

Departments then prepare their individual Business Plans which set out in detail the Objectives of the department for the year, and how these help deliver the strategic priorities agreed in the Strategic Plan. The plans also keep Islanders informed about how political decisions are carried out day-to-day. The States two main controls on expenditure are through Net Revenue Expenditure cash limit, and Capital Project budgets voted by the States to departments.

There is a clear link between the high-level priorities set in the Strategic Plan and the detailed departmental business plans that are published annually. Within the year in question, regular reporting occurred on performance against financial budgets, including quarterly reporting to the Council of Ministers. These processes are part of a year round financial planning and monitoring cycle that informs future resource allocation.

3. Introduction to the States of Jersey Accounts 2009

The main statements included in the accounts are explained below along with an explanation of their purpose.

Operating Cost Statement

This statement provides an informative analysis of the States income and expenditure, highlighting income raised by the States of Jersey, such as taxation, other income, and States expenditure on social benefits, staff costs, grants and subsidies and other expenditure. It encompasses all the entities that comprise the States of Jersey; a segmental analysis is included in the notes to the accounts providing further analysis of the States income and expenditure.

Statement of Total Recognised Gains and Losses

The Statement of Total Recognised Gains and Losses provides a summary of the States financial gains and losses regardless of whether or not they were shown in the Operating Cost Statement or the Balance Sheet. This includes the surplus for the year, from the Operating Cost Statement as well as other unrealised gains and losses.

Balance Sheet

The balance sheet provides a snapshot of our financial position as at 31 December. It sets out what we own, what we owe and what is owed to us at that point in time.

Cash Flow Statement

This statement summarises the total cash movements during the year for both capital and revenue purposes.

Notes

The accounts also include a set of notes that provide further analysis of the figures contained within the main statements.

Annex

The annex to the accounts provides financial statements and reports for the entities included within the States of Jersey Accounts. A glossary is included at the end of the annex to the accounts providing an explanation of the terminology used in this report and accounts.

Auditors' Report

INDEPENDENT AUDITORS' REPORT TO THE MINISTER FOR TREASURY AND RESOURCES OF THE STATES OF JERSEY AND THE COMPTROLLER AND AUDITOR GENERAL OF THE STATES OF JERSEY

We have audited the Financial Report and Accounts of the States of Jersey for the year ended 31 December 2009 in accordance with the Public Finances (Jersey) Law 2005. They comprise the Aggregated Operating Cost Statement, the Aggregated Balance Sheet, the Aggregated Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. The Financial Report and Accounts have been prepared under the accounting policies set out therein.

Respective responsibilities of the Treasurer of the States, the Comptroller and Auditor General of the States and auditors

The Treasurer's responsibilities for preparing the annual Financial Report and Accounts are set out in the Public Finances (Jersey) Law 2005 and summarised in the Statement of Responsibilities for the Statement of Accounts.

The Comptroller and Auditor General's responsibilities are to ensure that the Financial Report and Accounts is audited within 5 months of the end of the financial year.

We have been appointed by the Comptroller and Auditor General to audit the Financial Report and Accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Minister for Treasury and Resources of the States of Jersey and the Comptroller and Auditor General of the States of Jersey in accordance with the Public Finances (Jersey) Law 2005 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the Financial Report and Accounts give a true and fair view in accordance with the Public Finances (Jersey) Law 2005. We also report to you whether in our opinion the information given in the Minister's Report and Treasurer's Report are consistent with the Financial Report and Accounts.

In addition we report to you if, in our opinion, the States has not kept adequate accounting records, if the States' Financial Report and Accounts are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by the Public Finances (Jersey) Law is not disclosed.

We review whether the Statement on Internal Control reflects the States of Jersey's compliance with the relevant guidance issued by the Financial Advisory Board of the States of Jersey on 14 November 2006 and we report to you if it does not. We are not required to consider whether the statement covers all risks and controls. We are also not required to form an opinion on the effectiveness of the States' corporate governance procedures or its risk and control procedures.

We read the other information presented with the Financial Report and Accounts, and consider whether it is consistent with the audited Financial Report and Accounts. This other information comprises only the Annex to the Financial Report and Accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Report and Accounts. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Report and Accounts. It also includes an assessment of the significant estimates and judgments made by the Treasurer in the preparation of the Financial Report and Accounts, and of whether the accounting policies are appropriate to the organisation's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Report and Accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Report and Accounts.

Opinions

In our opinion:

- the Financial Report and Accounts give a true and fair view, in accordance with the Public Finances (Jersey) Law 2005, of the state of the States of Jersey's affairs as at 31 December 2009 and of the income and expenditure and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Public Finances (Jersey) Law 2005; and
- the information given in the Minister's Report and the Treasurer's Report is consistent with the Financial Report and Accounts.



PricewaterhouseCoopers LLP
80 Strand
London
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26th May 2010

Statement of Accounting Policies

i. Basis of Accounts

The Financial Report and Accounts are prepared to meet the requirements of the Public Finances (Jersey) Law, 2005. The following paragraphs outline the accounting basis on which the 2009 accounts have been prepared.

ii. Aggregation and Consolidation

The accounts reflect the aggregated Operating Cost Statement and the Balance Sheet of the States of Jersey including the results of separately constituted funds but not Jersey Telecom Group Limited, Jersey Post International Limited, Jersey Electricity Company Limited and Jersey New Waterworks Company Limited.

As the Waterfront Enterprise Board Limited, a wholly-owned company, is a developer and agent of the States of Jersey, its results and financial position are aggregated within the States of Jersey accounts.

The accounts do not include certain funds, such as legacies and bequests, which are administered by the States of Jersey. The Social Security Fund, Social Security (Reserve) Fund, and Health Insurance Fund accounts will be published separately to the States accounts. The Criminal Offences Confiscation Fund, Drug Trafficking Confiscation Fund and Civil Assets Recovery Fund are not aggregated into the States accounts; however these will be included in the 2010 accounts.

iii. Inter-Department Transactions

Transactions and balances between entities whose results are included in these accounts, are not eliminated.

iv. Related Party Transactions

The accounts do not contain any disclosures with respect to related party transactions.

v. Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated to sterling at rates current at the balance sheet date. Transactions are translated into sterling at the rate current at the date of the transaction. All realised foreign exchange differences are included in the operating cost statement. Unrealised foreign exchange differences are included in the Statement of Total Recognised Gains and Losses.

vi. Income and Expenditure

Income and expenditure are accounted for using the accruals concept, i.e. income and expenditure are accounted for when goods and services are provided and received, unless specified otherwise.

vii. Income Tax, Goods and Services Tax and Impôts

Income Tax is recognised when an assessment is raised with provisions made for doubtful debts and adjustments following appeals. In addition, an adjustment is made for estimated repayments due under the Income Tax Instalment Scheme. Tax collected in the year under the Income Tax Instalment System which is due for assessment in the following year (tax collected on a current year basis) is recognised as receipts in advance.

Statement of Accounting Policies

Goods and Services Tax (GST) is recognised on an accruals basis. GST is deemed to be receivable by the States of Jersey at the point of sale of goods or services which are liable to GST. GST is deemed to be payable by the States of Jersey at the point of payment by a registered business for goods or services which are liable to GST. Fees payable by International Services Entities are recognised on an accruals basis and are included in total GST receipts in the Operating Cost Statement.

Impôts duties are recognised when the goods are landed in Jersey.

viii. Provisions for Liabilities and Charges

A provision is made in the accounts in respect of obligations arising from past events where the predicted outcome of the event is considered probable and there is a reliable estimate of the amount of the liability.

ix. Fixed Assets

Fixed Assets are categorised according to their source of funding as opposed to being classified according to their nature, function or use in business.

A capital repayment charge is made as an approximation to any depreciation charge that would be applicable under UK GAAP, including an element in respect of land, which would not be depreciated under UK GAAP. The capital repayment charge is calculated as cost at the end of the year divided by the estimated remaining life of the asset. Assets in the course of construction are held at cost. Completed fixed assets are held at cost less capital repayments.

Useful economic lives (by category) over which assets are depreciated or over which capital servicing is allocated are as follows:

Buildings	50 years
Infrastructure	10-30 years
Plant and Equipment	5-10 years
Fixtures and Fittings	5-10 years
Vehicles	5 years
Computer hardware and software	3-5 years

For expenditure where the source of funding has been designated as capital, but where the whole or majority of the spend is deemed to be revenue in nature, a capital repayment charge equivalent to the whole cost incurred in the year is made.

x. Leased assets

Assets held under finance leases or sale and lease-back arrangements are capitalised as fixed assets and depreciated over the shorter of the lease term or their estimated useful economic lives. Rentals paid are apportioned between reductions in the capital obligations included in creditors, and finance charges charged to the Operating Cost Statement. Expenditure under operating leases is charged to the Operating Cost Statement in equal instalments over the period of the lease.

Statement of Accounting Policies

xi. Capital Grants

Capital grants received in respect of the construction of tangible fixed assets are carried forward in the balance sheet until such time as the related asset is constructed and are then deducted from the construction costs.

xii. Strategic Investments

Although the States of Jersey holds the majority of the ordinary voting shares in Jersey Telecom Group Limited, Jersey Post International Limited, Jersey Electricity Company Limited and Jersey New Waterworks Company Limited, the accounts of these entities are not consolidated as these are strategic investments and information on these companies is better provided by reference to the separate accounts. These investments are stated at cost less provision for any permanent diminution in value.

xiii. Other Investments

Investments held other than for strategic purposes, principally for investment returns, are carried at market value.

Profits or losses on disposal or redemption of investments are included in the Operating Cost Statement when realised.

Unrealised gains and losses on investments are included in the Statement of Total Recognised Gains and Losses.

Income on interest-bearing investments is recognised on an accruals basis. Income on other investments is recognised when receivable.

xiv. Stock and Work in Progress

Stock and work in progress includes site developments held for resale by the Waterfront Enterprise Board Limited and other general stocks.

All stocks are held at the lower of cost and net realisable value.

xv. Debtors, Prepayments and Advances

Debtors are recognised on an accruals basis reflecting goods and services provided for which income is due as at 31 December 2009.

Prepayments are recognised on an accruals basis reflecting goods and services that have been paid for but no benefit received as at 31 December 2009.

Advances are recognised on an accruals basis reflecting the amounts advanced less any capital repayments received.

Statement of Accounting Policies

Debtors, prepayments and advances are recognised at amortised cost less provision for any permanent diminution in value

xvi. Creditors

Revenue creditors are recognised on an accruals basis reflecting goods and services received in the year ending 31 December 2009, which have not been paid for as at 31 December 2009.

Capital creditors include the cost of all work certified as complete up to the 31 December 2009.

Creditors are recognised at amortised cost less provision for any permanent diminution in value

xvii. Cash and Liquid Resources

Cash and Liquid Resources are cash in hand and deposits repayable on demand. Cash includes cash in hand and deposits denominated in foreign currencies.

xviii. Contingent Liabilities

A contingent liability will be disclosed where:

- a possible obligation arises from a past event, the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the States of Jersey's control;
or
- a present obligation arises from past events but has not been recognised because:
 - it is not probable that a transfer economic benefits will be required to settle the obligation;
or
 - the amount of the obligation cannot be measured with sufficient reliability

xix. Pension Schemes

The States of Jersey operates two principal pension schemes for certain of its employees (Public Employees' Contributory Retirement Scheme and Teachers' Superannuation Fund). In addition two further pension schemes exist, the Jersey Post Office Pension Fund and the Discretionary Pension Scheme. These schemes are closed to new members. The assets of each scheme are held in separate funds.

The Jersey Post Office Pension Fund and the Discretionary Pension Scheme are accounted for as conventional defined benefit schemes in accordance with Financial Reporting Standards (FRS) 17.

The Public Employees' Contributory Retirement Scheme and Teachers' Superannuation Fund, whilst final salary schemes, are not conventional defined benefit schemes as the employer is not responsible for meeting any ongoing deficiency in the schemes.

Employer contributions to the schemes are charged to revenue expenditure in the year they are incurred.

Statement of Accounting Policies

In agreeing P190/2005 the States confirmed responsibility for the past service liability which arose from restructuring of the PECRS arrangements with effect from 1 January 1988. This liability is recognised in the accounts.

The Jersey Teachers' Superannuation Fund was restructured in April 2007. The restructured scheme mirrors the Public Employees' Contributory Retirement Scheme. A provision for past service liability, similar to the PECRS pre-87 past service liability, has been recognised, although this has not yet been agreed with the Fund's board of management.

Apart from the liabilities detailed above, the employer is not responsible for meeting any ongoing deficiency in the schemes.

Information on the schemes is presented in the accounts reflecting the cost of the schemes. In particular, information specified in FRS 17 is disclosed in note 4 to the accounts.

Actuarial gains and losses arising in the year from the difference between the actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions are included in the Statement of Total Recognised Gains and Losses for the Jersey Post Office Pension Fund and the Discretionary Pension Scheme.

States of Jersey

Aggregated Operating Cost Statement for the Year ended 31 December 2009

	Notes	2009 £' 000	2008 £' 000
Revenue	1		
Levied by the States of Jersey			
Taxation Revenue		558,474	534,960
Island Rates, Duties, Fees, Fines and Penalties		92,844	91,297
Total Revenue Levied by the States of Jersey		651,318	626,257
Earned through Operations			
Sales of Goods and Services		153,212	145,801
Investment Income		27,882	68,358
Other Revenue		32,130	31,659
Total Revenue Earned through Operations		213,224	245,818
Total Revenue		864,542	872,075
Operating Expenditure	2		
Social Benefit Payments		162,600	149,576
Staff Costs	3	327,149	312,079
Other Operating Expenses		193,609	185,270
Grants and Subsidies Payments		39,425	37,827
Capital Charge/Depreciation		45,689	51,426
Finance Costs		6,673	6,250
Total Operating Expenditure		775,145	742,428
Non-Operating expenditure			
Net Foreign-Exchange (Gains)/Losses		556	(1,357)
Movement in Pension Liability	4	23,682	95,684
Gains on disposal of assets		(10,362)	(22,065)
Total Non-Operating Expenditure		13,876	72,262
Total Expenditure		789,021	814,690
Surplus for the Year		75,521	57,385

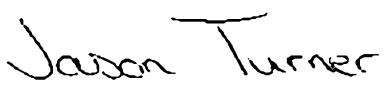
Statement of Total Recognised Gains and Losses for the Year ended 31 December 2009

	2009 £' 000	2008 £' 000
Surplus for the Year	75,521	57,385
Unrealised Gain/(Loss) on Revaluation of Investments	41,997	(30,197)
Unrealised Loss on Foreign Exchange	(184)	-
Actuarial Gain/(Losses) in respect of Defined Benefit Pension Schemes	(1,153)	467
Total Recognised Gain Relating to the Year	116,181	27,655

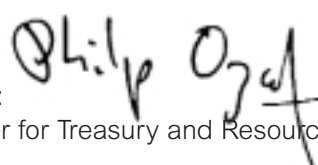
States of Jersey

Aggregated Balance Sheet as at 31 December 2009

	Notes	2009 £' 000	2008 £' 000
Tangible Fixed Assets	7	905,073	828,609
Financial Assets			
Advances	8	18,549	25,312
Strategic Investments	9	88,563	88,563
Other investments	10	982,469	852,642
Debtors: amounts falling due after more than one year	12	13,986	4,492
Total Fixed Assets		2,008,640	1,799,618
Current Assets			
Stock and Work in Progress	11	8,056	6,748
Debtors	12	114,818	146,736
Cash at Bank and in Hand	13	62,573	79,842
Total Current Assets		185,447	233,326
Current Liabilities			
Bank Overdrafts	14	(33,242)	(20,364)
Creditors	14	(89,217)	(90,557)
Currency in Circulation	15	(90,664)	(91,549)
Total Current Liabilities		(213,123)	(202,470)
Net Current Assets / (Liabilities)		(27,676)	30,856
Total Assets Less Current Liabilities		1,980,964	1,830,474
Long Term Liabilities			
Finance Lease Obligations	22	(16,924)	(19,608)
PECRS Pre-1987 Past Service Liability		(246,643)	(222,288)
Provision for JTSF Past Service Liability		(103,100)	(103,100)
Defined Benefit Pension Schemes Net Liability	16	(1,542)	795
Provisions for Liabilities and Charges	18	(4,090)	(2,140)
Other Long Term Liabilities	12	(8,351)	-
Total Long Term Liabilities		(380,650)	(346,341)
Net Assets		1,600,314	1,484,133
Reserves:			
Accumulated Revenue and Reserve Balances	17	1,600,314	1,484,133

Signed: 
 (Deputy Treasurer of the States
 on behalf of the Treasurer of the States)

Date: 24/05/2010

Signed: 
 (Minister for Treasury and Resources)

Date: 24/05/2010

States of Jersey

Aggregated Cash Flow Statement for the Year ended 31 December 2009

	2009 £' 000	2008 £' 000
Operating Activities		
Net Cash Inflow from Operating Activities (Note a)	131,358	86,061
Returns on Investment and Servicing of Finance		
Investment Income Received	52,358	65,533
Interest Paid	(1,493)	(6,250)
Interest element of Finance Lease Payments	(1,388)	(1,548)
Net Cash Inflow from Returns on Investments and Servicing of Finance	49,477	57,735
Capital Expenditure and Financial Investments		
Payments to acquire Tangible Fixed Assets	(123,061)	(68,402)
Receipts from Sale of Plant, Property and Equipment	213	49
Proceeds from Disposal of Property	11,523	24,461
Loans Advanced	-	(500)
Loans Repaid	6,763	8,910
Net Cash Outflow from Capital Expenditure and Financial Investments	(104,562)	(35,482)
Additions/Disposals		
Purchase of Investments	(2,620,148)	(2,112,937)
Proceeds from Disposal of Investments	2,516,598	2,029,825
Net Cash Outflow from Additions/Disposals	(103,550)	(83,112)
Management of Liquid Resources		
Increase in Short Term Deposits	(34,082)	(51,882)
Purchase of current asset investments	51,882	38,233
Net Cash Inflow/(Outflow) from Management of Liquid Resources	17,800	(13,649)
Financing		
Capital Element of Finance Lease Rental Payments	(2,685)	(2,456)
Net Cash Outflow from Financing	(2,685)	(2,456)
Increase/(Decrease) in Cash	(12,162)	9,097

States of Jersey

Reconciliation of Net Cash Flow to Movement in Net Funds

	2009 £' 000	2008 £' 000
Increase/(Decrease) in Cash in the Year	(12,162)	9,097
Movement in Liquid Resources	(17,800)	13,649
Net Cash Inflow from Lease Financing	2,454	2,535
Unrealised Foreign Exchange Movement	(184)	-
Change In Net Funds	(27,692)	25,281
Net Funds at 1 January	37,415	12,134
Net Funds at 31 December	9,723	37,415

Notes to the Cash Flow Statement

a. Reconciliation of Surplus for the Year to Net Cash Flow from Operating Activities

	2009 £' 000	2008 £' 000
Surplus for the Year	75,521	57,385
Capital Servicing/Depreciation	45,689	48,256
Net Book Value of Assets Written Off	-	3,110
Interest Paid	1,493	6,250
Gain on Disposal of Assets	(10,362)	(22,065)
Investment Income	(43,927)	(62,860)
Interest Element of Finance Leases	1,388	1,548
Gain/(Loss) on Realisation of Investments	15,713	(5,498)
(increase)/Decrease in Stock	(1,308)	2,552
Transfer to Fixed Assets (from)/to Stock	-	(27)
Decrease/(Increase) in Debtors	23,488	(22,761)
Increase in Long term Debtors	(9,494)	(2,818)
Increase/(Decrease) in Creditors	169	(20,086)
Increase in Long Term Creditors	8,351	-
Increase in Pensions Liabilities	23,572	95,390
Increase/(Decrease) in Provisions	1,950	(1,556)
Increase/(Decrease) in Currency in Circulation	(885)	9,241
	131,358	86,061

b. Analysis of Net Funds

	At 1 January 2009 £' 000	Cash Flows £' 000	Exchange Movement £'000	At 31 December 2009 £' 000
Cash in Hand and at Bank	7,596	(12,162)	(184)	(4,750)
Bank Deposit Accounts	51,882	(17,800)	-	34,082
Total Cash	59,478	(29,962)	(184)	29,332
Finance Leases	(22,063)	2,454	-	(19,609)
Net Funds	37,415	(27,508)	(184)	9,723

Notes to the Accounts

1. Revenue

	2009 £' 000	2008 £' 000
Levied through Sovereign Power:		
Taxation Revenue		
Salary and Wage Earners	250,357	229,227
Self Employed and Investment Holders	43,300	40,500
Companies	217,675	232,820
GST	47,142	32,413
	558,474	534,960
Island rates, duties, fees, fines and penalties		
Impôts Duty - Spirits	4,172	4,008
Impôts Duty - Wines	6,340	5,863
Impôts Duty - Beer	6,194	5,836
Impôts Duty - Tobacco	13,856	12,715
Impôts Duty - Fuel	20,685	20,470
Impôts Duty - Other	125	235
Vehicle Reg & Customs Duty	-	674
Stamp Duty	23,576	23,998
Island Rates	10,306	10,183
Other Fees and Fines	7,590	7,315
	92,844	91,297
Earned through Operations		
Sales of goods and services	153,212	145,801
Investment Income		
Investment Income	40,159	57,552
Realised gains / losses on investments	(16,045)	5,498
Loan, Bank & Notional Interest	3,768	5,308
	27,882	68,358
Other Revenue		
Returns	4,548	4,852
Other Income *	27,582	26,807
	32,130	31,659
Total Revenue	864,542	872,075

*Other income includes: European Union Savings Tax Directive Income; Criminal Offences Confiscation Fund, grants, recharges and transfers between departments.

Notes to the Accounts

2. Expenditure

	2009 £' 000	2008 £' 000
Operating Expenditure:		
Social Benefit Payments		
Social Security Benefits	97,605	87,734
States Contributions to Social Security Fund and Health Insurance Fund	64,995	61,842
	162,600	149,576
Staff costs		
States Members' Remuneration	2,435	2,344
States Staff Salaries and Wages	265,315	260,193
States Staff Pension Costs	34,017	32,474
States Staff Social Security	14,614	14,041
Non-States Staff Costs*	9,407	1,494
Other Staff Costs	1,361	1,533
	327,149	312,079
Other Operating expenses	193,609	185,270
Grants and Subsidies payments	39,425	37,827
Capital Repayment Charge/Depreciation	45,689	51,426
Finance costs	6,673	6,250
Non-operating expenditure:		
Net foreign-exchange (gains)/losses	556	(1,357)
Movement in pension liability	23,682	95,684
(Gains)/Losses on disposal of assets	(10,362)	(22,065)
	13,876	72,262
Total Expenditure	789,021	814,690

*Non-States Staff are persons not employed under a direct employment contract with the States of Jersey, but who are carrying out the duties of an employee of the States of Jersey.

Notes to the Accounts

3. Employees and States' Members

(a) Staff costs by Department

Department	Total £	Salaries and Wages £	Pension £	Social Security £	FTE
Chief Minister's Department	11,199,180	9,487,667	1,243,294	468,219	188
Economic Development	3,827,189	3,274,027	386,837	166,325	73
Education, Sport and Culture	77,398,100	64,452,396	9,290,038	3,655,666	1,534
Health and Social Services	110,061,578	93,785,667	11,068,698	5,207,213	2,289
Home Affairs	37,148,255	31,550,901	3,907,712	1,689,642	674
Housing	2,020,471	1,673,206	254,112	93,153	36
Planning and Environment	6,772,927	5,724,941	756,283	291,703	113
Social Security	5,595,518	4,628,626	689,051	277,841	129
Transport and Technical Services*	21,712,025	18,438,473	2,183,901	1,089,651	529
Treasury and Resources	12,529,001	10,594,385	1,369,119	565,497	240
States Assembly (excluding States Members)	1,537,303	1,289,902	174,388	73,013	32
Non Ministerial States Funded Bodies	10,565,611	8,896,854	1,260,775	407,982	171
Jersey Airport	10,357,242	8,825,231	1,081,970	450,041	190
Jersey Harbours	3,735,327	3,207,086	350,342	177,899	67
Other**	830,248	830,248			
Staff costs charged to capital	(1,344,350)	(1,344,350)			
Total	313,945,625	265,315,260	34,016,520	14,613,845	6,265
Non-States staff costs	9,406,754				
Other staff costs***	1,361,692				
States Members remuneration	2,435,321				
Total Staff costs	327,149,392	265,315,260	34,016,520	14,613,845	

Figures exclude costs associated with the PECS pre-87 liability.

* Jersey Car Parking and Jersey Fleet Management FTE figures are included in the Transport and Technical Services figures

** Other includes the costs of Waterfront Enterprise Board (WEB) employees. Further details can be found in the separately published WEB accounts

*** Other staff costs includes Redundancy, Voluntary Redundancy, Allowances and Severance payments

Notes to the Accounts

(b) Senior Employees

Remuneration	2009		2008	
	Non - Traders	Traders	Non - Traders	Traders
£70,000 - £89,999	306	19	317	23
£90,000 - £109,999	96	17	81	13
£110,000 - £129,999	51	5	44	2
£130,000 - £149,999	23	1	24	1
£150,000 - £169,999	23		20	
£170,000 - £189,999	9		6	
£190,000 - £209,999	2		1	
£210,000 - £229,999	0		1	
£230,000 - £249,999	2		5	
£250,000 - £269,999	2			
	514	42	499	39

Notes to the Accounts

4. Pension Schemes

a) Public Employees Contributory Retirement Scheme (PECRS)

The Scheme is open to all public sector employees (excluding teachers) over 20 years of age. Membership is obligatory for all employees on a permanent contract.

The Scheme is managed by a Committee of Management and five sub committees which together are responsible for managing the scheme.

The market value of the Scheme's assets as at 31 December 2009 was £1,111 million.

The last published Actuarial Valuation of the Scheme as at 31 December 2007, dated 02 July 2009 indicated that the Scheme had an actuarial deficit of £63.2 million.

The Actuary has concluded that this deficiency will need to be dealt with in accordance with the terms of the Scheme's Regulations.

The scheme, 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. Because of that limitation on the States' responsibility as employer, the scheme deficit is disclosed below but not recognised in the States' accounts.

The States in agreeing P190/2005 on September 2005 confirmed responsibility for the past service liability which arose from the restructuring of the PECRS arrangements with effect from 1 January 1988. This liability amounted to £250.6 million at 31 December 2009.

The past service liability will be repaid over 82 years (from 2002), after which the employers' contribution rate will revert to 15.16% of members' salaries.

The payment made in 2009 was £3.8 million (2008: £3.3 million).

b) Jersey Teachers' Superannuation Fund (JTSF)

Membership of this defined benefit scheme is compulsory for all teachers in full time employment and optional for those in part time employment. Benefits are based on final pensionable pay. The Fund is managed by a Board of Management which has established sub committees to investigate and report on complex and technical issues.

The market value of the Fund's Assets as at 31 December 2009 was £274 million.

The results of an actuarial valuation as at 31 December 2006 concluded that there was a surplus of £50 million. However, after allowing for future pension increases, including those already granted to that date, to be financed from the Fund and, further, for reducing the qualifying period for the benefits to two years and the introduction of

Notes to the Accounts

widowers' benefits and death in service lump sum provisions equal to two times salary, a deficiency of £60 million was revealed.

Following discussions with regard to the future structure and funding of the Fund, an enabling law was passed during 2006 so that the Education, Sport and Culture department could introduce a new scheme with benefits aligned to those available to new members of the PECRS. The new scheme came into effect from 1 April 2007, after which entry to the previous scheme was no longer possible for new members.

Widowers' benefits were introduced into the Fund during 2005 and the other benefit changes listed above will be available to members of the two schemes from 1 April 2007. In addition, pension increases in respect of Fund membership were, from 1 April 2007, paid from the Fund instead of the Education, Sport and Culture department's revenue budget. The employer's contribution rate rose to 16.4% and the actuary has confirmed that this will repay the deficit over the period of 80 years. Members' contributions to the new scheme will be 5% of salary, with existing members continuing to pay 6% of salary to the Fund.

The Jersey Teachers' Superannuation Fund was restructured in April 2007. The restructured scheme generally mirrors the Public Employees' Contributory Retirement Scheme. A provision for past service liability, similar to the PECRS Pre-1987 past service liability has been recognised although this has not yet been agreed with the Scheme's Board of Management.

c) Jersey Post Office Pension Fund (JPOPF)

Jersey Post operates the Jersey Post Office Pension Fund (JPOPF) which is an occupational defined benefit scheme providing benefits based on final pensionable pay. The JPOPF is closed to new members. As this is a closed scheme, under the projected unit method, the current service cost will increase as the members of the Fund approach retirement.

On 1st July 2006 the Postal Services (Transfer) (Jersey) Regulations 2006 transferred postal services from the States of Jersey to Jersey Post International Limited. Although contributions to the Fund are made by Jersey Post International Limited, risks associated with the Fund remain the responsibility of the States of Jersey and the Fund is therefore included within these accounts.

d) Additional Information required by FRS17 – Retirement Benefits

The PECRS and JTSF are both final salary schemes, but are not conventional defined benefit schemes as the employer is not responsible for meeting any ongoing deficiency in the scheme. Because of that limitation on the States' responsibility as employer, the scheme deficit in each case is disclosed below but not recognised in the States' accounts.

Actuarial Valuations of the PECRS and JTSF were carried out at 31 December 2007 and 31 December 2006 respectively. These valuations have been updated by Actuaries to 31 December 2009 in accordance with FRS17, based on the current obligations.

Notes to the Accounts

The assumptions and methodology required under FRS17 differ considerably from the approach that has been used by the respective Actuaries of PECRS and JTSF in providing Actuarial Valuations, used for funding purposes. These differences in methodology combined with the time which has elapsed since the latest Actuarial Valuations mean that the FRS17 results are different to the position revealed in the latest formal published Actuarial Valuations.

The results of up to date Actuarial Valuations, rather than the results of the FRS17 disclosures below, will be used to determine the quantum of any adjustments that may be needed to the benefits and contributions of the respective Funds.

The JPOPF is a traditional defined benefit scheme and is accounted for as such in these Accounts.

The most recent full Actuarial Valuation of the JPOPF was carried out as at 31 December 2002 and has been updated by an Actuary to 31 December 2008 in accordance with FRS17. Full allowance has been made for the cost of pension increases.

The assumptions and methodology required under FRS17 differ considerably from the approach that has been used by the JPOPF Actuaries in providing Actuarial Valuations, used for funding purposes. These differences in methodology combined with the time which has elapsed since the latest Actuarial Valuations mean that the FRS17 results are different to the position revealed in the latest formal published Actuarial Valuations.

e) Discretionary Pension Scheme (DPS)

In addition to the schemes explained above the States of Jersey has an arrangement which provides for post-retirement benefits for one individual. The total assets in this scheme as at 31 December 2009 were valued at £303,000. The approximate liability is £635,000. As this is a traditional defined benefit scheme it is accounted for as such in these Accounts. The scheme is funded on an ongoing basis from an existing revenue budget.

Notes to the Accounts

PECRS

The scheme, 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. Because of that limitation on the States responsibility as employer, the scheme deficit is disclosed below but not recognised in the States accounts.

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS 17 are set out below:

Main financial assumptions

	31 December 2009 % p.a.	31 December 2008 % p.a.	31 December 2007 % p.a.
Inflation	4.0	3.1	3.4
Rate of general long-term increase in salaries	5.2	4.4	4.7
Rate of increase to pensions in payment (weighed average over all elements)	4.0	3.1	3.4
Discount rate for scheme liabilities	5.7	6.0	5.8

Main demographic assumptions for PECRS

Post retirement mortality assumptions

	31 December 2009	31 December 2008
Males		
Future lifetime from aged 63 (currently aged 63)	24 years	23 years
Future lifetime from aged 63 (currently aged 43)	26 years	25 years
Females		
Future lifetime from aged 63 (currently aged 63)	26 years	25 years
Future lifetime from aged 63 (currently aged 43)	28 years	27 years

31 December 2009

Commutation

Each member assumed to exchange 17.5% of their pension entitlements

31 December 2008

Each member assumed to exchange 17.5% of their pension entitlements

Notes to the Accounts

Expected return on assets

	Long-term rate of return expected at 31 December 2009 (% p.a.)*	Value at 31 December 2009 (£'000)	Long-term rate of return expected at 31 December 2008 (% p.a.)*	Value at 31 December 2008 (£'000)	Long-term rate of return expected at 31 December 2007 (% p.a.)*	Value at 31 December 2007 (£'000)
Equities	8.3	688,287	7.6	548,082	7.6	764,892
Property	8.8	10,497	6.6	17,561	6.6	14,370
Fixed Interest Gilts	4.5	-	3.8	-	4.7	-
Index-Linked Gilts	4.3	-	3.6	-	4.3	-
Corporate bonds	5.5	316,260	5.5	268,034	4.7	-
Other	0.7	95,919	2.5	90,577	5.9	326,074
Combined	6.9 ¹	1,110,963	6.5 ¹	924,254	7.1 ¹	1,105,336

Note: Values shown are at bid value.

* The expected returns on assets by asset category is not a required FRS 17 (Amended December 2006) disclosure item (only the total rate needs to be disclosed).

¹ The overall expected rate of return on scheme assets is weighted average of the individual expected rates of return on each asset class.

The States of Jersey employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher returns consistent with widely accepted capital market principles. The assumed long-term rate of assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme.

Changes to the present value of the defined benefit obligation during the year

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Opening defined benefit obligation	1,306,089	1,252,981
Current service cost	33,174	37,482
Interest cost	78,301	72,927
Contributions by scheme participants	11,981	11,261
Actuarial (gains)/losses on scheme liabilities*	297,099	(29,422)
Net benefits paid out	(46,733)	(39,434)
Past service cost	254	294
Net service increase in liabilities from disposals/acquisitions	-	-
Closing defined benefit obligation	1,680,165	1,306,089

*Includes changes to the actuarial assumptions.

Notes to the Accounts

Changes to the fair value of the scheme assets during the year

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Opening fair value of scheme assets	924,254	1,105,336
Expected return on scheme assets	54,238	74,793
Actuarial gains/(losses) on scheme assets	133,596	(260,192)
Contributions by the employer	33,627	32,490
Contributions by scheme participants	11,981	11,261
Net benefits paid out	(46,733)	(39,434)
Closing fair value of scheme assets	1,110,963	924,254

Actual return on scheme assets

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Expected return on scheme assets	54,238	74,793
Actuarial gain/(loss) on scheme assets	133,596	(260,192)
Actual return on scheme assets	187,834	(185,399)

History of asset values, DBO and surplus/deficit in scheme

	31 December 2009 (£'000)	31 December 2008 (£'000)	31 December 2007 (£'000)	31 December 2006 (£'000)	31 December 2005 (£'000)
Fair value of scheme assets	1,110,963	924,254	1,105,336	1,040,843	983,341
Defined benefit obligation	(1,680,165)	(1,306,089)	(1,252,981)	(1,223,932)	(1,264,935)
Surplus/(deficit) in scheme	(569,202)	(381,835)	(147,645)	(183,089)	(281,593)

Note: Asset value for 2005 is shown at mid value.

History of experience gains and losses

	31 December 2009 (£'000)	31 December 2008 (£'000)	31 December 2007 (£'000)	31 December 2006 (£'000)	31 December 2005 (£'000)
Experience gains/(losses) on scheme assets	133,596	(260,192)	(14,050)	-	-
Experience gains/(losses) on scheme liabilities ¹	27,835	(23,258)	2,833	-	-

¹This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

Notes to the Accounts

JTSF

The Jersey Teachers' Superannuation Fund was restructured in April 2007. The restructured scheme generally mirrors the Public Employees' Contribution Retirement Scheme.

The scheme, whilst a final salary scheme, is not a correctional defined benefit scheme as the employer is not responsible for meeting and ongoing deficiency in the scheme. Because of that limitation on the States responsibility as employer, the scheme deficit is disclosed below but not recognised in the States accounts.

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS 17 are set out below:

Main financial assumptions

	31 December 2009 % p.a.	31 December 2008 % p.a.	31 December 2007 % p.a.
Inflation	4.0	3.1	3.4
Rate of general long-term increase in salaries	5.2	4.4	4.7
Rate of increase to pensions in payment (weighed average over all elements)	4.0	3.1	3.4
Discount rate for scheme liabilities	5.7	6.0	5.8

Main demographic assumptions for JTSF

Post retirement mortality assumptions

	31 December 2009	31 December 2008
Males		
Future lifetime from aged 60 (currently aged 60)	28 years	28 years
Future lifetime from aged 60 (currently aged 40)	30 years	30 years
Females		
Future lifetime from aged 60 (currently aged 60)	30 years	31 years
Future lifetime from aged 60 (currently aged 40)	30 years	32 years

31 December 2009

Commutation

Members who joined the scheme after 31 March 2007 assumed to exchange 16.67% of their pension entitlements.
Nil for other members

31 December 2008

Members who joined the scheme after 31 March 2007 assumed to exchange 16.67% of their pension entitlements.
Nil for other members

Notes to the Accounts

Expected return on assets

	Long-term rate of return expected at 31 December 2009 (% p.a.)*	Value at 31 December 2009 (£'000)	Long-term rate of return expected at 31 December 2008 (% p.a.)*	Value at 31 December 2008 (£'000)	Long-term rate of return expected at 31 December 2007 (% p.a.)*	Value at 31 December 2007 (£'000)
Equities	8.3	226,210	7.6	180,510	7.6	224,285
Property	8.8	5,247	6.6	5,683	6.6	7,708
Fixed interest Gilts	4.5	-	3.8	16,560	4.7	14,456
Index-Linked Gilts	4.3	19,553	3.6	17,438	4.3	27,479
Corporate bonds	5.5	20,151	5.5	-	4.7	-
Other	0.7	2,840	2.5	455	5.9	2,291
Combined	7.7 ¹	274,001	7.1 ¹	220,646	7.1 ¹	276,219

Note: Values shown are at bid value.

* The expected returns on assets by asset category is not a required FRS 17 (Amended December 2006) disclosure item (only the total rate needs to be disclosed).

¹ The overall expected rate of return on scheme assets is weighted average of the individual expected rates of return on each asset class.

The States of Jersey employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher returns consistent with widely accepted capital market principles. The assumed long-term rate of assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme.

Changes to the present value of the defined benefit obligation during the year

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Opening defined benefit obligation	403,047	396,480
Current service cost	8,875	8,946
Interest cost	24,168	22,974
Contributions by scheme participants	2,952	2,607
Actuarial (gains)/losses on scheme liabilities*	86,242	(15,637)
Net benefits paid out	(12,323)	(12,323)
Past service cost	-	-
Net service increase in liabilities from disposals/acquisitions	-	-
Closing defined benefit obligation	512,961	403,047

*Includes changes to the actuarial assumptions.

Notes to the Accounts

Changes to the fair value of the scheme assets during the year

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Opening fair value of scheme assets	220,646	276,219
Expected return on scheme assets	14,710	19,129
Actuarial gains/(losses) on scheme assets	39,852	(72,156)
Contributions by the employer	8,169	7,170
Contributions by scheme participants	2,952	2,607
Net benefits paid out	(12,328)	(12,323)
Closing fair value of scheme assets	274,001	220,646

Actual return on scheme assets

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Expected return on scheme assets	14,710	19,129
Actuarial gain/(loss) on scheme assets	39,847	(72,156)
Actual return on scheme assets	54,557	(53,027)

History of asset values, DBO and surplus/deficit in scheme

	31 December 2009 (£'000)	31 December 2008 (£'000)	31 December 2007 (£'000)	31 December 2006 (£'000)	31 December 2005 (£'000)
Fair value of scheme assets	274,001	220,646	276,219	251,884	236,171
Defined benefit obligation	(512,961)	(403,047)	(396,480)	(380,209)	(352,598)
Surplus/(deficit) in scheme	(238,960)	(182,401)	(120,261)	(128,325)	(116,427)

Note: Asset value for 2005 is shown at mid value.

History of experience gains and losses

	31 December 2009 (£'000)	31 December 2008 (£'000)	31 December 2007 (£'000)	31 December 2006 (£'000)	31 December 2005 (£'000)
Experience gains/(losses) on scheme assets	39,852	(72,156)	5,120	5,169	32,402
Experience gains/(losses) on scheme liabilities ¹	(302)	(10,034)	(607)	913	338

¹This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

Notes to the Accounts

JPOPF

The scheme is a funded scheme of the defined benefit type, providing retirement benefits based on final salary.

The latest actuarial valuation of the JPOPF took place on 31 December 2002. The last remaining active member left service during 2009, therefore regular employer contributions to the JPOPF in 2010 are expected to be nil.

Actuarial gains and losses have been recognised in the period in which they occur, (but outside the operating cost statement), through the Statement of Recognised Gains and Losses (STRGL)

The principal assumptions used by the independent qualified actuaries to calculate the liabilities under FRS 17 are set out below:

Main financial assumptions

	31 December 2009 % p.a.	31 December 2008 % p.a.	31 December 2007 % p.a.
Inflation	4.0	3.1	3.4
Rate of general long-term increase in salaries	5.2	4.4	4.7
Rate of increase to pensions in payment (weighed average over all elements)	4.0	3.1	3.4
Discount rate for scheme liabilities	5.7	6.0	5.8

Main demographic assumptions for JPOPF

Post retirement mortality assumptions

	31 December 2009	31 December 2008
Males		
Future lifetime from aged 60 (currently aged 60)	26 years	26 years
Future lifetime from aged 60 (currently aged 40)	28 years	28 years
Females		
Future lifetime from aged 60 (currently aged 60)	28 years	28 years
Future lifetime from aged 60 (currently aged 40)	31 years	30 years

31 December 2009

Commutation

Each member assumed to exchange 17.5% of their pension entitlements

31 December 2008

Each member assumed to exchange 17.5% of their pension entitlements

Notes to the Accounts

Expected return on assets

	Long-term rate of return expected at 31 December 2009 (% p.a.)*	Value at 31 December 2009 (£'000)	Long-term rate of return expected at 31 December 2008 (% p.a.)*	Value at 31 December 2008 (£'000)	Long-term rate of return expected at 31 December 2007 (% p.a.)*	Value at 31 December 2007 (£'000)
Equities	8.3	-	7.6	-	7.6	-
Property	8.8	-	6.6	-	6.6	-
Fixed interest Gilts	4.5	653	3.8	673	4.7	649
Index-Linked Gilts	4.3	8,041	3.6	8,335	4.3	8,832
Corporate bonds	5.5	-	5.5	-	4.7	-
Other	0.7	439	2.5	928	5.9	155
Combined	4.1 ¹	9,133	3.5 ¹	9,936	4.4 ¹	9,637

Note: Values shown are at bid value.

* The expected returns on assets by asset category is not a required FRS 17 (Amended December 2006) disclosure item (only the total rate needs to be disclosed).

¹ The overall expected rate of return on scheme assets is weighted average of the individual expected rates of return on each asset class.

The States of Jersey employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher returns consistent with widely accepted capital market principles. The assumed long-term rate of assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme.

Reconciliation of funded status to balance sheet

	Value at 31 December 2009 (£'000)	Value at 31 December 2008 (£'000)	Value at 31 December 2007 (£'000)
Fair value of scheme asset	9,133	9,936	9,637
Present value of funded defined benefit obligations	(10,343)	(9,141)	(9,921)
	(1,210)	795	(284)
Unrecognised asset due to limit in para 41	-	(765)	-
Asset/(liability) recognised on the balance sheet	(1,210)	30	(284)

Analysis of profit and loss charge

	Value at 31 December 2009 (£'000)	Value at 31 December 2008 (£'000)
Current service cost	-	13
Past service cost	-	-
Interest cost	527	555
Expected return on scheme assets	(336)	(402)
Curtailment cost	-	-
Settlement cost	-	-
Unrecognised asset due to limit in para 41	765	-
Expense recognised in profit and loss	956	166

Notes to the Accounts

Changes to the present value of the defined benefit obligation during the year

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Opening defined benefit obligation	9,141	9,921
Current service cost	5	13
Interest cost	527	555
Contributions by scheme participants	0	1
Actuarial (gains)/losses on scheme liabilities*	1,388	(638)
Net benefits paid out	(718)	(711)
Past service cost	-	-
Net service increase in liabilities from disposals/acquisitions	-	-
Closing defined benefit obligation	10,343	9,141

*Includes changes to the actuarial assumptions.

Changes to the fair value of the scheme assets during the year

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Opening fair value of scheme assets	9,936	9,637
Expected return on scheme assets	336	402
Actuarial gains/(losses) on scheme assets	(426)	594
Contributions by the employer	5	13
Contributions by scheme participants	-	1
Net benefits paid out	(718)	(711)
Closing fair value of scheme assets	9,133	9,936

Actual return on scheme assets

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Expected return on scheme assets	336	402
Actuarial gain/(loss) on scheme assets	(426)	594
Actual return on scheme assets	(90)	996

Notes to the Accounts

Analysis of amounts recognised in STRGL

	Year ending 31 December 2009 (£'000)	Year ending 31 December 2008 (£'000)
Total actuarial gains/(losses)	(1,814)	1232
Change in irrecoverable surplus, effect of limit in para 41	765	(765)
Total gain/(losses) in STRGL	(1,049)	467

History of asset values, DBO and surplus/deficit in scheme

	31 December 2009 (£'000)	31 December 2008 (£'000)	31 December 2007 (£'000)	31 December 2006 (£'000)	31 December 2005 (£'000)
Fair value of scheme assets	9,133	9,936	9,637	9,710	10,166
Defined benefit obligation	(10,343)	(9,141)	(9,921)	(10,366)	(11,139)
Surplus/(deficit) in scheme	(1,210)	795	(284)	(656)	(973)

Note: Asset value for 2005 is shown at mid value.

History of experience gains and losses

	31 December 2009 (£'000)	31 December 2008 (£'000)	31 December 2007 (£'000)	31 December 2006 (£'000)	31 December 2005 (£'000)
Experience gains/(losses) on scheme assets	(426)	594	227	(85)	348
Experience gains/(losses) on scheme liabilities ¹	22	(1)	(63)	76	284

¹This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

Notes to the Accounts

DPS

The scheme is a funded scheme of the defined benefit type, providing retirement benefits based on final salary.

There has been a full valuation carried out of the liabilities of the one DPS member as at 31 December 2009. Assuming contributions continue to be paid at the same amount as 2009, regular employer contributions to the DPS in 2010 are expected to be £5K.

Actuarial gains and losses have been recognised in the period in which they occur, (but outside the profit and loss account), through the Statement of Recognised Gains and Losses (STRGL).

The principle assumptions used by the independent qualified actuaries to calculate the liabilities under FRS 17 are set out below:

Main financial assumptions

	31 December 2009 % p.a.	31 December 2008 % p.a.
Inflation	4.0	3.1
Rate of general long-term increase in salaries	5.2	4.4
Rate of increase to pensions in payment (weighed average over all elements)	4.0	3.1
Discount rate for scheme liabilities	5.7	6.0

Main demographic assumptions for DPS

Post retirement mortality assumptions

	31 December 2009	31 December 2008
Males		
Future lifetime from aged 63 (currently aged 63)	24 years	23 years
Future lifetime from aged 63 (currently aged 43)	26 years	25 years
Females		
Future lifetime from aged 63 (currently aged 66)	26 years	25 years
Future lifetime from aged 63 (currently aged 43)	28 years	27 years

31 December 2009

31 December 2008

Commutation

Nil

Nil

Notes to the Accounts

Expected return on assets

	Long-term rate of return expected at 31 December 2009 (% p.a.)*	Value at 31 December 2009 (£'000)	Long-term rate of return expected at 31 December 2008 (% p.a.)*	Value at 31 December 2008 (£'000)
Equities	8.3	126	7.6	123
Property	8.8	58	6.6	56
Fixed interest Gilts	4.5	35	3.8	35
Index-Linked Gilts	4.3	-	3.6	
Corporate bonds	5.5	67	5.5	65
Other	0.7	17	2.5	17
Combined	6.9	303	6.2 ¹	296

Note: Values shown are at bid value.

* The expected returns on assets by asset category is not a required FRS 17 (Amended December 2006) disclosure item (only the total rate needs to be disclosed).

¹ The overall expected rate of return on scheme assets is weighted average of the individual expected rates of return on each asset class.

The States of Jersey employs a building block approach in determining the long-term rate of return on scheme assets. Historical markets are studied and assets with higher returns consistent with widely accepted capital market principles. The assumed long-term rate of assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the scheme.

Reconciliation of funded status to balance sheet

	Value at 31 December 2009 (£'000)	Value at 31 December 2008 (£'000)
Fair value of scheme asset	303	296
Present value of funded defined benefit obligations	(635)	(508)
Asset/(liability) recognised on the balance sheet	(332)	(212)

Analysis of profit and loss charge

	Value at 31 December 2009 (£'000)
Current service cost	4
Past service cost	-
Interest cost	31
Expected return on scheme assets	(19)
Curtailment cost	-
Settlement cost	-
Prior Year Adjustment	212
Expense recognised in profit and loss	228

Notes to the Accounts

Changes to the present value of the defined benefit obligation during the year

	Year ending 31 December 2009 (£'000)
Opening defined benefit obligation	508
Current service cost	9
Interest cost	31
Contributions by scheme participants	5
Actuarial (gains)/losses on scheme liabilities*	82
Net benefits paid out	-
Past service cost	-
Net service increase in liabilities from disposals/acquisitions	-
Closing defined benefit obligation	635

* Includes changes to the actuarial assumptions.

Changes to the fair value of the scheme assets during the year

	Year ending 31 December 2009 (£'000)
Opening fair value of scheme assets	296
Expected return on scheme assets	19
Actuarial gains/(losses) on scheme assets	(22)
Contributions by the employer	5
Contributions by scheme participants	5
Net benefits paid out	-
Closing fair value of scheme assets	303

Actual return on scheme assets

	Year ending 31 December 2009 (£'000)
Expected return on scheme assets	19
Actuarial gain/(loss) on scheme assets	(22)
Actual return on scheme assets	(3)

Analysis of amounts recognised in STRGL

	Year ending 31 December 2009 (£'000)
Total actuarial gains/(losses)	(104)
Total gain/(losses) in STRGL	(104)

Notes to the Accounts

History of asset values, DBO and surplus/deficit in scheme

	31 December 2009 (£'000)	31 December 2008 (£'000)
Fair value of scheme assets	303	296
Defined benefit obligation	(635)	(508)
Surplus/(deficit) in scheme	(332)	(212)

History of experience gains and losses

	31 December 2009 (£'000)
Experience gains/(losses) on scheme assets	(22)
Experience gains/(losses) on scheme liabilities ¹	22

¹This item consists of gains/(losses) in respect of liability experience only, and excludes any change in liabilities in respect of changes to the actuarial assumptions used.

	2009 £'000	2008 £'000
Movement in pension liability		
Movement in PECRS pre-87 liability	24,465	103,196
Movement in provision for JTSF past service liability	-	(6,900)
Movement on DPS scheme*	228	-
Movement on JPOPF scheme**	(1,011)	(612)
	23,682	95,684

* The Discretionary Pension Scheme (DPS) was disclosed in the accounts in 2008 but has not previously been recognised

** The actuarial gain on the JPOPF and the movement in the JPOPF scheme have been combined to show the overall impact on the Operating Cost Statement

5. Surplus for the Year

	2009 £'000	2008 £'000
The surplus for the year is stated after charging / (crediting):		
Capital Servicing	45,689	51,426
Pension Costs	37,808	35,762
Finance Lease Charges	1,388	1,548
Profit on Disposal of Fixed Assets	(10,363)	(22,065)
Audit Fees	490	396
Voluntary Redundancy / Early Retirement	292	467
(Gain)/ Loss on Foreign Exchange	556	(1,357)

Notes to the Accounts

6. Segmental Analysis

2009	Health and Social Services £'000	Social Security £'000	Education, Sport and Culture £'000	Other Ministerial Depts £'000	Non Ministerial Depts £'000	Trading Funds £'000	Other £'000	Total £'000
OPERATING COST STATEMENT								
Revenue								
Taxation revenue	-	-	-	-	-	-	558,474	558,474
Island rates, duties, fees, fines and penalties	5	-	23	4,552	610	597	87,057	92,844
Sales of goods and services	14,968	3,154	16,492	64,667	712	47,608	5,611	153,212
Investment income	-	-	-	2	20	673	27,187	27,882
Other revenue	1,500	1	621	2,829	4,193	5,245	17,741	32,130
Total Revenues	16,473	3,155	17,136	72,050	5,535	54,123	696,070	864,542
Expenses								
Social Benefit Payments	1,112	153,412	8,077	(1)	-	-	-	162,600
Staff costs	113,381	6,328	77,563	97,916	14,830	16,235	896	327,149
Other Operating expenses	50,266	1,380	18,872	78,888	14,869	19,141	10,193	193,609
Grants and Subsidies payments	9,208	1,567	11,591	8,497	200	36	8,326	39,425
Capital Charge / Depreciation	-	-	-	37,863	-	6,739	1,087	45,689
Finance costs	70	-	24	117	8	710	5,744	6,673
Net foreign-exchange (gains)/losses	-	-	-	-	-	-	556	556
Movement in pension liability	-	-	-	-	-	-	23,682	23,682
Gains/Losses on disposal of assets	(19)	-	(3)	(32)	-	(148)	(10,160)	(10,362)
Total Expenditure	174,018	162,687	116,124	223,248	29,907	42,713	40,324	789,021
Net Income/(Expenditure) for the year	(157,545)	(159,532)	(98,988)	(151,198)	(24,372)	11,410	655,746	75,521

Notes to the Accounts

6. Segmental Analysis

2008	Health and Social Services £'000	Social Security £'000	Education, Sport and Culture £'000	Other Ministerial Depts £'000	Non Ministerial Depts £'000	Trading Funds £'000	Other £'000	Total £'000
OPERATING COST STATEMENT								
Revenue								
Taxation revenue	-	-	-	-	-	-	534,960	534,960
Island rates, duties, fees, fines and penalties	5	-	15	4,346	532	517	85,886	91,301
Sales of goods and services	17,021	6	15,016	62,161	911	46,938	3,743	145,796
Investment income	-	-	-	280	31	3,450	64,597	68,358
Other revenue	1,286	1	1,173	2,756	3,859	3,167	19,418	31,660
Total Revenues	18,312	7	16,204	69,543	5,333	54,072	708,604	872,075
Expenses								
Social Benefit Payments	1,163	140,270	8,154	(10)	-	-	-	149,577
Staff costs	109,353	2,800	75,863	92,937	14,086	16,984	56	312,079
Other Operating expenses	47,231	1,077	16,802	72,594	11,835	19,551	16,179	185,269
Grants and Subsidies payments	8,866	1,358	9,357	14,338	192	36	3,680	37,827
Capital Charge / Depreciation	-	-	-	39,024	-	10,197	2,205	51,426
Finance costs	215	-	22	3,428	-	1,396	1,189	6,250
Net foreign-exchange (gains)/losses	-	-	-	-	-	-	(1,357)	(1,357)
Movement in pension liability	-	-	-	-	-	-	95,684	95,684
Gains/Losses on disposal of assets	-	-	-	-	-	(8,187)	(13,878)	(22,065)
Total Expenditure	166,828	145,505	110,198	222,311	26,113	39,977	103,758	814,690
Net Income/(Expenditure) for the year	(148,516)	(145,498)	(93,994)	(152,768)	(20,780)	14,095	604,846	57,385

Notes to the Accounts

7. Tangible fixed assets and capital vote expenditure

	Consolidated Fund £'000	Trading Funds £'000	ICT Fund £'000	WEB £'000	Total £'000
Cost					
Balance at 1 January 2009	1,285,820	173,545	8,503	20,350	1,488,218
Additions	104,037	19,494	-	-	123,531
Disposals	(1,998)	(983)	-	-	(2,981)
Assets Written Down	-	-	-	-	-
Balance at 31 December 2009	1,387,859	192,056	8,503	20,350	1,608,768
Capital Servicing/Depreciation					
Balance at 1 January 2009	564,387	80,900	8,503	5,819	659,609
Charge for year	37,863	6,739	-	1,087	45,689
Disposals	(627)	(976)	-	-	(1,603)
Assets Written Down	-	-	-	-	-
Balance at 31 December 2009	601,623	86,663	8,503	6,906	703,695
Net Book Value					
31 December 2008	721,433	92,645	-	14,531	828,609
31 December 2009	786,236	105,393	-	13,444	905,073

Analysis of Additions by Entity

Chief Minister's	626	-	-	-	626
Economic Development	5,012	-	-	-	5,012
Education, Sport & Culture	248	-	-	-	248
Health and Social Services	3,328	-	-	-	3,328
Home Affairs	490	-	-	-	490
Housing	8,161	-	-	-	8,161
Planning & Environment	346	-	-	-	346
Transport & Technical Services	73,526	-	-	-	73,526
Treasury & Resources	12,056	-	-	-	12,056
Non-Ministerial	244	-	-	-	244
Harbours	-	1,026	-	-	1,026
Airport	-	17,024	-	-	17,024
Jersey Fleet Management	-	1,382	-	-	1,382
Jersey Car Parks	-	62	-	-	62
	104,037	19,494		-	123,531

Assets acquired before 1967 are excluded from the above analysis. The net book value is the total cost of all assets acquired after 1967 less depreciation and capital servicing costs where appropriate and will therefore not reflect the total current value of the States of Jersey assets.

In preparation for the move to GAAP based accounting the States' land and buildings have been valued. These values are disclosed in Note 24.

Notes to the Accounts

Assets held under finance leases, capitalised in the Consolidated and Trading Funds:

	2009 £'000	2008 £'000
Cost	38,498	38,498
Aggregate Depreciation	(20,751)	(18,590)
Net Book Value	17,747	19,908

8. Advances

	2009 £'000	2008 £'000
Analysed by Fund:		
Consolidated Fund	5,566	7,464
Dwelling Houses Loan Fund	6,305	8,358
99 Year Leaseholders Account	174	257
Assisted House Purchase Scheme	4,645	5,508
Agricultural Loans and Guarantees Fund	1,859	2,762
	18,549	24,349
Maturity Analysis:		
Payable between one and two years	2,411	109
Payable between two and five years	4,992	1,391
Payable in five years or more	11,146	22,849
	18,549	24,349

Advances receivable within one year have been disclosed in note 12 - Debtors. In 2008 these were included in Advances (total £963,000) but have been removed from the maturity analysis to aid comparison.

9. Strategic Investments

The holdings in the following companies are shown at cost less provision for any permanent diminution in value.

	2009 £'000	2008 £'000
Jersey Electricity Company Limited	1,055	1,055
Jersey New Waterworks Company Limited	5,666	5,666
Jersey Telecom Group Limited	75,737	75,737
Jersey Post International Limited	6,105	6,105
	88,563	88,563

The States of Jersey holds all the ordinary shares in the Jersey Electricity Company Limited which represents approximately 62% of the Company's total share capital as at 31 December 2009. (86.4% of the total voting rights)

The States of Jersey's shares in the Jersey Electricity Company Limited are not listed. As part of the move to GAAP these shares have been valued and the valuation is disclosed in note 24.

The States of Jersey hold 100% of the issued 'A' Ordinary shares, 50% of the issued Ordinary shares and 100% of the 7.5%-10% cumulative 5th Preference shares in the Jersey New Waterworks Company Limited as at 31 December 2009.

The States of Jersey ultimately hold all the Ordinary shares and all the 9% cumulative preference shares in the Jersey Telecom Group Limited.

The States of Jersey ultimately hold all the Ordinary shares in Jersey Post International Limited.

Notes to the Accounts

10. Other Investments

2009	Strategic Reserve		Stabilisation Fund		Consolidated Fund		Currency & Coinage		Total	
	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equities	192,315	171,045							192,315	171,045
Government bonds	204,290	200,314					2,269	1,316	206,559	201,630
Corporate Bonds	42,133	41,080							42,133	41,080
Certificates of Deposit	127,080	127,028	112,593	112,550	230,417	230,398	47,584	47,600	517,674	517,576
Other					23,788	23,788			23,788	23,788
	565,818	539,467	112,593	112,550	254,205	254,186	49,853	48,916	982,469	955,119

2008	Strategic Reserve		Stabilisation Fund		Consolidated Fund		Currency & Coinage		Total	
	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equities	111,682	138,449							111,682	138,449
Government bonds *	191,869	180,804					2,253	1,316	194,122	182,120
Corporate Bonds *	61,252	62,282							61,252	62,282
Certificates of Deposit	141,328	141,479	73,017	73,000	225,905	224,802	45,336	45,156	485,586	484,437
	506,131	523,014	73,017	73,000	225,905	224,802	47,589	46,472	852,642	867,288

Maturity Analysis (market value)	Strategic Reserve		Stabilisation Fund		Consolidated Fund		Currency & Coinage		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Less than one year	143,156	161,621	95,830	73,017	254,205	225,905	40,504	45,336	533,695	505,879
Between one and two years	27,633	34,376	16,763				7,080		51,476	34,376
Between two and five years	153,983	147,353					1,424	1,454	155,407	148,807
More than five years	48,731	51,099					845	799	49,576	51,898
Equities	192,315	111,682							192,315	111,682
	565,818	506,131	112,593	73,017	254,205	225,905	49,853	47,589	982,469	852,642

* £16.904m of Investments classified as Corporate Bonds in the 2008 accounts have been reclassified as Government Bonds in 2009. The 2008 comparatives have been updated to provide a direct comparison.

Notes to the Accounts

11. Stock and Work in Progress

	2009 £'000	2008 £'000
Analysed by Fund:		
Consolidated Fund	4,758	4,837
Jersey Currency Notes	1,006	342
Jersey Coinage	282	188
Jersey Fleet Management	47	35
Jersey Airport	252	209
Waterfront Enterprise Board Limited	1,711	1,137
	8,056	6,748
Analysed by Type:		
Raw Materials, Consumables and Work in Progress	5,597	5,611
Finished Goods	2,459	1,137
	8,056	6,748

12. Debtors

	2009 £'000	2008 £'000
Debtors falling due within one year		
Income Tax Debtors	59,255	64,247
GST Debtors	14,973	13,805
Provision for taxation debtors	(7,962)	(7,479)
Total tax debtors	66,266	70,573
Trade debtors	21,982	40,115
Deposits and advances	2,580	963
Prepayments and accrued income	24,876	35,764
Provision for non-taxation debtors	(886)	(679)
Total non-taxation debtors	48,552	76,163
Total debtors falling due within one year	114,818	146,736

Notes to the Accounts

	2009 £'000	2008 £'000
Debtors falling due after more than one year		
Homebuyer Housing Property Bonds	8,351	-
Other Housing Property Bonds	5,635	4,492
Total debtors falling due after more than one year	13,986	4,492

* Note Deposits and advances due within one year was previously disclosed under Note 8

Debtors amounts falling due after more than one year reflect the value of certain bonds held by the States of Jersey. These bonds arise from the sale of properties to States tenants as part of the Social Housing Property Plan 2007-2016 (SHPP) and sales to first time buyers qualifying under the Homebuy scheme. The purchasers of properties under these two schemes are required to pay a proportion of the market value in cash on purchase and also enter into an agreement (bond) relating to the remaining value of the property.

Upon the next sale and/or transfer of the property, a proportion of the market value is paid to the States being a minimum of the bond value or otherwise a percentage of the value of the property as stated in the bond agreement. However, some variants of the bond scheme in the SHPP include an element where the percentage of the bond value reduces and therefore the value of these bonds are amortised over a period of time in accordance with standard accounting practices.

The value of the bonds as stated in the financial statements is the amortised bond value which represents a percentage of the value of the properties when sold. There is no history of default rates within the scheme. Where a mortgage exists the mortgagor will have first call upon that property. The market value of the bonds is not materially different from the amortised cost figure as disclosed in the financial statements.

The revenue due on Homebuyer loans is recognised in Other Long Term Liabilities on the Balance Sheet as a receipt in advance.

13. Cash and Other Liquid Resources

	2009 £'000	2008 £'000
Bank deposit accounts	34,082	51,882
Bank current accounts	27,787	26,844
Cash in hand and in transit	704	1,116
	62,573	79,842

Bank overdrafts have been disclosed in note 14 Creditors falling due within one year

14. Creditors falling due within one year

	2009 £'000	2008 £'000
Trade creditors	28,854	35,398
Other creditors	3,968	3,857
Income Tax receipts in advance	39,470	31,096
Accruals and deferred income	7,297	11,043
Current element of finance leases	2,685	2,455
Receipts in advance	6,943	6,708
	89,217	90,557
Overdrafts	33,242	20,364
Total creditors	122,459	110,921

Notes to the Accounts

15. Currency

	2009 £'000	2008 £'000
Jersey Notes issued	97,324	101,977
Less: Jersey Notes held	(13,974)	(17,450)
	83,350	84,527
Jersey Coinage issued	8,923	8,262
Less: Jersey Coinage held	(1,609)	(1,240)
	7,314	7,022
Total Currency in Circulation	90,664	91,549

Under the Currency Notes (Jersey) Law 1959 the States produces and issues bank notes and coins. These are accounted for, at cost, as stock until they are formally issued by the Treasury and Resources Department. They are then accounted for as issued currency. At the end of their useful life they are removed from circulation and destroyed, at which time they are removed from the issued currency account. Issued currency is either held at the Treasury or in circulation. The creditor in the accounts reflects the value of currency in circulation.

16. Creditors - Defined Benefit Pension Schemes Net Liability

	2009 £'000	2008 £'000
Jersey Post Office Pension Fund Asset	(9,133)	(9,936)
Jersey Post Office Pension Fund Liability	10,343	9,141
Discretionary Benefit Scheme Asset*	(303)	-
Discretionary Benefit Scheme Liability*	635	-
Total Defined Benefit Pension Schemes Net (Asset)/Liability	1,542	(795)

*In 2008 the scheme was disclosed in the accounts but was not recognised on the balance sheet

Notes to the Accounts

17. Accumulated Reserves and Balances

	Total £'000	Consolidated Fund £'000	Trading Funds £'000	Strategic Reserve £'000	Stabilisation Fund £'000	WEB £'000	Other Separately Constituted Funds £'000
Balance 1 January 2009	1,484,133	776,847	81,047	507,648	74,744	5,036	38,811
Surplus/(Deficit) for the year	75,521	62,497	9,370	627	1,928	(1,489)	2,588
Unrealised Gain/(Loss) on Investments in the year	41,997	(1,084)	-	41,639	27	-	1,415
Unrealised Gain/(Loss) on Foreign Exchange	(184)	(184)	-	-	-	-	-
Actuarial Loss on Defined Benefit Scheme	(1,153)	(1,153)	-	-	-	-	-
Transfers between Funds	-	(38,927)	19,927	-	37,000	-	(18,000)
Balance 31 December 2009	1,600,314	797,996	110,344	549,914	113,699	3,547	24,814

(a)

(a) Reconciliation of the movement in trading fund balances to the trading fund surplus:

	£'000
Retained funds per Trading Fund balances	(4,400)
Add capital expenditure and capital lease charges	21,506
Less depreciation on Trading Fund assets	(5,977)
Less increase in Trading Fund pension liabilities	(1,759)
Trading Fund surplus for the year	9,370

Notes to the Accounts

18. Provisions and Contingent Liabilities

- i. There are a number of situations which could give rise to costs which the States of Jersey may be obliged to finance. In instances where uncertainties exist over both the likely outcomes of these situations and the potential liabilities which could arise from them, no provision for these costs has been made in these accounts. These are considered to be contingent liabilities.
- ii. There are also a number of other threatened and pending actions which would result in claims against the States of Jersey. Due to the uncertainties over both the likely outcomes of these actions and the potential liabilities which could arise if any of the actions were successful, no provision for these claims has been made in these accounts. These are considered to be contingent liabilities.
- iii. In addition, there are a number of threatened and pending actions which are likely to give rise to costs which the States of Jersey will be obliged to finance. Further, there are some instances where accounting standards require the States of Jersey to recognise a cost in accordance with the requirements of FRS 12. Accordingly provisions totalling £4,090,000 (2008: £2,140,000) for these costs have been made in these accounts.

Details of each of the individual provisions and contingent liabilities are not disclosed as this could prejudice the outcome of the actions in question.

Movement on Provisions:	2009 £'000	2008 £'000
Balance 1 January	2,140	3,696
Add: Additional Provisions Made	2,672	29
Provision released	(722)	(571)
Provisions transferred	-	(1,014)
Balance 31 December	4,090	2,140
Provisions as at 31 December made up of:	2009 £'000	2008 £'000
Self-insurance claims	1,252	2,140
Other provisions	2,838	-
	4,090	2,140

Provisions for self-insurance claims relate to provisions advised by the States of Jersey insurer for incurred losses which are the liability of the States of Jersey. Such provisions are held until utilised or such time as further claims are considered unlikely under the respective insurance policies.

Notes to the Accounts

19. Guarantees and Commitments

The States of Jersey have provided a guarantee to HSBC Plc up to a maximum of £16.2 million (2008: £14.9 million) for amounts outstanding in respect of a loan to the Jersey New Waterworks Company Limited. As at the year end the amount guaranteed was £14.9 million.

In addition the States of Jersey has provided a guarantee to Barclays Bank Plc up to a maximum of £4.4 million (2008: £4.7 million) for amounts outstanding in respect of a loan to the Jersey Arts Trust in connection with the renovation of the Opera House. The Housing and Treasury and Resources Departments have agreed to provide financial support to various Housing Trusts in respect of bank loans. The Treasury and Resources Department issues 'letters of comfort' to the banks in respect of such loans. These letters of comfort do not constitute guarantees. As at the year end letters of comfort, in respect of loans totalling £151.3 million (2008: £150.7 million), were in issue.

The Small Firms Loan Guarantee Scheme (SFLGS) commenced in January 2007. The Scheme approves lending by the Economic Development Department (by way of loan guarantees loans of up to £2 million), consisting of four separate £500,000 agreements with four banks. The underwriting of bank loans taken out by local businesses aims to encourage entrepreneurial activity in the Island. The main principle of the SFLGS is to provide security to lenders in the cases where would-be entrepreneurs or growing businesses do not have the necessary security to obtain a business loan. As at the year end the value of the total loans guaranteed amounted to £637,000, of which the States has exposure to 75% in accordance with the terms of the Scheme.

Faced with increasing tuition fees and increased numbers of local young people seeking entry to higher education, the Education Sport and Culture Department has worked with local banks to offer a loan facility valued at up to £1,500 per year to all students attending programmes of higher education in the UK. The introduction of this facility helps to spread the costs of tuition by enabling the student to take responsibility for part of the costs. The interest rate is set at 1% above base rate and young people taking up the offer commence repayments one year after graduation. The States of Jersey has given guarantees against these loans to the Banks. As at the year end the value of the loans amounted to £857,109.

20. Third Party Assets

The States of Jersey, in the course of its normal activities, has reason to hold assets on behalf of third parties. The Health & Social Services Department holds monies on behalf of patients which are deemed third party assets.

The States Viscount of the Royal Court undertakes a number of activities that give rise to holding assets on behalf of third parties. The majority of these are held as part of the anti money laundering regime. The main activities that give rise this to are:

- Desastres: assets relating to bankruptcy cases for onward payment to creditors
- Curatorship: funds held on behalf of those who cannot manage their own affairs
- Enforcement: judgements and compensation monies for onward payment to third parties.
- Criminal Injuries: funds held on behalf of minors until age of maturity
- Bail: monies held in respect of bail
- Saisies Judiciaires: assets seized pending investigation and court cases relating to drug trafficking and proceeds of crime. Following a conviction court cases funds are either remitted to either Drug Trafficking Confiscation Fund or Criminal Offences Confiscation Fund or returned.

Notes to the Accounts

Monies held on behalf of third parties are set out below:

	2009 Total £'000	2008 Total £'000
Viscount's Health and Social Services	65,925 523	46,400 489

In addition to the assets listed above the Viscount's department holds property and contents with an approximate total value of £8.7m

21. Capital Commitments

At the balance sheet date the States had authorised capital expenditure of £176.5 million (2008: £183.5 million) which had not yet been incurred.

22. Lease Commitments

The States of Jersey have entered into lease and lease back arrangements to finance the development of certain capital projects. At 31 December 2009, the States had commitments to make the following payments under these arrangements.

Finance leases:	2009 £'000	2008 £'000
Payable within one year	3,903	3,843
Payable after more than one year	20,978	24,881
	24,881	28,724
Less: future Finance charges	(5,273)	(6,660)
	19,608	22,064
Amounts falling due between one and two years	2,862	2,684
Amounts falling due between two and five years	7,126	7,902
Amounts falling due after more than five years	6,936	9,022
	16,924	19,608
Amounts falling due within one year	2,684	2,455
Total due under finance leases	19,608	22,064
	2009 £'000	2008 £'000
Operating Leases expiring:		
Within two years	448	375
Between three and five years	158	148
After more than five years	225	292
	831	815

Notes to the Accounts

23. Risk Profile and Financial Instruments

(a) Objectives, policies and strategies

It is considered useful to provide certain information relating to particular financial instruments which are material in the context of the accounts as a whole.

The Minister has published an investment strategy for each of the States Funds, and the investments are made in accordance with each strategy. The Minister has also published a policy on corporate governance and ethical investment, which also operates for each Fund.

(b) Strategic Reserve

The States of Jersey maintains a significant investment portfolio with three Strategic Reserve Fund Managers. The objective of the Fund is to obtain long-term gains through a low risk investment policy. The portfolio is actively managed, and invests 30% in equities and 70% in government bonds, corporate bonds and cash. Cash balances (including short-term cash deposits) are maintained at a level sufficient to finance investment transactions. Foreign exchange exposure is hedged in the bond portfolios through the use of non speculative financial instruments, and unhedged in the equity portfolio. Exchange profits or losses on sales of securities are included in the Operating Cost Statement for the year.

The following risks are reviewed at formal quarterly meetings, by written reports from the custodian each month and by the managers each quarter.

Credit Risks – The bond portfolios contain short dated securities which are dependent on the solvency of financial and corporate entities, as well as bank deposits within both the equity and bond portfolios. However most bond securities depend on the credit standing of the UK government.

Liquidity Risk – Most of the securities in the bond and equity portfolios are readily realisable as they are quoted on stock markets. Bank deposits cannot be realised until maturity and a limited number of short term credit securities depend on the liquidity of the short term credit markets. Overall the liquidity level is sufficient for the Fund's requirements.

Cash Flow Risks – There are no immediate cash flow requirements on the bond or equity portfolio and hence there are minimal risks in this category.

Market Price Risk – Since the duration of the bond portfolios has been under 5 years during 2009, the market price risk due to interest rate changes is relatively small. The prices of foreign equities expressed in Sterling are impacted by exchange rate changes, but since the proportion invested in overseas securities during the year was approximately 15% of total assets, this did not have a large impact on overall asset values. The value of equities did vary considerably in 2009 but the overall volatility of the portfolio in 2009 was much less than many institutional portfolios.

Notes to the Accounts

(c) **Consolidated Fund, Stabilisation Fund and Other Separately Constituted Funds**

Significant balances are maintained within the Consolidated Fund and Other Separately Constituted Funds. Most of these assets have been invested in cash deposits and a limited range of liquid money market assets where the counterparty has an appropriate financial security rating. These assets include certificates of deposit, and where appropriate commercial paper and floating rate notes. In addition, sufficient cash balances are maintained to meet day-to-day liquidity requirements. A professional investment manager is employed for most of these Funds.

The risks identified for the Currency Notes portfolio apply equally here.

(d) **Currency Notes**

The States of Jersey maintains a portfolio of equities, corporate and government bonds, liquid money market assets and short-term cash deposits within the Currency Notes Fund. The objective of the portfolio is to obtain long-term gains through a low risk investment policy. The Portfolio is actively managed. Foreign exchange exposure on bonds held overseas is hedged through the use of non-speculative financial instruments, and unhedged on equities. Exchange profits or losses on sales of securities are included in the Operating Cost Statement for the year.

Since November 2006, the majority of the Currency Notes Fund cash balances have been invested using a professional investment manager in a limited range of liquid money market assets (certificates of deposit, commercial paper and floating rate notes) where the counterparty has an appropriate financial security rating. The remaining cash balances are held in short-term deposits.

The risks for this Fund are reviewed on a regular basis. They can be summarised as follows:

Credit Risk – The Fund is dependent on the solvency of financial institutions with which cash has been deposited or which issue securities. Most of the risks are with non government entities.

Liquidity Risk - Bank deposits cannot be realised until maturity and a limited number of short term credit securities are dependent on the liquidity of the money markets. However the overall risks in this category are considered reasonable and at an acceptable level

Cash Flow Risk – Since the size of the Fund changes as the volume of bank notes alters, investments need to be made and realised. These can be accommodated without difficulty, given the short term nature of most investments.

Market Price Risk - Market price risk is limited due to the short duration of the investments, but certain assets have been less marketable than prior to the start of the recession due to the credit market conditions.

(e) **Capital Projects**

The currency exposure for capital projects is kept under review, and is controlled, having regard to the future expected foreign currency inflows from all sources to the States.

Notes to the Accounts

(f) Interest rate disclosures

Financial assets by major currency group are split between fixed rate assets, variable rate assets and no interest payable assets below.

	Fixed rate £'000	Variable £'000	No interest payable £'000	Total £'000
Financial Assets				
Sterling £				
Advances *	16,127	4,213	789	21,129
Investments		97,982	-	97,982
Bonds	298,262	23,406	-	321,668
Certificates of Deposit	444,698		-	444,698
Cash	-	69,856	7,634	77,490
US Dollars \$				
Investments	-	56,626	-	56,626
Cash	-	536	-	536
Euros €				
Investments	-	15,710	-	15,710
Cash	-	8,090	-	8,090
Other				
Investments	-	21,997	-	21,997
Cash	-	245	-	245
	759,087	298,661	8,423	1,066,171
Financial Liabilities				
Finance Leases	19,609	-	-	19,609
Bank Overdrafts	33,242	-	-	33,242
	52,851	-	-	52,851

* Note this includes advances with a maturity of less than one year classified as Debtors (Note 12) amounting to £2.580m

(g) Maturity analyses

Maturity analyses are included for Advances and Other investments in notes 8 and 10 respectively, and for Finance lease obligations in note 22. Other financial liabilities are bank overdrafts and are repayable on demand. No further maturity analysis is required.

Fixed rate financial assets	Weighted average rate	Weighted average period (months)
Advances	4.63%	143
Bonds	5.31%	77
Certificates of Deposit	0.89%	4

Fair value disclosures

Other investments are carried at market value which is deemed to be equivalent to the fair value of the assets.

Advances and Bonds are carried at amortised cost.

The estimated difference between the carrying values and fair value is not material.

Notes to the Accounts

24a Transition to GAAP accounting

The States of Jersey is in the process of implementing Generally Accepted Accounting Principles (GAAP) accounting. The first set of financial statements prepared under GAAP principles will be produced next year, for the year ended 31 December 2010. In order to produce these accounts, comparative information (i.e. for the year ended 31 December 2009) must also be produced under GAAP principles. The States of Jersey has therefore been operating under two accounting bases in the 2009 transitional year (GAAP basis and existing basis).

There are seven main changes which have impacted the accounts. These are explained in Appendix 1 in the Annex to the Financial Report and Accounts. In summary, these changes are:

1. Asset Adjustments – on the existing basis assets are not separately identified. Any money spent as a result of a capital budget allocation was recorded as capital spend. Under GAAP assets are recorded separately, and only recorded as assets where the spend relates to asset acquisition or improvement, as required by GAAP.
2. Valuation of Strategic Investments – on the existing basis Strategic Investments (the utilities) are held at cost. Under GAAP these are recognised at fair value, although this does not necessarily represent the value at which the investments could be sold.
3. Eliminations - under the existing accounting policies, transactions between States entities, and within a Department, were not eliminated in the preparation of the accounts. GAAP requires that transactions between entities within the group boundary are eliminated.
4. Other – there are a number of other, smaller, adjustments which are required to align the States of Jersey with GAAP. Explanations of these are given in the appendix.

Although full GAAP accounts can only be published next year, the States is able to produce a Balance Sheet (with comparatives) and an Operating Cost Statement for 2009 in accordance with GAAP. These are disclosed on the following pages. Further details explaining the basis for these GAAP accounts, together with reconciliations from the existing basis to the GAAP basis, are provided in an Appendix to the Annex.

Notes to the Accounts

24b GAAP Operating Cost Statement and Balance Sheet

Consolidated Operating Cost Statement for the year ended 31 December 2009

	2009 £'000
Revenue	
Levied by the States of Jersey	
Taxation revenue	558,474
Island rates, duties, fees, fines and penalties	92,874
Total Revenue Levied by the States of Jersey	651,348
Earned through Operations	
Sales of goods and services	132,750
Investment income	26,639
Other revenue	19,951
Total Revenue Earned through Operations	179,340
Total Revenue	830,688
Operating Expenditure	
Social Benefit Payments	162,598
Staff costs	326,925
Other Operating expenses	178,695
Grants and Subsidies payments	39,236
Capital Charge/Depreciation	49,483
Finance costs	5,340
Total Operating Expenditure	762,277
Non-Operating expenditure	
Net foreign-exchange (gains)/losses	556
Movement in pension liability	23,682
(Gains)/Losses on disposal of assets	(1,912)
Total Non-Operating Expenditure	22,326
Total Expenditure	784,603
Revenue less Expenditure	46,085

Notes to the Accounts

Consolidated Balance Sheet as at 31 December 2009

	2009		2008	
	£'000	£'000	£'000	£'000
Tangible Fixed Assets		2,700,131		2,589,060
Financial Assets				
Advances	18,549		25,312	
Strategic Investments	257,500		256,998	
Other investments	982,469		852,642	
Debtors: amounts falling due after more than one year	13,986		4,492	
Total Fixed Assets		3,972,635		3,728,504
Current Assets				
Stock and Work in Progress	28,253		26,934	
Debtors	109,823		141,804	
Cash at Bank and in Hand	78,662		100,916	
Total Current Assets		216,738		269,654
Current Liabilities				
Bank overdrafts	(33,242)		(20,364)	
Creditors	(88,230)		(89,555)	
Currency in Circulation	(90,664)		(91,549)	
Total Current Liabilities		(212,136)		(201,468)
Net Current Assets / (Liabilities)		4,602		68,186
Total Assets Less Current Liabilities		3,977,237		3,796,690
Long Term Liabilities				
Finance Lease Obligations	(16,924)		(19,608)	
PECRS Pre-1987 Past Service Liability	(246,643)		(222,288)	
Provision for JTSF Past Service Liability	(103,100)		(103,100)	
Defined Benefit Pension Schemes Net Liability	(1,542)		795	
Provisions for liabilities and charges	(13,915)		(6,239)	
Total Long Term Liabilities		(382,124)		(350,440)
Net Assets		3,595,113		3,446,250
Reserves: Accumulated Revenue and Reserve Balances		3,595,113		3,446,250

Notes to the Accounts

25. Publication and Distribution of the Financial Report and Accounts

In accordance with the Public Finances (Jersey) Law 2005, the Financial Report and Accounts for the year ended 31 December 2009 have been approved by the Minister for Treasury and Resources and presented to the States for publication and distribution by the Greffier.

Statement of Responsibilities for the Statement of Accounts

The Treasurer of the States is required by the Public Finances (Jersey) Law 2005 to prepare annual financial statements in respect of the accounts of the States of Jersey. The annual financial statements must be prepared in accordance with Generally Accepted Accounting Principles, and Orders issued by the Minister for Treasury & Resources.

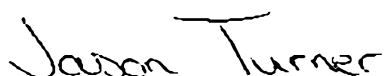
The Minister for Treasury & Resources has, in accordance with the Public Finances (Jersey) Law 2005, appointed Accounting Officers for States funded bodies. Accounting Officers have prepared Statements on Internal Control in respect of 2009. These documents are a key element of the States internal control Framework and outline the arrangements in place and the improvements being made in internal control procedures across the States of Jersey.

The States of Jersey Statement on Internal Control sets out the Accounting Officers' responsibilities and summarises the high level arrangements.

In preparing the accounts, detailed in the following pages, the Treasurer has:

- Applied the going-concern principle to all entities included within the accounts;
- Applied appropriate accounting policies in a consistent manner, and
- Made reasonable and prudent judgements and estimates.

The Treasurer and other appointed Accounting Officers have responsibility for ensuring that proper financial records are kept which disclose with reasonable accuracy the financial position of the States of Jersey and enable the Treasurer to ensure that the accounts comply with the requirements of the Public Finances (Jersey) Law 2005.



Jason Turner, MSc, ACMA

Deputy Treasurer of the States

On behalf of the Treasurer of the States

States of Jersey

Statement on Internal Control

1. **Scope of Responsibility**

The Public Finances (Jersey) Law 2005 (“the Law”) designated each chief officer of a department as its accounting officer. Accounting officers are responsible for maintaining a sound system of internal control that supports the achievement of departmental policies, aims and objectives (as well as the wider strategic objectives of the States of Jersey), whilst safeguarding the public funds and assets for which they are responsible.

Each accounting officer is personally accountable for the proper financial management of the resources under his or her control in accordance with the Law (including Regulations approved under that Law and Financial Directions). In particular, each accounting officer must ensure that:-

- The expenditure of the department does not exceed the amount appropriated to it and that it is used for the purpose for which it was intended;
- In so far as practical, all money owed to the department is collected and paid into an appropriate bank account, and that all money owed by the department is duly paid;
- The department keeps records and proper accounts of all financial transactions;
- The records of the department are promptly provided when required for the production of the annual financial statement;
- The department is administered in a prudent and economical manner;
- The resources of the department are used efficiently and effectively; and
- The provisions of the Law in their application to the department are otherwise complied with.

In discharging these overall responsibilities, the accounting officer is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the functions of the accounting officer and which includes arrangements for the management of risk.

Each accounting officer has prepared a Statement on Internal Control for 2009 in accordance with a Financial Direction issued under the Law, which requires each accounting officer to formally record the basis upon which they believe their responsibilities have been properly discharged. This Statement summarises the main issues contained within them.

2. **The purpose of the system of Internal Control**

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve departmental policies, aims and objectives (as well as the wider strategic objectives of the States of Jersey); it can therefore only provide a reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise risks, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the States of Jersey for the year ended 31 December 2009 and up to the date of approval of the annual report and accounts, and accords with the Law (including Regulations approved under that Law and Financial Directions).

3. The risk and control framework

Every department is required to establish a risk management strategy, which defines an appropriate framework for the structured consideration of risk. These strategies form an important element of departments' corporate governance and internal control arrangements and define the departments' approaches to risk management. The Corporate Management Board has reviewed departmental risks and prepared a corporate risk register.

A key element of the internal control system is the framework of Financial Directions issued by the Treasurer of the States, to provide guidance to States departments and other relevant bodies on the controls necessary to deliver the proper stewardship and administration of the public finances of Jersey. Accounting officers are required to comply with Financial Directions and other key controls, including Human Resource, Information Management and other resource management policies.

The States' business planning and budgeting process is used to set objectives and allocate resources. Each department has established its own management structure and processes to set key objectives, linked to the States of Jersey strategic priorities and manage performance. A structured process is also in place to measure progress against objectives and this is used to further inform the planning and decision making processes.

Each department is required to comply with the 'Guidelines for Ministerial Decisions' issued by the Chief Minister's Department.

Month end processes and procedures adopted by departmental finance teams include the provision of financial support to budget holders. This support includes the production of management reports, variance analysis and forecasting the year end position against budget.

The process of Financial Reporting on a quarterly basis to individual Ministers ensures that both the individual Ministers and, ultimately, the Council of Ministers are informed of financial results. Key financial indicators are included in departments' Balanced Scorecards along with summaries of serious risks to departments' achievement of their objectives. Monthly Financial Reporting to the Corporate Management Board was introduced in 2009.

At the beginning of 2010, the Council of Ministers agreed a major review of public expenditure in response to the projected structural deficit. The Comprehensive Spending Review is being undertaken to identify savings, establish spending priorities and implement a longer-term financial planning process.

4. Review of effectiveness

Accounting officers have responsibility for maintaining and reviewing the effectiveness of the system of internal control. Their review is informed by the work of the internal auditors, the Comptroller and Auditor General, the Public Accounts Committee, and comments made by the external auditors in their management letter, as well as their departmental processes and procedures.

In 2006, the Corporate Management Board established an Audit Committee to support them in their responsibilities for monitoring and reviewing the risk, control and governance processes within States funded bodies and the associated assurance that those processes are adequate. The Committee provides a process of constructive challenge to help accounting officers be assured that the most efficient, effective and economic processes are in place. The Committee meets quarterly and an independent Audit Committee Chair was appointed in 2009. The Chief Executive Officer, the Comptroller and Auditor General and external auditors attend the meetings.

The Chief Internal Auditor undertakes an annual audit programme agreed with the Treasurer. Each Audit report rates the area of review on a four point scale, with 4 being the highest. A total of 60 internal audit reports were produced in relation to 2009, of which 7 were not applicable for scoring, 1 received the highest rating, 28 were rated at 3, "Reasonable reliance can be placed on the adequacy of the internal control environment to manage inherent risk", and 22 received an assurance rating of 2, "There is limited assurance on the adequacy of the internal control environment to manage inherent risk." A further 2 reports received a 1 rating, "Management cannot place any reliance on the adequacy of the internal control environment to manage inherent risk." All recommendations or agreed actions for improvement have been fully accepted by managers, and over 90% of all recommendations were implemented within agreed timescales, with implementation of the remaining recommendations being in progress. A number of the reports were critical about departmental compliance with financial directions and this issue will be addressed in the improvement and change programme for the Treasury and financial management.

The Comptroller and Auditor General is required to provide the States with independent assurance that the public finances of Jersey are being regulated, controlled, supervised and accounted for in accordance with the Law. The Comptroller and Auditor General considers and reports to the States on - (a) the effectiveness of the internal financial controls; (b) economical, effective and efficient use of resources; and (c) the corporate governance arrangements, and can make recommendations to bring about improvement.

The Public Accounts Committee examines the implementation of policy by accounting officers, often on the basis of a report by the Comptroller and Auditor General. The Public Accounts Committee and the Comptroller and Auditor General are both independent, reporting to the States Assembly.

5. Significant Control Issues

Each accounting officer has been required to detail any significant control issues which have arisen during the course of 2009 or any known areas of non-compliance with Financial Directions, together with their proposals to address these matters. Individual departmental Statements on Internal Control should be referred to for these detailed control issues.

The following significant corporate control issues have arisen in 2009:-

- **Financial Management in the States:** a detailed review was commissioned in 2009 and set out a programme of change and improvement for the States of Jersey finance function. Implementation of the plan is now under way.
- **Court and Case Costs:** Court and Case Costs are exceptionally volatile. The budgeting and accountability arrangements were not sufficient. As a consequence, significant expenditure has been incurred in the expectation that it would be met from the Criminal Offences Confiscation Fund. Expenditure is monitored and

in 2009 projected underspends against departmental budgets were transferred to fund these costs. The Comprehensive Spending Review will be addressing all aspects of the Court and Case Costs in 2010, including value for money and the financial management framework. The Treasurer will be implementing interim revised financial management arrangement for 2010, and it is anticipated that a permanent solution will be in place by 2011.

- **Corporate Governance:** two issues have arisen during 2009 in respect of corporate governance:-
 - Health and Social Services: reviews undertaken in 2009 of the Health and Social Services Department identified a number of governance issues. The Health and Social Services Department has developed an action plan to implement recommendations and is committed to a more proactive approach to governance and risk management.
 - Jersey Heritage Trust: although not a States funded body the Trust receives significant funding from the States. In his report the Comptroller and Auditor General criticised the Trust for not fully implementing its detailed code of governance practice adopted in mid 2008. The Education, Sport and Culture Department is committed to carrying out a financial and business review of the Jersey Heritage Trust, developing a new partnership agreement, considering practical issues of accountability that are necessary between the Department and the Trust and ensuring that governance within the Trust supports any new arrangement.
- **Data Security:** a review by the Comptroller and Auditor General in 2009 of States-wide arrangements and practices around the security of data held in electronic media and the physical security of information held on paper highlighted a lack of consistency of policies and widespread variations with regard to States-wide arrangements and practices. A full-time Data Security Officer will oversee improvements in this area. Work to follow up individual departmental improvement initiatives is currently being scoped, as is the assessment of risks across the States' applications and data bases. The Security Policy Group has been reshaped with senior attendees such as the States HR Director and the Data Protection Commissioner joining it, and is now Chaired by the Director of Information Services.

Progress against significant issues identified in the 2008 Statement on Internal Control has been made as follows:-

- **Energy from Waste Plant - Management of foreign currency exchange risks:** the States approved a detailed proposal for the replacement of the incinerator and a contract was signed on 14 November 2008 for the procurement of the new plant. A substantial element of the contract was priced in euros which, contrary to the stated intention, was not hedged prior to the contract signing date. Based upon advice for managing the Euro exposure element of the contract, and to protect against further possible exchange rate risks, the Treasury has now purchased all required Euros to the end of the Contract. Forecasts are reviewed regularly to ensure that there are no significant deviations from the Treasury's hedging strategy for this project.
- **Household Medical Accounts (HMAs):** a breakdown in the control environment arose in respect of the facility within the Income Support Scheme. A comprehensive review of the operation of HMAs has been undertaken by the Social Security Department, and the Department has improved controls and processes to prevent any repetition. HMA was subject to Internal Audit in December 2009, resulting in a number of further actions to be taken and progress to be monitored in 2010.

- **Historic Child Abuse Enquiry (HCAE):** independent investigations are being conducted into the managerial and command and control aspects of the HCAE. The Chief Officer of Home Affairs and the Acting Chief Police Officer have developed improved arrangements to ensure good financial management and value for money. The Treasurer will review these arrangements in the light of the detailed report once it is published.

6. Closing Statement

To the best of my knowledge, the internal control environment as summarised above has been effectively operated during the year, subject to the control issues identified in the previous section and in the individual Statements on Internal Control.

Signed:

A handwritten signature in black ink, appearing to read 'Bill Ogley', with a stylized flourish at the end.

Bill Ogley (Chief Executive Officer)

24th May 2010

States of Jersey Treasury

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Annex to Financial Report & Accounts – 2009

States of Jersey Treasury and Resources Department

ANNEX TO FINANCIAL REPORT AND ACCOUNTS 2009

Treasury and Resources Department

P.F.C. Ozouf
J. Le Fondré
E. Noel

Senator
Deputy
Deputy

Minister
Assistant Minister
Assistant Minister

I. Black, BSc (Econ), CPFA Treasurer of the States

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Introduction to the Annex

This year two accounts documents have been produced.

The principal document is the Financial Report and Accounts, which includes high level financial summaries and the Minister's and Treasurer's reports. The aim has been to produce a concise annual report which will appeal to the majority of users of the accounts.

For those who require the detailed accounts, these have been set out in this supplementary document, which should be read in conjunction with the Financial Report and Accounts.

The remainder of the Annex is divided as follows:

- Summary information pages;
- Department and Trading Operations;
- Reserves accounts;
- Separately Constituted Funds accounts;
- A Glossary of Terms;
- Detailed information on GAAP accounting; and
- A list of grants made by the States of Jersey in 2009

The detailed information also includes narrative information on the key financial results in a format that is comparable between Departments / Funds. The Treasury and Resources Department thanks all departments for their cooperation in providing this information.

The Treasury and Resources Department hopes that readers will find the information in this annex of benefit and would encourage any queries in relation to the annex to be addressed to the relevant Department.

A copy of the 2009 Financial Report and Accounts can be found on the States of Jersey website www.gov.je; alternatively a hard copy can be obtained from the States Book shop at the following address:

Morier House
St. Helier
Jersey
JE1 1DD

The transition to GAAP accounting

Background

The States has a strategic aim to deliver public services that are recognised as efficiently and effectively meeting people's needs. A key objective in order to achieve this is the implementation of GAAP (Generally Accepted Accounting Principles) compliant accounts.

In preparation for the move to GAAP the pages in this annex reflect some changes.

Transfers between Capital and Revenue budgets

In order to follow GAAP definitions for capital and revenue elements of the capital programme have been reclassified and transferred to revenue, thus increasing revenue expenditure and reducing capital expenditure by an equivalent amount. These have been effected by means of public ministerial decisions in year, and as a result these transfers are included in the results shown in the department accounts. Where such transfers have taken place these are shown clearly in both the overall reconciliation of departmental cash limits, and also in a reconciliation in each department.

Introduction of a standardised Operating Cost Statement

A standardised income and expenditure account (now referred to as an Operating Cost Statement) has been introduced. This significantly improves transparency as all departments are now presenting information on the same basis, and on a basis consistent with presentation of the aggregated information in the main body of the accounts. It is therefore possible to take the results for individual departments and see how they flow through to the main accounts (see note 6 – Segmental Analysis) for details.

Some headings in the Operating Cost Statement appear similar to headings which were used by departments in prior years. However there are no direct links although of course there are many similarities. A comprehensive review of the income and expenditure of the States of Jersey was undertaken in 2008/2009 during which each item was allocated to the most appropriate heading. There is therefore increased consistency between departments and department accounts are now in line with the main accounts, in preparation for full GAAP accounts in 2010.

Changes in classification of income and expenditure

Standard definitions of income and expenditure have been adopted and implemented. This has been applied to the 2009 figures, which may in some areas show variations in comparison to 2008 as a result.

Department Analyses

The following pages provide analyses of the budgeted and actual net expenditure of each States of Jersey Department.

Each set of departmental accounts provides an analysis by type of income and expenditure as well as the services provided by that department.

In each analysis the 2009 net expenditure is shown compared to the 2009 budget and 2008 net expenditure. Although information is provided at a detailed level, it is only the total departmental budget that is voted to that department by the States.

A reconciliation between the 2009 final approved budget, which includes any budget allocations approved in-year, and the 2009 original budget as per the 2009 Annual Business plan, is provided by each department. A summary is set out below:

Department	Original 2009 Business Plan £' million	Carry Forward from 2008 £' million	Additional Funding Voted by the States* £' million	Transfers between capital and revenue £' million	Other Transfers between departments £' million	Total 2009 Final Approved Budget £' million
Ministerial Departments						
Chief Minister	15.85	1.02	(0.16)	5.46	0.22	22.39
- Grant to the Overseas Aid Commission	7.73	0.03	-	-	-	7.76
Economic Development	16.42	0.81	0.46	1.01	(0.30)	18.40
Education, Sport and Culture	98.51	1.73	(0.34)	(0.39)	0.21	99.72
Health and Social Services	153.60	0.02	3.58	2.86	(0.68)	159.38
Home Affairs	45.59	0.00	1.89	(0.14)	2.15	49.49
Housing	(22.36)	-	0.04	1.97	(0.20)	(20.55)
Planning and Environment	7.14	-	0.55	0.42	0.04	8.15
Social Security	157.07	0.34	5.80	(0.44)	(3.20)	159.57
Transport and Technical Services	23.71	0.21	(0.23)	0.65	-	24.34
Treasury and Resources	61.07	0.97	0.11	0.70	(0.05)	62.80
Non Ministerial States Funded Bodies						
- Bailiff's Chamber	1.25	0.01	(0.01)	-	0.28	1.53
- Law Officers' Department	5.91	0.05	1.09	-	(0.88)	6.17
- Judicial Greffe	3.97	0.04	(0.03)	-	2.39	6.37
- Viscount's Department	1.43	0.01	(0.01)	(0.04)	0.05	1.44
- Official Analyst	0.60	-	(0.00)	(0.03)	(0.02)	0.55
- Office of the Lieutenant Governor	0.74	0.01	(0.01)	-	0.01	0.75
- Office of the Dean of Jersey	0.02	-	-	-	0.00	0.02
- Data Protection Commission	0.22	0.02	(0.00)	-	(0.01)	0.23
- Probation Department	1.54	0.01	(0.02)	0.04	(0.01)	1.56
- Comptroller and Auditor General	0.73	0.17	(0.00)	-	-	0.90
States Assembly and its services	5.20	-	(0.02)	(0.01)	-	5.17
Total	585.94	5.45	12.69	12.06	0.00	616.14
Total less Capital Servicing	542.22	-	-	-	-	572.42

* Further details of these amounts can be found on the next page

Additional Budget Approvals by the States of Jersey

The Public Finances Law allows the States Assembly to approve budgets in addition to those approved in the Annual Business Plan, under specific circumstances. These are:

Article 11(8) allows the States to amend an expenditure approval on a proposition lodged by the Minister for Treasury and Resources on the grounds that there is an urgent need for expenditure and no expenditure approval is available.

Article 16 allows the Minister for Treasury and Resources to approve an expenditure approval where a state of emergency has been declared or where the Minister is satisfied that there otherwise exists an immediate threat to the safety of all or any of the inhabitants of Jersey. In this case the Minister must lodge a proposition seeking expenditure approval.

The approvals under which monies have been drawn down in 2009 are set out below.

States approvals in 2008 under Article 11(8) of the Public Finances (Jersey) Law 2005

Proposition	Purpose	Amount approved (£)	Amount drawn down in 2009 (£)	Department
P67/2008	Flu Pandemic Preparations	1,230,000	566,000	Health and Social Services
P163/2008	Income Support and GST food costs bonus	3,400,000	3,400,000	Social Security

States approvals in 2009 under Article 11(8) of the Public Finances (Jersey) Law 2005

Proposition	Purpose	Amount approved (£)	Amount drawn down in 2009 (£)	Department
P17/2009	Williamson Report - Implementation Plan	1,300,000	315,710	Health and Social Services
P55/2009	Economic Stimulus*	44,000,000	1,318,619	Various
P78/2009	Pay Freeze	-3,501,593	(3,500,897)	Various
P83/2009	Historic Child Abuse Enquiry	4,250,000	1,119,082	Law Officers'
			2,305,515	Home Affairs
			540,070	Health and Social Services
			135,000	Education, Sport and Culture
			25,266	Jersey Property Holdings (T&R)
P83/2009	Reciprocal Health Agreement Cessation	2,900,000	2,598,540	Health and Social Services
P83/2009	Additional Social Security Costs	3,100,000	2,411,000	Social Security
P174/2009	H1N1 Influenza Pandemic	3,822,000	-	Health and Social Services

States approvals in 2009 under Article 16(3) of the Public Finances (Jersey) Law 2005

Proposition	Purpose	Amount approved (£)	Amount drawn down in 2009 (£)	Department
P174/2009	H1N1 Influenza Pandemic	1,725,000	826,000	Health and Social Services
			7,000	Home Affairs

Total 12,066,905**

*In total, £2,713,619 was transferred to departments in 2009 for Economic Stimulus projects of which £1,395,000 was for capital projects and £1,318,619 for revenue projects.

** In addition to the amounts above £625,619 was transferred to Planning and Environment from an allocation in the contingency fund made in 2006.

Departments
and
Trading Operations

Chief Minister's Department

Department Highlights:

- Net spend of £21,495,668, representing a like-for-like increase of 8.3% on 2008.
- Underspend of £896,467 (4.0%) against Final Approved Budget.

Actual v prior year

The increase in revenue spend from 2008 to 2009 was £2,996,563. However, £1,465,175 of this related to an increase in transfers between capital and revenue, compared to 2008. This resulted in an increase of £1,531,388 (8.3%), excluding the increase in the value of capital transfers.

This 8.3% increase was mainly due to the following:

- £720,838 related to initiatives funded by budget carried forward from 2008
- £488,314 related to new posts granted in the amendment to the lodged Business Plan
- £161,100 as detailed in the 2009 Business Plan related to departmental transfers, non-staff inflation and provision for annual pay awards (reduced by the effect of the June pay freeze)

Actual v Final Approved Budget

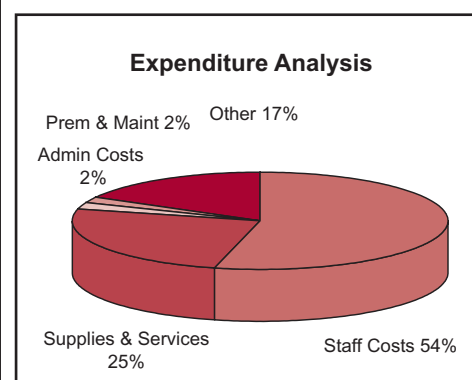
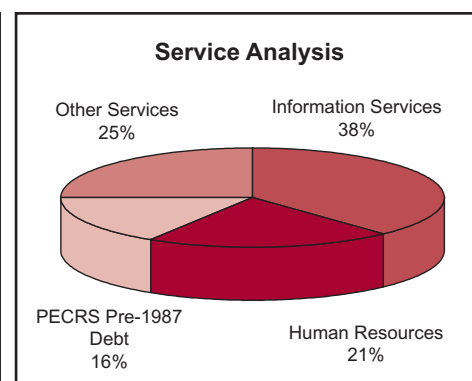
Overall the department had an underspend against budget of 4.0% (£896,467). The majority of this was planned, to enable the necessary funds to be carried forward to meet the cost pressures of 2010 projects, such as the Developing Countries Conference and the Comprehensive Spending Review.

Additional budget allocation

In 2009 an additional £6,548,435 (net) was voted to the Chief Minister's Department in excess of the original budget agreed in the business plan.

£5,463,843 related to budget transfers from capital to revenue to match expenditure which should be classified as revenue under GAAP (see Introduction included in Annex to the Accounts for details). The majority of this was a transfer from the capital vote to reflect the full and proper cost of running the corporate Information Technology (IT) function. These costs related to day to day items such as salaries and software licences, but also included project costs which could not be classified as capital under GAAP. This has resulted in some large variations between the Business Plan and Final Approved Budgets.

Capital	Total £000
Total value of approved capital schemes	7,749
Spent in the Year	478
Spent to Date	3,327



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£000
Original Budget	15,844
Carry Forward	1,020
Salary funding from Home Affairs	42
Transfer from Economic Development	75
Transfer from Housing	48
Salary funding from Education	55
2009 Pay Freeze	(155)
ISD Capital Transfer	5,007
HR Capital Transfer	377
Chief Executive's Office Capital Transfer	79
Final Budget	22,392

Chief Minister's Department

The above capital to revenue transfers, however, did not change the total amount of expenditure approved by the States.

Similar transfers took place in 2008 and are reflected in the Accounts for that year.

£1,020,000 was a result of budget carried forward from 2008.

(See Reconciliation table for details)

2009 capital vote

In the 2009 Business Plan, an additional £5m was voted for the Information Services Department (ISD) capital schemes. This was mainly to cover:

- Corporate IT Capital vote funding
- Capital projects
- Annual Licences
- Hardware Renewal

Additional details on revenue expenditure results and in year capital spend are explained below.

The results for the department's top 4 service areas (by net expenditure) were:

Information Services Department (ISD) • Net spend of £8,103,621, an underspend of £226,752 (2.7%) against Final Approved Budget

The budget has increased by £4,984,173 since the Business Plan due to:

- £5,007,309 transfer from capital to comply with GAAP (see Introduction for details);
- £42,000 transfer in of staff from Home Affairs;
- £65,136 transfer out, relating to returned funds for the 2009 pay freeze.

£137,764 of the underspend related to a reallocation of budget to the Customer Service Centre, not reflected in the final approved budget. The remainder of the underspend was predominantly because of a slow down in approved projects, which resulted in less costs being incurred on feasibility studies.

Human Resources Department (HR) • Net spend of £4,458,190, an underspend of £124,448 (2.7%) against Final Approved Budget

The budget has increased by £389,738 since the Business Plan due to:

- £377,496 transfer from capital to Learning and Development, relating to training courses supporting the Organisational Development Programme (see introduction for details);
- £55,100 transfer in of staff from Education, Sport and Culture;
- £42,850 transfer out, relating to returned funds for the 2009 pay freeze.

The majority of the £124,448 underspend related to Learning and Development, where the capital to revenue transfer was greater than actual spend due to the planned timing of some training programmes continuing into 2010.

Chief Minister's Department

External Affairs, Economics and International Finance • **Net spend of £1,665,193, an underspend of £389,125 (18.9%) against Final Approved Budget**

The budget has increased by £719,018 since the Business Plan due to:

- £250,000 from carry forward bid to host the British Irish Council (BIC) Summit;
- £400,000 from carry forward bid to fund work to protect Jersey's finance sector;
- £75,000 from Economic Development to fund the Financial Services Advisory Board (FSAB) Risk Review Monitoring Team;
- £5,982 transfer out, relating to returned funds for the 2009 pay freeze.

The £389,125 underspend was mainly due to the BIC Summit costing £144,188 less than budget and planned phasing of start dates to the new posts (granted in the amendment to the lodged Business Plan), saving £186,036.

Chief Executive's Office • **Net spend of £1,298,036, an underspend of £64,205 (4.7%) against Final Approved Budget**

The budget has increased by £216,841 since the Business Plan due to:

- £79,038 transfer from capital to fund various projects now classified as revenue (see Introduction for details);
- £150,000 from carry forward bid to fund the review of unelected members;
- £12,197 transfer out, relating to returned funds for the 2009 pay freeze.

Slippage in the start date of the review of unelected members resulted in an underspend of £140,792 and during 2009 funding was reallocated from other service areas within the Chief Minister's Department to support planned accommodation improvements.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sales of Services • **Income of £1,014,761, a surplus of £963,793 (1,891%) against Final Approved Budget**

The Department incurs staff costs that are subsequently recharged to both capital schemes and other States' Departments. The capital to revenue transfer for ISD reduced the recharge income budget since the Business Plan by £1,010,363.

Budget reallocations took place in year, which accounted for £369,324 of the surplus against final approved budget.

The remaining surplus of £645,437 against final approved budget related to staff costs recharged to other States' Departments, for example Communications, Human Resources and Economics advice and support.

Chief Minister's Department

Duties, Fees, Fines and Penalties • Income of £167,583, a shortfall of £29,186 (14.8%) against Final Approved Budget

This income related to the issue of housing consents and lodging house registration and inspection fees collected by the Population Office.

The downturn in the local housing market has continued to impact on the issue of housing consents, a shortfall of £36,310 against final approved budget; however, a surplus of £7,124 against budget for registration and inspection fees reduced the overall shortfall to £29,186.

The results for the 3 highest expenditure lines are as follows:

Staff Costs • Spend of £12,252,473, an overspend of £465,766 (3.9%) against Final Approved Budget

The budget has increased by £803,007 since the Business Plan due to:

- £40,000 from carry forward bid to meet the cost of the Household Expenditure Survey, which started in 2009;
- £733,531 transfer in for manpower related to the ISD capital to revenue transfer;
- £87,824 transfer in for manpower related to the HR capital to revenue transfer;
- £42,000 transfer in of staff from Home Affairs to ISD;
- £55,100 transfer in of staff from Education, Sport and Culture to HR;
- £155,400 transfer out, relating to returned funds for the 2009 pay freeze.

The increase in staff costs was partly off-set by recharge income from other States' Departments, as detailed above. In addition, staff costs included costs previously recorded as supplies and services, which have been reclassified as non-States staff expenditure (see Introduction for details).

Supplies and Services • Spend of £5,746,321, an underspend of £701,470 (10.9%) against Final Approved Budget

The budget has increased by £3,945,621 since the Business Plan due to:

- £150,000 from carry forward bid to fund the review of unelected members;
- £250,000 from carry forward bid to host the BIC Summit;
- £400,000 from carry forward bid to fund work to protect Jersey's finance sector;
- £75,000 from Economic Development to fund the FSAB Risk Review Monitoring Team;
- £281,125 related to the HR capital to revenue transfer (see Introduction for details);
- £2,789,492 related to the ISD capital to revenue transfer (see Introduction for details).
- £284,980 related to the combined underspend in the BIC Summit costs and the review of unelected members.

The majority of the remaining underspend related to the HR capital to revenue budget transfer being greater than actual spend (£107,000) as detailed above and a slow down in ISD projects (£213,440).

Chief Minister's Department

Premises and Maintenance • **Spend of £558,635, an overspend of £102,206 (22.4%) against Final Approved Budget**

The budget has increased by £100,929 since the Business Plan due to:

- £79,038 transfer from capital to fund various projects by the Chief Executive's Office, now classified as revenue (see Introduction for details);
- £41,200 from Housing to the Population Office in relation to the costs of occupying Jubilee Wharf;
- £19,310 transfer out in relation to the ISD capital to revenue transfer.

The overspend of £102,206 against final approved budget was to fund the electrical upgrade and accommodation changes in Cyril Le Marquand House, both from budget reallocations within other areas of the Chief Minister's Department.

Capital Schemes

Total Capital Expenditure during the year was £478,000 which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amount voted in excess of £500,000 is contained in the table below:

Scheme	Amount Voted £000	Spent in the Year £000	Spent to Date £000
Information Services Dept (ISD)	7,749	478	3,327
TOTAL	7,749	478	3,327

The balance of £7,749,000 relates to budgets for projects, which are in progress and working towards completion. Work on some of these projects began in prior years and the remaining balances will be used to complete them as necessary.

Also included within the £7,749,000 is the remainder of the CMD capital vote, which has not yet been allocated or committed to a specific project or scheme.

There was other expenditure against these projects during 2009 which, in order to comply with GAAP, was accounted for as revenue expenditure and matched with equivalent budget transfers between capital and revenue. This amounted to:

- £5,007,309 Information Services Department (ISD)
- £377,496 Organisational Development (HR related)

Chief Minister's Department

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Policy Division		
		Policy Unit		
1,145,400	1,362,241	Chief Executive's Office	1,298,036	1,073,350
208,800	205,071	Communications Unit	200,649	171,770
283,700	325,455	Population Office	331,062	253,261
1,637,900	1,892,767		1,829,747	1,498,381
		Statistics		
450,100	485,831	Statistics Unit	452,962	386,969
		External Affairs, Economics & International Finance		
1,335,300	2,054,318	External Affairs, Economics & International Finance	1,665,193	928,336
		Law Drafting		
861,200	852,286	Law Drafting	822,885	818,342
		Legislation Advisory Panel		
45,000	45,000	Legislation Advisory Panel	3,929	6,931
		Emergency Planning Office		
208,200	208,200	Emergency Planning Office	134,018	131,718
4,537,700	5,538,402	Sub-total: Policy Division	4,908,734	3,770,677
		Resources Division		
		Information Services		
461,300	2,031,949	Corporate Projects	1,952,281	1,343,982
1,243,900	2,660,751	Infrastructure	3,084,022	3,274,816
1,641,000	3,637,673	Business Support Groups	3,067,318	1,991,184
–	–	Organisational Development	–	83,647
3,346,200	8,330,373		8,103,621	6,693,629
		Human Resources		
2,226,800	2,279,269	HR Business Partnering	2,278,859	2,120,116
626,400	726,593	HR Business Support	618,123	545,334
533,600	763,832	Learning & Development	629,856	810,486
346,500	353,344	HR Employee Relations	407,829	325,678
459,600	459,600	Pensions	523,523	537,678
4,192,900	4,582,638		4,458,190	4,339,293
		Customer Service Centre		
447,300	441,122	Customer Service Centre	539,706	407,314
7,986,400	13,354,133	Sub-total: Resources Division	13,101,517	11,440,235
12,524,100	18,892,535		18,010,251	15,210,912
3,319,600	3,499,600	PECRS Pre-1987 Debt	3,485,418	3,288,193
15,843,700	22,392,135	Net Revenue Expenditure	21,495,669	18,499,106

Chief Minister's Department

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
196,800	196,769	Duties, Fees, Fines & Penalties	167,583	182,056
1,061,300	50,968	Sales of Services	1,014,761	803,436
–	–	Commission	122,516	–
–	–	Other Revenue	18,152	55,164
1,258,100	247,737	Total Revenue	1,323,012	1,040,657
10,983,700	11,786,707	Staff Costs	12,252,473	10,920,066
2,502,170	6,447,791	Supplies and Services	5,746,321	4,633,309
(71,270)	437,203	Admin Expenses	545,642	348,074
355,500	456,429	Premises & Maintenance	558,635	324,784
–	–	Other Operating Expenditure	218,190	13,337
12,100	12,142	Grants and Subsidies Payments	12,000	12,000
13,782,200	19,140,272		19,333,261	16,251,570
3,319,600	3,499,600	PECRS Pre-1987 Debt	3,485,418	3,288,193
17,101,800	22,639,872	Total Expenditure	22,818,679	19,539,763
15,843,700	22,392,135	Net Revenue Expenditure	21,495,667	18,499,106

Overseas Aid Commission

The objectives of the Commission are to manage and administer the monies voted by the States of Jersey for overseas aid. The Commission stands as an independent body, following Jersey's move to ministerial government, consisting of three States members and three non - States members, all of whom are appointed by the States of Jersey. The Commission's strategy is driven by a clear mission; it is committed to joining with others in reducing poverty in poorer countries by making a sustained contribution, which is proportional to Jersey's means.

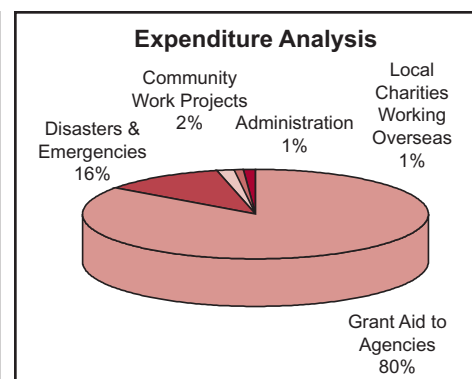
80% of expenditure was by way of direct grants to 60 agencies both large and small, with all grants based on the individual merits of projects covering clean water, health, sanitation, education, agriculture, livestock, and revolving credit schemes for small businesses. The Commission received applications which totalled in excess of £11.8m and had to reject many worthy projects due to its budget limits. The Commission also received additional funding enquiries from over 49 other agencies.

Following the previous year's demand for the funding of individual disasters and emergencies, the Commission increased its budget allocation to £1,250,000. During the course of the year the entire budget was allocated, compared with £837,739 in the previous year.

Community Work Projects were organised for Mongolia, Uganda, and Kenya, involving 33 volunteers at a net cost inclusive of materials and equipment of £167,223.

Nineteen applications were approved for grants made to local organisations which raise funds for aid projects overseas. All met the established criteria and were awarded matching £ for £ funding based on monies raised by the organisation itself.

Administration costs still remained low at £78,633, representing 1.0% of the total grant.



	£000
Original Budget	7,731
Carry Forward	25
Final Budget	7,756

Original Budget 2009	Amounts Voted 2009		Actual 2009	Actual 2008
£	£		£	£
77,200	77,200	Overseas Aid General	78,633	72,818
6,454,000	6,178,959	Grant Aid	6,082,878	6,247,659
50,000	100,000	Local Charities	100,131	51,243
1,000,000	1,250,000	Disaster Fund	1,250,000	837,739
150,000	150,000	Work Projects	167,223	146,227
7,731,200	7,756,159		7,678,865	7,282,868

Economic Development Department

Department Highlights:

- Net spend of £17,505,731, an increase of 8.2% on 2008
- Underspend of £895,417 (4.9%) against Final Approved Budget

Actual v prior year

The increase in net spend from 2008 to 2009 was 8.2% from £16,174,703 to £17,505,731. The increase mainly relates to investor compensation claims amounting to £554,132 and an increase of £652,427 to support the Finance Sector.

Actual v Final Approved Budget

Overall the Department had an underspend against budget of 4.9% (spend of £17,505,731 against an adjusted budget of £18,401,148).

Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs.

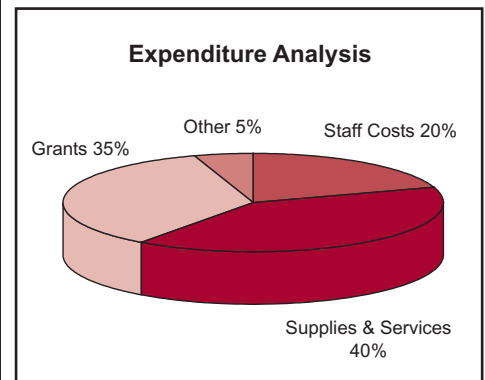
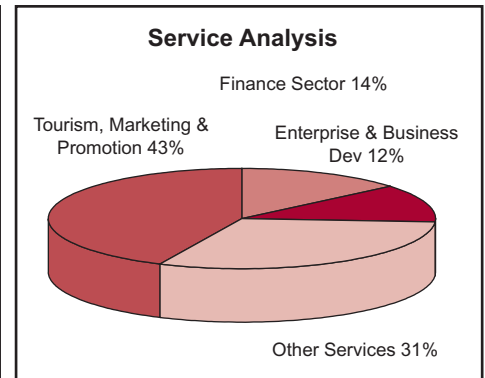
For details of States staff costs and FTEs, please refer to Note 3 in the Accounts.

Additional budget allocation

In 2009 an additional £1,978,548 (net) was voted to the Economic Development Department, in excess of the original budget agreed in the Business Plan.

The States voted investor compensation payments totalling £554,132, and £509,280 was received as part of the Fiscal Stimulus programme. Funding of £255,000 for the maintenance fund for La Collette Fuel Farm was brought forward from 2008 and will be carried forward into future years. The Department's economic growth fund balance of £922,381 was transferred from capital to revenue and £44,800 was returned for the 2009 pay freeze.

£454,135 was transferred to other States Departments including £200,000 to Home Affairs for Court & Case Costs and £127,140 to Education, Sport & Culture to supplement costs of the new Information Advice & Guidance Centre. The Chief Minister's Department received £75,000 to fund a review of the risks facing the Jersey Finance industry and the Treasury Department received £42,000 to fund the costs of a Tax Policy Advisor.



Staff Costs
 Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs
 For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

	£000
Original Budget	16,422
La Collette Sinking Fund	255
Investor Compensation	554
2009 Pay Award return	(44)
Skills Executive to ESC	(127)
Risk review to CMD	(75)
Tax Researcher to Treasury	(42)
Court and Case Costs to HA	(200)
Vehicle funding to P & E	(10)
Rent from Housing	147
EGF Capital to Revenue	922
Crabbe capital to Rev	97
Vehicle purchase to capital	(7)
EDD Stimulus Funding	460
EDD Stimulus re Harbours	49
Final Budget	18,401

Economic Development Department

The Department received £460,050 funding from the Fiscal Stimulus programme to initiate and/or expand activities to support local businesses through the economic downturn. Also £49,230 was received in respect of a grant made to Harbours to fund St Aubins Pier capital project.

2009 capital vote

There have been no capital votes for 2009.

Key Financial Results by Service Analysis

In 2008, the Department moved to a zero-based budget which ensured that investment was directed to the most appropriate place. Significant developments in the global economic climate continue and in order to respond to current and future challenges to Jersey's economy, fundamental reprioritisation of EDD budget allocation continued throughout the year by way of Budget Virements (transfers) between service areas. Internal transfers are not reflected in the approved budget figures.

The results for the Department's top 4 service areas (by net expenditure) were:

Tourism, Marketing & Promotion • Net spend of £7,581,833, an increase of £769,374 (11.3%) against Final Approved Budget

Due to difficult trading conditions that the Island is experiencing a decision was taken to fund additional marketing spend (£800,000) on the autumn campaign.

Tourism, Marketing & Promotion received an additional budget of £200,000 from the Economic Growth Fund.

£50,000 was received from the Jersey Hospitality Association, a £250,000 grant from the Tourism Development Fund together with budget transfers of £250,000 from other service areas within EDD.

Additional customer enquiries following the additional marketing spend, resulted in increased publication and mailing costs (c. £160,000) and Internet advertising (c. £250,000), funded from internal transfers from other service areas within EDD.

Finance Sector • Net spend of £2,453,555, an increase of £426,025 (21.0%) against Final Approved Budget

The overspend mainly relates to supplementary funding awarded to Jersey Finance Limited (£292,025), developing new legislation on behalf of the Finance Sector and the establishment of the Depositors Compensation Scheme (c.£130,000), funded from other areas within EDD.

Enterprise & Business Development Marketing • Net spend of £2,125,515, a decrease of £958,944 (31.1%) against Final Approved Budget

Enterprise & Business Development Marketing received an additional budget from capital of £722,381 due to a transfer from the Economic Growth Fund and this was transferred to other service areas within EDD. Their actual underspend was therefore £236,722.

Economic Development Department

The underspend mainly relates to the Enterprise & Business Development Fiscal Stimulus programme spend of £43,895 against the budget of £362,750 due to a late start to the programme.

The Business Incubator project has been unavoidably postponed resulting in an underspend of £60,000.

Reallocation of the underspends allowed for the funding of one-off grants to Highlands College (£55,000) for set-up costs of an IT Foundation Degree and to HMP La Moye (£30,000) to support training investment.

Dairy Service Support • **Net spend of £1,058,477, an increase of £186,033 (21.3%) against Final Approved Budget**

The overspend mainly relates to payments made to dairy farmers exiting the industry (£137,545) and an increase on the grant paid to the Royal Jersey Agricultural & Horticultural Society for services supporting the dairy industry (£43,715).

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Other Revenue • **Income of £781,142, a surplus of £368,590 (89.3%) against Final Approved Budget**

The surplus relates to windfall income of £360,527 received from Ofcom in relation to wireless telegraphy licence fees which the UK collects on behalf of Jersey. This is paid to the Regulatory Services Department every five years.

The timing and amount of payment was not known when the 2009 Business Plan budget was agreed.

Sales of Services • **Income of £728,937, a surplus of £290,807 (66.4%) against Final Approved Budget**

The surplus is due to advertising income of £171,350 not included at the time of the Business Plan. There was also additional income of £97,500 in relation to the new Jersey Pass scheme.

The results for the 3 highest expenditure lines are as follows:

Supplies and Services • **Spend of £8,068,575, an decrease of £137,788 (1.7%) against Final Approved Budget**

The underspend was mainly due to the late start of the Fiscal Stimulus programme.

Grants and Subsidy Payments • **Spend of £7,022,978, an increase of £690,546 (10.9%) against Final Approved Budget**

The overspend was mainly due to grants not included in the Business Plan which include:

- £404,519 - Air Route Development
- £137,545 – Increase in Quality Milk Payments
- £120,000 - Institute of Law for set up costs and Study Guide development
- £55,000 - Highlands College for set up costs of an IT Foundation Degree

Economic Development Department

Staff Costs

- **Spend of £4,036,988, an increase of £48,735 (1.2%) against Final Approved Budget**

The increase in staff costs is due to additional contract staff employed for the establishment of the Depositors Compensation Scheme, and maternity cover.

Capital Schemes

There has been no Capital Expenditure during the year.

Economic Development Department

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
2,013,700	3,084,459	Enterprise & Business Development Marketing	2,125,515	1,970,048
6,462,200	6,812,459	Tourism, Marketing & Promotion	7,581,833	7,228,080
		Policy & Regulation		
594,600	639,965	Competition Law	341,115	611,934
564,700	610,045	Consumer Affairs/Trading Standards	593,561	526,484
1,992,600	2,027,530	Finance Sector	2,453,555	1,801,102
335,500	335,610	Gambling Legislation and Control	286,155	236,861
380,600	453,138	Regulation of Undertakings	445,319	426,628
290,700	408,233	Rural Sector- Policy and Regulation	466,580	248,571
597,400	632,988	Policy Development	134,527	(7,301)
		Rural Support		
1,091,100	1,094,671	Single Area Payment	1,001,656	979,867
872,500	872,444	Dairy Service Support	1,058,477	1,035,323
237,100	238,728	General Support- Rural Economy	135,591	149,370
515,000	520,356	Rural Initiative- Rural Economy	432,645	563,127
		Skills		
474,900	621,292	Training & Workforce Devoping Skills	399,972	404,609
-	49,230	Harbours Stimulus Grant	49,230	-
16,422,600	18,401,148	Net Revenue Expenditure	17,505,731	16,174,703

Note: Finance Industry Development moved to Policy Development (Finance Sector amended to reflect the 2010 Business Plan).

Economic Development Department

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
477,800	477,742	Duties, Fees, Fines & Penalties	495,838	516,321
102,500	102,500	Sales of Goods	137,565	100,791
438,100	438,130	Sales of Services	728,937	137,460
2,500	2,485	Commission	3,152	3,635
222,500	222,518	Hire and Rentals	228,292	497,194
52,000	412,552	Other Revenue	781,142	478,790
1,295,400	1,655,927	Total Revenue	2,374,926	1,734,191
3,933,400	3,988,253	Staff Costs	4,036,988	3,742,007
6,930,100	8,206,363	Supplies and Services	8,068,575	7,521,809
132,500	132,448	Admin Expenses	284,242	207,518
442,700	697,720	Premises and Maintenance	434,764	304,508
–	699,859	Other Operating Expenditure	37,258	121
6,279,300	6,332,432	Grants and Subsidy Payments	7,022,978	6,132,771
–	–	Finance Costs	352	160
–	–	Asset Disposal (Gain)/Loss	(4,500)	–
17,718,000	20,057,075	Total Expenditure	19,880,657	17,908,894
16,422,600	18,401,148	Net Revenue Expenditure	17,505,731	16,174,703

Education, Sport and Culture

Department Highlights:

- Net spend of £98,988,264, an increase of 5% on 2008
- Underspend of £728,676 (0.7%) against Final Approved Budget

Actual v prior year

The increase in spend from 2008 to 2009 was 5%. The variance is due to a number of factors: the impact of pay awards and non-staff inflation; the allocation of permanent funding in respect of the introduction of a banded funding methodology for Mont a l'Abbe school based on level of need and the cost associated with the transfer of administrative responsibility for the Aquasplash Leisure Pool; the introduction of Early Years Education; and additional resources required to support the arts and heritage organisations. Following the formation of the Skills Executive, resources available for skills development, primarily the creation of an all-age careers service within the town area, were consolidated within the Department. Additional spend also reflects initiatives introduced as part of the economic stimulus package.

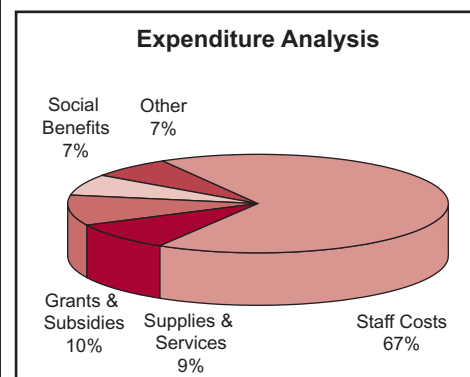
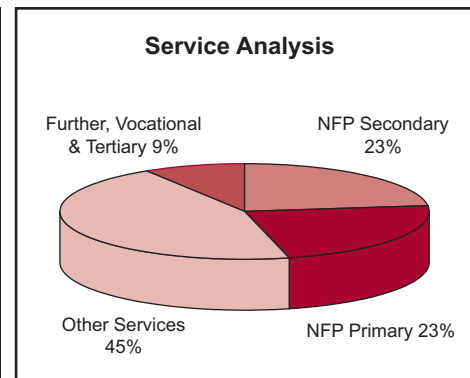
Actual v Final Approved Budget

Overall the Department had an underspend against budget of 0.7%. The underspend primarily reflects the arrangements for Delegated Financial Management which allows schools to carry forward funds within defined financial parameters to accommodate the difference between the academic and financial year. In particular the fee paying provided schools have set aside funds for the ongoing maintenance of the schools and to maintain future fee increases at a reasonable level.

Additional budget allocation

In 2009 an additional £1.2 million (net) was voted to Education, Sport and Culture in excess of the original budget agreed in the Business Plan. This amount includes carry forwards of £1.7 million from 2008, primarily in respect of Delegated Financial Management in schools, net transfers of £191,000 to and from other States departments in respect of service transfers, and net transfers of £15,067 in respect of transfers to and from capital as a result of revised arrangements following the introduction of GAAP. Resources were also allocated for the Historic Child Abuse Enquiry (£135,000) and from the Economic Stimulus Stabilisation Fund (£497,000). Due to the pay freeze for 2009, the Department transferred the sum of £976,913 back to Treasury and Resources.

Capital	Total £000
Total value of approved capital schemes	51,794
Spent in the Year	123
Spent to Date	48,912



Staff Costs
 Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs
 For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

	£000
Original Budget	98,513
Pay Award Funding	(977)
Carry Forwards	1,725
Transfer to Other Dept	(521)
Transfer from Other Dept	330
Transfer to Capital	(136)
Transfer from Capital	151
Additional Funding	632
Final Budget	99,717

Education, Sport and Culture

2009 capital vote

An annual sum of £100,000 is voted for the Department's capital schemes, being the 'minor capital' funds that are allocated to the Sport Division. The funds are used primarily for equipment replacement and minor refurbishment works, to ensure that facilities can be maintained at a standard which ensures that membership numbers are achieved through the Active card scheme.

The Department has retained responsibility for a small number of capital projects that are nearing completion and which have not been transferred to the Treasury and Resources Property Holdings function.

Additional details on revenue expenditure results and in year capital spend are explained below.

Key Financial Results by Service Analysis

The results for the department's top 4 service areas (by net expenditure) were:

Non Fee-Paying Provided Schools Secondary Education • **Net spend of £23,425,246 an overspend of £195,986 (0.8%) against Final Approved Budget**

The current arrangements for Delegated Financial Management enable schools and colleges to carry forward both surpluses and deficits within defined limits between financial years in order to plan for the academic year. A minimal overall increase against budget, due to an overspend at two secondary schools, reflects the challenge in responding to a significant decline in pupil numbers. Whilst such a decline may be anticipated, it is difficult to respond to in the short term.

Non-Fee-Paying Provided Schools Primary Education • **Net spend of £22,887,447, an underspend of £333,703 (1.4%) against Final Approved Budget**

All schools are formula funded on the basis of pupil numbers. Whilst a review is being carried out of the method of funding the Island's primary schools, in the interim a small number of schools are supported beyond the level dictated by the formula in order to maintain the level of educational provision. The Department reviews demographic trends on an ongoing basis and also considers whether current policies relating to catchment areas and the process of appeals are still relevant and whether there is an opportunity to reduce forms of entry and amalgamate schools. The nature of the changes required however makes it very difficult for them to be implemented in the short term.

Of the twenty two primary schools, three are in deficit at the end of the financial year. These deficits will be carried forward to the next year.

Further, Vocational and tertiary Education (including Highlands College) • **Net spend of £9,055,763, an overspend of £111,973 (1.3%) against Final Approved Budget**

A newly established funding arrangement, based on forecast pupil numbers and a 'unit of resource' has been used to calculate the Highlands College budget. The 'unit' is weighted on the basis of the cost of materials for specific courses and includes an allowance for age and additional support required to access learning programmes whether through a learning difficulty or disability. The budget was supplemented by income of approximately £2.4 million from part time and full time courses, higher education, rentals and retail sales. The College received additional fiscal stimulus funding of £313,333 to be able to accommodate additional student in-take.

Education, Sport and Culture

The College management team is carrying out a programmed review of key procedures and controls including the provision of financial information, support and training which will enhance management decision making. Tighter controls on the management of academic staff timetables has reduced visiting lecturer spend by 13%, and the College is currently developing a Fees Policy that will provide a consistent framework for future fee proposals. The College will carry forward the overspend to the next financial year.

Higher Education • **Net spend of £8,521,827, an underspend of £1.03 million (10.8%) against Final Approved Budget**

The Minister for Education, Sport and Culture is committed to ensuring that the respective contributions made by students, parents and the States, to the funding of higher education is fair to all participants. Expenditure is subject to some uncertainty, being based on student preference for courses and family income. Due to this uncertainty, maintenance thresholds have been maintained, thereby reducing total States expenditure due to increases in family income. The underspend reflects the transfer in 2008 of £1 million to the Higher Education budget originally allocated to the Department for vocational and occupational skills, in order to provide sufficient funding over the period of transition following the introduction of student loans and uncertainty over future fee increases. A review is currently being undertaken in order to ensure that the current system is fair for all.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sale of Services • **Income of £15,151,781, a surplus of £2,665,993 (21.4%) against Final Approved Budget**

The primary components consist of fee paying provided school fees (£8.3 million), Highlands College charges (£2.4 million) and income from Sports Centres (£2.5 million).

Additional income was achieved through the Sport Active card scheme, annual membership of which was 4,970 in 2009, supplemented by 4,350 monthly passes. The original budget in respect of the Department's fee-paying provided schools is calculated according to a funding formula which assumes a contribution towards operating costs from fees. The actual contribution exceeds that budgeted. Income from Sport Division shows and events has traditionally been budgeted for net so that financial statements only reflect the 'profit/loss'. The activities have correctly been accounted for gross in 2009 thereby inflating income, by approximately £940,000, and consequently increasing expenditure in relation to payments to show promoters. Whilst it can be difficult to forecast the scheduling of specific events and the timing of income streams, this has been rectified in the 2010 budget.

Hire and Rentals • **Income of £828,882, a surplus of £347,177 (72%) against Final Approved Budget**

The variance primarily reflects the success of primary and secondary schools in generating income by making premises available for community use and supplementing their budget for the benefit of pupils. Clubs and associations continued to increase use of the rooms and other facilities within Fort Regent Leisure Centre, Springfield Stadium and Les Quennevais Sport Centre and other facilities within the Sport Division. The balance of the surplus represents actual income achieved from overhead areas which are netted off against expenditure in the Business Plan.

Education, Sport and Culture

The results for the 3 highest expenditure lines are as follows:

Staff Costs • **Spend of £77,562,810, an overspend of £43,120 (0.05%) against Final Approved Budget**

Staff costs represent 66.7% of the total expenditure of the Department. Of this amount £62.6 million (81%) of staff are employed within the Department's provided schools and £4.3 million (5.5%) within the Sport Division. The minimal variance against budget is indicative of the careful management of this material element of expenditure. Overall, there was less call on the central reserve maintained to meet the cost of long term teacher sickness and recharge supply teacher costs to schools. This was offset by an overspend in staff expenditure at the fee-paying provided schools, matched by a planned surplus of income, compared to the formula based funding allocation.

Grants and Subsidies • **Spend of £11,591,186, an overspend of £2,054,704 (21.5%) against Final Approved Budget**

The overspend is due primarily to additional support required by the Jersey Heritage Trust amounting to £888,000, explained in more detail in Other developments, which has provided short-term financial stability to the Trust and given the Department and the States the time to agree on the services to be funded and consider the resources that should be made available in the longer term. In addition: clarification was sought from States Internal Audit and it was agreed that payments in respect of Early Years Education should be reclassified as Grants; hardship and other grants paid by the fee-paying provided schools exceeded that budgeted; and actual pupil numbers in the grant funded schools were higher than that originally anticipated and budgeted.

Supplies and Services • **Spend of £10,589,972, an overspend of £997,364 (10.4%) against Final Approved Budget**

The overspend against budget is due largely to payments to show and event promoters. Referring to the comment above in "Sale of Services", shows and events have traditionally been budgeted and accounted for net. With the introduction of GAAP accounting, income from ticket sales and expenditure relating to payments to promoters are now shown gross. The budget for Early Years Education referred to in Grants and Subsidies, was originally budgeted within Supplies and Services but is now accounted for as grants. The balance of the variance represents an overspend in the Department's secondary schools and an underspend in primary schools that will be carried forward to the next financial year.

Capital Schemes

Total Capital Expenditure during the year was £123,000 which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amount voted in excess of £500,000 are contained in the table below:

Education, Sport and Culture

Scheme	Amount Voted £000	Spent in the Year £000	Spent to Date £000
Hautlieu School	24,973	0	24,232
Le Rocquier School	22,750	0	22,444
ESC ICT Strategy	3,765	0	2,088
Total schemes under £500,000	306	123	148
TOTAL	51,794	123	48,912

The underspend on the Hautlieu School and Le Rocquier School projects will be used to fund the Department's ICT Strategy.

Other developments

In 2009, in the light of concern over financial arrangements of the Jersey Heritage Trust, the Minister responded by requesting the Comptroller and Auditor General to carry out a review of the financial condition, governance structure and financial management of the Trust. This was supplemented by an independent financial and business review to be able to assess more fully the operating and financial opportunities and risks to which the Trust is exposed. The Department was able to utilise the forecast underspend in Higher Education in 2009 to support the Jersey Heritage Trust until the review is complete and a full assessment can be made of the services supported by the Trust and the resources that may be required, which the Minister is committed to reporting to the States.

The major components of grants to students in Higher Education are university fees and maintenance. Expenditure on University fees in 2009 was £5.7 million and on maintenance £2 million which is approximately the same as 2008. It is significant that the profile of student intake for the 2009/10 academic year, reflected in the cost of courses undertaken and family income, increased expenditure beyond that originally forecast for the Autumn Term 2009/10. A likely further reduction in family income due to the economic recession will also have implications for increased spend in 2010.

A total of £497,000 was allocated to the Department from the Economic Stimulus Stabilisation Fund which was used to fund a number of initiatives associated with the economic downturn: the Advance to Work Scheme, established to provide young people with work placements and relevant on-the-job and vocational training (£123,000); strengthening of the Careers Team to support individuals by developing skills and re-training to meet local industry needs (£61,000); to meet additional students enrolled on courses at Highlands College (£313,000).

A Procurement Board has been established to act as the primary communication channel between the Department and the Corporate Procurement Department. The Board comprises key stakeholders and supports a federated approach to procurement across the service and a means of reporting performance against objectives to the Senior Management Team. This will enhance the Department's relationship with Corporate Procurement and act as a forum to disseminate policy, procedures and best practice and drive through savings initiatives.

Education, Sport and Culture

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Schools and Colleges		
		Non Fee-Paying Provided Schools		
2,643,000	2,675,140	Pre-School Education	2,549,207	1,940,090
23,070,100	23,221,150	Primary Education	22,887,447	22,410,024
23,371,400	23,229,260	Secondary Education	23,425,246	22,785,877
		Fee-Paying Schools		
5,633,400	5,710,410	Provided Schools	5,406,416	5,366,623
4,717,800	4,712,280	Non-Provided Schools	4,888,121	4,549,593
8,040,400	7,940,270	Special Educational Needs and Special Schools	7,555,951	7,476,949
721,700	714,280	Instrumental Music Service	707,289	700,602
		Culture and Life Long Learning		
8,848,100	8,943,790	Further, Vocational and Tertiary Education (including Highlands College)	9,055,763	8,847,356
1,677,000	1,660,270	Public Libraries	1,585,787	1,598,172
1,484,600	1,464,970	Youth Service	1,441,334	1,436,660
9,450,100	9,559,220	Higher Education	8,521,827	8,525,237
305,300	875,290	Careers Jersey *	780,469	-
		Child Care Support		
194,600	195,800	Day Care Services	188,970	171,507
171,100	172,620	Jersey Child Care Trust	175,871	171,476
2,074,500	2,300,570	Heritage (Grant to the JHT)	3,199,601	2,029,623
1,709,600	1,760,940	Arts (including the Grant to the JAT)	1,955,667	1,588,389
		Sport and Leisure		
2,086,800	2,084,360	Sports Centres	2,025,860	2,115,684
1,267,700	1,442,350	Playing Fields and Schools Sports	1,534,756	1,214,913
553,100	558,190	Sport Development	510,307	466,201
250,000	252,880	Grants and Advisory Council	390,168	367,007
242,300	242,900	Playschemes and Outdoor Education	202,207	214,217
-	-	Community Fund		18,064
98,512,600	99,716,940	Net Revenue Expenditure	98,988,264	93,994,264

* Note: Careers Jersey reported in 2008 as an overhead across the department

Education, Sport and Culture

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Income		
22,000	22,000	Duties, Fees, Fines & Penalties	22,917	15,079
154,528	154,528	Sale of Goods	468,489	531,759
12,870,167	12,485,788	Sale of Services	15,151,781	13,735,336
24,200	24,200	Commission	42,416	40,466
481,705	481,705	Hire and Rentals	828,882	731,557
100,400	487,885	Other Revenue	620,970	1,149,559
13,653,000	13,656,106	Total Revenue	17,135,455	16,203,756
		Expenditure		
9,097,000	9,095,914	Social Benefit Payments	8,077,494	8,153,863
78,035,500	77,519,690	Staff Costs	77,562,810	75,862,620
8,457,100	9,592,608	Supplies and Services	10,589,972	8,929,432
492,710	479,610	Administrative Costs	861,942	622,112
6,768,155	7,062,907	Premises and Maintenance	7,300,863	7,194,247
68,135	68,135	Other Operating Expenditure	119,026	56,801
9,229,300	9,536,482	Grants and Subsidies Payments	11,591,186	9,357,003
17,700	17,700	Finance Costs	23,926	21,942
-	-	Asset Disposal (Gain) / Loss	(3,500)	-
112,165,600	113,373,046	Total Expenditure	116,123,719	110,198,020
98,512,600	99,716,940	Net Revenue Expenditure	98,988,264	93,994,264

Health and Social Services

Department Highlights:

- Net spend of £157,545,640, an increase of 6.1% on 2008
- Underspend of £1,837,724 (1.2%) against Final Approved Budget

Actual v prior year

The net increase in departmental expenditure from 2008 to 2009 was 6.1% (£9.03m). The main reasons for this increase are:

- A 3.7% increase in staff costs (£4.03m), primarily as a result of the department filling vacancies across the service.
- A 5.7% increase in the spend on supplies and services (£2.25m), mainly associated with the containment and preparation programme for the H1N1 Pandemic Flu outbreak which was declared by the World Health Organisation in April 2009.
- A 12.9% fall in sales of services (£1.95m) as a result of the Department of Health in the UK terminating the Reciprocal Health Agreement (RHA) with Jersey on 1st April 2009.
- A net change of £0.8m in other lines of income and expenditure.

Further details of the other categories of income and expenditure are presented under key financial results by operating cost statement.

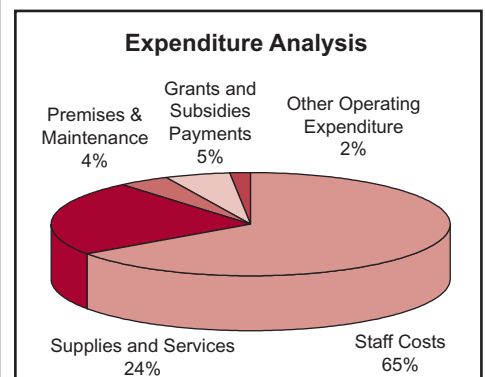
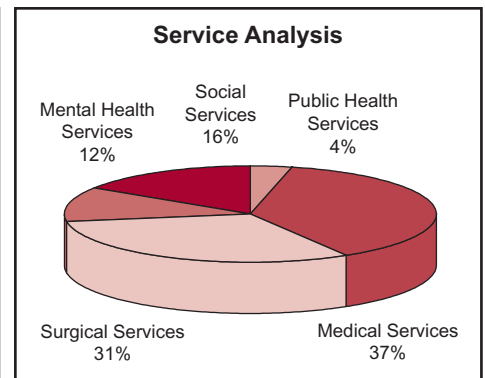
Actual v Final Approved Budget

Overall the department had an underspend against budget of 1.2% as a result of delays experienced on revenue elements of specific projects.

Following the decision of the States of Jersey to change to GAAP accounting, Health & Social Services (H&SS) transferred the estimated revenue expenditure of the Integrated Care Record (ICR) project and minor equipment replacement from capital to revenue. During the year the department experienced delays in the negotiation of the ICR project contract and the procurement of minor equipment which both contributed to the reported underspend.

The department has requested that the underspend be carried forward to enable the completion of the ICR project and the necessary purchase of medical equipment in 2010.

Capital	Total £000
Total value of approved capital schemes	19,157
Spent in the Year £000	5,840
Spent to Date £000	11,725



Staff Costs
 Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs
 For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

	£000
Original Budget	153,600
2008 Carry forward	22
Minor revenue equipment	1,621
ICR revenue allocation	1,424
DoH termination UK RHA	2,599
Pandemic Flu	1,392
HCAI funding	540
Family X	316
2009 pay freeze	(1,269)
Trf Soc Sec boarding	(681)
Capital deficits 2008	(181)
Final Budget	159,383

Health and Social Services

Additional budget allocation

In 2009 an additional £5.78m (net) was voted to H&SS in excess of the original budget agreed in the business plan (see Reconciliation of Original budget to Final Budget table for details).

The department carried forward £0.02m revenue budget from 2008 into 2009 as permitted under States financial directions. As a part of the move to UK GAAP accounting, H&SS transferred £3.05m from capital to revenue for the ICR project and minor equipment purchases (as described above).

The department also received an additional £2.6m to fund the net budget shortfall associated with the UK's termination of the RHA (as described above). In addition the department received £1.39m to fund the costs of the H1N1 pandemic flu containment and preparation (as described above) and an amount of £0.54m was voted to fund continued costs following the Historic Child Abuse Inquiry in 2008. Finally, £0.32m was voted to the department to fund the costs of specialist, therapeutic and accommodation services of placing 3 vulnerable children in the UK.

During the year the department returned £1.27m budget associated with the pay freeze and transferred £0.7m to Social Security Department (SSD) due to the change in financial arrangements for managing residential care under income support. Finally, the department transferred £0.2m from revenue to capital in order to fund overspends on capital projects disclosed in the financial pages of the department in the year ended 2008.

2009 capital vote

In the 2009 business plan, an additional £4.8m was voted for the department's capital schemes taking the total value of approved schemes in progress to £19.16m. The additional capital vote for 2009 was to fund:

- Replacement Health IT System £3m – representing the third and final allocation of funding for the ICR programme over a three year period, totalling £12m.
- Minor capital equipment £1.8m – to fund medical and other equipment replacement across H&SS.

Additional details on revenue expenditure results and in year capital spend are explained below.

Key Financial Results by Service Analysis

The service analysis is arrived at after allocating indirect service costs to the direct cost of running and delivering the service in the operational department. Additionally, the overhead expenditure of non operational departments is apportioned to operational departments using appropriate overhead apportionment bases. The results of the four largest operational areas, by net budgeted expenditure, have been analysed into direct, indirect and overhead analyses in the narrative in order to provide meaningful and transparent management information.

Medical Services

- **Net spend of £57,748,292, an overspend of £84,052 (0.1%) against Final Approved Budget**

The direct service cost performance of Medical Services was an overspend of £1.083m (2.9%). The operational overspend has arisen as a result of the use of medical locums and bank/agency nursing staff to cover vacancies and absence. The pay overspend has been reduced by holding vacancies in pharmacy, occupational therapy and services for older people, resulting in an overspend of £0.644m on pay.

Medical Services also overspent by £0.37m on non pay budgets due to the increased cost and usage of laboratory and renal supplies.

Health and Social Services

An under recovery of income from clinical investigations, holiday dialysis patients and the removal of prescription charges in pharmacy has been reduced by an over recovery of income from elderly patients in continuing care beds. The net effects of this are an under recovery of £0.07m on income for Medical Services.

The indirect service costs include £5.9m for community services, delivered under the FNHC service level agreement, and £2.6mm for UK specialist treatments in addition to the cost of running and managing both the directorate and the general hospital, which make up the balance of the budget of £10.9m. Actual spend was in line with budget.

The overheads allocation budget comprises £3.6m hotel services for domestics, porters, security and laundry, £2.5m property management and maintenance, and £2.7m other services including catering, IT, finance, HR, medical records, and clinical governance. An underspend on overheads of £0.75m arose mainly within other services as a result of the generation of more income through overseas visitors than had been budgeted, and the delays on the implementation of the ICR project resulting in the carry forward of budget into 2011.

The balance of budget variance arises from changes in service priorities and cost allocation not reflected at budget setting.

Surgical Services

- **Net spend of £47,520,116, an underspend of £995,774 (2.1%) against Final Approved Budget**

The direct service cost performance of Surgical Services was an overspend of £0.646m (1.9%). The increased cost of medical locums in general surgery and obstetrics and gynaecology has created significant overspends against budget but the overspend has been reduced by nursing vacancies in main theatres, maternity and surgical wards. The effect of these operational challenges has resulted in a final overspend of £0.242m on pay.

Non-pay budgets have also overspent due to the costs and usage of surgical supplies in main theatres, Critical Care Unit and prostheses in trauma and orthopaedics. The overspend is reduced by savings that have been achieved on x-ray supplies in radiology, resulting in a net overspend of £0.414m.

During 2009, Surgical Services achieved an over recovery on private radiology income as a result of continued increased patient activity. This activity contributed towards the net over recovery of income of £0.01m.

The indirect service costs include £2.4m for UK specialist treatments in addition to the cost of running and managing both the directorate and the general hospital, which make up the balance of the budget of £5.4m. Actual expenditure was in line with budget.

The overheads allocation budget comprises £3.7m hotel services for domestics, porters, security and laundry, £2.6m property management and maintenance, £1.2m for catering and £3m other services including IT, finance, HR, medical records, and clinical governance. An underspend on overheads of £0.7m arose mainly within other services as a result of the generation of more income through overseas visitors than had been budgeted, and the delays on the implementation of the ICR project resulting in the carry forward of budget into 2011.

The balance of budget variance arises from changes in service priorities and cost allocation not reflected at budget setting.

Health and Social Services

Social Services

- **Net spend of £24,133,318, an overspend of £369,483 (1.6%) against Final Approved Budget**

The direct service cost performance of Social Services was a total overspend of £0.66m (3.6%). The costs of supporting clients within both special needs group homes and children with specialist therapeutic needs has created considerable pay overspends, although this has been reduced by underspends in adult services associated with vacancies in social worker posts. The final overspend on pay amounted to £0.24m.

Social Services have overspent on their non-pay budget by £0.42m due to the increased costs of providing respite services, a high cost off-island client placement, and the opening of a specialist therapeutic centre for vulnerable children in care. During 2009 H&SS have been working with respite service providers to enable a more efficient service delivery which will result in cost efficiencies in 2010. In addition, the special needs services have put together a 3 year plan to provide client group home facilities within the resources available. Finally, the specialist children's therapeutic centre is expected to be fully funded by the Williamson implementation plan in 2010.

The indirect service costs of £0.9m comprise the cost of managing the directorate and a minor proportion of the community services provided to adults under the FNHC service level agreement. Actual expenditure was in line with budget.

The overheads allocation budget comprises £1.4m property management and maintenance, and £1.6m other services including catering, IT, finance, HR, medical records, and clinical governance. The underspend on overheads of £0.48m arose mainly within other services as a result of the generation of more income through overseas visitors than had been budgeted, and the delays on the implementation of the ICR project resulting in the carry forward of budget into 2011.

The balance of budget variance arises from changes in service priorities and cost allocation not reflected at budget setting.

Mental Health Services

- **Net spend of £17,815,062, an underspend of £908,320 (4.9%) against Final Approved Budget**

The direct service cost performance of Mental Health Services was a total underspend of £0.117m (0.9%). This has arisen due to vacancies in inpatient adult and support services. Considerable overspends in older peoples mental health, as a result of use of medical locums and increased use of agency nursing staff to cover vacancies and absence, creates a total net underspend on pay budget of £0.093m.

The service has overspent on non-pay budgets by £0.019m as a result of the increased need for specialist UK placements.

The indirect service costs comprise £2m for the cost of managing the directorate and St Saviour's hospital and £0.7m for UK specialist treatments. Actual expenditure was in line with budget

The overheads allocation budget comprises £1.1m property management and maintenance, and £1.2m other services including catering, IT, finance, HR, medical records, and clinical governance. The underspend on overheads of £0.4m arose mainly within other services as a result of the generation of more income through overseas visitors than had been budgeted, and the delays on the implementation of the ICR project resulting in the carry forward of budget into 2011.

The balance of budget variance arises from changes in service priorities and cost allocation not reflected at budget setting.

Health and Social Services

Key Financial Results by Operating Cost Statement

The results for the two highest budgeted income lines are as follows:

Sales of Services • **Net income of £13,144,594, an over achievement of £686,794 (5.5%) against Final Approved Budget**

Termination of the RHA by the Department of Health in the UK on 1st April 2009 has decreased sales of services income by £2.75m during the financial period, which is partly offset by £0.4m income received from UK and overseas visitors.

The net change has been reflected in the final approved budget and therefore is only relevant to the change in receipt of actual income between 2008 and 2009. The transfer of the residential care or “boarding out” budget to SSD, to be managed under the income support scheme, has decreased income received from the elderly by £0.8m, which has been reflected in the final approved budget.

During the year the department has experienced growth in the private provision of continuing care for the elderly of £0.4m, in line with the demographic changes in the Island. Additionally the department has experienced growth in private patient income for endoscopy, oncology, and radiology of £0.8m. This growth explains the overachievement of income by the department against its final approved budget of £12.5m for 2009, although it is matched with an associated increase in pay and non-pay costs.

Hire & Rentals • **Net income of £1,204,590, an under achievement of £74,163 (5.8%) against Final Approved Budget**

The majority of the income recorded under hire & rentals relates to income received on property rented to members of H&SS staff. Whilst income from property rentals appears to have remained fairly static from 2008, the nature of this income can be erratic and the department can experience considerable variation on property receipts year on year.

The reason for the underachievement of the income from budget is largely due to the non receipt of income support on special needs clients in rented group home properties which was accrued and budgeted for in 2008 and 2009. Negotiations over the transitional arrangements from rent rebates to income support have been protracted, however it has now been agreed between H&SS and SSD that H&SS's special needs clients rent rebates will be appropriately funded by income support in 2010.

The results for the three highest budgeted expenditure lines are as follows:

Staff Costs • **Spend of £113,381,202, an under spend of £7,007,422 (5.8%) against Final Approved Budget**

Staff costs represent 65% of the expenditure of H&SS (see expenditure analysis chart). The department faces difficulty in recruiting some permanent clinical staff and balancing the increasing service demand driven by demographics and advances in treatment. The effect of these factors means that H&SS often has to depend on agency staff and locums to deliver core services.

Health and Social Services

The department constantly strives to fill these vacancies, which is demonstrated by the increase in current spend of £4.03m (3.7%) from 2008, and the drop in the nurse vacancy rate from 7.5% in January 2009 to the December 2009 rate of 4.3%. With the exception of medical staff, costs of staffing were held at 2008 rates of pay as a result of the pay freeze implemented across the States of Jersey in 2009.

As a result of the H&SS business plan allocating growth monies on the 2009 budget totally to pay budgets, where they were held until they were appropriately allocated out across the department, the operating cost statement shows a £7m under spend against final approved budget in 2009.

During the year the department has appropriately reallocated this budget to fund cost pressures and service priorities in accordance with Senior Management Team decisions to ensure service areas receive budget to fund pay and non-pay changes to their expenditure plans. In the 2010 business planning process, more comprehensive work has been undertaken to assign growth monies to appropriate expenditure lines, meaning that this presentation anomaly should not occur in the future.

Supplies and Services • **Spend of £41,508,779, an over spend of £6,152,169 (17.4%) against Final Approved Budget**

The actual expenditure on supplies and services has increased in 2009 as a result of a number of factors outside of the control of the department. An example of this is the declaration of an H1N1 Pandemic Flu outbreak by the WHO in April 2009, resulting in the department putting together a containment programme and preparation for pandemic flu of £1.2m which was less severe than expected. Other factors include the costs of legal fees for defence of claims against the States of Jersey/H&SS in connection with the Historic Child Abuse Inquiry (£0.2m) and the independent investigations into clinical practice and governance in the department (£0.6m).

Other increases in spend on supplies and services include an increase in the purchase of healthcare (£1.08m), of which £0.3m has been incurred with respect to specialist, therapeutic and accommodation services for 3 vulnerable children in the UK. Spend on high cost drugs (£0.6m) has grown as a result of development of new drugs, changes in demographics and advances in treatments. During the year the department concluded an agreement with GPs for the delivery of childhood immunisations to pre-school children which will significantly improve the coverage and immunity of the Island's community.

The overspend of £6.2m against final approved budget has been funded by 2009 allocations, which were notionally allocated against pay, via approved budget virements as per the narrative in staff costs above.

Grants and Subsidies • **Spend of £9,208,254, a decrease of £12,845 (0.1%) against Final Approved Budget**

Where it is more efficient to outsource services into the private sector, H&SS establish service level agreements for appropriate third party organisations to provide these services. During 2009 established service level agreements were uplifted by 2.5% in accordance with the centrally set limits for non-pay inflation within the States of Jersey.

As a part of a drive to deliver efficiency savings across H&SS in 2009 the department terminated its service level agreements with Aids Care and Education Trust (ACET) giving rise to the reduction in spend on grants and subsidies in 2009.

Health and Social Services

The department is currently working with a number of service providers to define the services that are required, the quality standards of those services, how they are to be monitored and finally how payment is made to the third party provider. The effect of this is that as each service is managed through this process they will be appropriately re-categorised into contracts for services rather than grants. These service and management changes, to all third party service providers, are expected to be concluded by 31st December 2011.

Capital Schemes

Total capital expenditure during the year was £5.84 million (see capital table above) which reflects the progress made on a wide variety of individual schemes. A summary of the largest current capital schemes with total amount voted in excess of £500,000 are contained in the table below:

Scheme	Amount Voted £000	Spent in the Year £000	Spent to Date £000
ICR Project	7,861	2,634	4,005
A&E/Radiology extension (phase 2)	3,820	1,809	2,318
Equipment maintenance & minor capital	2,433	682	1,134
TOTAL	14,114	5,125	7,457

Whilst the ICR project experienced delays during 2009 due to the finalisation of supplier contracts, the scheduled completion date in 2010 remains unaffected.

The A&E/Radiology extension has progressed in accordance with plans during 2009 and is also expected to be completed in 2010.

Other developments

It has been an extremely challenging year for H&SS due to the increased service demands associated with changing demographics and enhancing the health and social care of the community. Some of the 2009 challenges were planned and understood at the start of the year, but unplanned events e.g. pandemic flu have been responded to and managed successfully within existing capacity. It is important to note that these challenges are not diminishing and in many areas will present themselves more acutely during 2010.

The department has also been updating and expanding its information technology capacity through the ICR project and changing the structure of its financial reporting through GAAP accounting. Further challenges are already presenting themselves with regard to the development of overarching governance arrangements and the progression of plans to enhance the internal control structure of the department.

During 2010 the department will be implementing the substantial efficiency savings identified in the 2010 business plan and will also be conducting the comprehensive spending review (CSR). The department fully embraces the concept of the CSR, seizing it as an opportunity to redesign services in a safe, efficient and effective manner whilst also reducing the overall cost base of the department. Associated with this is the procurement project which will improve the internal control framework of the department whilst reducing non-pay costs and allowing clinical staff to concentrate on clinical rather than administration duties.

Health and Social Services

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Public Health Services		
691,686	2,100,794	Public Health Medicine	2,165,402	713,486
872,106	891,414	Clinical Public Health Services	1,054,677	1,145,341
1,144,424	1,153,544	Health Protection	1,158,817	1,233,661
1,169,152	1,182,706	Health Improvement	1,071,082	987,100
		Medical Services		
9,029,132	9,265,132	Medical Specialties	9,692,542	7,376,378
3,467,619	3,547,543	Paediatrics	3,917,564	3,182,768
1,525,267	1,559,711	Renal Services	1,791,024	1,723,918
1,600,058	1,658,640	Outpatient Services	1,552,873	1,582,239
7,180,962	7,695,208	Medical Wards	7,401,028	6,495,981
3,021,804	3,393,180	Accident and Emergency	3,422,907	3,411,917
3,229,077	3,244,542	Assessment and Rehabilitation for Older People	3,113,851	3,849,786
12,798,198	12,175,450	Continuing Care for Older People	10,995,326	12,051,458
8,404,490	8,619,288	Pathology	8,931,507	8,532,942
2,006,625	2,043,741	Pharmacy	2,167,554	2,267,355
4,411,821	4,461,805	Therapy Services	4,762,116	4,298,267
		Surgical Services		
16,980,253	17,278,086	Surgical Specialties	17,831,912	14,881,513
6,442,592	6,490,206	Obstetrics and Gynaecology	6,481,401	5,644,198
7,129,746	7,362,576	Theatres	7,038,102	7,131,067
8,880,075	9,792,369	Surgical Wards	9,096,906	9,961,483
493,665	512,887	Private Patients Wards	311,484	354,702
3,384,127	3,479,055	Physiotherapy	3,417,098	3,328,363
3,038,441	3,600,711	Radiology and Diagnostic Imaging	3,343,213	3,416,447
		Mental Health Services		
1,200,558	1,209,481	Alcohol and Drugs Service	1,224,561	1,284,902
10,222,579	10,392,837	Adult Mental Health Service	9,663,930	8,645,349
942,173	1,016,832	Child and Adolescent Mental Health Services	918,169	872,647
6,019,172	6,104,232	Elderly Mental Illness Services	6,008,402	6,329,985
		Social Services		
8,897,954	9,454,584	Children's Services	9,250,335	8,191,415
4,024,932	4,051,486	Adult Social Services	4,088,270	3,758,210
10,069,534	10,257,765	Special Needs Services	10,794,713	10,640,386
		Ambulance Services		
4,583,624	4,636,064	Ambulance	4,090,306	4,472,226
738,053	751,494	Patient Transport	788,568	750,185
153,599,900	159,383,364	Net Revenue Expenditure	157,545,640	148,515,677

Health and Social Services

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
3,770	3,770	Duties, Fees, Fines & Penalties	4,954	4,673
243,721	243,721	Sales of Goods	619,236	673,123
15,056,340	12,457,800	Sales of Services	13,144,594	15,094,281
1,278,753	1,278,753	Hire & Rentals	1,204,590	1,254,028
603,416	603,416	Other Revenue	1,499,850	1,285,825
17,186,000	14,587,460	Total Revenue	16,473,224	18,311,930
1,226,955	1,226,955	Social Benefit Payments	1,112,130	1,163,191
121,657,124	120,388,624	Staff Costs	113,381,202	109,352,669
30,903,186	35,356,610	Supplies and Services	41,508,779	39,258,989
1,213,322	1,213,322	Admin Expenses	1,170,393	1,220,186
6,562,014	6,456,484	Premises & Maintenance	7,065,791	6,841,473
–	105,530	Other Operating Expenditure	521,183	(89,195)
9,221,099	9,221,099	Grants and Subsidies Payments	9,208,254	8,865,620
2,200	2,200	Finance Costs	69,757	214,672
	–	Asset Disposal (Gain)/Loss	(18,625)	–
170,785,900	173,970,824	Total Expenditure	174,018,864	166,827,605
153,599,900	159,383,364	Net Revenue Expenditure	157,545,640	148,515,675

Home Affairs

Department Highlights:

- **Net spend of £49,490,412, an increase of 1.2% on 2008**
- **Breakeven against Final Approved Budget**

Actual v prior year

The increase in net spend from 2008 to 2009 was 1.2%. Expenditure rose by £477,184 (0.9%) and income reduced by £127,257 (5.3%).

Actual v Final Approved Budget

Overall the Department had a net break even position at the end of 2009. However, if all the overspends on Court and Case Costs had been transferred to the Department (as in previous years) the Department would have finished 2009 with an underspend of £311,951, 0.6% of the enhanced final approved budget.

Additional budget allocation

In 2009 an additional net amount of £3,903,713 was voted to the Home Affairs Department in excess of the original budget agreed in the 2009 States Annual Business Plan (ABP). This amount mainly represents:

- the costs relating to the Historical Child Abuse Enquiry (HCAE) which were approved in principle by the States in P83/2009;
- the costs relating to the investigations undertaken by the Wiltshire Constabulary concerning the Chief Officer of the States of Jersey Police;
- part funding of the overspend on Court and Case Costs;
- a budget reduction due to the pay freeze from June 2009.

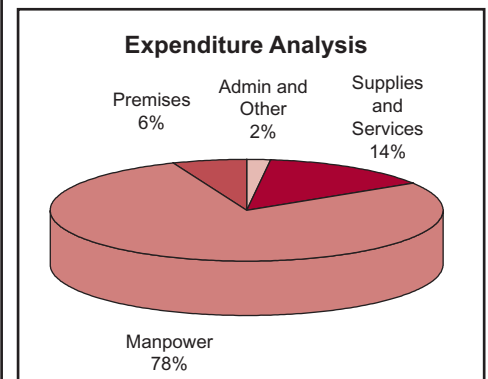
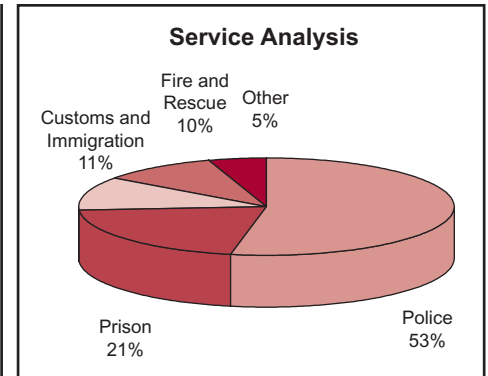
(see Reconciliation Table for full details).

2009 capital

In the 2009 States ABP an amount of £200,000 was voted to the Department for minor capital. This was allocated by the Minister to the States of Jersey Police, Jersey Prison Service and the Fire and Rescue Service.

An amount of £4,254,000 was agreed for the relocation of the Police Headquarters which is being managed by Jersey Property Holdings. This amount represents the third of four tranches of funding, to the sinking fund.

Additional details on revenue expenditure results and in year capital spend are explained below.



2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£
Original Budget	45,586,700
Additional Funding:	
Carry Forward from 2008	2,560
HCAE (P83/2009)	2,305,515
Wiltshire Constabulary Investigations	723,397
Court and Case Costs	1,360,840
Pandemic Flu	7,000
Pay Award Reversal	(418,400)
Transfers (to) / from other Departments:	
Chief Ministers - IT Support	(42,000)
ESC - Prison Education	63,300
Treasury and Resources - CAESAR maintenance	42,500
Treasury and Resources - CAESAR software support	16,101
RAB Revenue/Capital Transfers	(157,100)
Final Budget	49,490,413

Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

Capital	Total £000
Total value of approved capital schemes	15,361
Spent in the Year	463
Spent to Date	14,643

Home Affairs

Key Financial Results by Service Analysis

The results for the Department's top four highest spending areas (by net expenditure) were:

Response and Reassurance Policing (States of Jersey Police) • **Net spend of £11,020,432, an underspend of £24,174 (0.2%) against Final Approved Budget**

Response and reassurance policing is about helping people feel safe at home, at work, on the roads, at public events or just when they are out and about. The public also expects the Police to provide an effective incident response service if required. These are key elements of building public confidence in the Police.

The 2009 Jersey Annual Social Survey showed that 89% of the public believe their neighbourhood is at least fairly safe, with the proportion who believe their neighbourhood is very safe increasing. 83% of respondents who expressed an opinion were confident that they would receive a good service from the Police if they needed their assistance. 93% of respondents to quality of service surveys were satisfied with the service received at crime scenes with nearly 75% being 'very' or 'totally' satisfied.

Funds of £2,305,515 were transferred to the Department from the Consolidated Fund to meet the costs relating to the HCAE in 2009 in accordance with P83/2009. The forecast of 2009 costs was £2,500,500, no provision has been made for costs relating to the HCAE in the Department's 2010 cash limit.

Emergency Response (Fire and Rescue Service) • **Net spend of £4,170,756, an overspend of £149,578 (3.7%) against Final Approved Budget**

Emergency Response refers to the operational preparedness and capability to respond to fires and other emergency incidents quickly, safely and effectively.

The fires at Mont Huelin, Les Landes and Val de la Mare cost in excess of £20,000 and their timing gave little time for financial recovery. Funding for essential 'Hot Fire' training was provided from savings in another Service Area.

Enforcement (Customs and Immigration Service) • **Net spend of £4,530,235, an overspend of £55,589 (1.2%) against Final Approved Budget**

The Enforcement function within the Customs and Immigration Service seeks to: detect, deter and investigate the smuggling of prohibited, restricted and dutiable goods and maintain effective immigration controls on behalf of the Island and the UK.

The value of drugs seized by officers in the Service increased by nearly 100% compared to 2008. This was an increase of just over 18% on the previous 5 year average of £2.2 million. Heroin and cannabis continue to be the most commonly seized drugs, though there was a significant increase in the quantity of cocaine seized.

Net costs of £50,900 for additional works to the CAESAR system (used for the collection of GST) accounted for this service area's overspend. With regard to the collection of GST and impôt duties the Service reports to the Minister for Treasury and Resources, who has responsibility for the setting and receipt of duties and import GST.

Home Affairs

Residential Accommodation (HM Prison) • **Net spend of £7,165,190, an overspend of £351,036 (5.1%) against Final Approved Budget**

This service area includes the provision of accommodation, facilities and care for prisoners at HM Prison La Moye. Following a full review of the Prison budget in 2007 additional funds of £1,000,000 were agreed in the 2009 Annual Business Plan to increase the base budget. This increase, matched with the ability to recruit the appropriate staff, allowed the Prison to operate with an appropriate budget during 2009.

Revenue costs to erect fences to create exercise areas for K and L wings (the new houseblock) associated with the Prison redevelopment capital project contributed to this service area's overspend.

Key Financial Results by Operating Cost Statement

The results for the two highest income lines are as follows:

Duties, Fees, Fines and Penalties • **Income of £959,692, a surplus of £280,192 (41.2%) against Final Approved Budget**

Income from the issuing of passports constitutes the main part of this income line. The fee for issuing a normal adult British passport increased by 7.6% in September 2009 to reflect the amount charged in the UK. In 2007 the Minister for Treasury and Resources approved the use of a formula for passport fees to be increased in line with those in the UK. Historically it has been the practice in Jersey to set passport fees at the same level as the UK given that passports are issued on behalf of the UK. During 2009, additional expenditure was agreed for the Customs and Immigration Service which was financed by additional income.

Other Revenue • **Income of £634,067, a surplus of £433,233 (216%) against Final Approved Budget**

The Department received income of £275,000 from the Criminal Offences Confiscation Fund (COCF) for costs relating to the Criminal Injuries Compensation Scheme following a recommendation from the COCF Steering Group in February 2009 which is not reflected in the final approved budget.

The accounts reflect income of £282,664 from the Drug Trafficking Confiscation Fund during 2009 for projects within the States of Jersey Police, Prison, Customs and Immigration Service and Building a Safer Society. Changes in accounting arrangements mean that the 2009 Annual Business Plan did not reflect original budgets for this income.

Home Affairs

The results for the three highest expenditure lines are as follows:

Staff Costs • **Spend of £40,393,568, an overspend of £146,036 (0.4%) against Final Approved Budget**

Staff costs account for 78% of the Department's total expenditure or 82% of net expenditure. The essential services provided by the Home Affairs Department mean that changes in priorities are not always controllable as staff are required to respond to service changes almost immediately.

Supplies and Services • **Net spend of £7,169,848, an overspend of £359,517 (5.3%) against Final Approved Budget**

The Customs and Immigration Service and the Fire and Rescue Service had the highest overspends on this expenditure line due to the purchase of equipment and computer software. Part of the overspends were funded by underspends in other expenditure lines.

Premises and Maintenance • **Net spend of £2,832,236, an overspend of £379,086 (15.5%) against Final Approved Budget**

The States of Jersey Police and HM Prison had the highest overspends on this expenditure line. The States of Jersey Police incurred additional costs due to the maintenance requirements of the current Police Headquarters as a result of delays to the relocation capital project while the Prison was required to contribute to the costs of premises expenditure associated with the Prison redevelopment capital project.

In addition there was an overspend of £142,300 on utility costs across the Department.

Capital Schemes

Total capital expenditure during the year was £463,227 which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with a total amount voted in excess of £500,000 are contained in the table below:

Scheme	Amount Voted £000	Spent in the Year £000	Spent to Date £000
HM Prison – Control Room	1,668	157	1,660
HM Prison – Security Measures	943	54	854
TOTAL	2,611	211	2,514

Both management and budgets for the Department's property related projects (the relocation of the Police Headquarters and redevelopment of the Prison) are the responsibility of Jersey Property Holdings.

Home Affairs

Other developments

Memorandum of Understanding

The Home Affairs accounting officer has no management responsibility for the States of Jersey Police. Following issues highlighted by the HCAE, discussions were held with the Treasurer of the States on how to improve the level of assurance the accounting officer is able to give relating to the States of Jersey Police expenditure. No formal solution has been agreed. However, as a result of discussions with the Acting Chief Officer of Police, there is now in place a Memorandum of Understanding (MOU) between the two Chief Officers in relation to the 'Management of Finance and Exceptional Areas of Expenditure'.

Criminal Injuries Compensation Scheme

Costs of £275,000 relating to the CICS were met from the Criminal Offences Confiscation Fund (COCF) following a recommendation from the COCF Steering Group in February 2009. Further costs of £93,644 were met from underspends within the Home Affairs Department. Following agreement of the 2010 Annual Business Plan no provision has been made for costs relating to the CICS in the Department's 2010 cash limit as the Treasurer has advised that these will be met from the COCF.

Court and Case Costs

The Department's budget has for many years been insufficient to fund the Department's expenditure on Court and Case Costs. The Treasury and Resources Department's system for managing Court and Case Cost expenditure across the States of Jersey is complex. In previous years, at the end of each financial year all expenditure in excess of the budget amount of £500,000 has been met from the General Reserve (pre 2006), the COCF or by budget transfer from other Departments. However, in 2009 the full amount of expenditure in excess of the budget was not transferred to the Department.

This situation is not sustainable as there is no assurance for the accounting officer during the year. A full review of the controls, management and funding of Court and Case Costs is planned as part of the Comprehensive Spending Review. This is welcomed by the Department.

Home Affairs

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Home Affairs		
71,700	71,700	Explosives Officer/Explosives Licensing	70,603	67,918
-	-	Criminal Injuries Compensation Scheme	93,644	343,877
266,500	443,500	Statutory and Legislative Provisions	29,644	20,915
98,000	98,000	Vetting and Barring Office	38,244	-
150,000	150,000	Communications Data (Police/Customs)	40,862	-
-	723,397	Wiltshire Constabulary Investigation	723,397	-
		Police		
11,154,100	11,044,606	Response and Reassurance Policing	11,020,432	11,375,992
4,423,000	6,645,857	Specialist Crime Investigation	6,556,537	8,339,795
928,200	1,433,606	Manage Offenders through Custody	1,479,560	917,590
1,653,600	1,975,759	Supporting the Criminal Justice System	2,037,032	1,645,634
1,986,400	1,678,210	Manage Intelligence	1,736,701	1,928,683
1,440,100	1,699,934	Financial Crime Investigation	1,746,582	1,501,481
1,429,000	1,604,115	National Security Policing	1,649,204	1,315,531
		Fire and Rescue		
4,106,200	4,021,178	Emergency Response	4,170,756	4,031,676
422,000	409,079	Fire Protection	417,160	416,603
255,500	257,552	Community Protection	216,619	251,144
		Customs and Immigration		
894,200	880,921	Revenue Collection	905,337	875,150
4,216,000	4,474,646	Enforcement	4,530,235	4,234,255
225,500	147,754	External Obligations	131,109	134,442
		HM Prison		
7,343,800	6,814,154	Residential Accommodation	7,165,190	7,161,236
930,700	997,300	Prisoner Activity	1,025,519	875,357
1,895,300	2,258,020	Operations and Administration	2,131,939	1,999,052
		Building a Safer Society		
346,100	334,466		369,364	330,844
		Jersey Field Squadron		
1,140,200	1,127,922	UK Defence	1,004,262	913,726
30,000	30,000	Uniformed Youth Organisations	30,000	30,000
48,200	43,965	IMLO and Careers Office	36,720	41,248
		Superintendent Registrar		
132,400	124,772		133,760	133,822
45,586,700	49,490,413	Net Revenue Expenditure	49,490,412	48,885,971

Home Affairs

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
894,500	679,500	Duties, Fees, Fines & Penalties	959,692	976,794
85,500	85,500	Sales of Goods	94,136	89,845
272,000	497,000	Sales of Services	469,111	587,881
109,966	109,966	Hire and Rentals	113,211	114,625
200,834	200,834	Other Revenue	634,067	628,329
1,562,800	1,572,800	Total Revenue	2,270,217	2,397,474
37,960,185	40,247,532	Staff Costs	40,393,568	37,644,748
5,255,225	6,810,331	Supplies and Services	7,169,848	9,125,987
1,433,094	1,458,354	Admin Expenses	879,112	1,110,079
2,407,150	2,453,150	Premises and Maintenance	2,832,236	2,799,708
8,060	8,060	Operating Expenses	350,049	332,948
82,786	82,786	Grants and Subsidies Payments	152,500	265,354
3,000	3,000	Finance Costs	7,364	4,621
-	-	Asset Disposal (Gain)/Loss	(24,048)	-
47,149,500	51,063,213	Total Expenditure	51,760,629	51,283,445
45,586,700	49,490,413	Net Revenue Expenditure	49,490,412	48,885,971

Housing

Department Highlights:

- Net income of £21,482,491, a decrease of 1.5% on 2008
- Underspend of £931,707 (4.5%) against Final Approved Budget

Actual v prior year

The decrease in net income from 2008 to 2009 was 1.5%. This is largely due to the capital to revenue transfer of the backlog maintenance programme.

Total gross income increased by £1.4m (3.9%) predominantly as a result of increases in rental yield. This increase was driven by the full year effect of the rental increase in 2008 of 3.7%, fewer than anticipated sales, acquisition of new units and an increase in overall occupancy levels.

Expenditure for the year increased on 2008 by £1.75m (12.4%). This rise is largely attributable to the delivery of the backlog maintenance programme, (£1.2m) and increases in general maintenance spend by the use of additional income.

Actual v Final Approved Budget

Overall the department had an under spend against budget of £0.9m (4.5%).

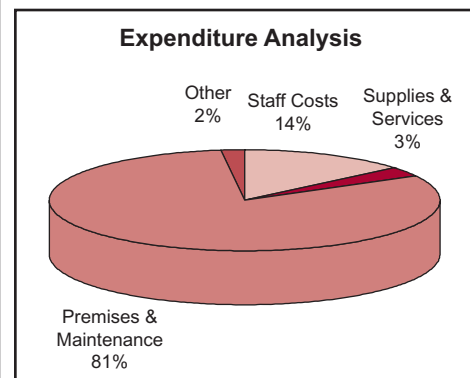
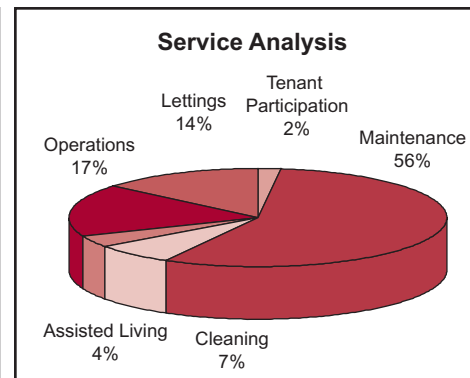
Total income was £1.4m (3.9%) greater than budgeted, £1.34m of which was due to greater than anticipated Social Housing rental income. The balance was due to other income lines such as recovered costs, recharges to tenants and insurance claims.

Total expenditure was £0.5m (3.2%) greater than budgeted. This was mainly due to an increase in premises and maintenance spend (£0.8m), which was partially offset by savings in staff costs.

Additional budget allocation

In 2009 an additional £1.8m (net) was voted to Housing in excess of the original budget agreed in the business plan. This amount represents:

- The return of the staff pay award budget for 2009.
- A transfer of budget to Chief Minister's Department and Economic Development Department in relation to the apportionment of rental and service charges for Jubilee Wharf.
- Additional budget allocated under the Fiscal Stimulus programme.
- A transfer of capital budget to revenue under GAAP.



Staff Costs
 Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs
 For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

	£000
Original Budget	(22,362)
Return of Staff Pay Award	(32)
Transfer to CMD & EDD	(195)
Fiscal Stimulus Transfer	71
Capital to Revenue Transfer	1,967
Final Budget	(20,551)

Capital	Total £000
Total value of approved capital schemes	31,318
Capital spent in the Year	8,179
Capital spent to Date	20,728

Housing

2009 capital vote

In the 2009 Business Plan, an additional £5m was voted for the department's capital schemes. During the year, the department generated an additional £5.3m from cash received from the sales of properties under P6/2007 – The Social Housing Property Plan. In addition to the cash received the department retains an interest in a further £1.24m of deferred payment bonds relating to sales in 2009.

Additional details on revenue expenditure results and in year capital spend are explained below.

Key Financial Results by Service Analysis

The results for the department's 3 service areas (by net expenditure) were:

Estate Services

- **Net spend of £9,989,365, an overspend of £18,029 (0.2%) against Final Approved Budget**

Estates Services are responsible for the maintenance and management of the department's property portfolio. Spend for 2009 was largely in line with budget for the year. 2009 saw a substantial increase in spend on maintenance compared to the previous year. This was as a result of the move to GAAP accounting and a capital to revenue budget transfer of £1.97m.

Tenant Services

- **Net spend of £2,362,856, an overspend of £133,057 (6.0%) against Final Approved Budget**

Tenant Services are responsible for refurbishment and re-letting of void properties, Tenant Participation and Assisted Living services. The primary variance in Tenant Services for 2009 was caused by a large increase in the demand for medical adaptations for clients with specific needs.

Finance Services

- **Net income of £33,834,712, a surplus of £1,082,793 (3.3%) against Final Approved Budget**

Finance Services are responsible for the collection of rent and other income and the associated costs of income collection.

Net income was greater than budget for the year as a result of the full year effect of the rent review in October 2008 of 3.7%. In addition slower than anticipated sale of properties under the Social Housing Property Plan (P6/2007), the retention within the stock of new build properties at Les Hinguettes and shorter void turn around times have contributed to increased occupancy rates.

Housing

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Hire & Rentals • **Income of £34,637,924, a surplus of £1,338,225 (4.0%) against Final Approved Budget**

The key driver for the variance against budget for Hire and Rentals is the rental income from Social Housing. In October 2008 the department increased rental levels in line with increases in Income Support by 3.7%. The Business Plan anticipated an increase of 2.5%. Thus 2009 saw the full impact of the additional increase of 1.2%. In addition, the department retained a number of newly built units at Les Hinguettes which it had originally intended to sell. This, in conjunction with slower than anticipated sales of properties to States tenants and higher occupancy rates, increased rental income during the year.

Sales of Services • **Income of £2,510,113 a shortfall of £95,687 (3.7%) against Final Approved Budget**

In 2009 the department withdrew the weekly charge to tenants which contributed to the analogue TV aerial support service. In addition, changes to the charges made to tenants for heating and hot water service, driven by the migration of tenants to direct supply and changes in market prices, resulted in the shortfall in income against the budget for Sales of Services.

The results for the 3 highest expenditure lines are as follows:

Staff Costs • **Spend of £2,211,978 a decrease of £554,911 (20.1%) against Final Approved Budget**

There was a reduction in spend on staff costs due to the move from Housing to TTS of the estates cleaning and grounds maintenance teams. These costs were included in the 2009 Business Plan as staff costs however on the teams' move to TTS in September 2008 a service contract between the departments was put in place. As a result the costs in 2009 associated with these services were charged to Premises and Maintenance.

Premises & Maintenance • **Spend of £12,790,997 an increase of £844,289 (7.1%) against Final Approved Budget**

A number of factors have influenced the increase in spend against budget in maintenance. As mentioned under Staff Costs, in September 2008 the department's cleaning and grounds maintenance teams were transferred to TTS. This cost was originally budgeted against Staff Costs and Supplies and Services in the 2009 Business Plan submission however the cost is now charged to maintenance. Demand for medical conversions in the year were higher than 2008, driving cost to exceed the amount originally budgeted by 100%.

Conversely lower than anticipated costs in utility supplies, (e.g as a result of stabilisation of global oil prices) and a reduction in demand following migration of properties to direct supply, has reduced cost against budget.

In addition the department took the opportunity to direct surplus income from rentals to extend the maintenance programme.

Housing

Supplies & Services

- Spend of £539,487 an increase of £39,922 (8.0%) against Final Approved Budget

There are a number of small variances in this area. A key variance however is the cost of surveyors' fees in relation to the preparation of a planned maintenance programme for the department's stock.

Capital Schemes

Total Capital Expenditure during the year was £8.18 million which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amount voted in excess of £500,000 are contained in the table below:

Schemes	Amounts Voted £'000	Spent in Year £'000	Spent to Date £'000
The Cedars*	6,094	2,443	5,905
Le Geyt Flats Phase 7*	1,060	652	696
Clos de Quennevais	856	631	678
Le Marais Low Rise – Phase 2*	6,965	1,057	6,900
Le Squez Phase 2*	1,393	440	1,133
Clos de Roncier Renovation	2,970	725	2,528
Salisbury Crescent*	6,948	983	1,330
Journeaux Street 1-3	650	35	391
La Carriere Estate Refurbishment	654	437	444
Ann Court Demolition	500	359	359
Total schemes under £500,000	3,228	417	364
TOTAL	31,318	8,179	20,728

See explanation below.

The Cedars

This project to significantly refurbish 74 homes has reached practical completion stage and is currently in the 12 months defects period.

Le Geyt Flats Phase 7 (1-21)

This refurbishment completes the regeneration of the Le Geyt area. The project to refurbish 21 flats started in June 2009 and will be complete by the end of February 2010.

Le Marais Phase 2

This project reached practical completion during 2009 and is currently in the 12 months defects period. This site has provided the department with 28 three and four bedroom houses and 19 one and two bedroom flats. A number of the dwellings have been specially adapted for disabled occupation.

Housing

Le Squez Phase 2

Le Squez Phase 2 has been split into 2 phases (A & B) in order to tender the work by the end of January 2010. This was done to give the local construction industry a boost during the current economic climate. The first phase will be funded from fiscal stimulus.

Salisbury Crescent

This project will provide 38 units including life-long and family homes. The works to the basement car park commenced in September 2009 and the second phase of the work will start in February 2010. Completion is expected May 2011.

Housing

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
8,069,300	9,971,336	Estate Services	9,989,365	8,264,758
5,105,500	7,030,135	Maintenance	7,005,125	5,405,701
1,967,100	1,944,492	Operations	2,140,119	1,781,988
996,700	996,709	Cleaning	844,121	1,077,069
2,297,700	2,229,799	Tenant Services	2,362,856	2,542,578
361,800	339,157	Assisted Living	454,199	404,495
246,000	223,366	Tenant Participation	217,508	244,129
1,689,900	1,667,276	Lettings	1,691,149	1,893,954
(32,729,200)	(32,751,919)	Finance Services	(33,834,712)	(32,622,533)
(32,729,200)	(32,751,919)	Rent and Fee Collection	(33,833,518)	(32,612,680)
–	–	Rent Subsidy	(1,195)	(9,853)
(22,362,200)	(20,550,784)	Net Surplus	(21,482,491)	(21,815,197)

Housing

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
2,605,800	2,605,800	Sales of Services	2,510,113	2,552,233
33,299,699	33,299,699	Hire & Rentals	34,637,924	33,222,089
10,001	10,001	Other Revenue	199,879	154,955
35,915,500	35,915,500	Total Revenue	37,347,915	35,929,277
–	–	Social Benefit Payments	(1,195)	(9,854)
2,766,889	2,766,889	Staff Costs	2,211,978	2,406,336
634,449	499,565	Supplies and Services	539,487	723,517
77,265	70,565	Admin Expenses	74,627	84,282
9,993,708	11,946,708	Premises & Maintenance	12,790,997	10,877,646
59,833	59,833	Other Operating Expenditure	164,476	15,201
20,399	20,399	Grants and Subsidies Payments	15,400	16,195
757	757	Finance Costs	69,655	757
13,553,300	15,364,716	Total Expenditure	15,865,425	14,114,080
(22,362,200)	(20,550,784)	Net Surplus	(21,482,491)	(21,815,197)

Planning and Environment

Department Highlights:

- Net spend of £7,752,349, an increase of 27.8% on 2008
- Underspend of £396,970 (4.9%) against Final Approved Budget

Actual v prior year

The increase in spend from 2008 to 2009 was 27.8%; 32.6% of this expenditure was incurred by the Planning and Building Division, 58.9 % by the Environment Division, and 8.5% by the Met Office. Expenditure rose by £1,992,645 (21.7%), due to the receipt of environmental monies for energy grants, transfers from capital in accordance with GAAP, and settlement of a planning appeal claim. This was partially offset by an increase of income £308,309 (9.9%).

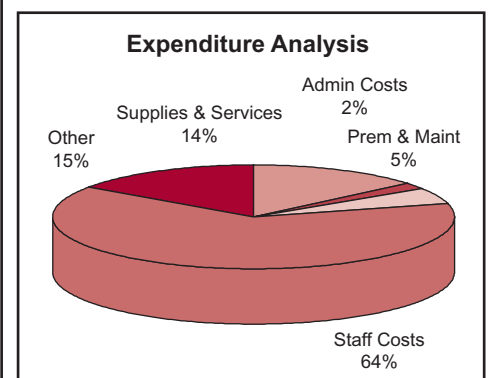
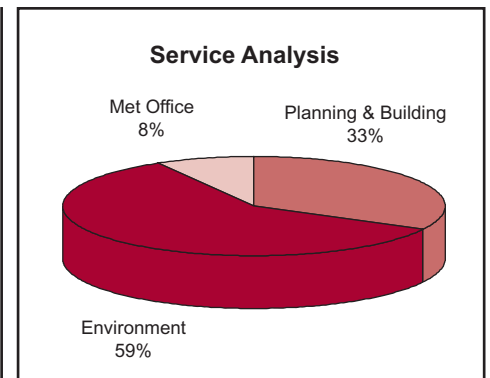
Actual v Final Approved Budget

The department had an underspend against budget of 4.9%. This is made up of requested carry forwards of which 80% relates to energy grants, 17% to the Island Plan and 3% to urban renewal. The latter two have arisen due to a change in reclassification of certain types of capital project in accordance with Generally Accepted Accounting Principles (GAAP).

Additional budget allocation

In 2008 an additional £1,008,218 (net) was voted to Planning and Environment in excess of the original budget agreed in the Business Plan. This amount represents a transfer from the contingency vote totalling £625,618, to settle a claim, transfers from capital to revenue of £420,737 to meet the GAAP definition of capital and revenue expenditure, a transfer of property budgets totalling £29,268 from Jersey Property Holdings, and additional funding of £9,995 from Economic Development Department to purchase equipment. Offsetting this was a transfer of budget to Treasury and Resources in respect of the pay freeze.

Capital	Total £'000
Total value of approved capital schemes	1,745
Spent in the Year	346
Spent to Date	944



Staff Costs
 Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs
 For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

	£'000
Original Budget	7,141
Transfer from Contingency Vote	626
Pay freeze	(77)
Transfer to Jersey Property Holdings	29
Funding from EDD	9
RAB capital/revenue transfers	417
Transfer to minor capital	(30)
Transfer capital to revenue - tidal power	34
Final Budget	8,149

Planning and Environment

2009 capital vote

In the 2009 Business Plan, an additional £0.584 million was voted for the department's capital schemes. This was to cover:

- £0.15 million for replacement and upgrade of the weather radar
- £0.334 million for the fisheries vessel mid-life refit
- £0.10 million for minor capital

Total Capital Expenditure during the year was £0.346 million which reflects the progress made on a variety of individual schemes. All current capital schemes have a total amount voted of less than £500,000.

Key Financial Results by Service Analysis

The results for the department's top 4 service areas (by net expenditure) were:

Environmental Management and Rural Economy • **Net spend of £1,693,377, an underspend of £33,219 (1.9%) against Final Approved Budget**

Overall, the service activities which include Research and Development, Laboratories, Data information and Mapping, Monitoring and Reporting, Ecology, Land Management and Access, the Countryside Renewal Grant Scheme and the Implementation of Biodiversity Action Plans were broadly in line with their budget.

In 2009 the grant scheme made 38 grants to people managing land which includes practising farmers both as tenants or owner occupiers, and landowners who are not actively involved in farming. It includes natural areas of land that lie outside any actively farmed land.

Environmental Protection • **Net spend of £1,124,988, an overspend of £117,327 (11.6%) against Final Approved Budget**

Net expenditure in Environmental Protection was overspent against approved budget due to a delay in granting waste licences, causing a reduction in income of £0.1 million.

During 2009 a request was issued for households and businesses that take water from boreholes, wells, streams or reservoirs to register or license their abstraction as part of the Water Resources (Jersey) Law 2007. The licences will come into force on 1st January 2010.

Development Control • **Net spend of £1,289,049, an underspend of £74,012 (5.4%) against Final Approved Budget**

Overall, net expenditure in Development Control was underspent against the approved budget of £1.36 million by 5.4%. The net expenditure rose by 43% when compared to 2008, mostly due to a large claim that was settled, together with the legal fees incurred. A decrease in manpower costs against budget was due to the non recruitment to user pays posts, offset by a reduction in planning income against budget.

Planning and Environment

Policy and Projects

- **Net spend of £943,307, an underspend of £47,696 (4.8%) against Final Approved Budget**

The policy and projects team provide guidance and policy on planning and building. The main project for the year was the development of the Island Plan. The decrease against Final Approved budget is due to an underspend on the Island Plan due to the extension of the consultation period. The increase on 2008 is due to the Island Plan Capital vote being reclassified from capital to revenue costs in 2009.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

- ### **Duties, Fees, Fines and Penalties**
- **Income of £2,353,233, a decrease of £475,530 (16.8%) against Final Approved Budget**

The decrease in income compared to budget arose from lower than estimated levels of income, particularly from Planning Application Fees (£0.235 million), Building Application Fees (£0.06 million) and Legal Searches (£0.069 million).

It is noted that this downward trend which began during the last quarter of 2008 began to improve during the last quarter of 2009.

Sale of Services

- **Income of £743,348, a decrease of £9,252 (1.2%) against Final Approved Budget. Overall the income was in line with the budget.**

The decrease in income compared to 2008 is attributable to a decrease in telephone income received by the Meteorology Department, as this service is now accessible on line.

The results for the 3 highest expenditure lines are as follows:

Staff Costs

- **Spend of £7,117,459, a decrease of £98,248 (1.4%) against Final Approved Budget**

Staff Cost underspends have arisen from staff vacancies and allowed the department to assist with the short term staff funding pressures in Development Control, and the funding of the North of St Helier Masterplan.

The expenditure rise in 2009 over 2008 was due to the temporary recruitment of a fast track application planner and additional contract staff.

Supplies and Services

- **Spend of £1,536,041, a decrease of £287,132 (15.7%) against Final Approved Budget**

The underspend against approved budget primarily relates to the budget for contract and temporary staff being set against supplies and services which should have been manpower (£0.188 million), and work carried out in-house creating a saving on consultants' fees.

The net expenditure increased by 6.4% from 2008 due to monies being spent on consultants in respect of tidal power consultation and the energy grants.

Planning and Environment

Grants and Subsidies

- **Spend of £1,108,085, a decrease of £642,415 (36.7%) against Final Approved Budget**

The Department manages three grant schemes the Historic Building Grant Scheme, the Countryside Renewal Grant Scheme and the Energy Grant Scheme.

The Historic Building Grant Scheme was approved by the States in 1995 in recognition of the additional responsibilities which the owners of registered buildings carry, because repair works to an old building can be more costly than repairs to a modern property. It had a budget of £60,000 allocated and the spend was £17,885.

The Countryside Renewal Grant Scheme budget allocated to grants totalled £522,000 and the spend was £525,168.

The Energy Grant Scheme had allocated budget of £857,000 and the spend was £536,717, with a carry forward request of £320,274.

Planning and Environment

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Planning and Building Division		
758,600	1,363,061	Development Control	1,289,049	901,084
166,200	153,159	Building Control	138,114	220,509
631,200	991,003	Policy and Projects	943,307	490,923
166,700	165,796	Historic Buildings	129,636	145,550
22,200	22,105	Mapping	31,094	(5,258)
		Environmental Division		
1,723,800	1,726,596	Environmental Management and Rural Economy	1,693,377	1,662,177
1,294,000	1,333,017	Environmental Policy and Awareness	1,009,249	208,896
1,003,600	1,007,661	Environmental Protection	1,124,988	992,365
443,200	453,288	Fisheries and Marine Resources	495,548	446,806
258,700	260,914	States Veterinary Officer	243,059	281,411
672,900	672,718	Meteorology	654,928	723,550
7,141,100	8,149,318	Net Revenue Expenditure	7,752,349	6,068,013

Planning and Environment

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
2,828,763	2,828,763	Duties, Fees, Fines & Penalties	2,353,233	2,053,647
32,550	32,550	Sales of Goods	23,762	31,664
761,825	752,600	Sales of Services	743,348	771,913
38,775	-	Hire & Rentals	17,414	15,375
150	150	Investment Income	316	378
145,937	145,937	Other Revenue	275,137	231,924
3,808,000	3,760,000	Total Revenue	3,413,210	3,104,901
7,217,038	7,215,707	Staff Costs	7,117,459	6,560,746
1,572,892	1,823,173	Supplies and Services	1,536,041	1,442,327
188,852	186,084	Admin Expenses	230,745	181,985
369,468	353,504	Premises & Maintenance	574,687	413,057
-	580,000	Other Operating Expenditure	600,508	7,425
1,600,500	1,750,500	Grants and Subsidies Payments	1,108,085	567,107
350	350	Finance Costs	255	267
-	-	Asset Disposal (Gain)/Loss	(2,221)	-
10,949,100	11,909,318	Total Expenditure	11,165,559	9,172,914
7,141,100	8,149,318	Net Revenue Expenditure	7,752,349	6,068,013

Social Security

Department Highlights:

- Net spend of £159,532,685, an increase of 9.6% on 2008
- Underspend of £32,062 (0.02%) against Final Approved Budget

Actual v prior year

The increase in spend from 2008 to 2009 was £14.0million (9.6%).

This was mainly due to an increase in Social Benefit Payments of £13.1million, which included £9.6million on Income Support and £3.1million on Supplementation – the States contribution to the Social Security Fund. The balance of expenditure amounting to £0.9million related to increases in Grant and Subsidy payments (£0.2m), Manpower (£0.4m) and Supplies, Services and Other costs (£0.3m).

Actual v Final Approved Budget

Overall the department had an under spend against budget of £32,062 (0.02%). This was primarily as a result of an underspend in Social Benefit Payments of £0.8million; offset by small overspends in Manpower and Operating Costs.

Social Security Fund, Social Security (Reserve) Fund and Health Insurance Fund

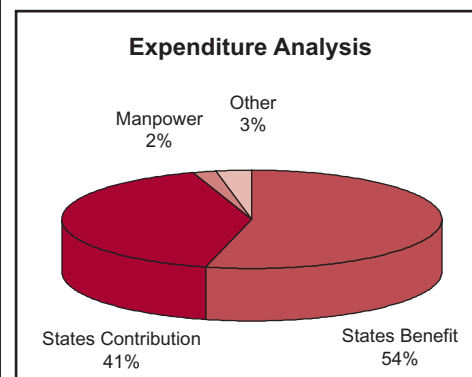
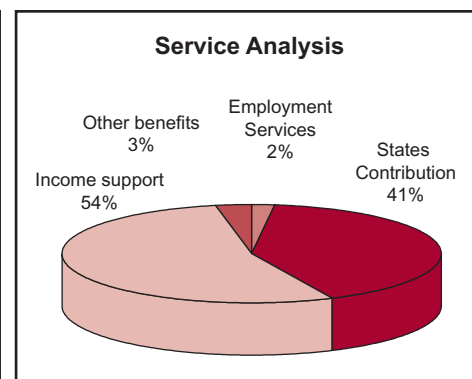
The assets and costs associated with the Social Security Fund, Social Security (Reserve) Fund and Health Insurance Fund (“the Funds”) are not consolidated within the States of Jersey Financial Statements. A separate statement is included as part of the financial tables that summarise the Social Security Department and Funds income and expenditure.

Staff Costs

Staff Costs include staff who are employed by the States and those recharged to the Funds (Social Security Fund and Health Insurance Fund).

Additional budget allocation

During the year a net increase of £2.5million was approved to the Social Security budget against the 2009 original Business Plan. Additional budget allocations of £6.84million were received from the Treasury and Resources Department as a result of funding for Income Support (including resources to support additional costs as a result of the economic downturn), GST benefit and the Insolvency Compensation scheme. The boarding-out residential care budget was also transferred from Health and Social Services.



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£000
Original Budget	157,066
Transfer to Non- Ministerial Departments	(1,794)
Transfer to Jersey Property Holdings	(438)
Transfer to Home Affairs	(1,884)
Transfer to Education Sport and Culture	(203)
Annual Pay Award (pay freeze)	(24)
Transfer from Health and Social Services	681
Insolvency Compensation	340
Income Support	3,000
Fiscal Stimulus - CAB	10
Economic Stimulus	2,411
GST Benefit	400
Final Approved Budget	159,565

Social Security

Against these additional funds, transfers were made to other States Departments totalling £4.34million. These included transfers to Education, Sport and Culture following the creation of the Skills Executive and Jersey Property Holdings, to support a new facility at Acorn Industries. Transfers were also made to support Court and Case costs in Home Affairs and Non Ministerial Departments, (see reconciliation table for details).

2009 capital vote

There were no amounts voted to the Department during 2009 in respect of capital schemes.

Additional details on revenue expenditure results are explained below

Key Financial Results by Service Analysis

The results for the Department's top 4 service areas (by net expenditure) were:

Income Support • **Net spend of £85,960,612, an overspend of £581,878 (0.7%) against Final Approved Budget**

During 2009 the Department received additional funding for income support totalling £6.1million.

The impact of the recession upon benefit spend during 2009 resulted in the Treasury & Resources Minister submitting a request under Article 11(8) for additional funding of £2.4 million to support the predicted cost increase in Income Support benefit. In addition, further allocations of £3.7 million were received, including £3 million approved by the States Assembly under P.163/2008 to protect Income Support households from increases in food and fuel costs and £0.7 million from Health and Social Services, following the transfer of the residential care element of the boarding-out budget.

Overall expenditure on Income Support exceeded budget by £0.6million (0.7%). Whilst the daily benefit (excluding residential care and transition) was as predicted, overspending by £0.2million, residential care costs exceeded budget by £1.2million. This was largely offset by an underspend on transition payments totalling £1million. The residual balance consisted of temporary staff costs associated with the additional workload administering this benefit as a consequence of the economic downturn.

Supplementation (States Contribution to the Social Security Fund) • **Net spend of £64,995,170, an underspend of £6,630 (0.01%) against Final Approved Budget**

Supplementation is used to top up Social Security Contributions for those who earn between the lower earnings threshold and the earnings limit to protect pension and benefit entitlement. This amounted to £65 million for the year. The drivers that influence this cost include the number of employees in the Island, the distribution of their pay and the current earnings ceiling.

It is evident that the economic downturn has affected both the number of people in employment and their respective levels of employment income, with the average number of persons employed in the Island requiring supplementation amounting to 33,522 in 2009 - a reduction of 220 against 2008. However Island wide pay restraints, combined with the annual incremental rise in the supplementation ceiling, have resulted in an increase in the total supplementation cost for the year of £3.2m. This was still less than originally forecast and, as a consequence, the budget was reduced by £3.1 million to £65 million, and subsequently an equivalent amount was transferred to meet exceptional Court and Case costs in other States Departments. This net impact of the above was a small underspend against the final approved budget.

Social Security

As a consequence the budget was reduced by £3.1million and the equivalent amount transferred to meet exceptional Court and Case costs in other States Departments. This left a small underspend against the Final Approved Budget.

Invalid Care Allowance • **Net spend of £2,645,029, an underspend of £42,671 (1.6%) against Final Approved Budget**

Those of working age who choose to stay at home to provide care to someone with severe disability are paid Invalid Care Allowance. The cost is driven by the number of beneficiaries which rose during the year but then fell back to 2008 levels in the final quarter. Though expenditure was higher than 2008, the total annual spend was still less than the final approved budget.

Employment Services • **Net spend of £2,107,690 an underspend of £70,760 (3.2%) against Final Approved Budget**

These costs consist of the grant awarded to Jersey Employment Trust (JET) and the Public Sector Scheme Subsidy. Costs were as planned but were greater than 2008, as a result of the additional statutory notice and redundancy payments incurred.

Key Financial Results by Operating Cost Statement

The result for the highest income line is as follows:

Sales of Goods and Services • **Income of £3,154,013, a surplus of £3,148,013 against Final Approved Budget**

Following the States move to UK GAAP reporting, staff costs are now shown inclusive of staff employed on the Funds (Social Security Fund and Health Insurance Fund). A recharge, equivalent to the cost incurred, is then made to the Funds. As a consequence of this accounting treatment, the percentage movement against the final approved budget for 2009 has not been reflected.

The income received from the Funds in 2009 relating to staff costs amounted to £3.1 million. In addition fee income of £5,375 was received from employment agency and employment relations registration.

The results for the 3 highest expenditure lines (with the exception of Supplementation and Income Support Benefit that are explained above) are as follows:

Manpower Services – States Staff Costs • **Spend of £3,172,939 (after adjusting for costs recharged to the Funds), an increase of £190,285 (6.3%) against Final Approved Budget**

As reported above, expenditure on staff costs now includes those employed by the States but who work on the Funds. Staff costs, net of income received, amounted to £3.2 million which was an increase of £190,285 against the approved budget and £453,185 higher than 2008. This reflects the transfer of the boarding-out budget from Health and Social Services which included staff costs.

Temporary staff were also taken on during the year to support the processing of Income Support benefit and in Workzone due to additional demand as a consequence of the economic downturn.

Social Security

Grants & Subsidies

- **Spend of £1,566,958, an increase of £13,558 (0.9%) against Final Approved Budget**

During 2009 the Department made grants totalling £1,566,958. The increase in spend against 2008 of £208,991(15.4%) reflects both inflation and additional grant payments to provide employment opportunities for those with learning difficulties or on the autistic spectrum.

Supplies and Services

- **Spend of £1,006,124, an increase £316,000 (45.8%) against Final Approved Budget**

The Department incurred additional costs during the year as a result of further enhancements to the Income Support element of the Department's bespoke software package (NESSIE). A significant element related to the development of the control environment around Income Support and automated audit for residential care, which is being transferred to NESSIE in 2010.

Capital Schemes

The Department incurred no States funded Capital Expenditure.

Other developments

The impact of the global recession during 2009 created increased demand for existing services. A temporary insolvency scheme was implemented to support workers made redundant through the insolvency of their employer. The number of registered unemployed remained at an historically high level and temporary staff were taken on to meet the demand.

The introduction of Income Support in 2008 was a major project for the Department and work continued in 2009 on refining the administrative and operational issues. Additional funding was received from the Economic Stimulus scheme to support transitional payments and funding was also received from the Automatic Stabiliser scheme to meet the additional costs of Income Support claims. The budget held by Health and Social Services in respect of residential care costs was transferred to the Department during the year and is now part of Income Support.

In 2009 progress was made on the proposals for a long-term care scheme to meet the needs of an ageing population, with the result that a green paper on future funding was presented in early 2010.

Social Security

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
68,101,800	65,001,800	States Contribution to the Social Security Fund	64,995,170	61,842,397
467,500	467,500	Health and Safety at Work	412,685	390,244
2,446,300	2,178,450	Employment Services	2,107,690	1,730,733
552,400	552,400	Employment Relations	575,644	556,897
2,687,700	2,687,700	Invalid Care Allowance	2,645,029	2,232,333
223,500	145,263	Child Care Support	3,566	5,315
131,100	131,100	Dental Benefit Scheme	115,205	123,133
107,800	107,800	Social Fund	24,052	101,665
534,600	534,600	Jersey 65+ Health Scheme	341,471	305,323
18,000	18,000	Non Contributory Death Grants	16,094	16,752
1,803,200	1,803,200	Christmas Bonus	1,791,563	1,684,193
248,200	248,200	TV Licence 75+	245,926	206,775
410,000	310,000	GST Benefit	297,978	131,158
79,334,000	85,378,734	Income Support - Benefit	85,960,612	73,056,494
		States Contribution to Health Insurance		
-	-	Exceptions	-	124,718
-	-	Non Native Welfare and Residential Care	-	609,765
-	-	Native Welfare and Residential Care	-	1,010,708
-	-	Family Allowance	-	409,053
-	-	Attendance Allowance	-	358,100
-	-	Disability Allowance	-	105,178
-	-	Childcare Allowance	-	(86,606)
-	-	Disability Transport Allowance	-	567,528
-	-	Milk at a Reduced Rate	-	16,311
157,066,100	159,564,747	Net Revenue Expenditure	159,532,685	145,498,167

Social Security

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Income		
6,000	6,000	Sales of Goods and Services	3,154,013	5,750
4,000	4,000	Other Revenue	790	1,040
10,000	10,000	Total Income	3,154,803	6,790
		Expenditure		
151,176,700	154,126,647	Social Benefit Payments	153,411,933	140,360,832
2,899,600	2,876,000	Staff Costs *	6,328,169	2,708,984
684,514	690,124	Supplies and Services	1,006,124	761,537
142,549	137,434	Administrative Costs	136,389	115,644
189,937	191,142	Premises and Maintenance	234,872	199,702
1,982,800	1,553,400	Grants & Subsidies	1,566,958	1,357,967
-	-	Operating Expenses	2,822	59
-	-	Finance Costs	221	232
157,076,100	159,574,747	Total Expenditure	162,687,488	145,504,957
157,066,100	159,564,747	Net Revenue Expenditure	159,532,685	145,498,167

* Note: In 2008 staff costs were reported net of those staff who worked in the Social Security and Health Insurance Funds. In order to comply more effectively with UK GAAP requirements, staff costs are now reflected gross with a charge made to the funds for costs incurred.

Social Security

Service Analysis Summary of Income and Expenditure by Provider

	Social Security Department £000	Social Security Fund £000	Social Security Reserve £000	Health Insurance Fund £000	Inter-Departmental Transfers** £000	Total 2009 £000	Total 2008 £000
INCOME							
Contributions	-	(151,787)	-	(28,912)	-	(180,699)	(172,183)
States Contributions	-	(64,995)	-	-	64,995	-	-
Hire and Rentals	-	(170)	-	-	100	(70)	(20)
Sales of Services	(3,154)	-	-	(38)	3,154	(38)	28
Net Gains/(Losses) on Investments	-	-	(107,294)	-	-	(107,294)	109,743
Investment Income	-	(158)	-	(341)	-	(499)	(5,817)
Other Revenue	(1)	(22)	-	-	-	(23)	(8)
Total Income	(3,155)	(217,132)	(107,294)	(29,291)	68,249	(288,623)	(68,257)
EXPENDITURE							
Social Benefit Payments	153,412	172,091	-	22,424	(64,995)	282,932	263,877
Staff Costs	6,328	-	-	-	-	6,328	5,892
Supplies and Services*	1,006	4,595	499	1,299	(3,154)	4,245	4,107
Admin Expenses	136	210	38	112	-	496	478
Premises and Maintenance	235	217	-	32	(100)	384	293
Other Operating Expenditure	3	153	-	24	-	180	85
Grants and Subsidies Payments	1,567	-	-	22	-	1,589	1,390
Depreciation/Capital Charges	-	1,906	-	-	-	1,906	1,905
Finance Costs	-	69	-	-	-	69	48
Reserve Fund Appropriation	-	537	(537)	-	-	-	-
Total Expenditure	162,687	179,778	-	23,913	(68,249)	298,129	278,075
(SURPLUS)/DEFICIT FOR YEAR	159,532	(37,354)	(107,294)	(5,378)	-	9,506	209,818

* Staff Costs are reflected gross with a charge made to the Social Security Fund and Health Insurance Fund ('the Funds') for work done. These costs amounted to £2,571,849 for the Social Security Fund and £564,549 for the Health Insurance Fund and are included within Supplies and Services costs of the respective Funds.

** Inter-departmental transfers are in respect of internal fund movements between the Social Security Department, Social Security Fund and Health Insurance Fund. These relate to Supplementation and the rent of premises.

Transport and Technical Services

Department Highlights:

- Net spend of £24,099,616, an increase of 12.3% on 2008
- Underspend of £229,884 (0.9%) against Final Approved Budget

Actual v prior year

The increase in spend from 2008 to 2009 was 12.3%. Expenditure rose by £2,249,919 and income decreased by £383,922.

The main reason for the increase in expenditure relates to the reclassification of certain types of capital project as revenue spend in accordance with Generally Accepted Accounting Principles. Other reasons include increases in the cost of materials both in terms of price and volume to meet the increase in unplanned recharged work for other States Departments, primarily Jersey Harbours.

The decline in income is due to the fall in tipping fee income by £632,862 which was partly offset by an increase in recharges to other States Departments.

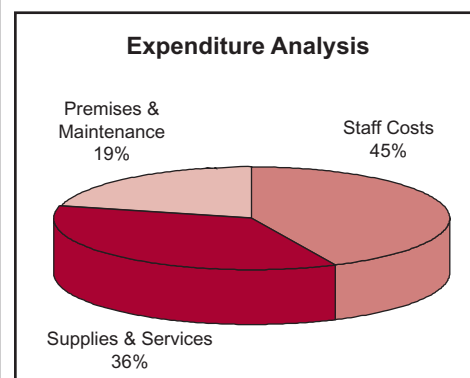
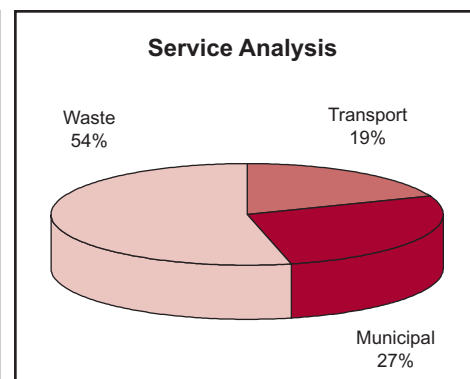
Actual v Final Approved Budget

Overall, the department had an underspend against budget of 0.9%. This was largely due to an underspend on the Community Safety Grants Fund of £46,871 and an underspend on transport initiatives of £180,000 due to delays in obtaining planning permissions.

Additional Budget Allocation

In 2009 an additional £624,600 (net) was voted to Transport and Technical Services in excess of the original budget agreed in the Business Plan. This amount represents a transfer between revenue and capital (£450,000) which related to a capital loan repayment from Jersey Harbours, a transfer of the budget to Central funds in respect of the pay freeze, offset by carry forward balances from 2008 and a transfer from capital to revenue to reclassify certain types of capital spend in order to align with Generally Accepted Accounting Principles. (see Reconciliation table for details).

Capital	Total £'000
Total value of approved capital schemes	175,373
Spent in the Year	72,476
Spent to Date	119,082



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget		£'000
Original Budget		23,705
Carry forward from 2008		208
Transfer to Capital		
To align budgeting with Generally Accepted Accounting Principles (GAAP)		1,096
Transfer to/from other Departments		
2009 June Pay Freeze		(230)
Capital Transfer - Repayment of Capital Loan		(450)
Final Budget		24,329

Transport and Technical Services

2009 Capital Vote

In the 2009 Business Plan, an additional £5.18 million was voted for the Department's capital schemes. This was to cover:

- £4.50 million for infrastructure maintenance
- £0.33 million for Bellozanne Energy from Waste enhanced maintenance
- £0.35 million for minor capital

Additional details on revenue expenditure results and in year capital spend are explained below.

Key Financial Results by Service Analysis

The results for the Department's top 4 service areas (by net expenditure) were:

Liquid Waste • **Net Spend of £5,181,334, an overspend of £132,734 (2.6%) against Final Approved Budget**

Liquid Waste is responsible for the maintenance of the sewers network and safe disposal of liquid waste.

The small increase against Final Approved Budget is due to the additional spend on the shipment of hazardous waste and a small increase in electrical services maintenance which have been offset by savings in ground maintenance.

The increase of 16.6% over 2008 is due to the reclassification of previously capital spend into revenue which includes work on process optimization, cavern, asset management and preliminary studies on the liquid waste strategy. This is consistent with the movement between the 2009 Business Plan and the Final Approved Business Plan.

Transport Policy and Buses • **Net Spend of £4,688,886, an underspend of £530,114 (10.2%) against Final Approved Budget**

In 2009, Connex Transport (Jersey) Ltd generated £2,927,300 in fare revenue for the States, a 1% increase on 2008. The primary reason for the decrease against Final Approved Budget is due to one off negotiated contract reductions (£370,000).

Transport Policy were also allocated £500,000 of environmental monies for one off transport initiatives. At the end of the year there was £180,000 unspent due to projects such as the Eastern Cycle route spanning the year end. This accounts for the remainder of the difference against Final Approved Budget.

Solid Waste • **Net Spend of £3,777,123, an overspend of £197,723 (5.5%) against Final Approved Budget**

Solid Waste comprises the management and disposal of solid waste including green waste, recycling, abattoir, and related services.

The increase in net expenditure compared to Final Approved Budget is due to a decline in tipping fee income (£313,044) partly offset by more efficient working practices. The decline is significant compared to 2008 (£623,862). One of the reasons for the decline is the increase in alternative free tipping provision. Decrease on 2008 is also due to the reclassification of previously voted capital works on the ash pits as revenue spend.

Transport and Technical Services

Energy from Waste • **Net spend of £2,818,906, an underspend of £67,594 (2.3%) against Final Approved Budget**

Energy from Waste is the operation of the incinerator to burn solid waste and produce electricity for use within the department. Any excess electricity is sold on to the Jersey Electricity Company.

The decrease in net expenditure for the Energy from Waste Plant compared to Final Approved Budget is due to the increase in the price for the sale of generated electricity to the Jersey Electricity Company from 2.9p per unit to 4p (£106,729). This has been partly offset by additional maintenance necessary on an ageing plant.

The increase in spend on 2008 is due to reclassification of capital allocations to fund the additional maintenance needed as the plant nears the end of its life and will be replaced in 2011 by the new Energy from Waste Plant.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sales of Services • **Income of £12,836,111, a surplus of £1,532,911 (13.6%) against Final Approved Budget**

The increase in income over the Final Approved Budget is due to a higher than budgeted income from Driver and Vehicle Standard registrations (£240,864), an increase in unplanned recharges to other departments (£768,559), and smaller increases in income in other areas including cleaning, bus income and septic tanker and clinical waste income.

The recharge income arises when Transport and Technical Services undertakes work for other States Departments. A significant proportion of the increase was attributable to the Department undertaking unplanned rechargeable work on behalf of Jersey Harbours.

Hire and Rentals • **Income of £2,080,622, a shortfall of £24,978 (1.2%) against Final Approved Budget**

Hire and Rentals income arises from the rental of commercial parking spaces at La Collette, external property rental, room hire and rental and overhead recharges to the Trading Funds.

The small decrease in income from hire and rentals over the Final Approved Budget is due to the reduction in parking spaces available for rental following reorganisation of the La Collette area.

The results for the 3 highest expenditure lines are as follows:

Staff Costs • **Spend of £18,876,674, a decrease of £826,326 (4.2%) against Final Approved Budget**

Staff Costs have decreased against Final Approved Budget due to a number of vacancies, unplanned sickness, and a change in the classification of staff recharges to capital projects.

Transport and Technical Services

In 2008, there was no reduction in staff costs where employees worked on capital projects. However, there has been a change in accounting treatment whereby from 2009, the revenue staff costs are reduced by the amount of labour charged to capital projects from a reduction in other operating expenses to a reduction in manpower costs.

Supplies and Services • **Net spend of £15,192,860, an increase of £806,660 (5.6%) against Final Approved Budget**

Supplies and Services expenditure increased by 5.6% on Final Approved Budget and 4.6% on 2008.

The increase in expenditure relates to an increase in the costs of materials in order to undertake the increase in unplanned recharge work highlighted above (£591,841), an increase in the cost of chemicals for sludge treatment (£288,590) and increases in professional fees, hired services and consultants. These were offset by a reduction in the main bus contract costs (£370,000).

Premises and Maintenance • **Net spend of £7,884,174, a decrease of £18,726 (0.2%) against Final Approved Budget**

Premises and Maintenance costs relate to all operating costs associated with the premises, infrastructure and associated equipment.

The expenditure was broadly in line with the Final Approved Budget. The increase on 2008 was due to the reclassification of some capital projects as revenue expenditure, for example ash pits, highways patching works and boiler works on the existing energy from waste incinerator.

Transport and Technical Services

Capital Schemes

Total Capital Expenditure during the year was £72.476 million which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amounts voted in excess of £500,000 are contained in the table below:

Scheme	Amount Voted £'000	Spent in the Year £'000	Spent to Date £'000
EFW Plant La Collette	104,910	66,639	69,175
South La Collette Reclamation	26,600	1	26,510
Infrastructure Maintenance	5,918	979	3,779
In-Vessel Composting	4,549	106	433
Fire Fighting System	4,371	673	849
Sludge Thickner Phase II	2,974	–	–
Sewage Treatment Works	2,932	81	2,082
Infrastructure Maintenance	2,913	805	1,130
Sludge Thickner Phase 1	2,074	511	631
Town Park	2,072	472	960
La Collette Roads and Services	1,455	105	1,295
Economic Stimulus Bids	1,395	779	779
Solid Waste Incinerator 2008	1,300	197	739
La Collette 11 Infrastructure and Landscaping	1,000	909	1,000
Waste - Minor Capital	819	52	771
Infrastructure Maintenance	740	–	–
Odour Control	607	98	495
Solid Waste Treatment La Collette	607	–	381
Other schemes	1,473	69	1,409
Total	168,709	72,476	112,418

The biggest single capital project is the new Energy from Waste Plant at La Collette which commenced towards the end of 2008 and is due to complete in 2011. Other large projects include the replacement of the sludge thickener, which is shown above in two phases again spanning over several years.

The 2009 spend reflected the progress made on a variety of individual schemes. These included the Energy from Waste Plant, drainage and pumping station maintenance, highways resurfacing, replacement of the fire fighting system at La Collette and preparatory work for the new Town Park.

New in 2009 is the allocation of the economic stimulus monies which have been used to stimulate the civil construction industry through schemes such as the resurfacing of Victoria Avenue.

Transport and Technical Services

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Waste		
4,407,600	5,048,600	Liquid Waste	5,181,334	4,442,657
2,356,500	2,886,500	Energy from Waste	2,818,906	2,352,609
3,196,100	3,579,400	Solid Waste	3,777,123	2,676,918
1,604,300	1,576,500	Drainage	1,588,737	1,473,693
-	(469,300)	Jersey Harbours (Note 1)	(469,263)	(416,438)
		Municipal Services		
3,202,400	2,367,200	Highways and Infrastructure Maintenance	2,610,052	3,225,588
(1,655,400)	(1,655,400)	Buildings (Note 2)	(1,655,375)	(1,614,890)
942,800	1,314,300	Coastal and Footpath Maintenance	1,290,292	867,145
2,058,600	2,011,700	Cleaning	1,993,566	1,842,785
2,397,700	2,366,700	Parks and Gardens	2,267,894	2,347,638
		Transport		
5,292,300	5,219,000	Transport Policy and Buses	4,688,886	4,465,867
(98,000)	84,300	Driver and Vehicle Standards	7,464	(197,797)
23,704,900	24,329,500	Net Revenue Expenditure	24,099,616	21,465,775

Note 1:
The Jersey Harbours net revenue income totalling £0.469 (2008: £0.416) million represented a capital repayment made by Jersey Harbours in respect of building works that were undertaken to facilitate the transfer of the Jersey Harbours Engineering Section to the Transport and Technical Services Department.

Note 2:
The Buildings net revenue income totalling £1.655 (2008: £1.615) million represented a payment made by Jersey Car Parking in respect of rent for the multi-storey car parks. This arrangement for reimbursing the Department for the lost income caused by the transfer of the Car Parks Section to a Trading Account was agreed with the former Finance and Economics Committee when the Trading Fund was established.

Transport and Technical Services

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
840,368	840,400	Duties, Fees, Fines & Penalties	575,993	617,449
1,282,000	1,282,000	Sales of Goods	1,392,137	1,162,455
11,238,515	11,303,200	Sales of Services	12,836,111	13,461,243
2,270,300	2,105,600	Hire & Rentals	2,080,622	2,041,086
2,000	2,000	Investment Income	1,997	2,118
416,017	866,000	Other Revenue	717,966	704,397
16,049,200	16,399,200	Total Revenue	17,604,826	17,988,748
20,199,630	19,703,000	Staff Costs	18,876,674	19,256,419
14,685,374	14,386,200	Supplies and Services	15,192,860	14,522,024
292,800	292,800	Admin Expenses	247,838	293,916
6,582,500	7,902,900	Premises & Maintenance	7,884,174	7,031,841
(2,031,800)	(1,781,800)	Other Operating Expenditure	(726,744)	(1,755,615)
(30,604)	169,400	Grants and Subsidies Payments	185,974	55,629
56,200	56,200	Finance Costs	19,445	50,309
-	-	Pension Finance Costs	25,335	-
-	-	Asset Disposal (Gain)/Loss	(1,114)	-
39,754,100	40,728,700	Total Expenditure	41,704,442	39,454,523
23,704,900	24,329,500	Net Revenue Expenditure	24,099,616	21,465,775

Treasury and Resources

Department Highlights:

- Net spend of £17,840,131, an increase of 4.6% on 2008
- Underspend of £1,256,736 (6.6%) against Final Approved Budget

Actual v prior year

The increase in spend from 2008 to 2009 was £781,136 (4.6%) and was largely non-recurring in nature. It related to work on fiscal policy, investments and improving financial management. Income also increased to bring recharges for financial services in line with costs.

Actual v Final Approved Budget

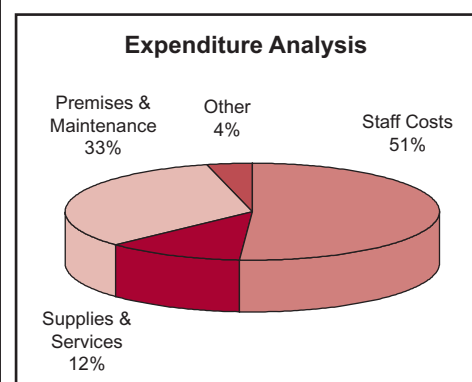
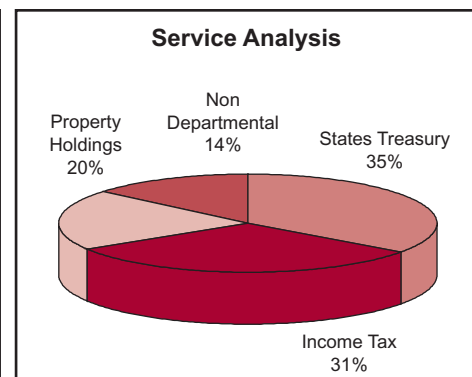
Overall the Department had an underspend against budget of £1,256,736 (6.6%). Treasury was underspent by £576,778 and Property Holdings was underspent by £520,195.

The Treasury underspend was due to a combination of phasing project work over 2009 and 2010 and an increase in recharge income.

The Property Holdings underspend was due to unexpected rental income from sites which became available during the year, an underspend on the reactive maintenance programme, and the late release of additional monies into the planned maintenance budget.

Additional budget allocation

In 2009 an additional £1,744,000 was voted to the Treasury & Resources Department in excess of the original budget agreed in the Business Plan. This additional budget allocation was for non-recurring items such as the completion of phased projects, and transfers between capital and revenue under GAAP. There were also budget transfers between Departments and between capital and revenue (unrelated to GAAP) which do not affect the overall expenditure of the States.



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£'000
Original Budget (excluding Non Cash Items)	17,353
Carryforwards	
Treasury - Project work	822
Property Holdings - Maintenance	150
Transfers between Capital and Revenue (GAAP)	
JDE accounting system	286
Income Tax system (GST)	(266)
Property Holdings - Office Strategy Programme	330
Property Holdings system	45
Budget Transfers	
Treasury - Pay Freeze	(103)
Property Holdings - Pay Freeze	(38)
Property Holdings - Fiscal Stimulus	139
Property Holdings - Asset disposal costs	500
Property Holdings - Market income transfer	(212)
Net Other transfers	91
Final Budget	19,097

Treasury and Resources

The main budget movements in Treasury and Income Tax resulted in a net budget increase of £833,000 in respect of the following:

- Non-recurring projects in respect of fiscal policy, investments and improving financial management, funded from sums carried forward from 2008
£822,000
- Transfer from capital to revenue in respect of the reclassification of the staff costs of implementing the JDE Accounting System under GAAP
£286,000
- Transfer from revenue to capital in respect of the completion of GST system under GAAP
£266,000
- Transfer from Income Tax to Customs of the operating budget of the Customs computer system
£43,000
- Net other transfers
£34,000

The main budget movements in Property Holdings resulted in a net budget increase of £911,000 in respect of the following:

- Non-recurring sum carried forward from 2008 to increase the compliance and maintenance programme
£150,000
- Transfer from capital to revenue in respect of the reclassification of the staff costs of the Office Strategy Programme under GAAP
£330,000
- Transfer from capital to revenue in respect of the reclassification of costs of the Property Management computer system under GAAP
£45,000
- Fiscal Stimulus monies to increase the Property Holdings' maintenance programme
£139,000
- Preparation for disposal of the former Jersey College for Girls
£500,000
- Transfer of surplus income from the operation of the Central and Beresford Markets to the Markets Capital Fund as per the agreement of the former Finance and Economics Committee (Act B7, 18/6/2003)
£212,000
- Net other transfers
£41,000

2009 capital vote

The table below provides a summary of the total value of capital schemes that were live in 2009, together the total spend to date.

Capital	Total £000
Total value of approved capital schemes	74,387
Spent in the Year	9,236
Spent to Date	46,366

Treasury and Resources

An additional £16.2m was voted in the 2009 Business Plan for the Department's capital schemes. This related to the following:

- Treasury: Increase to risk reserve in respect of capital projects £7,000,000
- Treasury: JDE development & upgrade £750,000
- JPH: Replacement Police Station and HQ (Sinking Fund 3rd Tranche) £4,254,000
- JPH: Mont A L'Abbe School – Phase 2 £4,212,000

Key Financial Results by Service Analysis

The results for the Department's service areas (by net expenditure) were:

States Treasury • **Net spend of £6,246,647, an underspend of £576,778 (8.5%) against Final Approved Budget**

The underspend was as a result of the following:

- Financial Services: The underspend of £304,482 was mainly due to an increase in recovery of costs in respect of work undertaken on Separately Constituted Funds and other States' Departments, net of the non-recurring costs of project work within this section.
- Corporate Financial Strategy: The underspend of £143,556 was due to lower than expected expenditure on investment strategy and corporate finance advice.
- Procurement: The underspend of £89,551 was mainly due to an unfilled vacancy.
- Systems: The underspend of £50,596 was mainly due to a delay in recruitment.

Income Tax • **Net spend of £5,452,246, an overspend of £35,237 (0.7%) against Final Approved Budget**

The overspend of £35,237 was due to higher than expected costs in relation to GST and the new Tax Information Exchange Agreements, offset by savings in the costs of personal tax assessing. This additional expenditure was agreed in advance and met by internal budget transfers from other sections of Treasury & Resources.

Jersey Property Holdings • **Net spend of £3,611,738, an underspend of £520,195 (12.6%) against Final Approved Budget**

The underspend was mainly as a result of the following:

- Project Management: the underspend of £368,472 was mainly due to the deferral of planned work on the Office Strategy.
- Property Services & Maintenance: the total underspend of £209,241 was the net result of a number of compensating variances within this heading. The key variances were:
 1. surplus income against target from sites earmarked for development;
 2. an underspend due to a lower demand for reactive maintenance than expected;
 3. an underspend due to a late budget transfer for planned maintenance which was not spent;
 4. an overspend resulting from the additional costs of rechargeable works, and
 5. an exceptional payment to prepare the former Jersey College for Girls site for disposal.

Treasury and Resources

Non Departmental - Insurance • **Net spend of £2,529,500, an underspend of £195,000 (7.2%) against Final Approved Budget**

The underspend of £195,000 above was due to lower than budgeted insurance costs.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sales of Services • **Total income of £5,215,923, a surplus of £1,948,942 (59.7%) against Final Approved Budget**

The surplus income was mainly due to the following:

- £1,284,692 surplus income in Jersey Property Holdings was mainly due to increased rental income from existing sites and unbudgeted income from those sites identified for disposal. A significant proportion of the surplus income is offset by additional expenditure which was rechargeable.
- £582,250 surplus income in States' Treasury, mainly due to recovery of costs in respect of work undertaken on Separately Constituted Funds and other States' Departments.

Hire & Rentals • **Net income of £2,371,434, a surplus of £50,498 (2.2%) against Final Approved Budget**

The surplus income was due to higher than budgeted income in Jersey Property Holdings, resulting from increased occupancy levels.

The results for the 3 highest expenditure lines are as follows:

Staff Costs • **Total spend of £13,026,589, an overspend of £75,097 (0.6%) against Final Approved Budget**

This overspend resulted from a reclassification of project staff expenditure from capital to revenue under GAAP.

Premises & Maintenance • **Total spend of £8,416,867, an overspend of £627,195 (8.1%) against Final Approved Budget**

The overspend of £627,195 was mainly due to under budgeted expenditure of £772,799 in Jersey Property Holdings which was more than offset by increased Sales of Services above. This relates to unbudgeted rechargeable works of £300k together with additional urgent maintenance works which were funded by internal budget transfers from elsewhere in Property Holdings budgets. States Treasury had an underspend of £162,625 mainly due to savings on insurance costs of £195,000.

Supplies & Services • **Total spend of £2,982,042, an underspend of £293,899 (9.0%) against Final Approved Budget**

The underspend of £293,899 was mainly due to lower than expected expenditure on investment strategy and corporate finance advice in States' Treasury and lower than expected expenditure on the Office Strategy and property disposals in Jersey Property Holdings.

Treasury and Resources

Capital Schemes

Total Capital Expenditure during the year was £9.2 million which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amounts voted in excess of £500,000 are contained in the table below:

Scheme	Amount Voted £'000	Spent in the Year £'000	Spent to Date £'000
Income Tax			
GST Implementation	1,503	57	1,503
States' Treasury			
JDE System	9,811	90	9,272
Jersey Property Holdings			
Police Relocation Phase I	17,789	20	612
Prison Cell Block Reconstruction Phase III	11,319	3,737	10,785
Highlands (A Block)	6,073	3,151	4,841
St. Peter's School	5,123	379	4,941
Grainville School Phase III	4,593	48	4,545
Mont-à-l'Abbé School Phase II	4,290	204	663
Public Markets Maintenance	2,768	890	1,567
Haut de la Garenne	2,598	39	2,522
Grouville School	2,177	4	2,069
Mont-à-l'Abbé School Phase I	2,108	19	2,096
Grainville School Phase IV	701	155	185
JCG Drama Extension	643	0	45
Relocation of Sea Cadets	600	0	193
Victoria College Extension	563	0	3
Youth Service Works - Various	528	14	15
Total schemes under £500,000	1,200	429	509
TOTAL	74,387	9,236	46,366

2009 saw the practical completion of a number of major building works projects, including HM Prison Phase III, St Peter's Primary School and the refurbishment of Highlands 'A' Block (Turner Building). Phase I of improvement works on the Indoor Market commenced in 2009, with phase II due to commence in 2010.

Repayments and Interest on Capital Debt

The budget of £43,720,000 was based on an estimate in early 2008 of which capital projects would be complete by the end of 2009.

At the end of 2009 fewer capital projects were completed than the estimate, giving rise to an underspend of £5,416,000.

Treasury and Resources

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		States' Treasury		
1,173,800	1,805,685	Corporate Financial Strategy	1,662,129	1,203,340
390,000	411,094	Decision Support	390,841	379,189
177,600	196,663	Investments	186,806	152,889
1,353,100	1,459,728	Financial Services	1,155,246	1,277,857
1,366,300	1,720,368	Systems	1,669,772	1,333,565
628,600	651,539	Internal Audit	693,055	570,050
563,600	578,349	Procurement	488,798	485,894
5,653,000	6,823,426		6,246,647	5,402,784
		Income Tax Department		
3,273,100	3,081,116	Personal Tax Assessing	3,002,284	3,139,854
908,300	859,962	Company Assessing	850,473	857,787
297,600	264,183	Policy Development	259,162	282,887
203,200	192,804	Investigations & Compliance	190,767	195,761
338,600	333,773	Tax Collection & Arrears	335,274	406,856
734,300	685,172	Goods & Services Tax	778,887	708,415
-	-	TIEA	35,401	-
5,755,100	5,417,010		5,452,248	5,591,560
		Property Holdings		
59,600	104,687	Architectural Services	162,205	234,764
337,100	710,646	Project Management	342,174	426,747
2,824,200	3,316,600	Property Services & Maintenance	3,107,359	3,021,395
3,220,900	4,131,933		3,611,738	3,682,906
		Non Departmental		
2,724,500	2,724,500	Insurance	2,529,500	2,381,745
17,353,500	19,096,869	Net Revenue Expenditure	17,840,133	17,058,995
		Non Cash Limit Items		
43,720,000	43,720,000	Repayments and Interest on Capital Debt	37,862,732	39,024,467

Treasury and Resources

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
3,266,982	3,266,981	Sales of Services	5,215,923	4,356,943
1,836	1,836	Commission	1,228	1,352
2,207,982	2,320,936	Hire & Rentals	2,371,434	2,214,473
338,100	338,101	Other Revenue	203,287	502,652
5,814,900	5,927,854	Total Revenue	7,791,872	7,075,420
12,553,100	12,951,492	Staff Costs	13,026,589	12,348,195
2,264,588	3,275,941	Supplies and Services	2,982,042	2,918,165
432,909	939,909	Admin Expenses	459,538	399,380
7,875,375	7,789,672	Premises & Maintenance	8,416,867	8,140,643
1,728	26,994	Other Operating Expenditure	726,831	296,315
-	-	Grants and Subsidies Payments	-	6,482
40,700	40,713	Finance Costs	20,136	25,235
23,168,400	25,024,721	Total Expenditure	25,632,003	24,134,415
17,353,500	19,096,867	Net Revenue Expenditure	17,840,131	17,058,995
		Non-Cash Limit Items		
43,720,000	43,720,000	Repayments and Interest Capital Debt	37,862,732	39,024,467

Non Ministerial States Funded Bodies

- Department Highlights:**
- Net spend of £19,350,720, an increase of 20.5% on 2008
 - Underspend of £173,853 (0.9%) against Final Approved Budget

Financial Overview

The Non Ministerial Departments are presented here in a consolidated presentation; however, these departments are established under the Public Finance (Jersey) Law 2005 as separate States funded Departments for which no Minister is directly responsible.

Actual v prior year

The increase in spend from 2008 to 2009 was £3,295,183 (20.5%). This related mainly to significant increases in Court and Case Costs (see Note), together with increases in other costs, see below:

- Court & Case Costs £2.5m
- Criminal Prosecutions - Law Officers Department £387k
- Court Services - Judicial Greffe £228k

Actual v Final Approved Budget

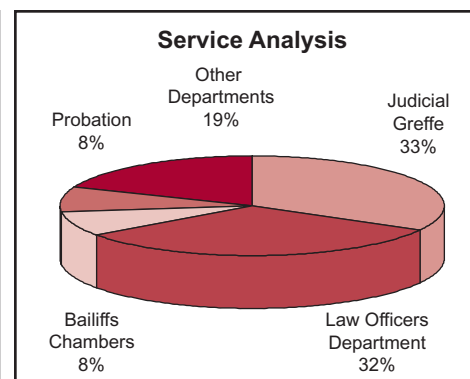
The consolidated Non Ministerial Departments' position shows an underspend of £173,853, mainly due to underspends in the Comptroller and Auditor General and Law Officers' Department.

Additional budget allocation

In 2009 an additional £3,106,000 (net) was voted to the Non Ministerial Departments in excess of the original budget agreed in the Business Plan. This amount represents a total of £1,794,000 in additional budgets for Court and Case Costs for Law Officers Department, Judicial Greffe, Bailiff's Chambers and Viscounts Department.

£1,119,000 was transferred to the Law Officers Department in respect of the Historic Child Abuse Enquiry.

An additional budget of £60,000 was voted in respect of a Probation Welfare post.



Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£'000
Original Budget	16,419
Court & Case Costs	1,794
Historic Child Abuse Enquiry - Law Officers Department	1,119
Probation - Family Court Welfare post	60
Pay Freeze	(110)
Revenue to Capital Transfers (GAAP)	(30)
Carry Forwards:	
Comptroller & Auditor General - GAAP review & other projects	175
Law Officers Department - reorganisation costs	53
Other carry forwards	96
Net other transfers	(51)
Final Budget	19,525

Capital	Total £'000
Total value of approved capital schemes	9,701
Spent in the Year	(133)
Spent to Date	9,555

Non Ministerial States Funded Bodies

There were also various transfers between revenue and capital budgets due to GAAP and a decrease in staff budgets due to the pay freeze. Carry forwards included £175,000 for the Comptroller and Auditor General, in respect of additional work surrounding GAAP reviews and other projects, and £53,000 for the Law Officers Department for reorganisation costs. Other smaller carry forwards amounted to £96,000 and other net transfers amounted to £34,000.

2009 capital vote

There were no new capital schemes during 2009.

Key Financial Results by Service Analysis

Bailiffs Chambers • **Net spend of £1,527,091, break-even against Final Approved Budget**

During 2009, the Bailiff's Chambers managed its operations within its net revenue budget of £1,527,092. This was despite pressures arising during the year from the unpredictable nature of costs relating to the number and size of cases heard before the Courts and the cost of official visits.

Law Officers' Department • **Net spend of £6,119,215, an underspend of £54,406 (0.9%) against Final Approved Budget**

Overall the Law Officers Department had an underspend against budget of 0.9%. This was largely due to delays in timing of the recruitment of staff and other associated costs, offset by a lower than budgeted recovery of costs (recharges) from the Criminal Offences Confiscation Fund. The Department incurred £1,119,000 additional costs related to the Historic Child Abuse Enquiry for which additional budget was made available.

Judicial Greffe & Viscounts

Judicial Greffe • **Net spend of £6,369,873, break-even against Final Approved Budget**

Viscounts Department • **Net spend of £1,438,373, break-even against Final Approved Budget**

As part of the programme of integration, the Judicial Greffe and Viscounts Departments are now generically referred to as the Court Service. Considerable operational activity was experienced throughout the Court Service during the year.

During 2009, the Court Service was able to manage its operations within the allocated budget set for the year. The workload of the Court Service continues to increase, and in spite of this, high standards of performance are being maintained out of the operational allocation. Extraordinary Court & Case Costs have been met through the COCF (see note below).

Official Analyst • **Net spend of £544,630, break-even against Final Approved Budget**

The Official Analyst's Department continues to meet the forensic, environmental, consumer and health protection analysis needs of States Departments, local business and members of the public whilst maintaining the breadth of experience and equipment necessary to deal with novel problems.

Manpower costs represent 66% of the Department's gross expenditure.

Non Ministerial States Funded Bodies

Office of the Lieutenant Governor

- **Net spend of £744,283, an underspend of £8,217 (1.1%) against Final Approved Budget**

Total net expenditure was slightly less than budget. The budget is reliant on income from naturalisations to fund a major part of the Department's operational costs. Government House has no control over the number of naturalisations and thus the income from them.

A major part of expenditure was used to provide support for the Lieutenant-Governor's wide-ranging responsibilities and duties and to fund the running costs of Government House and the Office of the Lieutenant-Governor. The programme of repairs and modernisation around the estate continued with work on external lighting and security systems.

Office of the Dean of Jersey

- **Net spend of £23,695, break-even against Final Approved Budget**

Office of the Dean of Jersey managed its budget within the cash limit set for 2009. All spend for this department is staff-related.

Data Protection Commission

- **Net spend of £230,271, break-even against Final Approved Budget**

The Data Protection Commission managed its budget within the cash limit set for 2009.

Of the Department's gross expenditure, 75% related to staff costs. The Commission is heavily reliant on registration income to cover other committed costs.

Probation

- **Net spend of £1,562,018, break-even against Final Approved Budget**

The Jersey Probation and After-Care Service (JPACS) managed its budget within the cash limit set for 2009. The largest single area of expenditure was staff costs, which amounted to £1,538,584 for 2009. It follows therefore that the Service is particularly vulnerable to pressures in this area.

During 2009, overall workload in all areas increased despite a decline in reported crime. The biggest increase was seen in the Community Service Department where 218 Community Service Orders were made compared to 156 in 2008. The number of hours ordered by the courts during 2009 equates to 23,642 compared to 14,862 in 2008 and 17,937 in 2007. The Community Service Scheme is calculated to have saved £3 million in imprisonment costs during 2009 at a cost of £288,000 approx.

Comptroller and Auditor General

- **Net spend of £791,271, an underspend of £111,229 (12.3%) against Final Approved Budget**

The Comptroller and Auditor General (C&AG) examines how public bodies manage spending and looks at how best to achieve value for money by managing their finances to the highest standards.

The majority of the £111,229 underspend relates to outstanding pieces of work which will be carried out in 2010. Funds will be carried forward to support this.

Non Ministerial States Funded Bodies

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Bailiff's Chambers		
849,300	703,879	Royal Court	688,224	672,992
117,300	115,706	States Assembly	113,133	109,665
29,000	9,642	Licensing	9,600	9,429
127,400	134,990	Civic Head	131,816	127,266
19,700	22,500	Jurats Expenses	16,367	15,000
87,300	10,000	Distinguished Visitors	36,107	21,921
22,900	50,000	Commemorative Functions	60,435	54,990
–	480,375	Court and Case Costs	658,409	283,788
–	–	Court and Case Costs - see note below	(187,000)	(96,083)
1,252,900	1,527,092		1,527,091	1,198,968
		Law Officers' Department		
1,301,080	1,353,900	Criminal Prosecutions	1,400,026	1,013,432
1,782,038	1,686,966	Legal Advice	1,346,270	1,281,118
376,868	392,168	Conveyancing	363,418	358,786
379,925	395,349	Civil Proceedings	386,123	326,181
807,767	840,560	Interjurisdictional Assistance	567,888	619,396
33,397	34,753	Duties of the Attorney General	34,193	33,670
2,325,725	2,598,196	Court and Case Costs	3,885,585	3,420,154
–	–	Court and Case Costs - see note below	(1,288,000)	(1,319,746)
(1,095,000)	(1,128,271)	COCF Recharges	(576,288)	(745,273)
5,911,800	6,173,621		6,119,215	4,987,718
		Judicial Greffe		
774,100	1,019,968	Samedi, Family, Appellate and Interlocutory Service	1,019,966	792,100
1,056,200	729,678	Magistrates Court	729,678	1,003,900
382,000	440,000	Maintenance of Registries	440,000	316,360
1,755,500	4,180,227	Court and Case Costs	5,125,229	3,416,476
–	–	Court and Case Costs - see note below	(945,000)	(552,766)
3,967,800	6,369,873		6,369,873	4,976,070

Non Ministerial States Funded Bodies

Net Expenditure - Service Analysis (continued)

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
		Viscount's Department		
117,550	140,730	Coroner	140,730	123,772
350,400	211,560	Desastre	211,560	51,274
430,840	478,766	Enforcement	478,766	583,076
121,870	131,813	Assize Jury Functions	131,813	218,312
100,140	97,092	Curatorships	97,092	80,095
304,000	378,412	Court and Case Costs	408,412	134,523
–	–	Court and Case Costs - see note below	(30,000)	(86,335)
1,424,800	1,438,373		1,438,373	1,104,717
		Official Analyst		
599,100	544,630	Forensic, Environmental Analysis	544,630	554,003
599,100	544,630		544,630	554,003
		Office of the Lieutenant Governor		
743,000	752,500	Duties of the Lieutenant Governor	744,283	710,865
743,000	752,500		744,283	710,865
		Office of the Dean of Jersey		
22,200	23,695	Office of the Dean of Jersey	23,695	22,987
22,200	23,695		23,695	22,987
		Data Protection Commission		
224,500	230,271	Data Protection Commission	230,271	219,814
224,500	230,271		230,271	219,814
		Probation		
241,250	142,078	Community Service by Offenders	288,125	180,728
1,302,750	1,419,940	Information and Supervision Service	1,273,893	1,319,889
1,544,000	1,562,018		1,562,018	1,500,617
		Comptroller and Auditor General		
728,600	902,500	Comptroller and Auditor General	791,271	779,778
728,600	902,500		791,271	779,778
16,418,700	19,524,573	Net Revenue Expenditure	19,350,720	16,055,537

Non Ministerial States Funded Bodies

Note on Court and Case Costs

Court and Case Costs are demand-led and exceptionally volatile in a way that cannot be controlled by the States' Court Service Departments. In addition, the expenditure associated with a small number of high-profile cases can be so large that Departments are not expected to absorb the effects of the volatility. Such Court and Case Costs exceeded budget by approximately £4.2m in the Court Service Departments in 2009. In order to fund these costs funds were transferred from Social Security (£1.8m) and from the Criminal Offences Confiscation Fund ("COCF") (£2.5m). Under the Proceeds of Crime (Jersey) Law 1999, there are restrictions on the use of COCF monies, which means that only non-drug and non-terrorism related cases can be funded from it. The Minister, by way of Ministerial Decision dated 3rd February 2010, approved the following transfers from the COCF:

- Bailiff's Chambers: £187,000
- Law Officers' Department: £1,288,000
- Judicial Greffe: £945,000
- Viscount's Department: £30,000

States Assembly and its services

Department Highlights:

- Net spend of £5,020,809, an increase of (6.3%) on 2008
- Underspend of £149,600 (2.9%) against Final Approved Budget

Actual v prior year

The increase in spend from 2008 to 2009 was 6.3%, mainly due to an increase in Scrutiny spending and an increase in the level and take-up of States members' remuneration.

Actual v Final Approved Budget

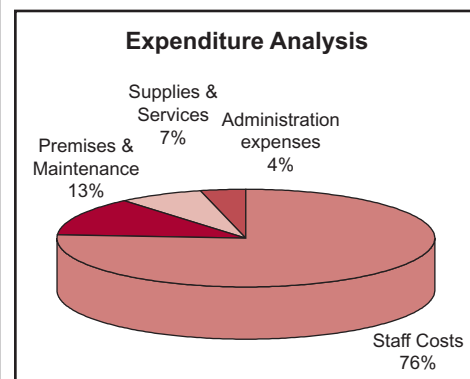
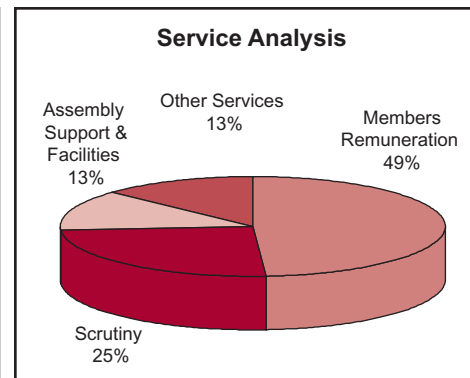
Overall the Department had an underspend against budget of 2.9%. Despite the overall increase in Scrutiny spending compared to 2008, there was nevertheless still a significant underspend by the Scrutiny section. The underspend was offset by unbudgeted increases in States Assembly support arising from the unexpected record number of States sittings. This resulted in an increase in Hansard costs, printing costs, meals and staff costs. There was also a one-off expenditure on improving the fabric of the Public Gallery.

Additional budget allocation

In 2009, there was a reduction to the original budget of £33,091. This related to the removal of the pay award of £18,301, and also to a transfer of £14,790 from revenue to capital in respect of an item of equipment.

2009 capital vote

There were no significant capital projects in this department in 2009.



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

	£'000
Original Budget	5,203
Revenue to capital transfer	(15)
Removal of pay award	(18)
Final Approved Budget	5,170

States Assembly and its services

Key Financial Results by Service Analysis

The results for the department's top 2 service areas (by net expenditure) were:

Members' Remuneration • **Net spend of £2,435,321, an underspend of £15,325 (0.6%) against Final Approved Budget**

Members' remuneration increased by £1,000 p.a. from 1st January 2009, although it has been frozen for 2010. Actual spend was marginally less than approved budget due to not all members taking up the full remuneration available.

Scrutiny • **Net spend of £1,238,570, an underspend of £244,318 (16.5%) against Final Approved Budget**

As in previous years actual spend was less than approved budget as the total cost of reviews undertaken was less than initially anticipated by the Scrutiny panels. This was partly due to the fact that 2009 was the first year of the 3 years States' cycle and the panels were newly established at the beginning of the year.

Financial Results by Operating Cost Statement

The result for total revenue is as follows:

Total Revenue • **Income received £206,053, an increase of £186,053 against Final Approved Budget**

Total revenue included £195,956 in respect of sale of services, representing the recharge of costs shown net in the approved budget.

The results for the highest expenditure line are as follows:

Staff Costs • **Net spend of £3,972,625, an overspend of £198,572 (5.3%) against Final Approved Budget**

Staff costs represent the combined total of States Members' remuneration and staff costs in the States Greffe; Members' remuneration represents 61% of the total and staff costs represent 39%. The primary reason for the excess of actual staff costs compared to budget (£198,572), is that as for revenue above, the budget figures are shown net of recharged costs, whereas the actual figures are shown gross.

Capital Schemes

There were no capital projects in this department in 2009.

States' Assembly and its services

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
1,498,600	1,482,888	Scrutiny	1,238,570	1,133,121
47,500	46,814	States Messenger	49,964	44,851
127,400	127,053	Inter-Parliamentary Relations	138,471	93,072
138,500	135,867	Bookshop	159,382	134,172
15,300	15,075	Complaints Panel	16,355	13,791
330,400	325,063	Clerks Secretariat	317,720	329,540
595,200	587,003	Assembly Support & Facilities	665,026	631,967
2,450,600	2,450,646	Members Remuneration	2,435,321	2,343,685
5,203,500	5,170,409	Net Revenue Expenditure	5,020,809	4,724,199

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
20,000	20,000	Sale of Goods	10,097	16,593
-	-	Sale of Services	195,956	178,848
20,000	20,000	Total Revenue	206,053	195,441
3,792,400	3,774,053	Staff Costs	3,972,625	3,810,056
520,398	505,684	Supplies and Services	388,441	358,007
197,508	197,508	Admin Expenses	199,179	143,119
582,994	582,994	Premises & Maintenance	665,011	595,020
48,000	48,000	Other Operating Expenditure	1,606	13,438
82,200	82,170	Grants and Subsidies Payments	-	-
5,223,500	5,190,409	Total Expenditure	5,226,862	4,919,640
5,203,500	5,170,409	Net Revenue Expenditure	5,020,809	4,724,199

Economic Development

Jersey Airport

Department

Highlights:

- **Transfer to Trading Fund of £7,493,436**
- **Surplus for the year of £11,478,122 - an increase of £1,439,242 (14.3%) on 2008 and £1,353,510 (13.4%) higher than Final Approved Budget**

Actual v prior year

The 2009 surplus transferred to the Trading Fund was £7.4 million after deducting depreciation of £4.0million. The surplus before depreciation was £11.4 million compared with £10.0 million in 2008. The increase on 2008 income reflected the States decision to increase the annual grant payment for Below Ground Works to £5.0million from £2.8million and an increase in Channel Islands Control Zone income in line with a new financial protocol agreed between the UK and France and signed in 2008.

Actual v Final Approved Budget

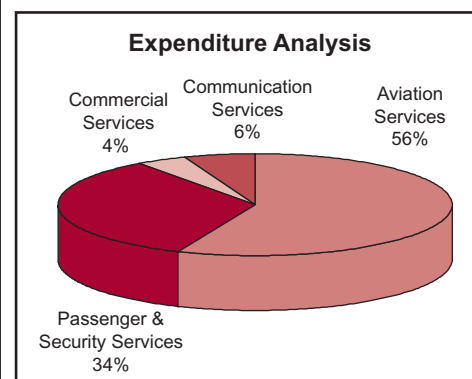
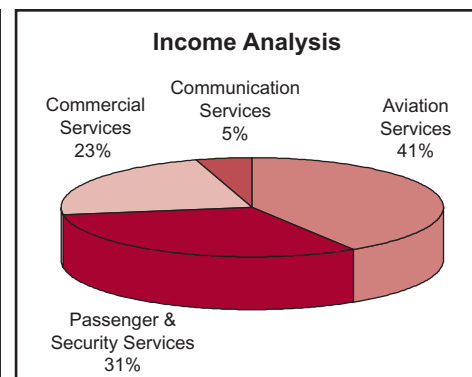
The surplus, excluding depreciation, was £1.3million more than budgeted. This relates principally to Channel Islands Control Zone income. When the 2009 budget was produced, negotiations relating to the financial protocol were ongoing with the French and UK Governments and a conservative estimate of Control Zone income was included in the budget. Following the completion of negotiations and with the strengthening of the Euro against Sterling, an increase against budget of £1.5million was achieved. This helped to offset the impact of an 8.2% reduction in passenger numbers on aeronautical income.

Additional budget allocation

In 2009, adjustments were made to the budget for reporting purposes, as well as reflecting the decision to maintain pay levels at 2008 rates. These changes are shown in the budget reconciliation.

2009 capital vote

In the 2009 business plan, £5.1m was approved to be used from the Trading Fund for the department's 2009 capital schemes. This was to cover:



Capital	Total £'000
Total value of approved capital schemes	77,042
Spent in the Year	17,010
Spent to Date from project inception	53,310

Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£'000
Original Budget	(2,535)
Reporting adjustments	
Below Ground Works Grant	(5,000)
Capital Element of Loan	(2,017)
Notional Interest	(507)
Duties, Fees, Fines & Penalties	(2)
Re: Shadow Business Plan	
Capital Manpower recharge	(59)
Revenue Elements of Capital projects	159
Business Decisions made in year	
Pay award adjustment	(353)
Net effect of Capital / Revenue budget Transfers	189
Final Budget	(10,125)

Economic Development

Jersey Airport

- *Air Traffic Control Centre (ATCC) Equipment Phase 2* – the replacement of some equipment as part of the ATCC project led to a reduction in overall capital programme cost.
- *Regulatory Compliance and Safeguarding* – the removal of obstacles infringing the airspace.
- *Common User Terminal Equipment* – the installation of infrastructure to enable business partners to run their check-in systems on the same platform.
- *Public Address and Fire Alarm system* – replacement of the existing system within the Terminal Buildings.
- *Access Control System* – increasing secure access to restricted areas within the Terminals.
- *Minor Capital asset purchases*

All capital projects are funded from trading fund balances (with the exception of certain “Below Ground” Works which are funded by a grant from the Consolidated Fund).

Additional details on revenue expenditure results and in year capital spend are explained below.

Key Financial Results by Service Analysis

The results for the department’s top 4 service areas (by net income/expenditure) were as follows. All Service Analysis results are reported gross (before depreciation).

Aviation Services • **Net income of £8,697, an increase of £1,496,593 (100.6%) against Final Approved Budget**

Air Transport movements (the volume of commercial air traffic) declined by 14.1%. Changes in the type and size of aircraft meant that whilst numbers were down, the impact on Aircraft Dues was less. Furthermore, any reduction in income was partly offset by better performance on Extension charges, Parking, Freight, Mail and Paper charges. Aircraft Dues income in 2009 was £3.6million.

As mentioned in the introduction to this report, income from the Channel Islands Control Zone (CICZ) was higher than budget by £1.5million. This is the primary contributor to the increase against budget in this service area.

CICZ income received in 2009 was reflected in the Airport’s accounts at £5.8million. The Euros are paid into a Treasury managed Euro account and converted at a fixed rate agreed with the Treasury Minister part way through 2009.

Passenger and Security Services • **Net income of £1,802,920, a decrease of £394,172 (17.9%) against Final Approved Budget**

Passenger & Security charges in 2009 were 3.3% less than those recovered in 2008. This compares favourably with an 8.2% reduction in passenger numbers. The reduced impact on income results from the full year effect of the increase in security charges in September 2008. Furthermore, a significant element of the reduction in passenger numbers related to routes where “new route” discounts were in place. Passenger & Security Charge income in 2009 was £7.9 million.

Aviation Security costs increased in 2009 with a new contract starting in April 2009. The contract was awarded after a tendering process, carried out with the support of the Central procurement unit.

Economic Development

Jersey Airport

The increase in electricity prices at the beginning of 2009 and an increase in usage impacted on the costs of running the Passenger Terminals. Electricity costs (Passenger Services) for 2009 were £0.5million.

Commercial Services • **Net income of £4,999,038, an increase of £541,271 (12.1%) against Final Approved Budget**

The Airport received some outstanding monies due from key ground handling concessions where there were disputes over the calculation of the income due. Backdated concession income relating to the previous year was also received from a retailer whose contract had not been ratified at the end of 2008 and therefore no provision was made for this income in the accounts. Concession income received in 2009 was £3.3million. Of this amount £0.3million related to 2008.

There was a reduction in retail concession income in real terms of just over 2%. This was against the backdrop of falling passenger numbers and significant works being undertaken during peak periods to develop the retail offer. Additional revenues from the retail development are not expected to have an impact until the second quarter of 2010.

Communications Services • **Net income of £128,250, an increase of £28,601 (28.7%) against Final Approved Budget**

Communications Services provides radio communications goods and services to other States Departments and to external customers. The 2009 surplus exceeded 2008's by £17,985 (16.3%). Cost savings year on year were due to staff changes and additional income from new contracts was received contributing to the overall net favourable position.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sales of Services • **Income of £19,585,697, a surplus of £1,362,797 (7.5%) against Final Approved Budget**

This section includes, amongst other things, Aeronautical, Passenger and Security Charges, extension, freight and mail charges and Channel Island Control Zone income (CICZ). The variance is due primarily to the CICZ income received being £1.5million more than budgeted.

Hire & Rentals • **Income of £5,632,380, a surplus of £579,280 (11.5%) against Final Approved Budget**

This section includes Aircraft Parking charges, Concessions, Rentals, Licences and Car Park fees. The variance is due primarily to the receipt in 2009 of concession income relating to 2008, the addition of rental income from new tenants and also a rental increase at the beginning of 2009 in line with the December 2008 Retail Price Index increase.

Economic Development

Jersey Airport

The results for the 3 highest expenditure lines are as follows:

Staff Costs • **Expenditure of £10,742,230, a decrease of £124,308 (1.2%) against Final Approved Budget**

The decrease against budget is partly due to the inclusion in the 2009 budget of an amount to recruit fully trained Air Traffic Control (ATC) staff to support the existing staff in the move to the new control centre. The ATC Department has not been able to fill these roles fully. Other areas of note include the creation of the Strategic Planning Manager role and the secondment of a Strategic Change Manager to the organisation for a two year period. These posts were funded from the Organisational Development budget.

Supplies & Services • **Net spend of £4,666,037, a decrease of £37,113 (0.8%) against Final Approved Budget**

A key feature of 2009 activity was strategic planning. This was facilitated by numerous reviews including the following:-

- Financial Viability
- Master Planning
- Strategic Business Planning

The associated costs were met from within the Organisational Development budget which was included under Staff costs in the Original 2009 budget.

Premises & Maintenance • **Net spend of £3,243,334, a decrease of £256,366 (7.3%) against Final Approved Budget**

Electricity costs were £79,303 more than budget. This resulted from an increase in usage over and above budget which continued from the previous year. A group was set up during the year to review electricity usage including representatives from Engineering and Terminal Services.

Equipment maintenance was £115,577 more than budgeted. This was mainly because an anticipated reduction in baggage system maintenance costs, as a result of its planned replacement, was not achieved. The replacement, originally programmed for mid 2009, was deferred and the budgeted cost reduction did not materialise.

Economic Development

Jersey Airport

Capital Schemes

Total capital expenditure during the year was £17,010 million which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amount voted in excess of £500,000 are contained in the table below:

Scheme	Amount Voted ⁽¹⁾ £000	Spent in the Year ⁽²⁾ £000	Spent to Date ⁽³⁾ £000
Runway	19,144	3,131	15,706
South Apron	9,200	792	8,967
Air Traffic Control Centre	8,396	6,181	7,898
Air Traffic Control Equipment	3,626	1,255	1,828
Arrivals/Pier/Forecourt	7,180	469	475
Aviation Services Building	4,211	119	123
Freight Taxiway	2,313	585	1,619
Airside Retail Development	1,623	1,537	1,537
Telebag System	1,640	35	35
Out of Gauge X-Ray and Hold Baggage System (<i>runs concurrently with Telebag project</i>)	970	-	-
Common User Terminal Equipment	901	610	610
Arrivals building demolition (Top 2 floors)	888	21	21
Replacement Fire Tender	596	566	567
Perimeter Security Fencing	520	439	439
Delayed Projects over £500,000	1,070	-	-
Completed works (retentions paid in 2009)	12,142	(49)	11,706
Total schemes under £500,000	2,622	1,319	1,779
TOTAL	77,042	17,010	53,310

Note 1: This is the Final budget after transfers have been made to or from revenue

Note 2: Total expenditure during 2009. These amounts include capital creditors raised at the end of the year.

Note 3: Total expenditure from inception to the end of 2009 on live projects.

A negative amount shown against Completed works relates to a retention payment which came in below the capital creditor amount raised in 2008 and the removal of an item from another project's scope which was also previously included in capital creditors in 2008.

Economic Development

Jersey Airport

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
1,507,000	1,487,896	Aviation Services (Note 1)	(8,697)	425,469
(2,161,000)	(2,197,092)	Passenger & Security Services	(1,802,920)	(2,391,035)
(4,469,000)	(4,457,767)	Commercial Services	(4,999,038)	(4,648,725)
(78,000)	(99,649)	Communications Services	(128,250)	(110,265)
(5,000,000)	(5,000,000)	Below Ground Works Grant	(5,000,000)	(2,841,000)
-	(507,000)	Notional interest on cash balances	(227,435)	(1,281,818)
2,666,000	649,000	Loan Repayments (Note 2)	688,218	808,494
(7,535,000)	(10,124,612)	(Surplus) for the year	(11,478,122)	(10,038,880)
-	-	Depreciation (Note 3)	3,984,686	3,435,740
(7,535,000)	(10,124,612)	Transfer to Trading Fund	(7,493,436)	(6,603,140)

Note 1: Aviation services contains CI Control Zone Income.

Note 2: In the final approved budget, Loan repayments reflect the interest element only.

Note 3: Depreciation has been excluded from the Surplus for the year to enable a like for like comparison to be made with the budget. Historically, depreciation has not been reported.

Economic Development

Jersey Airport

Operating Cost Statement

2009 Business Plan* £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
-	2,000	Duties, Fees, Fines & Penalties	-	7,092
18,222,900	18,222,900	Sales of Services	19,585,697	19,220,151
5,053,100	5,053,100	Hire & Rentals	5,632,380	5,262,179
-	507,000	Investment Income	227,435	1,281,818
5,128,000	5,128,000	Other Revenue	5,117,380	2,961,767
28,404,000	28,913,000	Total Revenue	30,562,892	28,733,007
11,292,000	10,866,538	Staff Costs	10,742,230	10,654,690
4,527,700	4,703,150	Supplies and Services	4,666,037	4,560,404
242,300	242,300	Admin Expenses	214,383	259,352
3,266,400	3,499,700	Premises & Maintenance	3,243,334	2,975,546
(1,521,100)	(1,371,100)	Other Operating Expenditure	(670,304)	(762,570)
2,865,000	651,000	Finance Costs	689,693	810,369
196,700	196,800	Pension Finance Costs	205,257	196,336
-	-	Asset Disposal (Gain)/Loss	(5,860)	-
20,869,000	18,788,388	Total Expenditure	19,084,770	18,694,127
(7,535,000)	(10,124,612)	(Surplus) for the Year	(11,478,122)	(10,038,880)
	-	Depreciation/Capital Charges	3,984,686	3,435,740
(7,535,000)	(10,124,612)	Transfer to Trading Fund	(7,493,436)	(6,603,140)

* These are the 2009 comparative figures taken from the 2010 Annual Business Plan.

Economic Development

Jersey Airport

Trading Fund

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
15,628,550	15,628,550	Balance brought forward 1 January	15,628,550	26,379,395
		Add:		
7,535,000	10,124,612	Surplus/(Deficit) for the year	7,493,436	6,603,138
		Add back: Depreciation	3,984,686	3,435,740
7,535,000	10,124,612	Total Additions	11,478,122	10,038,878
		Less:		
(17,165,900)	(11,009,421)	Capital Expenditure - Above Ground Works	(12,532,253)	(1,398,018)
(8,461,800)	(4,140,315)	Capital Expenditure - Below Ground Works	(4,477,743)	(17,534,189)
(2,017,216)	(2,017,216)	Capital element of Loan Repayment	(1,977,793)	(1,857,516)
(27,644,916)	(17,166,952)	Total Expenditure	(18,987,788)	(20,789,723)
(4,481,366)	8,586,210	Balance carried forward 31 December	8,118,884	15,628,550

Economic Development

Jersey Harbours

Department

- Net Revenue of £1,804,660, a decrease of 19% on 2008

Highlights:

- Net Revenue £274,820 (18%) in excess of Final Approved Budget

Actual v prior year

At an operating level (Port of Jersey, Jersey Marinas and Jersey Coastguard) there was an increase in Net Revenue of £61,214 or approximately 2%. The decrease in overall Net Revenue from 2008 to 2009 was £419,329 or 19%, primarily due to non-operational items.

Actual v Final Approved Budget

Overall the department had an under spend against budget of £274,820 or 18.0%. At an operating level the Net Revenue performance against budget was a surplus of £1,190,082 or 47%. This was driven by better than anticipated income performance in the Port of Jersey (including improved UK passenger numbers) with proactive management resulting in increased income for Jersey Marinas (through for example the release of additional contract berths at the Jersey Boat Show) combined with concerted efforts to minimise budgeted operating costs (for example reducing number of seasonal staff and deferring other recruitment and projects).

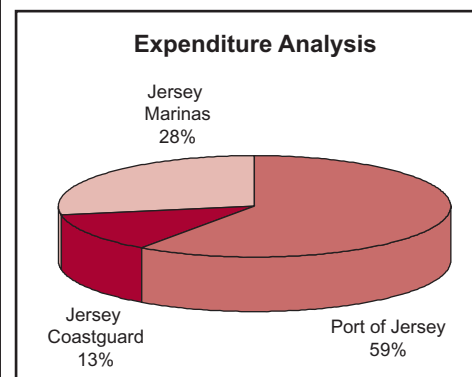
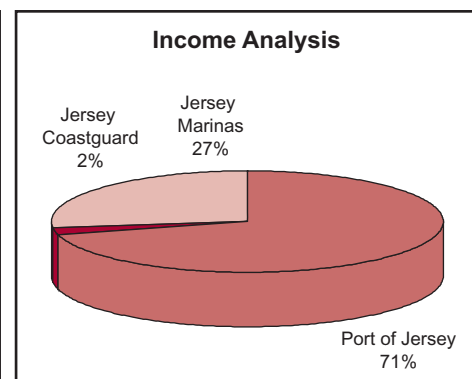
Additional budget allocation

In 2009 a budget amount of £169,795 was re-designated as revenue expenditure in excess of the original Jersey Harbours budget agreed in the Business Plan. This amount represents the transfer of a capital budget that included non capital expenditure (see Reconciliation table for details) and does not therefore constitute an overall budget increase. The budget allocation was not spent and the funds have been retained in the Trading Fund.

2009 capital vote

In the 2009 Business Plan, an additional £2.013m was voted for the department's capital schemes. This was to cover:

- Marina Electricity System
- Elizabeth Pontoon Fingers
- CCTV
- Elizabeth Terminal (Phase II)
- Minor Remediation Projects (M&E)
- Minor Remediation Projects (Civils)
- Minor capital allocation (2009)



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£'000
Original Budget	(1,700)
Move non capital budget to revenue	170
Final Approved Budget	(1,530)

Capital	Total £'000
Total value of approved capital schemes	7,626
Spent in the Year	1,025
Spent to Date	1,225

Economic Development

Jersey Harbours

All capital projects are funded from revenues received from trading, maintained as trading fund balances.

Additional details on revenue expenditure results and in year capital spend are explained below.

Key Financial Results by Service Analysis

The results for the department's top 3 service areas (by net revenue expenditure) were:

Port of Jersey • **Net income of £3,814,550, a surplus of £842,403 (28%) against Final Approved Budget**

The Port of Jersey generated a surplus against budget of approximately £180,000 (2%). This primarily resulted from stronger than anticipated performance with regard to facilities and services provided to tenants. In terms of direct expenditure the Port of Jersey came in 9% under budget. This was due to aggressive savings made in the year in response to forecasts of disappointing passenger and freight volumes, for example, a reduction in the number of seasonal staff employed along with delays in recruitment schedules and vacancies not being filled.

Jersey Marinas • **Net income of £938,980, a surplus of £213,133 (29%) against Final Approved Budget**

Income generated by Jersey Marinas increased by 8% against budget. This was due to increased contract berths being released to the local market after marina reconfiguration, with strong sales for the industry at the Jersey Boat Show and higher charges levied against larger vessels. Similarly to the Port of Jersey, a positive contribution resulted from stronger than anticipated performance with regard to facilities and services provided to tenants.

In terms of direct expenditure Jersey Marinas was 2% under budget. This was in part due to provisions that were made in the budget, for example storm damage, but were not required in 2009. Year on year maintenance costs were down 31% due to cyclical costs incurred in 2008 (for example refurbishment of marina gates) and delays imposed where possible.

Jersey Coastguard • **Net spend of £1,023,743, a surplus of £134,546 (12%) against Final Approved Budget**

Jersey Coastguard generated income in line with budget, the majority of which relates to a grant from the Economic Development Department to fund the Beach Lifeguards. Jersey Coastguard made efficiencies including staff costs with no reduction in service.

Economic Development

Jersey Harbours

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sale of Services • **Net income of £8,682,908, a surplus of £68,408 (1%) against Final Approved Budget**

Sales of Services (predominantly Harbour Dues income) were broadly in line with expectation resulting in a marginal variance compared to Final Approved Budget.

Hire and Rentals • **Net income of £5,371,697, a surplus of £354,197 (7%) against Final Approved Budget**

During 2009 the surplus income compared to budget was a result of gains in marina income and property rental income. As referred to above, Marina income exceeded budget by 8% this is a result of income resulting from the reconfiguration of berths to provide more contract space for local boats (supported by the Jersey Boat Show) and higher yields from larger vessels. A surplus on property related income has resulted from stronger than anticipated performance with regard to facilities and services provided to tenants.

The results for the 3 highest expenditure lines are as follows:

Premises & Maintenance • **Net spend of £4,336,833, an increase of £73,567 (2%) against Final Approved Budget**

Premises and Maintenance costs were broadly in line with expectation resulting in a marginal variance compared to Final Approved Budget.

Staff costs • **Net spend of £3,797,721, an increase of £435,279 (10%) against Final Approved Budget**

During 2009 savings have been made in staff costs resulting in the 10% decrease in costs against budget. These savings have included delays in recruitment of posts; reduction in seasonal recruitments and no annual pay awards being provided in June 2009 due to the States wide pay freeze.

Supplies & Services • **Net spend of £1,944,259, an increase of £273,036 (12%) against Final Approved Budget**

During 2009 a non capital budget of £170K was transferred as an additional expenditure budget to supplies and services, this was unspent at the year end. Further general savings have been made across supplies and services in response to the current economic climate.

Economic Development

Jersey Harbours

Capital Schemes

Total Capital Expenditure during the year was £1.2 million which reflects the progress made on a wide variety of individual schemes. A summary of current capital schemes with total amount voted in excess of £500,000 are contained in the table below:

Scheme	Amount Voted £000	Spent in the Year £000	Spent to Date £000
West Berth Ro-Ro Ramp	1,900	-	-
Total schemes under £500,000	5,726	1,025	1,225
TOTAL	7,626	1,025	1,225

Economic Development

Jersey Harbours

Net Expenditure - Service Analysis

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
(3,087,442)	(2,972,147)	Port of Jersey	(3,814,550)	(3,967,240)
1,138,789	1,158,289	Jersey Coastguard	1,023,743	936,322
(760,847)	(725,847)	Jersey Marinas	(938,980)	(637,655)
(2,709,500)	(2,539,705)	Net Operating Revenue (Surplus)	(3,729,787)	(3,668,573)
977,425	977,425	Capital Return	977,425	1,287,131
232,440	232,440	Revenue Return	232,440	452,400
(200,000)	(200,000)	Notional Interest	(225,949)	(1,196,849)
-	-	Depreciation	941,211	901,902
(1,699,635)	(1,529,840)	Net Revenue (Surplus)	(1,804,660)	(2,223,989)

Please note, depreciation was never budgeted for previously as it had a net nil effect on the trading fund. From 2010 onwards depreciation charges will be budgeted for to ensure completeness.

Economic Development

Jersey Harbours

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
11,000	11,000	Duties, Fees, Fines & Penalties	10,975	12,815
8,614,500	8,614,500	Sales of Services	8,682,908	8,498,040
5,017,500	5,017,500	Hire & Rentals	5,371,697	4,957,715
200,000	200,000	Investment Income	225,949	1,196,849
-	-	Other Revenue	77,651	174,810
13,843,000	13,843,000	Total Revenue	14,369,180	14,840,229
4,233,000	4,233,000	Staff Costs	3,797,721	3,789,870
2,040,000	2,217,295	Supplies and Services	1,944,259	1,400,330
73,000	73,000	Admin Expenses	102,462	103,736
4,410,400	4,410,400	Premises & Maintenance	4,336,833	4,526,725
40,300	32,800	Other Operating Expenditure	136,585	83,796
59,100	59,100	Grants and Subsidies Payments	36,130	13,636
768,071	768,071	Depreciation/Capital Charges	1,709,282	1,911,529
218,054	218,054	Finance Costs	221,075	334,218
232,440	232,440	Financial Returns	232,440	452,400
69,000	69,000	Pension Finance Costs	47,734	-
12,143,365	12,313,160	Total Expenditure	12,564,520	12,616,240
(1,699,635)	(1,529,840)	(Surplus) for the Year	(1,804,660)	(2,223,989)
1,699,635	1,529,840	Transfer to Trading Fund	1,804,660	2,223,989

Economic Development

Jersey Harbours

Trading Fund

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
6,792,386	6,792,386	Balance brought forward 1 January	8,242,011	6,952,917
		Add:		
1,699,635	1,529,840	Transfer of Surplus	1,804,660	2,223,989
		Add back: Depreciation	941,211	901,902
1,699,635	1,529,840	Total Additions	2,745,871	3,125,891
		Less:		
3,738,000	3,738,000	Capital Expenditure	1,025,807	1,836,797
3,738,000	3,738,000	Total Expenditure	1,025,807	1,836,797
4,754,021	4,584,226	Balance carried forward 31 December	9,962,075	8,242,011

Transport and Technical Services

Jersey Car Parks

Department

- Transfer to the Trading Fund of £1,486,102

Highlights:

- Surplus for the year of £1,832,648, a decrease of £89,161 (4.6%) on 2008 and £448,048 (32.4%) higher than Final Approved Budget

Actual v Prior Year

The 2009 surplus transferred to the Trading Fund was £1,486,102 after deducting capital charges of £346,100.

The decrease in net operating surplus from 2008 to 2009, excluding capital charges was 4.6%.

Income decreased by £333,496 primarily as a result of less investment income (£355,868) following the global decline in interest rates. This was offset by a small increase in parking fine income (£89,050). Expenditure decreased by £244,335 due to a decrease in staff costs (£55,077) and a reduction in the purchase of new equipment and professional fees in 2009 (£133,006).

Actual v Final Approved Budget

Overall the Department had an underspend against budget excluding capital charges of 32.4%.

This consists of a surplus in income against budget of £98,881 (1.7%) together with an underspend on expenditure of £349,167 (7.7%). Income was higher due to an increase in both scratch card income and fines partly offset by decline in investment income. The underspend on expenditure was a result of a delay in maintenance expenditure together with the extension in the life of ticketing machines thereby replacement was not needed as budgeted.

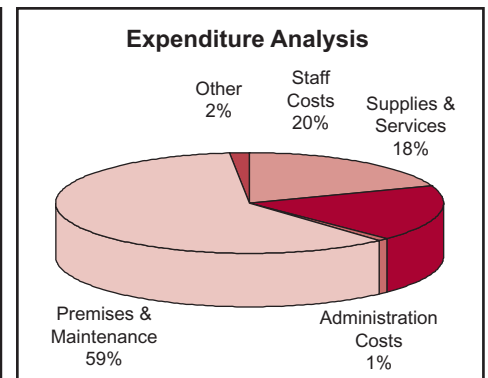
Additional Budget Allocation

In 2009 a reduction of £9,700 was voted to Jersey Car Parks on the original budget agreed in the Business Plan. This amount represents the reduction in the manpower budget following the States decision to freeze pay rates in 2009.

2009 Capital Vote

In the 2009 Business Plan, £9 million was included for the Department's capital schemes. This was to cover:

The initial costs of the development of a new multi-storey car park at Ann court.



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£'000
Original Budget	(1,374)
Pay freeze	(10)
Final Approved Budget	(1,384)

Capital	Total £'000
Total value of approved capital schemes	12,730
Spent in the Year	62
Spent to Date	1,726

Transport and Technical Services

Jersey Car Parks

Expenditure on this scheme has been delayed pending the outcome of the consultations on the St Helier Masterplan and Town Park.

Capital expenditure in 2009 totalled £61,610 and comprised completion of the concrete degradation works at Patriotic Street (£25,842) and the boarding and site clearance works at Ann Court (£35,768).

All capital projects are funded from trading fund balances

Additional details on revenue expenditure results are explained below.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Sale of Goods • **Net income of £4,946,549, a surplus of £120,104 (2.5%) against Final Approved Budget**

Sales of Goods comprises the sales of scratch cards and season tickets for the car parks. The surplus against budget represents an increase in scratch card sales (£193,944) offset by a decline in season ticket sales (£76,600). In addition, there was £2,760 from the sale of ecofriendly scratchcards and season tickets. This represents about 0.1% of ticket sales and showed a small increase on 2008. We would expect this trend to continue as people become more environmentally aware.

Duties, Fees, Fines and Penalties • **Net income of £586,267, a surplus of £86,267 (17.3%) against Final Approved Budget**

This income is from the fines levied for parking without a valid ticket. The increase in income is a result of the introduction of hand held ticketing machines making the issuing of tickets easier together with increased policing of the car parks. This income cannot be guaranteed as it is dependant on the users of the car parks and therefore variations to budget are to be expected. The level of parking fines represents 11.9% of scratch card and season ticket income.

Other income is received from the annual charge of parking spaces to third parties and income from masts.

The results for the 3 highest expenditure lines are as follows:

Premises and Maintenance • **Net spend of £2,501,177, a decrease of £160,323 (6.0%) against Final Approved Budget**

Premises and Maintenance expenditure includes grounds and building maintenance, cleaning, lift and electrical maintenance, resurfacing, fire precautions, utility costs and insurance.

The decrease in premises and maintenance spend against Final Approved Budget is due to less reactive maintenance needed together with a delay in the Green Street Car Park refurbishment which will be completed in 2010. The decrease from 2008 is due to the additional costs last year for the refurbishment of the Green Street lift.

Transport and Technical Services

Jersey Car Parks

Staff Costs

- **Net spend of £812,627, a decrease of £23,973 (2.9%) against Final Approved Budget**

The underspend in staff costs against both 2008 and budget relates to vacancies and sickness payments that had not been budgeted for.

Supplies and Services

- **Net spend of £750,421, a decrease of £132,479 (15.0%) against Final Approved Budget**

Supplies and Services expenditure comprises the costs of printing and selling scratch cards, software costs, equipment purchases and other sundry costs incurred in the operation of the car parks.

The decrease in expenditure against budget relates to the non replacement of ticket machines as the lives are longer than anticipated, together with a reduction in professional fees due to the delay in the review of the parking charging mechanism and update of the 25 year model pending the outcome of the St Helier Masterplan and Town Park propositions. The decrease on 2008 is due to the additional CCTV Camera installations undertaken in 2008.

Other Developments

The Sustainable Transport Policy incorporates a number of initiatives that will impact on the Jersey Car Parking Fund including new car parks and an automated charging mechanism which will facilitate differential charging. Discounts for low emission vehicles have been introduced and it would be expected that this will increase.

The creation of a Town Park requires the Gas Place car park to be replaced. The replacement strategy for this, and the ageing Minden Place car park will be dependent on the outcome of the St Helier Masterplan. Funding for this will utilise the balance in the Trading Fund in 2011. It is not known whether this will be sufficient or whether additional funds will be required to be raised by way of loans. If this is the case, car park charges may need to be increased.

Once the Sustainable Transport Policy, Town Park plans and the St Helier Masterplan have been approved by the States; a revised capital programme will be proposed and incorporated within an updated 25 year financial plan.

Transport and Technical Services

Jersey Car Parks

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
500,000	500,000	Duties, Fees, Fines and Penalties	586,267	497,217
4,826,445	4,826,445	Sale of Goods	4,946,549	5,039,439
-	-	Sale of Services	35	-
163,390	163,390	Hire & Rentals	202,707	195,568
400,000	400,000	Investment Income	209,197	565,065
4,665	4,665	Other Revenue	48,626	29,588
5,894,500	5,894,500	Total Revenue	5,993,381	6,326,877
846,300	836,600	Staff Costs	812,627	867,704
882,900	882,900	Supplies and Services	750,421	883,427
29,400	29,400	Admin Expenses	27,984	24,136
2,661,500	2,661,500	Premises and Maintenance	2,501,177	2,573,509
93,000	93,000	Other Operating Expenditure	44,171	45,400
-	-	Grants and Subsidies Payments	-	3,400
6,500	6,500	Finance Costs	8,703	7,492
-	-	Pension Finance Costs	15,650	-
4,519,600	4,509,900	Total Expenditure	4,160,733	4,405,068
(1,374,900)	(1,384,600)	(Surplus)/Deficit for the Year	(1,832,648)	(1,921,809)
-	-	Capital Charges (Note 1)	346,546	1,220,317
1,374,900	1,384,600	Net Operating Surplus and Transfer to Trading Fund	1,486,102	701,492

Note 1: Capital Charges have been excluded from the surplus for the year to enable a like for like comparison to be made with the budget and prior year accounts. Under GAAP in 2011 this will be replaced with a depreciation charge.

Transport and Technical Services

Jersey Car Parks

Trading Fund

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
9,885,603	10,359,659	Balance brought forward 1 January	10,359,659	9,943,103
		Add:		
1,374,900	1,384,600	Transfer of Operating Surplus	1,486,102	701,493
-	-	Add back capital charges	346,546	1,220,316
1,374,900	1,384,600	Total Additions	1,832,648	1,921,809
		Less:		
-	-	Concrete degradation repair work and structural work on Multi-Storey Car parks	25,842	1,220,317
9,000,000	9,000,000	Feasibility Study - Anne Court Car park	35,768	284,936
9,000,000	9,000,000	Total Expenditure	61,610	1,505,253
2,260,503	2,744,259	Balance carried forward 31st December	12,130,697	10,359,659

Transport and Technical Services

Jersey Fleet Management

- Department Highlights:**
- **Transfer to the Trading Fund of £344,815, an increase of 3,894.2% on 2008**
 - **Increase of £185,104 (115.9%) against Final Approved Budget**

Actual v Prior Year

The large net operating surplus achieved in 2009, an increase of 3,894.2% was due to a price increase of 10.0% to internal departments. This was following a review of the charging mechanism after the volatile fuel prices experienced in 2008 and the ageing profile of their assets to ensure that Jersey Fleet Management are able to retain sufficient surplus in its trading fund to replace fixed assets.

The increase consisted of an increase in income of £104,936 (3.4%), together with a decrease in expenditure of £231,246 (7.5%).

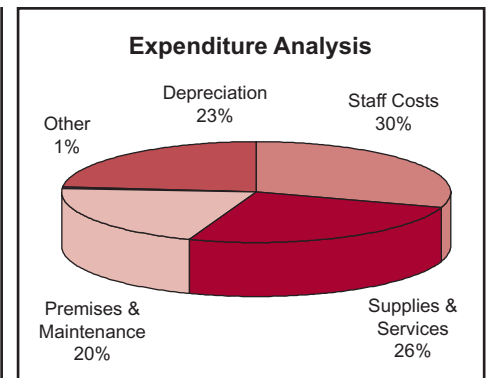
The increase in income consisted of increases in fuel sales of £126,989 (50.9%), due to Jersey Fleet Management now charging Transport and Technical Services separately for fuel as opposed to being part of the monthly lease charge. This has been implemented in order to minimise risk regarding fuel price volatility. Offsetting this is a reduction in investment income of £37,065 (78.5%) due to the lowering of interest rates and a lower net asset balance being held.

The decrease in expenditure consisted of a reduction in fuel costs of £143,584 (29.5%) as a result of lower world prices in 2009. In addition to this, depreciation charges were £103,197 (12.9%) lower, due to many assets having reached the end of their estimated useful economic life.

Actual v Final Approved Budget

Overall the Department had an over achievement against budget of £185,105 (115.9%). This consisted of an increase in income of £106,719, and a decrease in expenditure of £78,386.

The increase in income over the approved budget was due to increased fuel sales (£171,500) due to the change in the charging mechanism outlined above. This was partly offset by a reduction in investment income (£64,836). The decrease in expenditure was due to less depreciation being charged (£114,299), as many assets had reached the end of their estimated useful economic life, offset by additional costs incurred in premises and maintenance, due to an increase of work in the workshop from the Blue Light vehicles.



Staff Costs

Total staff costs in the Operating Cost Statement include States, Non-States and Other Staff Costs

For details of States staff costs and FTEs, please refer to Note 3 in the Accounts

2009 Budget Reconciliation of Original Budget to Final Approved Budget

	£'000
Original Budget	(149)
Pay freeze	(11)
Final Approved Budget	(160)

Service Analysis

2009 Budget £	Service Area	2009 Actual £	2008 Actual £
(898,430)	Fleet Management	(1,268,656)	(713,617)
325,418	Workshop Services	738,460	332,959
341,931	Fuel Services	27,979	269,604
71,371	Administration	157,402	102,421
(159,710)	Total	(344,815)	(8,633)

Transport and Technical Services

Jersey Fleet Management

Additional Budget Allocation

In 2009 a reduction of £10,900 was voted to Jersey Fleet Management on the original budget agreed in the Business Plan. The amount represents the reduction in the manpower budget following the States decision to freeze pay in 2009.

Other Developments

Jersey Fleet Management provides comprehensive vehicle leasing packages to States Departments that offer all the financial and efficiency benefits of corporate fleet management. In addition, Jersey Fleet Management run a workshop to provide servicing and repairs for Departments on both owned plant and machinery, and that leased from Jersey Fleet Management. This covers the complete range from cars, light and heavy commercial vehicles, heavy mobile plant to agricultural and horticultural machinery.

Key Financial Results by Operating Cost Statement

The results for the 2 highest income lines are as follows:

Hire and Rentals • **Net income of £2,448,945, a shortfall of £47,535 (1.9%) against Final Approved Budget**

Hire and Rentals consists of annual and short term leasing of fleet vehicles and plant, and annual leasing of vehicles which are leased from an external supplier. The shortfall is due to the change in the charging mechanism, whereby for Transport and Technical Services, fuel is now charged separately (£250,000). Offsetting this is a 10% price increase on annual leasing which was implemented in 2009, which has resulted in the small increase from 2008.

Sale of Goods • **Net income of £375,988, a surplus of £217,652 (137.5%) against Final Approved Budget**

Sale of Goods consists mostly of fuel sales. The surplus against both budget and 2008 is due to fuel now being charged to Transport and Technical Services, offset by a world price reduction in the cost of fuel.

The purchase of fuel £343,007 was offset by income of £366,923. The mark-up of 7.0% is to cover the maintenance of the pumps, and the administration costs of delivery and processing fuel sales.

The results for the 3 highest expenditure lines (excluding depreciation) are as follows:

Staff Costs • **Net spend of £882,991, a decrease of £44,265 (4.8%) against Final Approved Budget**

The underspend in staff costs against both 2008 and budget relates to vacancies and sickness payments that had not been budgeted for.

Supplies and Services • **Net spend of £768,749, a decrease of £30,051 (3.8%) against Final Approved Budget**

Supplies and Services expenditure consists mostly of the purchase of fuel, the cost of annual leasing of vehicles from the supplier, minor equipment purchases, overhead charges, and other sundry costs.

Transport and Technical Services

Jersey Fleet Management

The decrease against Final Approved Budget mostly relates to reduced fuel prices (£132,000), offset by increased expenditure on minor equipment purchases (£56,000), due to the re-classification of fixed and equipment assets, in accordance with GAAP, and various other sundry increases.

Premises and Maintenance • **Net spend of £613,130, an increase of £145,930 (31.2%) against Final Approved Budget**

The overspend relates to additional costs for vehicle spares, tyres and tubes, and mechanical repairs and maintenance of £114,594, due to increasing work undertaken in the workshop on Blue Light vehicles, additional ad-hoc work and various other sundry increases.

Premises and Maintenance expenditure also includes the annual cost of insurance, and the cost of electricity.

Review of Assets

The increase in the net book value of assets from 2008 to 2009 was £677,274.

Fixed Assets	Net Book Value 2009 £'000	Net Book Value 2008 £'000	Increase/ (Decrease) £'000
Motor Vehicles	3,004	2,381	623
Fixtures and Fittings	17	17	–
Plant	555	501	54
Net Book Value	3,576	2,899	677

Transport and Technical Services

Jersey Fleet Management

Operating Cost Statement

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
158,336	158,336	Sales of Goods	375,988	249,000
358,620	358,620	Sales of Services	361,134	361,282
2,496,480	2,496,480	Hire & Rentals	2,448,945	2,434,732
75,000	75,000	Investment Income	10,164	47,229
2,500	2,500	Other Revenue	1,424	476
3,090,936	3,090,936	Total Revenue	3,197,655	3,092,719
938,156	927,256	Staff Costs	882,991	886,842
798,800	798,800	Supplies and Services	768,749	905,896
5,670	5,670	Admin Expenses	4,441	4,887
467,200	467,200	Premises & Maintenance	613,130	526,530
-	-	Other Operating Expenditure	15,772	23,082
812,300	812,300	Depreciation/Capital Charges	698,001	801,198
-	-	Pension Finance Costs	11,708	-
(80,000)	(80,000)	Asset Disposal (Gain)/Loss	(141,952)	(64,349)
2,942,126	2,931,226	Total Expenditure	2,852,840	3,084,086
(148,810)	(159,710)	(Surplus) for the Year	(344,815)	(8,633)
148,810	159,710	Transfer to Trading Fund	344,815	8,633

Transport and Technical Services

Jersey Fleet Management

Trading Fund

2009 Business Plan £	2009 Final Approved Budget £		2009 Actual £	2008 Actual £
992,009	992,009	Balance brought forward 1 January	756,741	992,009
		Add:		
148,810	159,710	Transfer of Operating Surplus	344,815	8,633
148,810	159,710	Total Additions	344,815	8,633
		Less:		
150,000	150,000	Increase to the net book value of fixed assets	677,274	243,901
150,000	150,000	Total Expenditure	677,274	243,901
990,819	1,001,719	Balance carried forward 31 December	424,282	756,741

Reserves

Strategic Reserve

- Fund/Reserve** • **Surplus for the year of £627,493**
Highlights: • **Investments regained their value and increased by £59.7m**

Purpose of Fund

The Strategic Reserve is a permanent reserve, where the capital value is to be used in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.

In order to meet the purpose of this fund the Minister has set a long term strategic aim of investing 60% in return seeking assets (equities and property) and 40% in risk reducing assets as detailed below. During 2009 the Fund did not invest in any property.

Actual vs prior year

The decrease in the surplus from 2008 to 2009 was 97.7%. This was mainly caused by the crystallisation of investments during the year realising losses previously reported in 2008. The realised loss was partially offset by the Fund's market values increasing during the year achieving an unrealised gain on revaluation of investments of £41.6m for the year and reflected in the 'Statement of Recognised Gains and Losses'.

Key financial results of the Operating Cost Statement

- Investment Income** • **Income of £18,153,292, a decrease of 21.1% on 2008**

Whilst investment values have increased by £59.7m during 2009, investment income has decreased by £4.8m mainly as a consequence of declining UK interest rates.

- Loan, Bank and Notional Interest** • **Interest of £514,891, a decrease of 72.1% on 2008**

Due to declining UK interest rates, bank and notional interest received by the Reserve has decreased by £1.3m.

- Total Operating Expenditure** • **Total spend of £1,892,979, a decrease of 28.1% on 2008**

Total operating expenditure decreased by 28.1% mainly due to a decrease in the appropriation to Jersey Currency Notes of £1.09m to £24,039 as a result of a reduction in investment income received in relation to Jersey Currency Notes' investment in the Fund. This decrease was reduced by an increase in finance costs during the year when the Reserve borrowed from the Consolidated Fund, an increase in management fees by the Reserve's Fund Managers and an increase in internal administration recharges due to more robust investment management within the Treasury and Resources Department. Management fees have increased as the value of the portfolio has increased on which they base their charges.

Key financial results of the Balance Sheet

- Other Investments** • **Investments of £565,817,464, an increase of 11.8% on 2008**

During the year an additional £10m was transferred to the Reserve's Fund Managers to invest in the markets. Equities performed well during the year; their market values increased by 72.2% on 2008.

Strategic Reserve

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue		
Earned through operations		
Sales of Goods and Services ¹	-	188
Investment Income ¹	18,153,292	22,997,649
Loan, Bank and Notional Interest	514,891	1,846,355
Total Revenue	18,668,183	24,844,192
Operating Expenditure		
Other Expenses:		
Supplies and Services ²	1,596,384	1,162,206
Administration Expenses ²	166	102,472
Other Operating Expenses:		
Appropriation to Jersey Currency Notes	24,039	1,123,716
Withholding Tax	246,754	243,736
Finance Costs	25,636	-
Total Operating Expenditure	1,892,979	2,632,130
Non Operating Expenditure		
(Gain)/Loss on Disposal of Investments ³	16,038,857	(5,190,143)
(Gain)/Loss on Foreign Exchange ³	108,854	(328,186)
Total Non Operating Expenditure/(Income)	16,147,711	(5,518,329)
Total Expenditure/(Income)	18,040,690	(2,886,199)
Surplus for the Year	627,493	27,730,391

Notes:

1. In 2008 'Investment Income' for 2008 included 'Sales of Goods and Services' commission recapture.
2. 'Administrative Costs' for 2008 are shown split between 'Supplies and Services' and 'Administration Expenses'.
3. 'Profit on Disposal of Investments' in 2008 is shown as 'Non operating Expenditure' split between '(Gain)/Loss on Disposal of Investments' and '(Gain)/Loss on Foreign Exchange'.

Strategic Reserve

Statement of Total Recognised Gains and Losses for the Year ended 31 December 2009

	2009 Actual £	2008 Actual £
Surplus for the Year	627,493	27,730,391
Unrealised Gain/(Loss) on Revaluation of Investments	41,639,460	(30,166,916)
Total Recognised Gain/(Loss) Relating to the Year	42,266,953	(2,436,525)

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Other Investments	565,817,464	506,130,400
Total Fixed Assets	565,817,464	506,130,400
Current Assets		
Debtors	8,116,440	7,994,534
Cash advanced to the Consolidated Fund	-	567,168
Cash at Bank and in Hand	2,998,399	13,834,273
Total Current Assets	11,114,839	22,395,975
Current Liabilities		
Cash advanced by the Consolidated Fund	2,106,164	-
Creditors - Investment by Jersey Currency Notes	21,066,869	20,571,367
Other Creditors	3,844,312	307,003
Total Current Liabilities	27,017,345	20,878,370
Net Current Assets / (Liabilities)	(15,902,506)	1,517,605
Net Assets	549,914,958	507,648,005
Accumulated Reserve	524,606,916	523,904,539
Revaluation Reserve	25,308,042	(16,256,534)
Reserves: Accumulated Revenue and Reserve Balances	549,914,958	507,648,005

Stabilisation Fund

- Fund/Reserve**
- **Surplus for the year of £1,928,287**
- Highlights:**
- **Investments have maintained their value during difficult market conditions**

Purpose of Reserve

The purpose of this Fund is to provide a reserve which can be used to make Jersey's fiscal policy more countercyclical in order to create a more stable economic environment. The Fund receives cash allocations in more buoyant economic conditions and makes payments at times of anticipated economic downturn.

The investment strategy is to hold highly liquid assets until such time as the value of Fund increases to much higher levels. The long term strategic aim for the fund is to hold 20% in cash and cash equivalents, 50% in government bonds and 30% in corporate bonds.

The States approved the transfer of £63m to the Fund from the Consolidated Fund as part of the 2009 Budget. During the year the States approved a proposition to transfer £18m from Dwelling Houses Loans Fund to the Stabilisation Fund. It also approved a transfer of £44m from the Stabilisation Fund to the Consolidated Fund to fund the Discretionary Fiscal Stimulus programme.

Actual vs prior year

The decrease in the surplus from 2008 to 2009 was 32.9%. This was primarily due to a reduction in investment income, although in 2009 the associated costs of managing investments are now being born by the Fund rather than the Consolidated Fund.

Key financial results of the Operating Cost Statement

- Investment Income**
- **Income of £2,022,939, a decrease of 29.6% on 2008**

The Reserve primarily invests in short term deposits. Whilst the value of the Fund increased by £1.95m during the year (excluding transfers), as a consequence of declining UK interest rates the Fund was impacted by lower investment income yields.

- Supplies and Services**
- **Spend of £94,652, compared to nil in 2008**

Supplies and services relate to investment management fees. In 2008 these fees were paid by the Consolidated Fund.

Key financial results of the Balance Sheet

- Other Investments**
- **Investments of £112,593,345, an increase of £39,576,653 (54.2%) on 2008**

Investments within the Reserve have increased by £39.6m from 2008 to 2009, an increase of 54.2% (an increase of £2.6m, or 3.5% excluding transfers to and from the Fund).

Stabilisation Fund

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue		
Earned through operations		
Investment Income	2,022,939	2,871,947
Total Revenue	2,022,939	2,871,947
Operating Expenditure		
Supplies and Services	94,652	-
Total Expenditure	94,652	-
Surplus for the Year	1,928,287	2,871,947

Statement of Total Recognised Gains and Losses for the Year ended 31 December 2009

	2009 Actual £	2008 Actual £
Surplus for the year	1,928,287	2,871,947
Unrecognised gain on revaluation of investments	26,654	16,692
Total Recognised Gain Relating to the Year	1,954,941	2,888,639

Stabilisation Fund

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Other Investments	112,593,345	73,016,692
Total Fixed Assets	112,593,345	73,016,692
Current Assets		
Debtors	327,702	1,178,778
Cash at Bank and in Hand	787,128	548,152
Total Current Assets	1,114,830	1,726,930
Current Liabilities		
Creditors	7,218	-
Cash advanced from the Consolidated Fund	2,394	-
Total Current Liabilities	9,612	-
Net Current Assets	1,105,218	1,726,930
Net Assets	113,698,563	74,743,622
Reserves: Accumulated Revenue and Reserve Balances	113,698,563	74,743,622

Consolidated Fund

Fund Highlights:

- **Surplus for the Year of £62.5 million, an increase of 188% on 2008**

Purpose of Fund

The majority of the States income and expenditure is managed through the Consolidated Fund. General Revenue Income and Departments' expenditure on public services is all accounted for through this fund.

Actual vs prior year

The increase in surplus from 2008 to 2009 was 166%. The main cause for the increase in the surplus is the smaller increase in the pension liability in 2009 than in 2008. Excluding the movement on pension liability there is a decrease of 24% on 2008. This reflects an increase in Operating Expenditure caused by:

- Increased Social Benefit Payments;
- Transfers from the capital vote to revenue, which does not increase overall States spending;
- Staff Costs (see below); and
- One off expenditure such as the Historic Child Abuse Enquiry, Pandemic Flu and the cessation of the Reciprocal Health agreement.

Key financial results: Operating Cost Statement

Taxation Revenue

- **Income of £558.5 million, an increase of £23.5 million, (4.4%) on 2008**

A full year of Goods and Services Taxation (as opposed to 8 months of Goods and Services Taxation in 2008) is the main cause of an increase in taxation revenue in 2009.

Staff Costs

- **Spend of £310.1 million, an increase of £15 million (5.1%) on 2008**

The increase in staff costs in excess of standard pay increases is as a result of a review undertaken as part of the change to GAAP. As a result standard definitions of income and expenditure have been adopted and implemented. This has resulted in a movement in staff costs

Key financial results: Balance Sheet

Fixed Assets

- **Net increase of £64.8 million (9%) on 2008**

The States of Jersey has continued to spend on Fixed Assets in 2009. The biggest single project is the Energy from Waste Plant, on which £66.6 million has been spent in 2009. For further details of the States of Jersey capital expenditure please see the Treasurer's Report.

Consolidated Fund

Operating Cost Statement for the year ended 31 December 2009

	2009 £' 000	2008 £' 000
Revenue		
Levied by the States of Jersey:		
Taxation revenue	558,474	534,960
Island rates, duties, fees, fines and penalties	92,247	90,779
Total Revenue Levied by the States of Jersey	650,721	625,739
Earned through Operations		
Sales of goods and services	101,803	95,121
Investment income	19,595	24,020
Other revenue	25,315	28,277
Total Revenue Earned through Operations	146,713	147,418
Total Revenue	797,434	773,157
Operating Expenditure		
Social Benefit Payments	162,600	149,577
Staff costs	310,083	295,039
Other Operating expenses	168,070	151,001
Grants and Subsidies payments	38,664	34,111
Capital Charge/Depreciation	37,863	39,302
Finance costs	1,988	4,359
Total Operating Expenditure	719,268	673,389
Non-Operating expenditure		
Net foreign-exchange (gains)/losses	447	(1,029)
Movement in pension liability	25,433	88,483
(Gains)/Losses on disposal of assets	(10,211)	(9,401)
Total Non-Operating Expenditure	15,669	78,053
Total Expenditure	734,937	751,442
Surplus for the Year	62,497	21,715

Statement of Total Recognised Gains and Losses for the Year ended 31 December 2009

	2009 £' 000	2008 £' 000
Surplus for the Year	62,497	21,715
Transfer to / from other Funds	(38,927)	(21,613)
Unrealised Gain/(Loss) on Revaluation of Investments	(1,084)	964
Unrealised Loss on Foreign Exchange	(184)	-
Actuarial Gain in respect of Defined Benefit Pension Schemes	(1,153)	467
Total Recognised Gain Relating to the Year	21,149	1,533

Consolidated Fund

Aggregated Balance Sheet as at 31 December 2009

	2009 £' 000	2008 £' 000
Tangible and Intangible Fixed Assets	786,235	721,433
Financial Assets		
Advances	5,566	8,427
Strategic Investments	108,563	108,563
Other investments	254,205	225,905
Debtors: amounts falling due after more than one year	13,986	4,492
Total Fixed Assets	1,168,555	1,068,820
Current Assets		
Stock and Work in Progress	4,758	4,837
Debtors	96,937	97,444
Cash at Bank and in Hand	30,153	31,298
Total Current Assets	131,848	133,579
Current Liabilities		
Inter-Fund balance (note 1)	(37,122)	(33,478)
Bank overdrafts	(33,242)	(20,364)
Creditors	(77,140)	(51,466)
Total Current Liabilities	(147,504)	(105,308)
Net Current Assets / (Liabilities)	(15,656)	28,271
Total Assets Less Current Liabilities	1,152,899	1,097,091
Long Term Liabilities		
Finance Lease Obligations	(8,938)	(9,559)
PECRS Pre-1987 Past Service Liability	(228,883)	(206,280)
Provision for JTSF Past Service Liability	(103,100)	(103,100)
Defined Benefit Pension Schemes Net Liability	(1,542)	795
Provisions for liabilities and charges	(4,089)	(2,100)
Other Long Term Liabilities	(8,351)	-
Total Long Term Liabilities	(354,903)	(320,244)
Net Assets	797,996	776,847
Reserves: Accumulated Revenue and Reserve Balances	797,996	776,847

Note 1: The Inter-Fund balance consists of balances between the Consolidated Fund and the Separately Constituted Funds, Trading Funds and Reserves.

Separately
Constituted
Funds

Dwelling Houses Loans Fund

- Fund/Reserve Highlights:**
- **Surplus for the year of £1,157,983 a decrease of 39% on 2008**
 - **During the year £18m was transferred to the Stabilisation Fund to fund the Discretionary Fiscal Stimulus programme**

Purpose of Fund

In 1950 the States established a building loans scheme to enable residentially qualified first-time buyers who have never owned residential freehold property in Jersey to purchase a Jersey home. At that time, financial institutions had not become involved in lending for house purchases. The Fund was incorporated under the Building Loans (Jersey) Law.

States loans were granted by the former Housing Committee to residentially qualified first-time buyers who were able to demonstrate that they had a deposit and could meet the repayments of the loan.

Loans are secured by a simple conventional hypothec charged over the property in relation to which the loan is made, and bears interest at a minimum of 3% for a flat and 5% for a house, and a maximum of 7.5%. The current maximum loan available to first-time buyers is £120,000. Historically loans have been issued at 10%.

No loans were advanced during the year. A loan was approved before the year end for £120,000, and this is expected to be advanced in 2010.

During the year the States approved a transfer of £18m to the Stabilisation Fund as part of the Discretionary Fiscal Stimulus programme.

Actual vs prior year

The decrease in surplus from 2008 to 2009 was 39%. This is due to a decrease in loan interest received due to the repayment of loans during the year and a reduction in notional interest received from the Consolidated Fund.

Key financial results of the Operating Cost Statement

- Investment Income**
- **Income of £1,208,796, a decrease of £731,367 (37.7%) on 2008**

Investment income has decreased primarily due to a reduction in notional interest received from the Consolidated Fund as a result of declining UK interest rates. In addition, loan interest received has decreased due to the repayment of advances during the year.

Key financial results of the Balance Sheet

- Advances**
- **Advances of £6,304,856, a decrease of £2,053,381 (24.6%) on 2008**

Advances have decreased by 24.6% on 2008 due to capital repayments by borrowers and by £557,238 advances repayable within one year which are included within debtors in current assets in 2009.

Dwelling Houses Loans Fund

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue:		
Earned through Operations		
Investment Income	1,208,796	1,940,163
Total Revenue	1,208,796	1,940,163
Operating Expenditure:		
Other Expenses:		
Supplies and Services	48,416	42,076
Other Operating Expenses	2,397	-
Finance Costs	-	889
Total Expenditure	50,813	42,965
Surplus for the Year	1,157,983	1,897,198

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Advances	6,304,856	8,358,237
Total Fixed Assets	6,304,856	8,358,237
Current Assets		
Debtors	563,546	4,850
Cash advanced to the Consolidated Fund	3,658,628	19,025,602
Total Current Assets	4,222,174	19,030,452
Current Liabilities		
Creditors	113	19,755
Total Current Liabilities	113	19,755
Net Current Assets	4,222,061	19,010,697
Net Assets	10,526,917	27,368,934
Reserves: Accumulated Revenue and Reserve Balances	10,526,917	27,368,934

Assisted House Purchase Scheme

Fund/Reserve Highlights:

- **Surplus for the year of £41,588, a decrease of 74.7% on 2008**

Purpose of Fund

The Assisted House Purchase Scheme was established by the States of Jersey in 1977 to aid the recruitment of staff from the UK. The Scheme facilitated the purchase of suitable properties by the States on behalf of the employee. A property was purchased using funds from the Scheme which was held in the name of the States until such time as the employee attained their residential qualifications. The employees' right to occupy the property was in the form of a lease with the option to purchase the freehold at the end of the period.

The Scheme ceased to purchase properties on behalf of employees in 2005. Employees who would have been eligible for the Scheme must now arrange their own finance through financial institutions.

Actual vs prior year

The decrease in surplus from 2008 to 2009 was 74.7%. This was due to a reversal of £89k interest received reported in 2008 which has been capitalised in advances in 2009 and a decrease in loan interest received due to the repayment of loans during the year.

Key financial results of the Operating Cost Statement

Sales of Goods and Services

- **Income of £3,778 an increase of £3,778 on 2008**

Parish rates paid by the Fund are recharged to the employee. In 2008 these were netted in the accounts, however, in 2009 they are shown separately as a recharge in Sales of Goods and Services and an expense in Premises and Maintenance.

Investment Income

- **Income of £120,380 a decrease of £301,345 (71.5%) on 2008**

Investment income has decreased due to a reversal of £89k interest received reported in 2008 which has been capitalised in advances in 2009 and a decrease in loan interest received due to the repayment of loans during the year. In real terms investment income has decreased by 36.9%.

Finance Costs

- **Spend of £65,630 a decrease of £183,722 (73.7%) on 2008**

Finance costs relate to notional interest charged by the Consolidated Fund for cash advanced to the Fund. Borrowing from the Consolidated Fund remained fairly static during 2009, however, finance costs decreased as a consequence of declining UK interest rates.

Key financial results of the Balance Sheet

Advances

- **Advances of £4,644,913, a decrease of £863,079 (15.7%) on 2008**

Advances have decreased due to capital repayments by employees during the year and by £299,867 advances repayable within one year which are included within debtors in current assets in 2009.

Assisted House Purchase Scheme

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue:		
Earned through Operations		
Sale of Goods and Services	3,778	-
Investment Income	120,380	421,725
Total Revenue	124,158	421,725
Operating Expenditure:		
Other Expenses:		
Supplies and Services	12,989	-
Premises and Maintenance	3,778	-
Other Operating Expenditure	173	7,889
Finance Costs	65,630	249,352
Total Expenditure	82,570	257,241
Surplus for the Year	41,588	164,484

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Advances	4,644,913	5,507,992
Total Fixed Assets	4,644,913	5,507,992
Current Assets		
Debtors	300,828	89,646
Total Current Assets	300,828	89,646
Current Liabilities		
Cash advanced from the Consolidated Fund	2,930,881	3,624,366
Total Current Liabilities	2,930,881	3,624,366
Net Current Liabilities	(2,630,053)	(3,534,720)
Net Assets	2,014,860	1,973,272
Accumulated Revenue and Reserve Balances	2,014,860	1,973,272

99 Year Leases

Fund/Reserve Highlights:

- **A surplus of £34,989, a decrease of 30%, was transferred to Jersey Property Holdings at the end of the year**
- **Advances of £80,266 have been repaid during the year**

Purpose of Fund

The Fund was established by the former Housing Committee under the general powers of the Building Loans (Jersey) Law 1950 via contractual agreement to allow the former Housing Committee to lend to individuals offering leasehold property as security as the building loan legislation of the day only allowed the committee to lend on freehold properties. At that time there was no share transfer of flying freehold legislation; the Loi (1996) sur l'hypothèque des biens-fonds incorporels (1.34/1996) later gave powers to issue loans for share transfer properties.

Although the scheme has not been formally suspended, it is not anticipated that any further loans will be approved from the Fund.

Actual vs prior year

The decrease in the surplus from 2008 to 2009 was 30%. The surplus is transferred to Jersey Property Holdings' cash limit at the end of each year and is presented as 'Financial Returns'.

Key financial results of the Operating Cost Statement

Investment Income

- **Income of £41,674, a decrease of 22.1% on 2008**

Investment income decreased by 22.1% due to the reduction in notional interest received on cash advanced to the Consolidated Fund. This was due to declining interest rates during the year.

Key financial results of the Balance Sheet

Advances

- **Advances of £174,177, a decrease 32.2% on 2008**

Advances have decreased due to capital repayments by borrowers during the year and by £2,300 advances repayable within one year which are included within debtors in current assets in 2009.

99 Year Leases

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue:		
Earned through Operations		
Investment Income	41,674	53,481
Other Revenue	118	-
Total Revenue	41,792	53,481
Operating Expenditure:		
Other Expenses	6,803	2,805
Financial Returns	34,989	50,676
Total Expenditure	41,792	53,481
Surplus for the Year	-	-

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Advances	174,177	256,743
Total Fixed Assets	174,177	256,743
Current Assets		
Debtors	2,300	53
Cash advanced to the Consolidated Fund	660,265	578,437
Total Current Assets	662,565	578,490
Current Liabilities		
Creditors	6,370	4,861
Total Current Liabilities	6,370	4,861
Net Current Assets	656,195	573,629
Net Assets	830,372	830,372
Reserves: Accumulated Revenue and Reserve Balances	830,372	830,372

Agricultural Loans Fund

Fund/Reserve	• Surplus for the year of £86,728
Highlights:	• In 2009 a surplus was achieved and so a subsidy was not required from Economic Development

Purpose of Fund

In September 1974 the States approved the Agriculture (Loans and Guarantees) (Jersey) Law 1974 and issued Agriculture (Loans) (Jersey) Regulations 1974. Under Regulation 2 this Fund was established, with the purpose to authorise lending to bona fide inhabitants of Jersey who are wholly or mainly in work of an agricultural nature in Jersey, to:

- Assist or enable them to acquire agricultural land to be occupied and farmed by them;
- Construct or convert their house or farm;
- Purchase agricultural machinery, vehicles and equipment;
- Carry out improvements for more efficient and economic farming;
- Purchase livestock;
- Purchase shares in an agricultural company which has a direct interest in agricultural land occupied and farmed or to be occupied and farmed; and
- Purchase flower bulbs, seed potatoes or seed potato boxes to be used on agricultural land that they occupy or plan to occupy and farm.

As from 2005 the approval of new loans to farmers has been suspended.

Actual vs prior year

A reduction in finance costs, due to both a reduction in borrowing from the Consolidated Fund and lower interest rates on the borrowing, resulted in a surplus for 2009 of £86,728 compared to a deficit subsidised by the Economic Development Department of £45,874 in 2008.

Key financial results of the Operating Cost Statement

Investment income • **Income of £148,584, a decrease of £68,192 (31.5%) on 2008**

Investment income has reduced due to repayments of advances by farmers. Interest is charged on the loans at 6.5% as per Regulation 5(2). The loans shall not exceed 90% of the principal.

Key financial results of the Balance Sheet

Advances • **Advances of £1,858,948, a decrease of £903,528 (32.7%) on 2008**

During the year a total of £701,788 of the capital advanced to farmers was repaid. The remaining £201,740 has been reflected in the accounts as a short term debtor.

Debtors • **Debtors of £276,958, compared to £1,816 in 2008**

The increase in debtors is due to £201,740 advances payable within one year being reflected in debtors rather than fixed assets. A further £73,347 relates to accrued interest for 2009. In previous years accrued interest was included in advances.

Agricultural Loans Fund

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue		
Earned through Operations		
Grants and subsidies	-	45,874
Investment income	148,584	216,776
Total Revenue	148,584	262,650
Operating Expenditure		
Other expenses		
Supplies and services	11,697	12,971
Other operating expenditure	3,319	50,000
Finance costs	46,840	199,679
Total Operating Expenditure	61,856	262,650
Surplus for the year	86,728	-

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Advances	1,858,948	2,762,476
Total Fixed Assets	1,858,948	2,762,476
Current Assets		
Debtors	276,958	1,816
Total Current Assets	276,958	1,816
Current Liabilities		
Cash advanced from the Consolidated Fund	2,049,178	2,764,292
Total Current Liabilities	2,049,178	2,764,292
Net Current Liabilities	(1,772,220)	(2,762,476)
Net Assets	86,728	-
Reserves: Accumulated Revenue and Reserve Balances	86,728	-

Fishfarmer Loans Scheme

Fund/Reserve

Highlights:

- **There were no new loans made during the year**

Purpose of Fund

The Fishfarmer Loans Scheme was introduced by the States in 1995 to facilitate the provision of loans for persons engaged in fish farming for:

- the purchase of fish farming machinery and equipment;
- the construction of buildings to house fish farming equipment; and
- the purchase of land on which to carry out the activities directly involved in fish farming.

As from 2004 the approval of new loans has been suspended and therefore the Scheme did not advance any new loans in 2008 or 2009.

The final loans outstanding were repaid during 2007. Although the scheme has not been wound up it remains inactive.

Jersey Currency Notes

- Fund/Reserve**
- **Surplus for the year of £306,114, a decrease of 91.8% on 2008**
- Highlights:**
- **The value of investments within the Fund has remained stable**

Purpose of Fund

The Jersey Currency Fund is provided for under the Public Finances (Jersey) Law 2005 and the Currency Notes (Jersey) Law 1959. The principal purpose of the Fund is to hold assets that match the value of Jersey currency notes in circulation, such that the holder of Jersey currency notes could on request be repaid.

In order to meet the purpose of the Fund the investment strategy is based mainly on the requirement to invest in low-risk cash-based assets to protect and maintain the capital value of the investments and to ensure that currency in circulation is matched and that investments can be liquidated fairly quickly should a need arise.

In order to maximise the potential return in line with the investment strategy, an element of the Fund (£21 million) is invested in the Strategic Reserve thereby providing a limited exposure to equity and bond markets whilst the remainder is invested in cash or near cash equivalents.

Jersey currency notes themselves are accounted for, at cost, as stock until they are formally made available for circulation by the Treasury and Resources Department when they are accounted for at face value. At the end of their useful life they are removed from circulation and destroyed. Currency available for circulation is either held by the Treasury or in circulation via retail banks.

Actual vs. prior year

The decrease in surplus from 2008 to 2009 was 91.8%. This was largely due to a decrease in investment income and an increase in operating expenditure as described below. The surplus is transferred to the Consolidated Fund.

Key financial results of the Operating Cost Statement

- Investment income**
- **Income of £924,519 (£882,780 and £41,739) a decrease of £3,303,279 (78.1%) on 2008**

At the end of 2009 the Fund's investments were split 3.6% in government bonds, 63.3% in short term cash deposits and 33.2% in Strategic Reserve.

Investment income from government bonds remained fairly constant. However, whilst the value of the Fund's investments (including Strategic Reserve) increased by £7.25m during the year, the Fund suffered a decline in income from its short term cash deposits of £1.3m (64.1%), from bank interest of £0.9m (95.4%) as a consequence of declining UK interest rates and lower investment income yields, and from its investment in Strategic Reserve of £1.1m (97.9%), largely due to the crystallisation of some investments during the year realising losses previously reported as unrealised losses in the Statement of Recognised Gains and Losses in 2008. However, the returns on its short term cash deposits during 2009 exceeded UK base rates and the benchmark of 3 month LIBID (London Interbank Bid rate).

Jersey Currency Notes

Operating Expenditure • **Spend of £620,185 an increase of £120,624 (24.1%) on 2008**

Operating expenditure has increased by 24.1%. This is primarily due to finance costs of £40,853 due to the Fund borrowing from the Consolidated Fund (whereas in 2008 notional bank interest of £634,567 was received from the Consolidated Fund and reported in investment income) and a redesign of the new currency notes.

Key financial results of the Balance Sheet

Stock and Work in Progress • **Stock of £1,006,190 an increase of £664,185 (194.2%) on 2008**

Stock levels of currency notes reduced to £341,005 (at cost) in 2008. The States have taken the opportunity to redesign the notes and incorporate up to date security features prior to reordering more stock. The increase of £664,185 is due to the net effect of notes being issued during 2009 and the receipt into stock of paper for the new family of currency notes launched in February 2010.

Cash at Bank and in Hand • **Cash of £21,654,137 a decrease of £6,594,115 (23.3%) on 2008**

Cash at bank and in hand has decreased due to funds being invested in short term cash deposits and a reduction in borrowing from the Consolidated Fund.

Jersey Currency Notes

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue		
Earned through Operations		
Sale of goods and services	6,047	4,623
Investment income	882,780	3,321,086
Loan bank and notional interest	41,739	906,711
Other Income	-	236
Total Revenue	930,566	4,232,656
Operating Expenditure		
Staff costs ¹	-	27,913
Other expenses:		
Supplies and services ²	490,653	386,301
Administrative expenses	3,607	62,324
Premises and maintenance	31,530	23,023
Other operating expenditure	53,542	-
Finance costs	40,853	-
Total Operating Expenditure	620,185	499,561
Non Operating Expenditure		
Loss/(gain) on disposal of investments ³	4,267	(4,267)
Total Non Operating Expenditure	4,267	(4,267)
Total Expenditure	624,452	495,294
Surplus for the year transferred to Consolidated Fund	306,114	3,737,362

Notes:

- 1 In 2009 staff costs were recharged to the fund and shown in 'Supplies and services'.
- 2 In 2009 'Cost of notes issued' and 'Carriage and sundry expenses' are shown in 'Supplies and services'.
- 3 In 2009 the gain on investments of £4,267 from 2008 was amended to 'Investment income'.

Jersey Currency Notes

Statement of Total Recognised Gains and Losses for the Year ended 31 December 2009

	2009 Actual £	2008 Actual £
Unrecognised gain/(loss) on revaluation of investments	1,444,946	(1,039,453)
Total recognised gain relating to the year	1,444,946	(1,039,453)

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Other investments	42,454,923	40,159,423
Total Fixed Assets	42,454,923	40,159,423
Current Assets		
Stock and work in progress	1,006,190	342,005
Debtors	894,274	847,184
Debtor - Investment held by Strategic Reserve	21,066,869	20,571,367
Cash at bank and in hand	21,654,137	28,248,252
Total Current Assets	44,621,470	50,008,808
Current Liabilities		
Creditors	25,130	77,644
Cash advanced from the Consolidated Fund	319,490	3,626,941
Currency in circulation	83,350,187	84,527,006
Total Current Liabilities	83,694,807	88,231,591
Net Current Liabilities	(39,073,337)	(38,222,783)
Net Assets	3,381,586	1,936,640
Circulation Reserve	1,400,000	1,400,000
Investment Revaluation Reserve	1,981,586	536,640
Reserves: Accumulated Revenue and Reserve Balances	3,381,586	1,936,640

Jersey Coinage

- Fund/Reserve**
- **Surplus for the year of £25,288, a decrease of 95.5% on 2008**
- Highlights:**
- **Investments regained their value during difficult market conditions**

Purpose of Fund

The Jersey Coinage Fund is provided for under the Public Finances (Jersey) Law 2005 and the Decimal Currency (Jersey) Law 1971. The principal purpose of the Fund is to hold assets that match the value of Jersey coinage in circulation, such that the holder of Jersey coinage could on request be repaid.

In order to meet the purpose of the Fund the investment strategy is based mainly on the requirement to invest in low-risk cash-based assets to protect and maintain the capital value of the investments and to ensure that coinage in circulation is matched and that investments can be liquidated fairly quickly should a need arise.

The coins themselves are accounted for, at cost, as stock, until they are formally made available for circulation by the Treasury and Resources Department when they are accounted for at face value. At the end of their useful life they are removed from circulation and destroyed.

Actual vs. prior year

The decrease in surplus from 2008 to 2009 was 95.5%. This was largely due to the decrease in investment income and the increase in other operating expenditure. The surplus is transferred to the Consolidated Fund.

Key financial results of the Operating Cost Statement

- Investment Income**
- **Income of £139,102, a decrease of £500,494 (78.3%) on 2008**

The Fund primarily invests in short term cash deposits. As a consequence of declining UK interest rates the Fund was impacted by lower investment income yields. However, the returns during 2009 exceeded UK base rates and the benchmark of 3 month LIBID (London Interbank Bid rate).

- Other Revenue**
- **Other revenue of £86,633 a decrease of £9,045 (9.5%) on 2008**

Other revenue in 2009 relates to royalties received by the Fund from the sale of commemorative coin to collectors. In 2008 the Fund benefited from the popularity of the Poppy coin. Although income from royalties has reduced slightly in 2009 there remains a demand for commemorative coin. The 'Poppy' coin continued to be popular in early 2009; other popular coins in 2009 were 'History of the RAF', 'St George and the Dragon', 'Henry VIII 500th Anniversary' and 'Great Battles'.

- Total Operating Expenditure**
- **Spend of £198,629, an increase of £22,070 (12.5%) on 2008**

The increase in total operating expenditure is primarily due to the write off of soiled circulation coin and commemorative coins in 'used' condition that are unfit for resale.

Jersey Coinage

Key financial results of the Balance Sheet

Stock and Work in Progress • **Stock of £282,444 an increase of £94,463 (50.3%) on 2008**

Stock increased during 2009 as the Treasury received additional stock of coin from the Royal Mint to meet demand.

Coinage in Circulation • **Coinage in circulation of £7,314,028 an increase of £291,922 (4.2%) on 2008**

Coinage in circulation has increased due to a higher demand for coin by the general public.

Jersey Coinage

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue		
Earned through Operations		
Investment income:		
Investment income	139,069	376,429
Loan, bank and notional interest	34	263,167
Other revenue ¹	86,633	95,676
Total Revenue	225,736	735,272
Operating Expenditure		
Other expenses:		
Supplies and services ²	165,668	172,601
Administrative expenses	2,231	-
Premises and maintenance	1,376	-
Other operating expenditure	25,009	3,958
Finance costs	4,345	-
Total Operating Expenditure	198,629	176,559
Non Operating Expenditure		
(Gain)/loss on disposal of investments	1,819	(1,819)
Total Non Operating Expenditure	1,819	(1,819)
Total Expenditure	200,448	174,740
Surplus for the year transferred to Consolidated Fund	25,288	560,532

Notes:

- 1 Other revenue' includes royalties and miscellaneous income.
- 2 In 2009 'Cost of notes issued' and 'Administrative costs' are shown in 'Supplies and services'.

Statement of Total Recognised Gains and Losses for the Year ended 31 December 2009

	2009 Actual £	2008 Actual £
Unrecognised gain/(loss) on revaluation of investments	(30,125)	27,290
Total recognised gain relating to the year	(30,125)	27,290

Jersey Coinage

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Tangible and Intangible Fixed Assets		
Financial Assets		
Other investments	7,398,129	7,430,073
Total Fixed Assets	7,398,129	7,430,073
Current Assets		
Stock and work in progress	282,444	187,981
Debtors	53,380	137,478
Cash at bank and in hand	22,601	175,400
Total Current Assets	358,425	500,859
Current Liabilities		
Cash advanced from the Consolidated Fund	82,383	530,090
Creditors	12,014	482
Coinage in circulation	7,314,028	7,022,106
Total Current Liabilities	7,408,425	7,552,678
Net Current Liabilities	(7,050,000)	(7,051,819)
Net Assets	348,129	378,254
Circulation Reserve	350,000	350,000
Investment Revaluation Reserve	(1,871)	28,254
Reserves: Accumulated Revenue and Reserve Balances	348,129	378,254

Tourism Development Fund

Fund

- **Deficit for the Year of £398,164, a decrease of 32.2% on 2008**

Highlights:

Purpose of Fund

The Tourism Development Fund was established by the States in December 2001. The aim of the Fund is to stimulate investment in the tourism industry and infrastructure in order to improve Jersey's competitiveness and sustain the industry as a second pillar of the economy.

There are two distinct elements of the Fund's investment strategy:

- to support public and voluntary sector projects and infrastructure projects that make a crucial contribution to the attractiveness and appeal of Jersey as a tourist destination; and
- to stimulate investment in technology and marketing initiatives. This element is the smaller of the two, but is designed to support small scale commercial initiatives and events.

Actual vs prior year

The decrease in deficit from 2008 to 2009 was 32.2%.

Key financial results of the Operating Cost Statement

Interest

- **Income of £22,668, a decrease of £65,503 (74.3%) on 2008**

Interest received has reduced due to lower bank balances and the decrease in interest rates.

Grants

- **Spend of £416,360, a decrease of £257,012 (38.2%) on 2008**

Grants from the Fund are considered and approved by a committee of business leaders and senior officers from the Economic Development Department. The amount is dependent on the amount of applications and the amount approved by the Committee.

Tourism Development Fund

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Interest Received	22,668	88,171
Total Revenue	22,668	88,171
Grants	416,360	673,372
Treasury Recharges	4,472	2,142
Total Expenditure	420,832	675,514
Surplus/ (Deficit) for the Year	(398,164)	(587,343)

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Current Assets		
Debtors	708,933	1,261,157
Total Current Assets	708,933	1,261,157
Current Liabilities		
Creditors	-	154,060
Total Current Liabilities	-	154,060
Net Current Assets	708,933	1,107,097
Net Assets	708,933	1,107,097
Reserves: Accumulated Revenue and Reserve Balances	708,933	1,107,097

Channel Islands Lottery (Jersey) Fund

- Fund/Reserve** • **Surplus for the year of £33,978 a decrease of 69.5% on 2008**
Highlights: • **Jersey ticket sales increased by 4.8%**

Purpose of Fund

The Channel Island Lottery is administered and governed by the Public Lotteries Board, which is constituted in accordance with the Gambling (Channel Islands Lottery) (Jersey) Regulations 1975.

The States of Guernsey contribute 60% of their gross sales to the prize fund each year. The remaining 40% is retained by Guernsey to cover their costs of administering the Fund. Unclaimed time expired prizes are shared between Guernsey and Jersey in accordance with sales ratio.

In 2008 a grant of 80% of the total profits was made to the Association of Jersey Charities. In 2009 a decision was made by the States to increase the grant to 90% of the total profits for the benefit of the community and the charitable needs of the island.

Actual vs prior year

The decrease in surplus from 2008 to 2009 was 69.5%. This was due to an increase in prizes in 2009 compared to 2008 and an increase in the percentage due to be paid to the Association of Jersey Charities from 80% (2008) to 90% (2009) of the Fund's profits.

Key financial results of the Operating Cost Statement

- Sales of tickets** • **Ticket sales of £2,980,213 a decrease of £376,587 (11.2%) on 2008**

In 2008 Guernsey ticket sales were shown gross, however, in 2009 they are shown as Guernsey's contribution to the prize fund and hence are net of 40% of sales retained by Guernsey to meet their administration costs. Ticket sales by Guernsey and Jersey increased in real terms by 4.8% and 7.8% respectively.

- Other revenue** • **Other revenue of £540, a decrease of £118,679 (99.5%) on 2008**

In 2008 other revenue included time expired prizes but in 2009 they are reported as a reduction in the prizes paid within other operating expenditure.

- Supplies and Services** • **Supplies and Services of £480,404, a decrease of £433,752 (47.4%) on 2008**

The expenditure for supplies and services has decreased due to the net effect of Guernsey administration costs no longer being reported in 2009, staff costs now being recharged as part of supplies and services and commission due to agents now being accrued for in the accounts. In real terms supplies and services have increased by 12.6% due to increases in printing and advertising costs and a recharge in 2009 for the central administration of the Fund during 2008 and 2009.

Channel Islands Lottery (Jersey) Fund

Grants and subsidy payments • **The grant due to be paid to the Association of Charities of £305,791, a decrease of £139,623 (31.3%) on 2008**

The grant due to be made to the Association of Jersey Charities for the year is £305,791, 90% of the profits prior to calculating the grant, compared to 80% in 2008. The 2008 surplus included an estimate for uncollected prizes paid which was lower than the actual prizes paid in 2008. The Association therefore benefited from a higher surplus in 2008 and a lower surplus in 2009.

Channel Islands Lottery (Jersey) Fund

Operating Cost Statement for the year ended 31 December 2009

	2009 Actual £	2008 Actual £
Revenue		
Earned through operations		
Sales of goods and services		
Sale of tickets in Jersey	2,112,433	2,016,000
Sale of tickets in Guernsey	-	1,340,800
Guernsey contribution to prize fund	867,780	-
Other Lottery income	4,300	1,580
Investment income	18,720	15,021
Other revenue	540	119,219
Total Revenue	3,003,773	3,492,620
Expenditure		
Operating expenditure		
Staff costs ¹	-	27,985
Supplies and services ²	480,404	914,156
Other operating expenditure ³	2,183,600	1,993,711
Grants and subsidy payments	305,791	445,414
Total Expenditure	2,969,795	3,381,266
Surplus for the year	33,978	111,354

Notes:

- 1 Staff costs are now recharged to the fund and are shown in 'Supplies and Services' as the cost is recharged by the States.
- 2 Supplies and services includes 'administrative costs', 'Guernsey's discount on ticket price', 'agents' commission on winning tickets', 'previous year's unclaimed prize money' and 'supplies and services' which were presented separately in 2008.
- 3 Other operating expenditure includes 'prize money paid and accrued' and 'administration recharges' which were presented in 'administrative costs in 2008.
- 4 Guernsey sales of tickets were shown gross in 2008, however, in 2009 they are shown as a contribution to the prize fund.

Channel Islands Lottery (Jersey) Fund

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Current Assets		
Debtors	241,620	951,054
Cash advanced to the Consolidated Fund	830,231	796,943
Total Current Assets	1,071,851	1,747,997
Current Liabilities		
Creditors		
Uncollected prizes	285,306	788,688
Balance held for the Association of Charities	305,791	445,414
Other creditors	683	67,802
Total Current Liabilities	591,780	1,301,904
Net Assets	480,071	446,093
Reserves: Accumulated Revenue and Reserve Balances	480,071	446,093

Housing Development Fund

The aim of the fund:-

“To help meet the requirements for the development of social rented and first time buyer homes as identified in the ‘Planning for Homes’ report (RC10/99), which was updated in December 2006 (RC 94/2006) and subsequent strategic reports, primarily in the urban area, to a good standard and specification at a reasonable cost”

The scope of the scheme

- The HDF does not fund the whole cost of a housing scheme, but provides the Housing Committee with bridging finance to develop properties for onward sale. The scheme bears the cost of land acquisition and development which is then recovered on the disposal of completed sites.
- The HDF provides a mechanism for funding housing developments undertaken by the States, as well as providing subsidies (where necessary) for developments undertaken by other providers of social rented housing (such as Housing Associations) and, if necessary, for certain private sector ‘first time buyer schemes.’ In the case of first time buyer properties it provides an interest subsidy to enable the cost of the scheme to be repaid from its rental stream or sale receipts. The States approved P74/99 and P84/99 on 7 July 1999 and thereby the creation of the Housing Development Fund to be administered by the former Finance and Economics Committee.

The Housing Development Fund provides interest subsidy for those Housing Trust properties acquired under the former Housing Development Schemes Account and supports the development of social rented housing on rezoned sites by capping the interest liability of Housing Trusts to a maximum of 6%.

The historically low interest rates from the third quarter 2008 and throughout 2009 have resulted in the fund paying minimal interest subsidy in 2009. Adjustment for overpayments based on estimates for the fourth quarter 2008 has resulted in a net interest subsidy credit for 2009.

Housing Development Fund

Income and Expenditure Account for the Year ended 31 December 2009

	2009 Actual £	2008 Actual £
Income		
Hire & Rentals	43,372	348,693
Fees & Fines	0	30,891
Interest Charged on Advances to the Consolidated Fund	96,363	327,436
Sale of Sites	1,482,953	1,162,303
	1,622,688	1,869,323
Expenditure		
Administrative Costs	3,692	13,327
Premises & Maintenance	0	39,980
Grants & Subsidies	(47,056)	3,234,267
Depreciation	0	199,498
Write off of assets	0	1,385,991
	(43,364)	4,873,063
Surplus/(Deficit) for Year	1,666,052	(3,003,740)

Balance Sheet as at 31 December 2009

	2009 Actual £	2008 Actual £
Fixed Assets		
Land and Buildings	-	-
Current Assets		
Debtors	1,042,438	494
Cash Advance to the Consolidated Fund	5,396,182	4,867,588
	6,438,620	4,868,082
Current Liabilities		
Creditors (amount due within one year)	3,680	99,194
Net Current Assets	6,434,940	4,768,888
Net Assets	6,434,940	4,768,888
Funds Employed:		
Accumulated Reserves and Balances		
Reserves Brought Forward	4,768,888	24,160,035
Surplus/(Deficit) for the year	1,666,052	(3,003,740)
Transfer of assets to Consolidated Fund	-	(16,387,407)
Reserves Carried Forward	6,434,940	4,768,888

Glossary
of
Terms

Accounting Officer

The Accounting Officer is the person responsible for the proper financial management of a States' funded body in accordance with the law. In general, the Chief Officer is also the Accounting Officer.

Accounting Period

This is the length of time covered by the accounts. For the States of Jersey this is a period of twelve months commencing on 1 January. The end of the accounting period is the balance sheet date, 31 December.

Accruals Basis

This is one of the main accounting concepts. Income and expenditure are shown in the accounting period that they are earned or incurred, not as money is received or paid.

Annual Budget

The States' Annual Budget sets out the taxation measures and the expected level of States income.

Annual Business Plan

An annual plan detailing the resources to be allocated to each States department together with the objectives of each department. It is through the Annual Business Plan debate, that the States Assembly allocates funding to Departments' Net Expenditure Cash Limits (budgets) from the Consolidated Fund.

Asset

An asset is something that the States of Jersey owns; assets are sub-divided into fixed assets, financial assets and current assets.

- Fixed assets are assets which the States of Jersey has bought or constructed to provide services over a period of time. Fixed assets will have a life of more than one year, for example a school building;
- Financial assets are investments such as bonds or equities, loans made to third parties, or strategic investments. These assets are expected to be held for longer than one year and typically provide a return for the States;
- Current assets are assets typically sold or otherwise used within one year of the end of the accounting period (e.g. stock and debtors).

Audit of Accounts

An audit is an evaluation of the accounts by an independent expert. Please refer to the Auditor's Report for details of the work carried out.

Balance Sheet

A primary accounting statement that shows the assets, liabilities and reserves of the States of Jersey at the end of the accounting period.

Budget

A budget is a financial statement that expresses the States of Jersey's service delivery plans and capital programmes in monetary terms. These accounts report two budget figures:

- 2008 Business Plan: This is the original budget set and approved by the States Assembly;
- Final Approved Budget: This is the final budget after taking account of authorised changes during the year.

Capital Expenditure

Expenditure on the acquisition or construction of fixed assets that will be used to provide services beyond the current accounting period or expenditure that adds value to an existing fixed asset.

Cash Flow Risk

The risk that the States' available cash will not be sufficient to meet its financial obligations.

Cash Flow Statement

A primary accounting statement that explains the difference between the movement in cash and the reported surplus or deficit for the year. This contrasts to the Operating Cost Statement which reports accrued income and expenditure.

Cash Instruments

Cash instruments are financial instruments whose value is determined directly by markets. They can be divided into securities, which are readily transferable, and other cash instruments such as loans and deposits, where both borrower and lender have to agree on a transfer.

Cash Limit

A cash limit is a budget voted by the States Assembly to a States Non Trading Department.

Consolidated Fund

This is the fund through which the majority of the States' income and expenditure is managed. General Revenue Income and Department's expenditure on public services is accounted for through this fund.

Contingent Liability

A contingent liability is not recognised on the balance sheet, they are referred to in a note to the accounts, a contingent liability can arise in one of two ways:

- A possible future obligation arising from a past event, or
- A present obligation arising from a past event where it is either not probable that a payment will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Corporate Bonds

Corporate bonds are issued by companies to raise capital. They are an alternative to issuing new shares on the stock market (equity finance) and are a form of debt finance.

Credit Risk

The risk (also known as counter party risk) that an issuer might default on a payment or go into liquidation.

Creditor

A creditor is a party who the States of Jersey owe money to at the end of the accounting period for goods or services provided within the accounting period.

Debtor

A debtor is a party who owes the States of Jersey money at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Departmental Income

Departmental Income is income derived from charges made for services provided by the States' non-trading departments.

Equities

Equities are instruments that signify an ownership position in a corporation, and represent a claim on its proportionate share in the corporation's assets and profits.

Financial Instruments

A contract that gives rise to either cash, equities or a contractual right to receive either cash or another financial instrument.

Foreign Exchange Exposure

The risk of loss stemming from exposure to adverse foreign exchange rate movements.

General Revenue Income

General Revenue Income comprises taxation, duties, the island rate, and other income to the Consolidated Fund.

Grants and Subsidies

The States of Jersey makes grants and pays subsidies for a range of purposes to support the community.

Gross Departmental Expenditure

Revenue expenditure incurred by States' non-trading departments in the course of providing public services, before taking account of Departmental Income.

Head of Expenditure

A head of expenditure is either the annual cash limit of a States funded body, or an amount allocated for a capital project.

Income

This is the money that the States of Jersey receives or expects to receive in the accounting period.

Interest Rate Risk

This is the financial risk to which a portfolio or institution is exposed to if interest rates change

Leases

A financial arrangement that provides for the use of an asset without direct ownership. For accounting purposes leases can be either:

- Finance leases: A lease that transfers substantially all of the risks and rewards associated with owning the asset to the lessee (in these accounts the States of Jersey). Typically finance leases are entered into to finance large capital projects, or
- Operating Lease: A lease where the risks and rewards of ownership are not borne by the lessee. Operating leases are entered into for a range of assets such as vehicles or plant and machinery.

Liability

A debt or obligation owed by the States of Jersey to another party.

Liquid assets

Assets in the form of cash (or easily convertible into cash).

Liquidity Risk

The risk that an organisation may not have, or may not be able to raise cash funds when needed.

Market Price Risk

The risk of losses resulting from adverse changes in market prices or other market rates.

Materiality

This is one of the main accounting concepts. A transaction or balance is material if its omission or misstatement, would lead to a significant distortion of the financial position.

Ministerial States' Funded Bodies

A Ministerial States' Funded body is one for which a Minister is responsible to the States for its administration and funding.

Net Revenue Expenditure

The net of Gross Departmental Expenditure and Departmental Income. This is the key measure against which Accounting Officers are held to account for delivering services within an allocated cash limit.

Non Ministerial States' Funded Bodies

A non-Ministerial States' Funded bodies is one for which no Minister is responsible to the States for its administration or funding.

Non Trading Department

These are States' departments that are not designated as Trading Operations.

Notes to the Accounts

Detailed supporting information to the primary accounting statements.

Operating Cost Statement

A primary accounting statement showing the income and expenditure for the States in the current accounting period.

Primary Accounting Statements

The three primary accounting statements within the States of Jersey accounts are the Operating Cost Statement, the Balance Sheet and the Cash Flow Statement.

Provision

This is an amount set aside in the accounts (included in liabilities on the balance sheet) for probable payments due after the end of the accounting period that relate to events that have taken place in the current accounting period.

Prudence

This is one of the main accounting concepts. It requires that the States of Jersey accounts reflect a cautious and realistic view of the financial position of the States, for example the accounts only include income that we are confident will be realised.

Reserves

A reserve results from the accumulation of surpluses, deficits and appropriations over past years.

Retail Price Index (RPI)

Retail Price Index as compiled by the States of Jersey Statistics Unit.

Revenue Expenditure

The day to day expenses associated with the provision of services, including the cost of employing staff and purchasing supplies and services.

Revenue Levied by the States of Jersey

Income such as taxes, duties or fines, raised by the States of Jersey where no or nominal consideration is provided in return. Whilst the States of Jersey does provide a range of services to islanders, it does not do so directly in consideration for payments received.

Separately Constituted Special Funds

These are funds with a specific purpose and are usually established by legislation or a States' decision. These funds are included in the Aggregated accounts and have their own accounts, located at the back of the accounts book.

Stabilisation Fund

A States' fund established to make fiscal policy more countercyclical, providing some protection from the adverse impact of economic cycles, and creating in the Island a more stable economic environment with low inflation.

Statement of Total Recognised Gains and Losses (STRGL)

The STRGL is a primary statement that includes all gains and losses made in the accounting period whether realised or unrealised. For example, accounting standards currently applied by the States do not require the unrealised gains or losses on financial instruments to be included in the surplus for the year. These movements are instead recorded in the STRGL.

Stock and Work in Progress

These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Strategic Investments

Companies in which the States has a majority shareholding but which are not aggregated into the States' accounts. The aggregation of those Companies' accounts into the States' accounts would distort the presentation of the States' financial position.

Strategic Reserve

The Strategic Reserve is a permanent reserve, where the capital value is only to be used in exceptional circumstances to insulate the Island's economy from severe structural decline such as the sudden collapse of a major island industry or from major natural disaster.

States Trading Operation

These are areas of operation of the States of Jersey, designated by the States by Regulations in the Finance Law to be a States Trading Operation. At present there are four States Trading Operations: the Airport, the Harbour, Jersey Fleet Management and Jersey Car Parking.

Appendix 1 - Additional GAAP information

Section 1

Transition to GAAP accounting

The States of Jersey is in the process of implementing Generally Accepted Accounting Principles (GAAP). The first set of financial statements prepared under GAAP will be produced next year, for the year ended 31 December 2010. In order to produce these accounts, comparative information (i.e. for the year ended 31 December 2009) must also be produced under GAAP principles. The States of Jersey has therefore been operating under two accounting bases in the 2009 transitional year (GAAP basis and existing basis). Although full GAAP accounts can only be published next year, the States is able to produce a Balance Sheet (with comparatives) and an Operating Cost Statement for 2009 in accordance with GAAP. The following notes have been prepared to provide information and explanations for these numbers, including reconciliations to the Balance Sheet and Operating Cost Statement for 2009 prepared under the existing basis.

The set of GAAP standards that will be adopted for the States of Jersey is UK GAAP modified for the Jersey public sector. A Jersey Financial Reporting Manual (JFRm) has been prepared which details the application of these Generally Accepted Accounting Principles to the States of Jersey.

The JFRm is based on the 2007/08 UK version of the same document. The UK version is prepared by HM Treasury and is subject to scrutiny by an independent board, the Financial Reporting and Advisory Board.

There are seven differences between the existing basis and the new GAAP basis of accounting. These are explained in the notes below. The GAAP accounting policies applied in producing GAAP financial statements have been reproduced in section 2. Reconciliations to the 2009 position on the existing basis of accounting are provided in section 3. A list of entities included within the group boundary is included in section 4.

1 Asset adjustments

Under the existing accounting framework, capital budgets are approved by the States of Jersey for:

- Specific projects
- Rolling capital votes for infrastructure related expenditure
- Minor Capital – a lump sum for relatively small value expenditure, allocated to some departments

The above expenditure was generally, but not always, related to asset acquisition or improvement, therefore the existing 'Fixed Asset' balance is not GAAP compliant.

Furthermore, assets created or purchased were not separately recorded and identified. Thus the States of Jersey did not have a comprehensive Fixed Asset register.

During 2007 and 2008, work was carried out to identify and value all Fixed Assets owned by the States of Jersey. A Fixed Asset register was created and the value of Fixed Assets was determined. External valuers were employed to value the vast majority of assets identified, with other valuation methods being adopted, and internal valuations conducted, where appropriate. All valuations were carried out in accordance with UK GAAP as interpreted for the States of Jersey by the JFRm.

Appendix 1

In order to arrive at a GAAP-based Fixed Asset balance, adjustments were made to the Fixed Asset balance on the Balance Sheet. All balances, except those which related to Fixed Assets still under the course of construction at 31 December 2008, were removed from the Balance Sheet and a corresponding entry was made to reserves. The value of the balance removed in this way was £754 million. The new asset values as recorded on the asset register were then added to the Balance Sheet with a corresponding effect on reserves. The value of the assets created in this way was £2.52 billion.

Depreciation is a GAAP term for an annual accounting charge reflecting the usage, or wearing out, of assets. The States of Jersey already includes a form of depreciation in its Operating Cost Statement account, called the 'capital repayment charge', which is similar to GAAP depreciation, but based on Fixed Asset values on the existing accounting basis. Furthermore, these capital repayments are recorded centrally, within the Treasury and Resources Department. As a result of the move to GAAP, the existing capital repayment charge was removed from the Operating Cost Statement and depreciation charged on an asset by asset basis has been included.

2 Restatement of WEB balances

The results of the Waterfront Enterprise Board Limited (WEB) have always been incorporated into the States of Jersey accounts, however adjustments were made from the GAAP accounts as prepared by WEB in order to bring the balances and transactions in line with the accounting policies of the States of Jersey. As the States has now adopted GAAP these adjustments have been reversed.

3 Change to group boundary

The group boundary, which determines which entities are included in the consolidated accounts, was reviewed and revised in the light of the move to GAAP. As a result several new entities are now included in the consolidation: the Criminal Offences Confiscation Fund, the Drug Trafficking Confiscation Fund and the Civil Asset Recovery Fund.

4 Capital Grants

Under existing accounting policies, capital grants were deducted from the cost of the asset constructed or purchased. Under the JFRm this is not permitted. A States entity making a capital grant records the grant in full as an expense. A grant receiving entity records the grant in a separate capital grants reserve. This is then credited to the Operating Cost Statement over the life of the asset. The majority of capital grants so recorded are both made and received by entities within the States of Jersey group boundary and therefore these transactions and balances are eliminated on consolidation.

5 Valuation of Strategic Investments

Strategic Investments (Jersey Post International Limited, Jersey Electricity Company Limited, Jersey Telecom Group Limited and Jersey New Waterworks Company Limited) were previously carried at historic cost in the balance sheet. Under GAAP these have been recorded at fair value.

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6 Other adjustments

Other adjustments represent recording job-costing related transactions, which were previously recorded on a net basis on a gross basis.

7 Eliminations

Under the existing accounting policies, transactions between States entities, and within a Department, were not eliminated in the preparation of the accounts. GAAP requires that transactions between entities within the group boundary are eliminated and this has been effected in the GAAP Operating Cost Statement and GAAP Balance Sheet.

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Section 2

Accounting Policies

A summary of the accounting policies which have been applied in producing the GAAP Operating Cost Statement and GAAP Balance Sheet in note 24c are laid out below.

1. Statement of Accounting Policies

1.1 Introduction

1.1.1 These accounts have been prepared in accordance with the States of Jersey Financial Reporting Manual (JFReM) issued by the Treasurer of the States in order to meet the requirements of the Public Finances (Jersey) Law 2005. The accounting policies contained in the JFReM follow UK Generally Accepted Accounting Principles for companies (UK GAAP) to the extent that it is meaningful and appropriate to the Public Sector. The JFReM applicable to the 2009 financial year (excluding comparators) is based on the UK Financial Reporting Manual for the UK financial year ending March 2008.

1.1.2 Where the JFReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the States of Jersey for the purpose of giving a true and fair view has been selected. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.2 Accounting Convention

1.2.1 These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets and investments. A summary of the more important accounting policies is set out below.

1.3 Basis of Consolidation

1.3.1 These accounts comprise the consolidation of all entities within the States of Jersey consolidation boundary (the 'group boundary') as set out in the JFReM. The group boundary is defined with reference to applicable accounting standards except that the inclusion or exclusion of an entity is based on direct control rather than strategic control. Direct control is normally evidenced by the States, the Council of Ministers or a Minister exercising in-year control over operating practices, income, expenditure, assets or liabilities of the entity. Therefore the principles of FRS2, FRS9 and FRS5 for the determination of whether entities are subsidiary undertakings, associated undertakings or joint ventures are restricted to the first principle of direct control. Where this principle is not met and an entity within the group boundary has an investment in an entity outside the group boundary, this holding is treated as an investment in the group accounts.

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1.3.2 For clarity, the relationships with Jersey Telecom Group Limited, Jersey Post Limited, Jersey Electricity Company Limited and Jersey New Waterworks Company Limited do not meet the first principle of direct control and therefore these are accounted for as strategic investments in these accounts.

1.3.3 The Social Security Fund, the Social Security (Reserve) Fund and the Health Insurance Fund are outside the group boundary.

1.3.4 Entities that fall within the group boundary, but which are immaterial to the accounts as a whole, have not been consolidated where to do so would result in excessive time or cost to the States. Entities that fall within the group boundary but which have not been consolidated are listed in note 24(f).

1.3.5 Material transactions and balances between entities that fall within the group boundary have been eliminated as part of the consolidation process.

1.4 Income recognition

1.4.1 Income is divided into two main categories – revenue levied by the States of Jersey (non-exchange income) and revenue earned through operations. All types of income are recognised on an accruals basis.

1.4.2 Revenue levied by the States of Jersey (non-exchange income) is measured at the value of the consideration received or receivable net of:

- Repayments; and
- Adjustments following appeals (in the case of Income Tax).

Revenue is recognised when: a taxable or other relevant event has occurred, the revenue can be measured reliably and it is probable that the economic benefits from the taxable or other event will flow to the States of Jersey.

1.4.3 Taxable or other relevant events for the material income streams are as follows:

- **Income Tax:** when an assessment is raised by the Comptroller of Income Tax. Tax collected in the year under the Income Tax Instalment Scheme which is due for assessment in the following year (tax collected on a current year basis) is recognised as receipts in advance;
- **Goods and Services Tax (GST):** when a taxable activity is undertaken during the taxation period by the taxpayer. Fees payable by International Service Entities are recognised on an accruals basis and are included in total GST receipts in the Operating Cost Statement;
- **Impôts Duties:** when the goods are landed in Jersey;
- **Stamp Duty:** when the property is purchased;
- **Fees and Fines:** when the fee or fine is imposed;
- **Seizure of assets:** when the court order is made; and
- **Island rates:** when the assessment is raised. Island Rates are charged on a calendar year basis and assessments are raised in the second half of the calendar year. Income is recognised in the period for which the rates are charged.

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1.5 Investments

1.5.1 Investments, are accounted for at fair value. If a market value cannot be readily ascertained, the investment is valued on a basis determined by the entity, in agreement with the Treasurer of the States, to be appropriate in the circumstances.

1.5.2 Strategic Investments are companies outside the group boundary in which the States of Jersey has a controlling interest. Specifically, the investments in Jersey Telecom Group Limited, Jersey Post Limited, Jersey Electricity Company Limited and Jersey New Waterworks Company Limited are recognised as Strategic Investments. In accordance with the JFRm these are accounted for at either:

- a) A value based on market value determined at the date of the last valuation (where available); or else
- b) A value determined on a basis which appears to be appropriate in the circumstances. As a preference, a discounted cash flow valuation methodology has been used.

1.6 Foreign Currencies

1.6.1 Transactions that are denominated in a foreign currency are translated into Sterling at the rate ruling at the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used.

1.6.2 Monetary assets and liabilities are translated at the closing rate applicable at the Balance Sheet date and the exchange differences are reported in the Operating Cost Statement.

1.6.3 Both the functional and presentation currency is Sterling.

1.7 Leases

1.7.1 Assets held under finance leases or sale and lease-back arrangements are capitalised as tangible fixed assets and depreciated over the shorter of the lease term or their estimated useful economic lives. Rentals paid are apportioned between reductions in the capital obligations included in creditors, and finance costs charged to the Operating Cost Statement.

1.7.2 For other leases (operating leases) rentals are charged to the Operating Cost Statement on a straight-line basis over the term of the lease.

1.7.3 Where the States of Jersey is the lessor under an operating lease, leased assets are recorded as fixed assets and depreciated over their useful economic lives in accordance with the accounting policy for Fixed Assets. Rental income from operating leases is recognised on a straight line basis over the period of the lease.

Appendix 1

1.7.4 Lease incentives are accounted for in accordance with UITF 28. The aggregated cost of incentives are treated as a reduction of rental income and allocated to the Operating Cost Statement over the lease term, or the term ending on the date from which it is expected that the prevailing market rental will be payable, whichever is the shorter. Lease incentives are allocated on a straight-line basis.

1.8 Provisions and Contingent Liabilities

1.8.1 A provision is recognised when a present obligation exists as a result of a past event, which will be settled by a transfer of economic benefit, the amount of which can be reliably estimated.

1.8.2 No discounts are applied to provisions unless the impact is material. Where a discount is applied this is stated in the notes to the accounts together with the discount rate applied. The discount rate is set by the Treasurer of the States.

1.8.3 Contingent liabilities are disclosed:

- where a possible obligation arises from a past event the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the States of Jersey's control; or
- where a present obligation arises from past events but no provision has been recognised because the transfer of economic benefits is not probable, or the amount of the obligation cannot be reliably measured.

1.8.4 The scope of FRS 12 includes guarantees, which are recognised as contingent liabilities unless an obligation under a guarantee arises, in which case a provision is recognised. The notes to the accounts give details of any charges on the assets of the States of Jersey and the amount secured.

1.9 Use of estimates

1.9.1 The preparation of financial statements requires the States of Jersey to make estimates and assumptions that can affect the reported amounts of assets, liabilities, revenues and expenses as well as amounts reported in the notes. Actual results could differ from these estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

1.10 Tangible Fixed Assets

1.10.1 The States of Jersey capitalisation threshold is £10,000 for an initial purchase. There is no threshold for the capitalisation of subsequent expenditure on an asset.

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1.10.2 The treatment of subsequent expenditure depends upon the previously assessed standard of performance expected from an asset and how that has been reflected in the depreciation of the asset. Expenditure that merely maintains the expected performance levels expected of the asset is written off to the Operating Cost Statement as it is incurred. Expenditure that enhances the economic benefits of an asset in excess of its expected performance is capitalised. Such expenditure:

- Increases the capacity or capability of the asset; or
- Extends the useful economic life of the asset; or
- Improves the quality of the asset's output; or
- Significantly reduces the operating costs of the asset.

1.10.3 All tangible fixed assets are expressed at their current value through the application of the Modified Historical Cost Accounting Convention (MHCA). In accordance with the JFRm, historical cost carrying amounts are not disclosed. The valuation of all tangible fixed assets should be current value, which is the lower of replacement cost and recoverable amount, which is the higher of net realisable value and value in use. Where value in use cannot be measured in terms of income it is assumed to be at least equal to the cost of replacing the service potential provided by the asset. In certain circumstances depreciated historical cost is used as a proxy for current value.

1.10.4 Finance costs incurred during the construction of tangible fixed assets are not capitalised.

1.10.5 Assets under construction are valued at cost and are not depreciated. On completion, they are transferred from Assets Under Course of Construction into the appropriate asset category.

1.10.6 Property assets are valued in accordance with FRS 15. An external valuation is performed by a RICS qualified valuer every 5 years. Interim valuations are performed after 3 years. Revaluation gains are recorded in the revaluation reserve. Downward revaluations are recorded in the revaluation reserve to the extent that they reverse previous upward revaluations. Downward revaluations below the original carrying value of the asset are recorded in the Operating Cost Statement.

1.10.7 Depreciation is provided on a straight line basis over the anticipated useful lives of the assets. The principal asset categories and their range of useful economic lives are outlined below:

Asset Category	Life
Property held for disposal	Not depreciated
Land	Not depreciated
Buildings and Social Housing	Up to 75 years
Other Structures	Up to 250 years
Plant, Machinery and Fittings	3 to 50 years
Transport Equipment	2 to 20 years
IT equipment and software	3 to 10 years

Operational Heritage Assets are included within the principal asset category to which they relate.

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1.11 Infrastructure assets

1.11.1 Infrastructure assets represent the road network, the foul and surface water network and the Island's sea defence network. The road network consists of carriageways, including earthworks; tunnelling and road pavements; roadside communications and land within the perimeter of highways. Non-network assets include bridges and other structures. The foul and surface water network consists of foul sewers, surface water sewers, combined sewers and rising mains. Non-network assets include pumping stations and associated land and plant/machinery, and the Bellozanne and Bonne Nuit Sewage Treatment Works. The Sea Defences network consists of walls, slipways and outfalls. Non-network assets include harbours and quays. Non-network assets are accounted for under their respective fixed asset categories.

1.11.2 Network assets, which are intended to be maintained at a specific level of service potential by continuing replacement and refurbishment, are valued at depreciated replacement cost. Annual valuations of infrastructure assets are performed by professional valuers.

1.11.3 Subsequent expenditure on infrastructure assets is capitalised where it enhances or replaces the service potential. Spending that does not replace or enhance service potential is expensed.

1.11.4 The annual depreciation charge for infrastructure assets is the value of the service potential replaced through the maintenance programme, adjusted for any change in condition as identified by a condition survey. The value of the maintenance work undertaken is used as an indication of the value of the replaced part.

1.12 Donated assets

1.12.1 Donated assets are capitalised at their current valuation on receipt and are revalued/depreciated on the same basis as purchased assets. The amount capitalised is credited to the Donated Assets Reserve.

1.12.2 The Donated Assets Reserve represents the value of the original donation and any subsequent revaluation. Amounts equal to the donated asset depreciation charge, impairment costs and any in-year surplus/deficit on disposal are released from this reserve to the Operating Cost Statement.

1.13 Heritage assets

1.13.1 Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental or historical associations. Non-operational assets are those held primarily for this purpose. Operational heritage assets are those that are also used for other activities or to provide other services. Heritage assets include historical buildings and works of art.

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1.13.2 Operational heritage assets are valued in the same way as other assets of that general type. Non-operational heritage assets are valued as follows:

- Where purchased within the accounting period, at cost;
- Where there is a market in assets of that type, at the lower of depreciated replacement cost and net realisable value; or
- Where there is no market, at depreciated replacement cost unless the asset could not or would not be physically reconstructed or replaced in which case at nil.

1.13.3 There are some instances where valuation of non-operational heritage assets may not be practicable or appropriate. In these cases the asset is carried at a value of nil.

1.14 Impairment

1.14.1 Fixed assets are subject to review for impairment in accordance with FRS 11, 'Impairment of Fixed Assets and Goodwill'. Any impairment is recognised in the profit and loss account in the year in which it occurs.

1.15 Disposal of Fixed Assets

1.15.1 Property assets identified for disposal are included in the Balance Sheet at market value less provision for selling costs, with any write down in value to the net recoverable amount being charged to the Operating Cost Statement as an impairment. On subsequent sale the surplus or deficit is included in the Operating Cost Statement.

1.16 Grants

1.16.1 Revenue grants received and all grants made are recognised in the Operating Cost Statement so as to match the underlying event or activity that gives rise to a liability.

1.16.2 Where a grant is received as a contribution towards the cost of a fixed asset the grant is credited to the capital grant reserve and released to the Operating Cost Statement as grant income over the useful economic life of the asset. On disposal of an asset financed by a grant the remaining balance on the capital grant reserve is recognised as grant income in the year of disposal.

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1.17 Pensions

- 1.17.1** The States of Jersey operates two principal pension schemes for certain of its employees (Public Employees' Contributory Retirement Scheme and Teachers' Superannuation Fund). In addition two further pension schemes exist, the Jersey Post Office Pension Fund (JPOPF) and the Discretionary Pension Scheme (DPS). The JPOPF, which relates to Jersey Post International Limited (a wholly owned strategic investment), is closed to new members. The DPS has only one member and is not open to new members. The assets are held in separate funds.
- 1.17.2** The JPOPF and the DPS are accounted for as conventional defined benefit schemes in accordance with FRS17.
- 1.17.3** The Public Employees' Contributory Retirement Scheme and Teachers' Superannuation Fund, whilst final salary schemes, are not conventional defined benefit schemes as the employer is not responsible for meeting any ongoing deficiency in the schemes. These schemes are therefore accounted for as defined contribution schemes.
- 1.17.4** Employer contributions to the schemes are charged to the Operating Cost Statement in the year they are incurred.
- 1.17.5** In agreeing P190/2005 the States confirmed responsibility for the past service liability which arose from restructuring of the PECRS arrangements with effect from 1 January 1988. This liability is recognised in the accounts.
- 1.17.6** The Teachers' Superannuation Scheme was restructured in April 2007. The restructured scheme mirrors the Public Employees' Contributory Retirement Scheme. As a result the FRS17 defined benefit based liability reflected in the 2006 accounts has been removed. A provision for past service liability, similar to the PECRS pre-87 past service liability, has been recognised, although this has not yet been agreed with the Scheme's board of management.
- 1.17.7** Information on the schemes is presented in the accounts, reflecting the cost of the schemes to the States as the employer. In particular, information specified in Financial Reporting Standard 17 is disclosed in a note to the accounts. As both these schemes limit the liability of the States as the employer, scheme surpluses or deficits are only recorded within the States' accounts to the extent that they belong to the States.
- 1.17.8** Where appropriate, as detailed in the preceding paragraphs, actuarial gains and losses arising in the year from the difference between the actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and financial assumptions are included in the statement of total recognized gains and losses only in so far as they belong to the States. This applies only to the JPOPF and DPS.

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1.17.9 For the JPOPF and DPS pension scheme assets are measured using market values and scheme liabilities are measured using the projected unit credit method, discounted at the current rate of return on a high quality bond of equivalent term and currency to the liability.

1.18 Stock and Work in Progress

1.18.1 Stock and Work in Progress are valued at the lower of cost and net realisable value.

1.18.2 Stock held for distribution at no/nominal charge and stock held for consumption in the production process of goods to be distributed at no/nominal charge are valued at the lower of cost and current replacement cost.

1.18.3 Where a reduction in the carrying value of stock held is identified, the value of the stock is written down and the cost charged to the Operating Cost Statement.

1.18.4 Currency not issued is accounted for as stock at the lower of cost and net realisable value.

1.18.5 Stock includes development assets held by the Waterfront Enterprise Board.

1.19 Currency in Circulation

1.19.1 Under the Currency Notes (Jersey) Law 1959 the States produces and issues bank notes and coins. These are accounted for at cost, as stock until they are formally issued by the Treasury & Resources Department. They are then accounted for as issued currency at face value. Issued currency is either held at the Treasury or in circulation. At the end of its useful life, currency is removed from circulation and destroyed, at which time its value is written off.

1.20 Long term debtors

1.20.1 Long term debtors are carried at amortised cost less provision for any permanent diminution in value.

1.21 Third Party Assets

1.21.1 The States of Jersey holds certain monies and other assets on behalf of third parties. These are not recognised in the accounts since the States of Jersey does not have a direct beneficial interest in them. Where assets have been seized following a court confiscation order, these are held within the Criminal Offences Confiscation Fund, Civil Assets Recovery Fund or the Drug Trafficking Confiscation Fund which are consolidated into the group results of the States of Jersey.

Appendix 1

Section 3

24d Reconciliation of 2009 Operating Cost Statement to GAAP Operating Cost Statement for 2009

	Existing basis	1a	1b	2	3	4	5	6	7	GAAP position	
	£'000	Old Asset Treatment	New Asset Treatment	Restatement of WEB balances	Change to group boundary	Capital Grants	Valuation of Strategic Investments	Other adjustments	Gross £'000	Eliminations	£'000
Revenue											
Levied by the States of Jersey											
Taxation revenue	(558,474)	-	-	-	-	-	-	-	(558,474)	-	(558,474)
Island rates, duties, fees, fines and penalties	(92,844)	-	-	(40)	-	-	-	-	(92,884)	10	(92,874)
Total Revenue Levied by the States of Jersey	(651,318)	-	-	(40)	-	-	-	-	(651,358)	10	(651,348)
Earned through Operations											
Sales of goods and services	(153,212)	-	-	83	-	-	-	(1,952)	(155,081)	22,331	(132,750)
Investment income	(27,882)	-	-	(29)	-	-	-	-	(27,911)	1,272	(26,639)
Other revenue	(32,130)	-	-	(86)	-	4,178	-	(1,072)	(29,110)	9,159	(19,951)
Total Revenue Earned through Operations	(213,224)	-	-	(3)	(29)	4,178	-	(3,024)	(212,102)	32,762	(179,340)
Total Revenue	(864,542)	-	-	(3)	(69)	4,178	-	(3,024)	(863,460)	32,772	(830,688)
Operating Expenditure											
Social Benefit Payments	162,600	-	-	-	-	-	-	-	162,600	(2)	162,598
Staff costs	327,149	-	-	-	-	-	-	(58)	327,091	(166)	326,925
Other Operating expenses	193,609	65	-	-	8,046	-	-	3,082	204,802	(26,107)	178,695
Grants and Subsidies payments	39,425	-	-	-	4,298	2,812	-	-	46,535	(7,299)	39,236
Capital Charge/Depreciation	45,689	(38,996)	49,809	(2,019)	-	(5,000)	-	-	49,483	-	49,483
Finance costs	6,673	-	-	-	-	-	-	-	6,673	(1,333)	5,340
Total Operating Expenditure	775,145	(38,931)	49,809	(2,019)	12,344	(2,188)	-	3,024	797,184	(34,907)	762,277
Non-Operating Expenditure											
Net foreign-exchange losses	556	-	-	-	-	-	-	-	556	-	556
Movement in pension liability	23,682	-	-	-	-	-	-	-	23,682	-	23,682
(Gains)/Losses on disposal of assets	(10,362)	(1,371)	9,818	3	-	-	-	-	(1,912)	-	(1,912)
Total Non-Operating Expenditure	13,876	(1,371)	9,818	3	-	-	-	-	22,326	-	22,326
Total Expenditure	789,021	(40,302)	59,627	(2,016)	12,344	(2,188)	-	3,024	819,510	(34,907)	784,603
Revenue less Expenditure	(75,521)	(40,302)	59,627	(2,019)	12,275	1,990	-	-	(43,950)	(2,135)	(46,085)

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Section 3

24e Reconciliation of 2009 Balance Sheet to GAAP Balance Sheet for 2009

	Existing basis	1a	1b	2	3	4	5	6	7	GAAP position	
	£'000	Old Asset Treatment	New Asset Treatment	Restatement of WEB balances	Change to group boundary	Capital Grants	Valuation of Strategic Investments	Other adjustments	Gross £'000	Eliminations	£'000
Tangible and Intangible Fixed Assets	905,073	(713,746)	2,512,884	(4,239)	-	159	-	-	2,700,131	-	- 2,700,131
Financial Assets											
Advances	18,549	-	-	-	-	-	-	-	18,549	-	18,549
Strategic Investments	88,563	-	20,000	-	168,937	-	-	-	277,500	(20,000)	257,500
Other investments	982,469	-	-	-	-	-	-	-	982,469	-	982,469
Debtors: amounts falling due after more than one year	13,986	-	-	-	-	20,701	-	-	34,687	(20,701)	13,986
Total Fixed Assets	2,008,640	(713,746)	2,512,884	15,761	-	20,860	168,937	-	4,013,336	(40,701)	3,972,635
Current Assets											
Stock and Work in Progress	8,056	-	-	20,197	-	-	-	-	28,253	-	28,253
Debtors	114,818	-	-	-	(2,379)	4,000	-	-	116,439	(6,616)	109,823
Cash at Bank and in Hand	62,573	-	-	-	16,089	-	-	-	78,662	-	78,662
Total Current Assets	185,447	-	-	20,197	13,710	4,000	-	-	223,354	(6,616)	216,738
Current Liabilities											
Bank overdrafts	(33,242)	-	-	-	-	-	-	-	(33,242)	-	(33,242)
Creditors	(89,217)	-	-	-	(1,706)	(4,000)	-	-	(94,923)	6,693	(88,230)
Currency in Circulation	(90,664)	-	-	-	-	-	-	-	(90,664)	-	(90,664)
Total Current Liabilities	(213,123)	-	-	-	(1,706)	(4,000)	-	-	(218,829)	6,693	(212,136)
Net Current Assets / (Liabilities)	(27,676)	-	-	20,197	12,004	-	-	-	4,525	77	4,602
Total Assets Less Current Liabilities	1,980,964	(713,746)	2,512,884	35,958	12,004	20,860	168,937	-	4,017,861	(40,624)	3,977,237
Long Term Liabilities											
Finance Lease Obligations	(16,924)	-	-	-	-	-	-	-	(16,924)	-	(16,924)
PECRS Pre-1987 Past Service Liability	(246,643)	-	-	-	-	-	-	-	(246,643)	-	(246,643)
Provision for JTSF Past Service Liability	(103,100)	-	-	-	-	-	-	-	(103,100)	-	(103,100)
Defined Benefit Pension Schemes Net Liability	(1,542)	-	-	-	-	-	-	-	(1,542)	-	(1,542)
Provisions for liabilities and charges	(4,090)	-	-	-	(9,825)	-	-	-	(13,915)	-	(13,915)
Other Long Term Liabilities	(8,351)	-	8,351	-	-	(20,701)	-	-	(20,701)	20,701	-
Total Long Term Liabilities	(380,650)	-	8,351	-	(9,825)	(20,701)	-	-	(402,825)	20,701	(382,124)
Net Assets	1,600,314	(713,746)	2,521,235	35,958	2,179	159	168,937	-	3,615,036	(19,923)	3,595,113
Reserves: Accumulated Revenue and Reserve Balances	1,600,314	(713,746)	2,521,235	35,958	2,179	159	168,937	-	3,615,036	(19,923)	3,595,113

Appendix 1

Section 4

Entities Included within the States of Jersey Group Boundary

Consolidated Fund Entities

Ministerial Departments

- Chief Minister's Department
- Economic Development Department
- Education, Sport & Culture Department
- Health & Social Services Department
- Home Affairs Department
- Housing Department
- Planning and Environment Department
- Social Security Department
- Transport and Technical Services Department
- Treasury and Resources Department

Non-Ministerial Bodies

- Overseas Aid Commission
- Bailiff's Chambers
- Law Officers' Department
- Judicial Greffe
- Viscount's Department
- Official Analyst
- Office of the Lieutenant Governor
- Office of the Dean of Jersey
- Data Protection Commission
- Probation
- Comptroller and Auditor General

The States Assembly and its Services

[Including Assemblée Parlementaire de la Francophonie - Jersey Branch]

States Trading Operations

- Jersey Airport
- Jersey Harbours
- Jersey Car Parks
- Jersey Fleet Management

Appendix 1

Separately Constituted Funds/Reserves (including Special Funds established under Article 3 of the Public Finances Law)

- Strategic Reserve
- Stabilisation Fund
- Currency Fund (comprising Jersey Currency Notes and Jersey Coinage)
- Dwelling Houses Loan Fund
- Assisted House Purchase Scheme
- 99 Year Lease
- Agricultural Loans Fund
- Tourism Development Fund
- Channel Islands Lottery (Jersey) Fund
- Housing Development Fund
- Criminal Offences Confiscation Fund
- Drug Trafficking Confiscation Fund
- Civil Asset Recovery Fund
- Fishfarmer Loan Scheme (Dormant)
- ICT Fund (Dormant)

Subsidiary Companies

- Waterfront Enterprise Board Limited (including subsidiary companies)
- States of Jersey Investments Limited

Minor Bodies

The following entities fall within the group boundary, but are immaterial to the financial statements as a whole, and have not been consolidated (see GAAP Accounting Policy 3.1.1).

- Commonwealth Parliamentary Association (Jersey Branch)
- Bureau de Jersey Limited
- States of Jersey Dental Scheme
- Jersey Legal Information Board
- Pilot Boat Reserve Fund

Any funding received by these bodies from a department is included as an expense in the relevant department.

Appendix 2

States of Jersey Grants

Chief Minister's Department:

Grantee	Description of Grant	Amount
Alliance Française	Development of Jersey/ France relations - promoting French language and culture	12,000
Total Chief Minister's Department		12,000

Channel Islands Lottery Fund:

Grantee	Description of Grant	Amount
Association of Jersey Charities	Various registered Jersey Charities	305,792
Total Channel Islands Lottery Fund		305,792

Tourism Development Fund:

Grantee	Description of Grant	Amount
Jersey Tourism Department	Upgrade to network	3,993
Jersey Tourism Department	Green initiative with industry partners	7,790
Jersey Tourism Department	Assistance to the Tourism industry by way of additional marketing	250,000
Parish of St Brelade	Assistance with lighting	2,519
Jersey Heritage Trust	Creation of voice tours for facilities	15,000
Jersey Harbours	Promotion of the 2009 Boat Show	8,801
Branchage Film Festival	Year 2 of the Branchage Film Festival	30,000
Jersey Fencing Association	International Veteran fencing tournament	1,500
Durrell	Project management of new developments	50,000
Return of Funds from Completed TDF projects		(6,990)
Tourism Development Fund:grants to other States Departments		53,747
Total Tourism Development Fund		416,360

Economic Development:

Grantee	Description	Amount
Area Payments to Individuals	Area Payments support to underpin a base level of farming activity in the countryside. Financial details supplied under conditionality.	189,957
Bizzy Lizzy Nurseries Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	491
Clamer Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	629

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La Mare Vineyards Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	788
Fauvic Nurseries Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	833
Ocean Dream Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	1,178
Bon Air Stables	Area Payments support to underpin a base level of farming activity in the countryside.	1,232
CAF Engineering Limited	Area Payments support to underpin a base level of farming activity in the countryside.	1,246
Le Rendu & Son Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	1,707
Bayview Livery Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	1,729
East Riding Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	1,936
Happy Hens Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	2,010
Person & Friere Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	2,227
La Pompe Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	2,567
Beuvelande Enterprises Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	2,752
Aigretmont Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	2,886
Rondel Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	3,119
CS Conservation	Area Payments support to underpin a base level of farming activity in the countryside.	3,552
Devon Villa (1991) Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	4,226
Vermont Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	4,411
Homefield Growers Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	4,812
Cross Cottage Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	4,925
Cross Cottage Farm Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	8,046
Cowley Farm Ltd	Farming activity payments, support in the countryside.	17,690
Cowley Farm Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	31,028
Rozel Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	5,260

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Les Cotils Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	5,724
Anneville Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	6,141
D A Richardson Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	6,508
Bel Val Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	6,991
D J Farming Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	7,259
D J Farming Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	5,609
Gold Leaf Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	7,324
Gold Leaf Farm Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	15,208
La Ferme Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	7,360
La Ferme Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	49,953
Freedom Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	8,842
Freedom Farms Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	16,134
Printemps Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	8,982
Le Gresley Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	9,415
Le Gresley Farms Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	12,179
Le Gresley Farms Ltd	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	73
J & S Growers (2009) Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	9,709
Didier Hellio Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	10,158
C & A Jersey Royals Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	10,251
St Lawrence Growers Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	11,184
Trinity Manor Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	11,439
Trinity Manor Farm Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	31,014

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Trinity Manor Farm Ltd	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	146
Meadow Vale Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	13,904
Meadow Vale Farm Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	30,568
Labey Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	14,261
Classic Herd Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	14,527
Classic Herd Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	9,692
Chalet Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	15,948
Chalet Jersey Ltd	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	73
Chalet Jersey Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	45,334
Lodge Farm Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	16,117
Lodge Farm Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	38,272
Lodge Farm Ltd	Rural Initiative Scheme provides support for innovation and business diversification	350
Somerleigh Farms 1996 Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	26,034
Meleches 2007 Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	29,317
Master Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	30,198
Master Farms Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	16,104
Master Farms Ltd	Rural Initiative Scheme provides support for innovation and business diversification	18,621
Master Farms Ltd	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	73
Fosse Au Bois Growers Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	38,137
Woodside Farms Ltd	Area Payments support to underpin a base level of farming activity in the countryside.	41,143
Woodside Farms Ltd	Rural Initiative Scheme provides support for innovation and business diversification for Island Use	50,000

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Woodside Farms Ltd	Rural Initiative Scheme provides support for innovation and business diversification	94,888
Amal-Grow Limited	Area Payments support to underpin a base level of farming activity in the countryside.	41,273
The Jersey Royal Company	Area Payments support to underpin a base level of farming activity in the countryside.	302,799
Royal Jersey Agricultural & Horticultural Society	Sales Level Agreement in place for services to support the dairy industry (bull proving, artificial insemination etc)	227,652
R Le B Ltd	Farming activity payments, support in the countryside.	18,422
R Le B Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	41,894
R Le B Ltd	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	73
Le Hurel Farm (Trinity) Ltd	Quality Milk Payment - to support Dairy Industry Recovery Programme	24,288
Quality Milk Payments to individuals	Quality Milk Payment - transitional support to allow the industry to implement their Dairy Industry Recovery Programme	284,179
Jersey Dairy	Provision of milk to primary schools. Sales Level Agreement in place.	168,791
Jersey Products Promotion Ltd	Support for promoting Jersey products e.g. Genuine Jersey. Sales Level Agreement in place.	134,642
Brooklands Farm	Rural Initiative Scheme provides support for innovation and business diversification	8,911
Grass Roots Organic	Rural Initiative Scheme provides support for innovation and business diversification	5,751
Hamptonne Farm Hens Ltd	Rural Initiative Scheme provides support for innovation and business diversification	42,468
Jersey Fishermans Association	Rural Initiative Scheme provides support for innovation and business diversification	11,048
Jersey Honeybee Development	Rural Initiative Scheme provides support for innovation and business diversification	3,753
Magic Touch	Rural Initiative Scheme provides support for innovation and business diversification	148
Promotional Fabrics Ltd	Rural Initiative Scheme provides support for innovation and business diversification	3,632
Opex Exhibition	Rural Initiative Scheme provides support for innovation and business diversification	906
Stanco	Rural Initiative Scheme provides support for innovation and business diversification	1,627
Vegware	Rural Initiative Scheme provides support for innovation and business diversification	354
Recovery Management Services Ltd	Rural Initiative Scheme provides support for innovation and business diversification	8,000

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Southern Rocks Fisheries Ltd	Rural Initiative Scheme provides support for innovation and business diversification	32,352
Meadow Vale Farm Ltd	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	218
Institute of Law	Grant for set up costs and Study Guide development - one off grant funding	120,000
A A Rive Limited	Grants to employers in respect of Apprentices employed	1,163
A S C Builders	Grants to employers in respect of Apprentices employed	1,720
A T C & Son	Grants to employers in respect of Apprentices employed	750
Air Heating & Manufacturing	Grants to employers in respect of Apprentices employed	255
Alan Rive Builders	Grants to employers in respect of Apprentices employed	2,860
Alex Mcaulay Ltd	Grants to employers in respect of Apprentices employed	298
Amalgamated Facilities Management	Grants to employers in respect of Apprentices employed	2,478
APR Motor Repairs	Grants to employers in respect of Apprentices employed	750
Artisan Plumbers	Grants to employers in respect of Apprentices employed	25
Aston Electrical	Grants to employers in respect of Apprentices employed	2,965
Bagot Road Garage Ltd	Grants to employers in respect of Apprentices employed	650
Bel Royal Motor Work Ltd	Grants to employers in respect of Apprentices employed	4,395
Benchmark Carpenters and Joinery	Grants to employers in respect of Apprentices employed	2,215
Brady & Gallagher (1999) Ltd	Grants to employers in respect of Apprentices employed	735
Brimbyrne Ltd	Grants to employers in respect of Apprentices employed	2,965
CAF Engineering Limited	Grants to employers in respect of Apprentices employed	3,750
Cafejac Ltd	Grants to employers in respect of Apprentices employed	750
Cameron & Sons (Jersey) Ltd	Grants to employers in respect of Apprentices employed	2,965
Case Electrical Services	Grants to employers in respect of Apprentices employed	2,215
CG Lawless Electrical Contractor	Grants to employers in respect of Apprentices employed	2,318
Chapman Hugo Ltd	Grants to employers in respect of Apprentices employed	2,895
Chevron Motor Co	Grants to employers in respect of Apprentices employed	443
Chic Salon	Grants to employers in respect of Apprentices employed	4,145
Colin Queree Carpenter & Build	Grants to employers in respect of Apprentices employed	1,853
D I S Electrical Contractors	Grants to employers in respect of Apprentices employed	5,643
Dandara Jersey Ltd	Grants to employers in respect of Apprentices employed	6,233
Dean Burnouf Ltd	Grants to employers in respect of Apprentices employed	1,383
Design Dimensions Limited	Grants to employers in respect of Apprentices employed	2,965
Dodd Design & Build	Grants to employers in respect of Apprentices employed	1,500
Eastern Joinery	Grants to employers in respect of Apprentices employed	1,058
Eclipse Hair Salon	Grants to employers in respect of Apprentices employed	1,233
Elmina Lifestyle Ltd	Grants to employers in respect of Apprentices employed	5,878
F J De La Haye & Son Joinery	Grants to employers in respect of Apprentices employed	2,895
Feel Unique	Grants to employers in respect of Apprentices employed	1,075
Finn-Decor Limited	Grants to employers in respect of Apprentices employed	3,178
Fosse Construction Ltd	Grants to employers in respect of Apprentices employed	750
Fuel Supplies (CI) Ltd	Grants to employers in respect of Apprentices employed	185
G4S Security Services (Jersey)	Grants to employers in respect of Apprentices employed	2,895

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Gary Jegou Ltd	Grants to employers in respect of Apprentices employed	750
Gelaires	Grants to employers in respect of Apprentices employed	750
Gell Electrics Ltd	Grants to employers in respect of Apprentices employed	615
Hacquoil & Cook Ltd	Grants to employers in respect of Apprentices employed	680
Heritage Joinery	Grants to employers in respect of Apprentices employed	1,220
Houze Construction Limited	Grants to employers in respect of Apprentices employed	2,235
J Beamer Decorators Ltd	Grants to employers in respect of Apprentices employed	750
Jacksons (CI) Ltd	Grants to employers in respect of Apprentices employed	5,860
JD & BMc Decorators Limited	Grants to employers in respect of Apprentices employed	2,685
Jersey Gas Company Ltd	Grants to employers in respect of Apprentices employed	1,200
John McGranahan Electrical	Grants to employers in respect of Apprentices employed	750
K & D Builders (2008) Ltd	Grants to employers in respect of Apprentices employed	750
K C Engineering Ltd	Grants to employers in respect of Apprentices employed	555
Larsen Ltd	Grants to employers in respect of Apprentices employed	3,680
Leonards Electrics	Grants to employers in respect of Apprentices employed	988
Les Ormes Golf & Leisure Club	Grants to employers in respect of Apprentices employed	750
Lotheringtons Commercial Interiors	Grants to employers in respect of Apprentices employed	2,510
M Thompson Plumbing and Heating	Grants to employers in respect of Apprentices employed	750
Malzard & Le Vesconte Ltd	Grants to employers in respect of Apprentices employed	1,498
Mel Owers (Painter & Decorator)	Grants to employers in respect of Apprentices employed	1,905
Mercury Distribution Ltd	Grants to employers in respect of Apprentices employed	750
Michael Moyse Hair Fashion	Grants to employers in respect of Apprentices employed	2,685
Michelle Hairstyles Ltd	Grants to employers in respect of Apprentices employed	5,448
MITIE Engineering Services	Grants to employers in respect of Apprentices employed	1,298
Moce Limited	Grants to employers in respect of Apprentices employed	1,963
Motor Mall	Grants to employers in respect of Apprentices employed	750
Ontime Ltd	Grants to employers in respect of Apprentices employed	2,965
P Genee Building Contractor Ltd	Grants to employers in respect of Apprentices employed	213
P M B Decorators Ltd	Grants to employers in respect of Apprentices employed	750
Planet Hair	Grants to employers in respect of Apprentices employed	2,120
Pomme d' Or Hotel	Grants to employers in respect of Apprentices employed	750
Power Protection & Security	Grants to employers in respect of Apprentices employed	750
Premier Service Marine Engineering	Grants to employers in respect of Apprentices employed	645
R & D Waller Builders Ltd	Grants to employers in respect of Apprentices employed	510
R & S Bouchard Plumbing Services	Grants to employers in respect of Apprentices employed	2,930
Raffray Ltd	Grants to employers in respect of Apprentices employed	8,770
Ray Wilkinson Builders Ltd	Grants to employers in respect of Apprentices employed	1,145
Richard Herve Plumbing & Heating	Grants to employers in respect of Apprentices employed	795
Rio Hair Salon Ltd	Grants to employers in respect of Apprentices employed	6,510
Rylance Ltd	Grants to employers in respect of Apprentices employed	1,905
Salon Elmina Ltd	Grants to employers in respect of Apprentices employed	1,198
Salon Seven	Grants to employers in respect of Apprentices employed	1,500
Smail & Richards	Grants to employers in respect of Apprentices employed	4,923
Somerville Construction	Grants to employers in respect of Apprentices employed	750
Storm Hair	Grants to employers in respect of Apprentices employed	1,500

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Syvret & Turner Ltd	Grants to employers in respect of Apprentices employed	1,500
The Creative Window & Conservatories	Grants to employers in respect of Apprentices employed	715
Toni & Guy Jersey Ltd	Grants to employers in respect of Apprentices employed	3,940
Trinity Joinery (2005) Ltd	Grants to employers in respect of Apprentices employed	855
United Electrical Contractors	Grants to employers in respect of Apprentices employed	2,080
Apprenticeship Grants to individuals	Grants to employers in respect of Apprentices employed	13,535
365 Tickets	Individual graduate employed - maximum of £1000 per employee	1,000
Abbey National International	Individual graduate employed - maximum of £1000 per employee	2,250
All Pets	Individual graduate employed - maximum of £1000 per employee	250
Alter Domus Services Ltd	Individual graduate employed - maximum of £1000 per employee	625
AM Consultancy	Individual graduate employed - maximum of £1000 per employee	1,000
B D K Architects	Individual graduate employed - maximum of £1000 per employee	875
BabyBarn	Individual graduate employed - maximum of £1000 per employee	1,000
Barnes & Collie	Individual graduate employed - maximum of £1000 per employee	100
Beaumont Structural Consultancy	Individual graduate employed - maximum of £1000 per employee	1,000
C5 Alliance Ltd	Individual graduate employed - maximum of £1000 per employee	1,000
Camerons Ltd	Individual graduate employed - maximum of £1000 per employee	2,000
Careers Jersey	Individual graduate employed - maximum of £1000 per employee	1,000
CI Travel Holdings	Individual graduate employed - maximum of £1000 per employee	500
CPA Global	Individual graduate employed - maximum of £1000 per employee	3,000
Creepy Valley Ltd	Individual graduate employed - maximum of £1000 per employee	1,000
Cronus Consultancy Ltd	Individual graduate employed - maximum of £1000 per employee	2,000
D J Hartigan & Associates	Individual graduate employed - maximum of £1000 per employee	1,000
Derek Mason Architects	Individual graduate employed - maximum of £1000 per employee	1,000
Direct Input Ltd	Individual graduate employed - maximum of £1000 per employee	750
EFG Offshore Ltd	Individual graduate employed - maximum of £1000 per employee	1,500
Elmina Hair & Beauty	Individual graduate employed - maximum of £1000 per employee	500
Geomarine Ltd	Individual graduate employed - maximum of £1000 per employee	1,000
Hall TV Ltd	Individual graduate employed - maximum of £1000 per employee	1,000
Image Group Ltd	Individual graduate employed - maximum of £1000 per employee	1,000
Jersey Arts Trust	Individual graduate employed - maximum of £1000 per employee	1,000
Jersey Careleavers Association	Individual graduate employed - maximum of £1000 per employee	575
Jersey Dairy	Individual graduate employed - maximum of £1000 per employee	750
Jersey Electricity Co Ltd	Individual graduate employed - maximum of £1000 per employee	10,642
Jersey Heritage Trust	Individual graduate employed - maximum of £1000 per employee	1,000
Jersey Hospitality Association	Individual graduate employed - maximum of £1000 per employee	1,000
Jersey Oak	Individual graduate employed - maximum of £1000 per employee	2,175
La Mare Vineyards Ltd	Individual graduate employed - maximum of £1000 per employee	1,500
Mevanna Management Services Ltd	Individual graduate employed - maximum of £1000 per employee	625
Music In Action Ltd	Individual graduate employed - maximum of £1000 per employee	1,250
National Trust For Jersey	Individual graduate employed - maximum of £1000 per employee	2,000
Radisson SAS Hotel	Individual graduate employed - maximum of £1000 per employee	1,000
Sanne Group	Individual graduate employed - maximum of £1000 per employee	1,000
Grant to Individuals	Individual graduate employed - maximum of £1000 per employee	1,000

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St Helier Town Centre Management	Individual graduate employed - maximum of £1000 per employee	1,750
The Shelter Trust	Individual graduate employed - maximum of £1000 per employee	875
Voisin & Co	Individual graduate employed - maximum of £1000 per employee	875
Creative Jersey	Grants in respect of Marine Stewardship accreditation	14,028
Jersey Hospitality Association	Bienvenue training costs for the Hospitality Sector employees	50,000
Jersey Advisory and Conciliation Service (JACS)	Grant support for JACS to deliver Employment Law training to Jersey companies	10,000
Jersey Business Venture (JBV)	Grant support to JBV to cover operational costs	130,000
Jersey Finance Ltd	Grant to market and promote the Finance Industry and provide technical assistance to Government.	2,089,975
Jersey Competition Regulatory Authority (JCRA)	Work with the JCRA to create a more competitive commercial environment through the application of the Competition (Jersey) Law, in line with the States Strategic Plan (1.2.1) (1.6.1) (1.7.1)	280,000
Jersey Consumer Council (JCC)	The JCC was created by Act of the States. The grant is awarded based on an annual business plan and it funds all functions and activities.	130,000
Jersey Conference Bureau	Grant to support the operation of the Jersey Conference Bureau	235,958
Bureau de Jersey	Grant for the operation of Bureau de Jersey in Caen	75,000
Jersey Hospitality association	Grant to support the Jersey Hospitality Association	96,000
Battle of Flowers Association	Event grant for (£145,000) plus (£50,000) for Meadow bank Roof	195,000
International Air Display	Jersey International Air Display	100,000
PGA European Tour	Jersey Senior's Classic -PGA European Tour	50,000
Payment to individuals	Glasshouse Replacement. Interest subsidy scheme	216
Over Thirty Months Scheme - Compensation Payments to individuals	Compensation scheme for cows born before 1 August 1996 (Over Thirty Months Scheme) introduced as BSE compensation 1988	593
Air Route Development - Various	Grants to airlines to support new routes	404,517
Jersey Export & Trade Initiative grants -Various	Match funding grant to support and encourage local business to identify and grow export markets	91,419
Jersey Innovation Initiative grants - Various	Match Funding grant to support the investment into innovation (products and services)	56,148
Export Development -Economic Stimulus grant - various	Grant to local companies to help develop overseas exports, and international networks.	2,806
Enterprise Grants - Economic Stimulus - various	Grant to micro businesses to support the set up costs of a new enterprise.	27,869
Economic Development grants to other States Departments		153,055
Total Economic Development		7,022,978

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Education, Sport and Culture Department:

Grantee	Description of Grant	Amount
Commonwealth Institute	To support the operations of the of the Commonwealth Institute	500
Grants to individuals (Jersey College for Girls)	To assist students in the payment of fees	38,119
Combined Cadet Force (Victoria College)	To support the operation of the Combined Cadet Force	27,500
Victoria College Foundation	To support the operation of the School Foundation	24,166
Grants to individuals (Victoria College)	To assist students in the payment of fees	30,441
Jersey Arts Trust	To support the operations of the Jersey Arts Trust	148,647
Jersey Arts Centre	To support the operations of the Jersey Arts Centre	739,408
Jersey Opera House	To support the operations of the Jersey Opera House	1,024,447
Jersey Childcare Trust	To support the operations of the Jersey Childcare Trust	170,700
Jersey Heritage Trust	To support the operations of the Jersey Heritage Trust	3,106,326
Durrell Wildlife Conservation Trust	To support the operations of the Trust	33,000
Brook Advisory Centre	To support the operation of the Brook Advisory Centre	20,000
Child Accident Prevention (Jersey)	To support the operation of Child Accident Prevention (Jersey)	3,500
Prison Me No Way (Jersey)	To support the operation of Prison Me No Way (Jersey)	15,000
Le Don Balleine	To support the operation of Le Don Balleine	133,617
Beaulieu School	To support the operation of Beaulieu School	1,828,833
De La Salle College	To support the operation of De La Salle College	1,859,951
Convent Faithful Companions of Jesus School	To support the operation of Convent FCJ School	463,267
St George's School	To support the operation of St Georges School	189,447
St Michaels School	To support the operation of St Michaels School	402,896
Grants to individuals (Student Finance)	To assist students in meeting university interview expenses	2,755
Grants to individuals (Highlands College)	To assist students in the payment of fees	53
Jersey Academy of Music	To support cultural activities in the Island	500
Jersey Sculpture Trust	To support cultural activities in the Island	8,347
Jersey Rifle Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	199
Jersey Netball Development Committee	To support sport and leisure clubs and associations in purchasing equipment and organising activities	770
Les Creux Bowls Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	8,923
Commonwealth Games Association of Jersey	To support sport and leisure clubs and associations in purchasing equipment and organising activities	162
Jersey Spartan Athletic Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Race Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	650
Jersey Primary Schools Sports Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	18,500

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Jersey Football Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Etaille Synchro Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	1,000
Jersey Astronomy Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	300
Jersey Rugby Development Committee	To support sport and leisure clubs and associations in purchasing equipment and organising activities	15,750
Jersey Squash Racquets Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Billiards & Snooker Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	190
Jersey Table Tennis Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	25,000
Velo Sport Cycling Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	1,000
Atlantic Water Babes	To support sport and leisure clubs and associations in purchasing equipment and organising activities	1,500
Jersey Crabbe Clay Target Club	To support sport and leisure clubs and associations in purchasing equipment and organising activities	2,070
Jersey Netball Association	To support sport and leisure clubs and associations in purchasing equipment and organising activities	367
Channel Island Lawn Tennis Association	To support individuals, clubs and associations in travel to participate in sports events	6,025
Jersey Gymnastics Club	To support individuals, clubs and associations in travel to participate in sports events	1,095
Island Games Association of Jersey	To support individuals, clubs and associations in travel to participate in sports events	10,832
Jersey Badminton Association	To support individuals, clubs and associations in travel to participate in sports events	3,615
Jersey Spartan Athletic Club	To support individuals, clubs and associations in travel to participate in sports events	7,930
Jersey Motor Cycle & Light Car Club	To support individuals, clubs and associations in travel to participate in sports events	4,525
Jersey Netball Association	To support individuals, clubs and associations in travel to participate in sports events	2,649
Jersey Muzzle Loader & Antique Firearms Association	To support individuals, clubs and associations in travel to participate in sports events	895
Jersey Sports Association for the Disabled	To support individuals, clubs and associations in travel to participate in sports events	5,715
Jersey Secondary School Sports Association	To support individuals, clubs and associations in travel to participate in sports events	34,000

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Royal Jersey Golf Club	To support individuals, clubs and associations in travel to participate in sports events	69
Regent Gymnastic Club	To support individuals, clubs and associations in travel to participate in sports events	4,025
Velo Sport Cycling Club	To support individuals, clubs and associations in travel to participate in sports events	40
Jersey Triathlon Club	To support individuals, clubs and associations in travel to participate in sports events	2,317
Jersey Indoor Bowling Association	To support individuals, clubs and associations in travel to participate in sports events	905
Regent Skating Club	To support individuals, clubs and associations in travel to participate in sports events	2,090
St Catherine's Sailing Club	To support individuals, clubs and associations in travel to participate in sports events	5,160
The Kennel Club Of Jersey	To support individuals, clubs and associations in travel to participate in sports events	605
Jersey Squash Racquets Association	To support individuals, clubs and associations in travel to participate in sports events	155
Jersey Horse Driving Society	To support individuals, clubs and associations in travel to participate in sports events	910
Jersey Leonis ABC	To support individuals, clubs and associations in travel to participate in sports events	1,365
Jersey Clay Target Shooting Association	To support individuals, clubs and associations in travel to participate in sports events	785
Jersey Shooting Federation	To support individuals, clubs and associations in travel to participate in sports events	2,550
Jersey Rifle Association	To support individuals, clubs and associations in travel to participate in sports events	2,865
Jersey Hockey Development Association	To support individuals, clubs and associations in travel to participate in sports events	6,240
Jersey Small-bore Shooting Association	To support individuals, clubs and associations in travel to participate in sports events	530
Royal Jersey Ladies Golf Club	To support individuals, clubs and associations in travel to participate in sports events	35
Jersey Dressage Group	To support individuals, clubs and associations in travel to participate in sports events	2,705
Caesarean Cycling Club	To support individuals, clubs and associations in travel to participate in sports events	2,280
Jersey Cricket Board	To support individuals, clubs and associations in travel to participate in sports events	5,060
St Lawrence Charity Horse Show	To support individuals, clubs and associations in travel to participate in sports events	80
Jersey Hockey Association	To support individuals, clubs and associations in travel to participate in sports events	13,430
Jersey Surf Kayak Club	To support individuals, clubs and associations in travel to participate in sports events	270

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Jersey Tenpin Bowling Assoc	To support individuals, clubs and associations in travel to participate in sports events	1,005
Jersey Fencing Club	To support individuals, clubs and associations in travel to participate in sports events	630
Jersey Softball Association	To support individuals, clubs and associations in travel to participate in sports events	2,295
Jersey Rowing Club	To support individuals, clubs and associations in travel to participate in sports events	1,215
Jersey Riding Club	To support individuals, clubs and associations in travel to participate in sports events	865
Pisces ABC	To support individuals, clubs and associations in travel to participate in sports events	180
British Show Jumping Association	To support individuals, clubs and associations in travel to participate in sports events	2,165
The Alsatian GSD Training Club	To support individuals, clubs and associations in travel to participate in sports events	60
Jersey Motor Cycle and Light Car Club	To support individuals, clubs and associations in travel to participate in sports events	120
A I B Tigers	To support individuals, clubs and associations in travel to participate in sports events	12,900
Jersey Volleyball Association	To support individuals, clubs and associations in travel to participate in sports events	2,665
Jersey Aquatic Rescue Club	To support individuals, clubs and associations in travel to participate in sports events	2,185
Jersey Island Fencing Union	To support individuals, clubs and associations in travel to participate in sports events	190
Jersey Waterpolo Association	To support individuals, clubs and associations in travel to participate in sports events	725
Jersey Squash Development Fund	To support individuals, clubs and associations in travel to participate in sports events	210
Bowls Jersey	To support individuals, clubs and associations in travel to participate in sports events	3,770
Jersey Youth Bowling Club	To support individuals, clubs and associations in travel to participate in sports events	560
Jersey Rugby Association	To support individuals, clubs and associations in travel to participate in sports events	16,850
Jersey Junior Golf Foundation	To support individuals, clubs and associations in travel to participate in sports events	420
Archers of Jersey	To support individuals, clubs and associations in travel to participate in sports events	1,395
Jersey Billiards & Snooker Association	To support individuals, clubs and associations in travel to participate in sports events	950
All Round Kenpo Martial Arts Club	To support individuals, clubs and associations in travel to participate in sports events	1,520
Jersey Table Tennis Association	To support individuals, clubs and associations in travel to participate in sports events	1,530

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C I Federation of Freshwater Anglers	To support individuals, clubs and associations in travel to participate in sports events	150
Jersey Judo Squad	To support individuals, clubs and associations in travel to participate in sports events	950
Jersey Chess Club	To support individuals, clubs and associations in travel to participate in sports events	380
Jersey Bobsleigh Club	To support individuals, clubs and associations in travel to participate in sports events	650
Jersey Capoeira Association	To support individuals, clubs and associations in travel to participate in sports events	190
Jersey Table Tennis Association	To support individuals, clubs and associations in travel to participate in sports events	880
De Mond Gymnastic Academy	To support individuals, clubs and associations in travel to participate in sports events	2,590
Regent Shooting Club	To support individuals, clubs and associations in travel to participate in sports events	190
Jersey Lifesaving Club	To support individuals, clubs and associations in travel to participate in sports events	1,425
Grants to Individuals (Sport Advisory)	To support individuals, clubs and associations in travel to participate in sports events	5,404
Jersey Netball Development Committee	To support sport and leisure clubs and associations in the organisation of on-Island events	1,908
Classic & Vintage Motor Club	To support sport and leisure clubs and associations in the organisation of on-Island events	2,000
Island Games Association of Jersey	To support sport and leisure clubs and associations in the organisation of on-Island events	1,500
International Sport & Leisure	To support sport and leisure clubs and associations in the organisation of on-Island events	276
Jersey Motor Cycle & Light Car Club	To support sport and leisure clubs and associations in the organisation of on-Island events	1,000
Jersey Cricket Coaches Association	To support sport and leisure clubs and associations in the organisation of on-Island events	1,200
Jersey Primary Schools Football Association	To support sport and leisure clubs and associations in the organisation of on-Island events	2,070
Tigers (Jersey) Swimming Club	To support sport and leisure clubs and associations in the organisation of on-Island events	400
St John Ambulance	To support sport and leisure clubs and associations in the organisation of on-Island events	4,000
Jersey Triathlon Club	To support sport and leisure clubs and associations in the organisation of on-Island events	2,500
Jersey Clay Target Shooting Association	To support sport and leisure clubs and associations in the organisation of on-Island events	2,625
Jersey Hockey Association	To support sport and leisure clubs and associations in the organisation of on-Island events	455

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St Peter's School	To support sport and leisure clubs and associations in the organisation of on-Island events	109
Jersey Surfboard Club	To support sport and leisure clubs and associations in the organisation of on-Island events	4,267
Bowls Jersey	To support sport and leisure clubs and associations in the organisation of on-Island events	1,768
Jersey Volleyball Association	To support sport and leisure clubs and associations in the organisation of on-Island events	3,500
Jersey Billiards & Snooker Association	To support sport and leisure clubs and associations in the organisation of on-Island events	500
National Nines Open Championships	To support sport and leisure clubs and associations in the organisation of on-Island events	2,500
The Art of Air	To support sport and leisure clubs and associations in the organisation of on-Island events	3,340
Victoria College	To support sport and leisure clubs and associations in the organisation of on-Island events	95
Jersey Cricket Board	To support sport and leisure clubs and associations in the organisation of on-Island events	960
Jersey Fencing Club	To support sport and leisure clubs and associations in the organisation of on-Island events	1,950
Grants to Individuals (Festivals and Events)	To support sport and leisure clubs and associations in the organisation of on-Island events	3,339
Maximum Fitness	Subsidy provided to concession	3,802
Serco (Jersey) Ltd	Subsidy in respect of the operation of the Waterfront Pool	455,866
Jersey Youth Trust	To support youth activities in the Island	3,557
Communicare Centre	To support youth activities in the Island	20,530
St Peters Youth Club	To support youth activities in the Island	7,500
Trinity Youth Club	To support youth activities in the Island	2,500
St Lawrence Youth Club	To support youth activities in the Island	2,500
St Ouens Youth Club	To support youth activities in the Island	2,500
La Motte Street Youth Centre	To support youth activities in the Island	500
Girl guiding Jersey	To support youth activities in the Island	4,500
Jersey Scout Association	To support youth activities in the Island	4,500
St Johns Youth Club	To support youth activities in the Island	2,500
St Mary's Youth Club	To support youth activities in the Island	1,500
Private Sector Nursery Providers	To provide pre-school learning through the Nursery Education Fund	444,904
Total Education, Sport and Culture Department		11,591,186

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Health & Social Security Department:

Grantee	Description of Grant	Amount
Family Nursing Services & Home Care Grant	To deliver home care, district nursing, child & family nursing services	5,964,257
Shelter Trust	To deliver outreach, hostels, drunk & incapable unit & resettlement services	661,436
Les Amis Grant	Residential supported living and residential short breaks/respite for H&SS referred adults with a learning disability	624,559
Jersey Brook Adv. Centre Grant	To deliver contraceptive clinics, counselling, condom distribution, STI services for under 21's	275,350
Brig-Y-Don	Part funding of residential care services provided by children's home - ceased August 2009	236,782
Citizen's Advice Bureau Grant	To provide information and advice to members of the public	212,383
Women's Refuge	To provide temporary safe accommodation for women & children, helpline, guidance, support & counselling services	194,513
Alcohol Advice Centre Grant	To provide accommodation & support, residential & rehab & client support	185,327
NEMO	Contribution to the costs of provision of hostel for homeless adults	160,819
Jersey Mencap Society	To provide residential support for children with learning disabilities	141,078
Jersey Employment Trust	Staff & non-staff costs incurred in providing employment for special needs clients	134,432
Jersey Focus on Mental Health	Provision of residential home, respite bed, wardened units & flats and advocacy service.	115,044
Aids Care Education & Training Grant	To provide outreach support, parenting programme & community project - terminated October 2009	62,333
Jersey Care Leavers Association	To set up and run the administration for the JCLA	47,743
Jersey Homeless Outreach Group.	To provide an outreach service for rough sleepers	36,581
Relate Grant	Provision of counselling on relationship and sexual problems	31,456
Headway	Contribution to costs of drop in centre	26,928
Eastern Good Companions Grant	Provision of day care sessions, activities for day care clients, transport & catering	18,333
Good Companions Journeaux Street.	Provision of day care sessions, activities for day care clients, transport & catering	18,333
Age Concern Jersey	Provision of a frozen meals delivery service and transport of patients	15,759
Alzheimer's Society Grant	Provision of day care, assistance to carers, training residential homes & H&SS, carers support, and outreach	13,470
Jersey Family Mediation Service.	Provision of service to separating or divorced couples to assist in reaching agreements	11,368
Communicare Grant	Provide use of hall for daycare, volunteers for staffing, and transport for clients	8,079

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Hyperbaric Treatment Centre	Contribution towards specific costs of the hyperbaric treatment centre	7,688
Arts in Health Care Trust	To provide access to the arts for individuals with health, mobility or special needs	4,203

Total Health & Social Security Department **9,208,254**

Home Affairs Department:

Grantee	Description of Grant	Amount
Community Relations Trust	Contribution to annual running costs.	27,500
ACET	Provision of HIV, HBV and HCV prevention education, training and support for staff and prisoners in the Jersey Prison Service.	50,000
Victim Support Jersey	Contribution to annual running costs.	30,000
Prison Me No Way	To support the operation of Prison Me No Way (Jersey)	15,000
Jersey Sea Cadets	Contribution to annual running costs.	10,000
Jersey Air Training Corps	Contribution to annual running costs.	10,000
Combined Cadet Force	Contribution to annual running costs.	10,000

Total Home Affairs Department **152,500**

Housing Department:

Grantee	Description of Grant	Amount
Prison Me No Way	To support the operation of Prison Me No Way (Jersey)	15,000
St Helier Community in Bloom	Sponsorship of Category in 2009 Garden Competition	250
Convent Court Community Room	Grant for laptop	150

Total Housing Department **15,400**

Planning & Environment Department:

Grantee	Description of Grant	Amount
Historic Building Grants to individuals	Historic Building Grants to individuals	23,173
Classic Herd Ltd	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	14,023
St Lawrence Growers Ltd	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	10,658
Master Farms Ltd	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	107,164
National Trust For Jersey	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	32,174

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Gold Leaf Farm Ltd	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	40,487
St Georges Preparatory School	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	11,518
The Jersey Royal Company	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	6,280
CS Conservation	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	18,116
Jersey Trees for Life	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	20,104
Cowley Wood Ltd	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	28,071
Countryside Renewal Grants to individuals	The Countryside Renewal Scheme provides environmental financial support to land owners for the benefit of the Island's population.	256,257
Energy Efficiency Grant to individuals	The Energy Efficiency Service is a States of Jersey initiative to assist low-income and vulnerable households reduce their energy bills and keep warmer through the winter.	516,972
Contribution to Research Fund		23,089
Total Planning & Environment Department		1,108,086

Transport & Technical Services Department:

Grantee	Description of Grant	Amount
C F M Electrical Contractors	DVS Community Safety Grant	809
Jersey Woman's Refuge	DVS Community Safety Grant	5,150
Mont A Labbe School	DVS Community Safety Grant	100
Parish of Trinity	DVS Community Safety Grant	92
Les Vaux Housing Trust	DVS Community Safety Grant	5,570
St John Ambulance	DVS Community Safety Grant	16,984
Child Accident Prevention Jersey	DVS Community Safety Grant	18,181
A A L Recycling Ltd	Recycling-General	31,867
A A L Recycling Ltd	Recycling-General	16,192
Traffic Technology LTD	DVS Community Safety Grant	40,552

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Transport and Technical Services grants to other States Departments		50,477
Total Transport & Technical Services Department		185,973
Social Security Department:		
Grantee	Description of Grant	Amount
Jersey Employment Trust	Assisting people with disabilities by providing sheltered work and additional training and development for the most severely disabled.	891,300
Jersey Advisory and Conciliation Service	To provide a free employment relations service to help employers, employees and trade unions work together for the prosperity of Jersey business and the benefit of employees.	307,000
Jersey Council for Safety and Health at Work	Established by the States in 1973 to promote occupational health and safety in the work place.	31,200
Vocational Day Services	To provide employment opportunities for those with learning difficulties or on the Autistic Spectrum.	91,000
Citizens Advice Bureau	To provide independent financial advice on debt management to individuals and small businesses.	8,600
Adaptation of Workplace Grants	To provide specialised equipment for an individual who is encountering difficulties in their work place.	896
Housing Adaptations	To assist those people with severe disabilities to convert their property to improve mobility in the home.	20,749
Public Sector Scheme	To assist people with disabilities into employment within the Public sector where the employing department contributed to an appropriate level of the person's salary equating to the person's ability.	216,213
Total Social Security Department		1,566,958
Non Ministerial States Departments:		
Grantee	Description of Grant	Amount
Jersey Legal Information Board (JLIB)	States contribution to support the operation of the Jersey Legal Information Board	100,000
Jersey Legal Information Board (JLIB)	States contribution to support the operation of the Jersey Legal Information Board	100,000
Total Non Ministerial States Departments		200,000
Overseas Aid		7,600,232

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Jersey Harbours:

Grantee	Description of Grant	Amount
Jersey Sailing school	Reduction in berth rental, in return they provide sailing courses	1,400
Royal National Lifeboat Institution	Reduction in property and berth rental towards the cost of operations	9,000
Channel Island Air Search	Monies for operation	7,000
Allez Oop promotions	Sponsorship	1,500
Jersey International Air Display	Payment for divers re airshow	1,630
Jersey Hospice Care	Registration fee for Dragon Boat Race	400
St Helier Yacht Club	Reduction in rental in return they provide sailing courses	15,000
Harbours grants to other States Departments	Enterprise game sponsorship (inter-departmental)	200
Total Jersey Harbours		36,130
WEB grant to States of Jersey		50,000
Over accrual of Housing Development Fund Interest Subsidies in 2008 (adjusted in 2009)		(47,056)
Total grants and subsidies		39,424,793

Note: Although the JFRm sets a de minimis of £100k for disclosure of individual loans, a recent amendment to the Business Plan has removed the de minimis and therefore all grants will be listed individually.

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