

Jersey Advisory & Conciliation Service

Board Members' Report and

Financial Statements

For the year ended 31 December 2016

Jersey Advisory & Conciliation Service

Information

Board Members

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

Executive Director

Patricia Rowan

Registration number

19091

Service Office

Trinity House
Bath Street
St. Helier
Jersey
JE2 4ST

Auditors

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

Jersey Advisory & Conciliation Service

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Jersey Advisory & Conciliation Service

Board Members' report for the year ended 31 December 2016

The Board Members present their report and the audited financial statements for the year ended 31 December 2016 for the Jersey Advisory & Conciliation Service (the "Service").

Statement of Board Members' responsibilities

The Board Members are responsible for preparing the Board Members' report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Service will continue in business.

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

Principal activities

The Service was established in Jersey under the Jersey Advisory and Conciliation (Jersey) Law 2003 and the principal activity of the Service is to assist in the building of harmonious relationships between employers and employees in Jersey.

Dividends

There were no dividends declared in the year under review (2015: £nil).

Results

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

Jersey Advisory & Conciliation Service

Board Members' report for the year ended 31 December 2016

Board Members

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

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

Provision of information to auditors

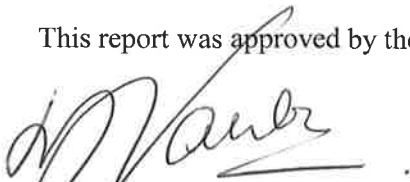
Each of the persons who are Board Members at the time when this Board Members' report is approved has confirmed that:

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

Auditors

BDO Limited have expressed their willingness to continue in office.

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


Board Member

23 March 2017



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

We have audited the financial statements of the Jersey Advisory and Conciliation Service (the "Service") for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Minister of the States of Jersey Social Security Department (the "Minister"), in accordance with Section 10 of the Schedule to the Jersey Advisory and Conciliation Service (Jersey) Law 2003. Our audit work has been undertaken so that we might state to the Board Members and to the Minister those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Service and the Minister, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Board Members' Responsibilities, the Board Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board Members; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Board Members' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Service's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Jersey Advisory and Conciliation Service (Jersey) Law 2003.

Bill Glancy
For and on behalf of BDO Limited
Chartered Accountants
Jersey, Channel Islands
23 March 2017

Jersey Advisory & Conciliation Service

Profit and Loss Account for the year ended 31 December 2016

| | Note | 2016 £ | 2015 £ |
|-------------------------------------|------|----------------|----------------|
| Turnover | | | |
| Grant received | 1 | 378,100 | 385,800 |
| Other income | | 21,665 | 25,958 |
| | | <u>399,765</u> | <u>411,758</u> |
| Administration expenses | | | |
| Staff costs | | 277,710 | 315,960 |
| Travel and entertainment | | 955 | 983 |
| Telephone | | 2,958 | 2,748 |
| Computer support and maintenance | | 11,576 | 16,195 |
| Advertising and promotion | | 4,112 | 1,451 |
| Auditors' remuneration | | 2,907 | 4,845 |
| Equipment/room rental | | 5,943 | 6,754 |
| Sundry expenses | | 1,921 | 856 |
| Rent | | 21,600 | 21,600 |
| Light and heat | | 1,391 | 2,116 |
| Service charges and maintenance | | 16,061 | 31,259 |
| Postage | | 367 | 872 |
| Insurance | | 704 | 656 |
| Depreciation | | 2,985 | 2,913 |
| Stationery, printing and production | | 1,284 | 605 |
| Leasing charges | | 498 | 701 |
| Bank charges | | 197 | - |
| | | <u>353,169</u> | <u>410,514</u> |
| Operating profit | | 46,596 | 1,244 |
| Profit for the year | 5 | <u>46,596</u> | <u>1,244</u> |

There were no items of other comprehensive income for the years ended 31 December 2015 and 2016.

All amounts relate to continuing activities.

The notes on pages 6 to 11 form part of these financial statements.

Jersey Advisory & Conciliation Service

Balance sheet as at 31 December 2016

| | Note | 2016 £ | 2016 £ | 2015 £ | 2015 £ |
|--|------|----------------|----------------|----------------|----------------|
| Fixed Assets | | | | | |
| Tangible fixed assets | 2 | | - | | 2,985 |
| Current Assets | | | | | |
| Debtors and prepayments | 3 | 5,040 | | 5,075 | |
| Cash at bank and in hand | | 202,917 | | 150,671 | |
| | | <u>207,957</u> | | <u>155,746</u> | |
| Creditors: amounts falling due within one year | 4 | (19,088) | | (18,650) | |
| Net current assets | | | 188,869 | | 137,096 |
| Total assets less current liabilities | | | <u>188,869</u> | | <u>140,081</u> |
| Creditors: amounts falling due after more than one year | 4 | | (23,070) | | (20,878) |
| Net assets | | | <u>165,799</u> | | <u>119,203</u> |
| Capital and Reserves | | | | | |
| Profit and Loss account | 5 | | 165,799 | | 119,203 |
| Retained funds | | | <u>165,799</u> | | <u>119,203</u> |

The financial statements on page 4 to 11 were approved and authorised for issue by the Board and were signed on its behalf by

Executive Director



Board Member

Date: 23 March 2017

The notes on pages 6 to 11 form part of these financial statements.

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and the Republic of Ireland”. The financial statements have been prepared using the Small Entities Regime under section 1A of FRS 102. The financial statements are presented in Pound Sterling, which is also the functional currency of the Service.

1.2 Revenue Recognition

Grants provided by the States of Jersey Social Security Department have been given to finance the general activities of the Service over the year and as such constitute the Service’s major income source. Grants are recognised in the profit and loss account over the period for which the services for which the grant has been provided are delivered and any grant received that relates to the provision of services for future periods is deferred as at the year-end. In the opinion of the Board Members there is no existing obligation to repay any unspent portion unless this is specifically requested by the Social Security Department.

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

1.3 Tangible fixed assets and depreciation

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

| | |
|-------------------------|--|
| Fixture and fittings | 20% straight line |
| Other fixed assets | 33% straight line |
| Leased office equipment | Shorter of 33% straight line or lease term |

1.4 Cash and cash equivalents

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

1.5 Taxation

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

1. Accounting policies (continued)

1.6 Leasing

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

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

1.7 Provisions

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

1.8 Financial Instruments

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

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

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

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

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

1.9 Pensions

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

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2016

2. Tangible fixed assets

| | Furniture, fittings and equipment £ | Computer equipment £ | Leased office equipment £ | Total £ |
|-----------------------|--|-------------------------------------|--|--------------------|
| Cost | | | | |
| At 1 January 2016 | 27,499 | 5,152 | 6,043 | 38,694 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| | <u>27,499</u> | <u>5,152</u> | <u>6,043</u> | <u>38,694</u> |
| At 31 December 2016 | <u>27,499</u> | <u>5,152</u> | <u>6,043</u> | <u>38,694</u> |
| Depreciation | | | | |
| At 1 January 2016 | 26,908 | 4,795 | 4,006 | 35,709 |
| Charge for the year | 591 | 357 | 2,037 | 2,985 |
| Disposals | - | - | - | - |
| | <u>27,499</u> | <u>5,152</u> | <u>6,043</u> | <u>38,694</u> |
| At 31 December 2016 | <u>27,499</u> | <u>5,152</u> | <u>6,043</u> | <u>38,694</u> |
| Net book value | | | | |
| At 31 December 2016 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| At 31 December 2015 | <u>591</u> | <u>357</u> | <u>2,037</u> | <u>2,985</u> |

3. Debtors and prepayments

| Amounts falling due within one year | 2016 £ | 2015 £ |
|--|-------------------|-------------------|
| Prepayments and accrued income | <u>5,040</u> | <u>5,075</u> |

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2016

4. Creditors

| Amounts falling due within one year | 2016 | 2015 |
|--|----------------------|----------------------|
| | £ | £ |
| Other creditors | 14,600 | 16,290 |
| Lease creditor | 1,408 | 1,206 |
| Deferred income re Training courses | 3,080 | 1,154 |
| | <u>19,088</u> | <u>18,650</u> |
| | <u><u>19,088</u></u> | <u><u>18,650</u></u> |
| | | |
| Amounts falling due after more than one year | 2016 | 2015 |
| | £ | £ |
| Provisions for Dilapidations on repairing office lease | 21,600 | 18,000 |
| Lease creditor | 1,470 | 2,878 |
| | <u>23,070</u> | <u>20,878</u> |
| | <u><u>23,070</u></u> | <u><u>20,878</u></u> |
| | | |
| Net obligations under finance leases | 2016 | 2015 |
| | £ | £ |
| Repayable within one year | 1,408 | 1,206 |
| Repayable between two and five years | 1,470 | 2,878 |
| | <u>2,878</u> | <u>4,084</u> |
| | <u><u>2,878</u></u> | <u><u>4,084</u></u> |

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2016

5. Reserves

| | Profit and loss Account £ |
|---------------------|--|
| At 1 January 2016 | 119,203 |
| Profit for the year | 46,596 |
| | <hr/> |
| At 31 December 2016 | 165,799 |
| | <hr/> <hr/> |

6. Ownership

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

7. Related party transactions

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

8. Commitments

At 31 December 2016 the Service had annual commitments under an operating lease in respect of the premises, being a 9 year lease subject to rent reviews and break clauses at 3 and 6 years. This lease was entered into on the 10 March 2010, with a commencement date of 1 January 2010. The current annual commitment is £21,600 (2015: £21,600).

| Total future minimum lease payments under non-cancellable operating leases | 2016 £ | 2015 £ |
|---|-------------------|-------------------|
| Lease repayments within one year | 21,600 | 21,600 |
| Lease repayments between two to five years | 43,200 | 64,800 |
| | <hr/> | <hr/> |
| | 64,800 | 86,400 |
| | <hr/> <hr/> | <hr/> <hr/> |

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2016

9. Pensions

Defined benefit pension scheme

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

The total pension contribution charge for the year amounted to £30,219 (2015: £34,997).