

Jersey Advisory & Conciliation Service

Board Members' Report and

Financial Statements

For the year ended 31 December 2018

Jersey Advisory & Conciliation Service

Information

Board Members

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

Executive Director

Patricia Rowan

Registration number

19091

Service Office

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

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 2018

The Board Members present their report and the audited financial statements for the year ended 31 December 2018 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 (2017: £nil).

Results

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

Jersey Advisory & Conciliation Service

Board Members' report for the year ended 31 December 2018

Board Members

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

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

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

28 March 2019

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

Opinion

We have audited the financial statements of Jersey Advisory and Conciliation Service ("the Service") for the year ended 31 December 2018 which comprise the Profit of Loss Account, the Balance Sheet and notes 1 to 9 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Service's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Jersey Advisory and Conciliation Service (Jersey) Law 2003.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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



we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Board Members

As explained more fully in the Statement of Board Members' responsibilities, the Board Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

BDO Limited
Chartered Accountants
Jersey, Channel Islands
28 March 2019

Jersey Advisory & Conciliation Service

Profit and Loss Account for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover			
Grant received	1	363,118	378,100
Other income		29,121	27,321
		<u>392,239</u>	<u>397,859</u>
Administration expenses			
Staff costs		284,092	287,076
Travel and entertainment		995	902
Telephone		2,573	2,439
Computer support and maintenance		15,073	12,299
Advertising and promotion		1,624	1,572
Auditors' remuneration		3,654	3,199
Professional fees		4,912	1,916
Equipment/room rental		5,707	6,238
Sundry expenses		2,226	877
Rent		29,762	21,600
Provision for onerous lease		21,600	-
Light and heat		1,152	1,464
Service charges and maintenance		10,293	9,874
Postage		382	315
Insurance		342	342
Depreciation		1,163	-
Stationery, printing and production		3,252	1,399
Leasing charges		356	296
Bad Debt		200	-
Bank charges		200	189
		<u>389,558</u>	<u>351,997</u>
Operating profit		2,681	45,862
Profit for the year	5	<u>2,681</u>	<u>45,862</u>

There were no items of other comprehensive income for the years ended 31 December 2017 and 2018.

All amounts relate to continuing activities.

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

Jersey Advisory & Conciliation Service

Balance sheet as at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed Assets					
Tangible fixed assets	2		29,626		-
Current Assets					
Debtors and prepayments	3	7,801		5,100	
Cash at bank and in hand		327,184		242,613	
			334,985	247,713	
Creditors: amounts falling due within one year	4	(145,640)		(14,452)	
Net current assets			189,345		233,261
Total assets less current liabilities			218,971		233,261
Creditors: amounts falling due after more than one year	4		(4,629)		(21,600)
Net assets			214,342		211,661
Capital and Reserves					
Profit and Loss account	5		214,342		211,661
Retained funds			214,342		211,661

The financial statements on page 5 to 12 were approved and authorised for issue by the Board and were signed on its behalf by

Executive Director

Board Member

Date: 28 March 2019

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

1. Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Revenue Recognition

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

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

1.3 Tangible fixed assets and depreciation

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

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

1.4 Cash and cash equivalents

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

1.5 Taxation

For taxation purposes the 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 2018

2. Tangible fixed assets

	Furniture, Fittings & equipment £	Computer equipment £	Leased office equipment £	Leasehold improvements £	Total £
Cost					
At 1 January 2018	27,499	5,152	6,043	-	38,694
Additions	10,513	-	6,400	13,876	30,789
Disposals	(27,499)	(5,152)	(6,043)	-	(38,694)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	10,513	-	6,400	13,876	30,789
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation					
At 1 January 2018	27,499	5,152	6,043	-	38,694
Charge for the year	175	-	355	633	1,163
Disposals	(27,499)	(5,152)	(6,043)	-	(38,694)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	175	-	355	633	1,163
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value					
At 31 December 2018	10,338	-	6,045	13,243	29,626
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2017	-	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. Debtors and prepayments

Amounts falling due within one year

	2018 £	2017 £
Prepayments and accrued income	7,801	5,100
	<hr/> <hr/>	<hr/> <hr/>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2018

4. Creditors

Amounts falling due within one year	2018	2017
	£	£
Other creditors	12,114	11,702
Finance Lease creditor	1,362	1,470
Provision for onerous lease on old office premises	21,600	-
Provisions for Dilapidations on repairing office lease	21,600	-
Deferred income re Training courses	-	1,280
Deferred income re States grant	88,964	-
	<hr/>	<hr/>
	145,640	14,452
	<hr/> <hr/>	<hr/> <hr/>
Amounts falling due after more than one year	2018	2017
	£	£
Provisions for Dilapidations on repairing office lease	-	21,600
Lease creditor	4,629	-
	<hr/>	<hr/>
	4,629	21,600
	<hr/> <hr/>	<hr/> <hr/>
Net obligations under finance leases	2018	2017
	£	£
Repayable within one year	1,362	1,470
Repayable between two and five years	4,629	-
	<hr/>	<hr/>
	5,991	1,470
	<hr/> <hr/>	<hr/> <hr/>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2018

5. Reserves

	Profit and loss Account £
At 1 January 2018	211,661
Profit for the year	2,681
	<hr/>
At 31 December 2018	214,342
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6. Ownership

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

7. Related party transactions

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

8. Commitments

At 31 December 2018 the Service had annual commitments under an operating lease in respect of the premises at Trinity House, 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 (2017: £21,600).

At 31 December 2018 the Service had annual commitments under a new operating lease in respect of the premises at Seale Street, being a 9 year lease subject to rent reviews at 3 and 6 years, and break clause at year 5. This lease was entered into on the 21 November 2018, with a commencement date of 1 September 2018. The current annual commitment is £24,486 (2017: £Nil).

Total future minimum lease payments under non-cancellable operating leases	2018 £	2017 £
Lease repayments within one year	46,086	21,600
Lease repayments between two to five years	97,944	21,600
	<hr/>	<hr/>
	144,030	43,200
	<hr/> <hr/>	<hr/> <hr/>

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 £26,584 (2017: £31,042).