

Jersey Advisory & Conciliation Service

Board Members' report and

Financial Statements

For the year ended 31 December 2013

Jersey Advisory & Conciliation Service

Information

Board Members

Tom Slattery
Ed Daubeney
Julie Crabtree (resigned July 2013)
Sarah Beirne
Alison Mellor
Craig Channing
Advocate Zoë Blomfield

Executive Director

David Witherington

Company 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

Board Members' report and financial statements for the year ended 31 December 2013

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Jersey Advisory & Conciliation Service

Board Members' report and financial statements for the year ended 31 December 2013

The Board Members present their report and the audited financial statements for the year ended 31 December 2013.

Statement of Board Members' responsibilities

The Board Members are responsible for preparing the Board Members' report and the financial statements in accordance with applicable law and generally accepted accounting practice applicable in the United Kingdom.

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

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

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

Principal activities

The principal activity of the Service is to assist in the building of harmonious relationships between employers and employees in Jersey.

Dividends

There were no dividends declared in the year under review (2012: £nil).

Results

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

Jersey Advisory & Conciliation Service

Board Members' report and financial statements for the year ended 31 December 2013

Board Members

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

Tom Slattery
Ed Daubeney
Julie Crabtree (resigned July 2013)
Sarah Beirne
Alison Mellor
Craig Channing
Advocate Zoë Blomfield

Provision of information to auditors

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

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

Auditors

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

15/4/2014



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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 2013 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 ("United Kingdom Generally Accepted Accounting Practice").

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the service and the Minister, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Board Members and auditor

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

Scope of the audit of the financial statements

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

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. If we become aware of any apparent misstatements or inconsistencies we consider the implication for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Service's affairs as at 31 December 2013 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Jersey Advisory and Conciliation Service (Jersey) Law 2003.

BDO Limited

BDO Limited
Chartered Accountants
Jersey
15 April 2014

Jersey Advisory & Conciliation Service

Profit and Loss Account for the year ended 31 December 2013

	Note	2013 £	2012 £
Turnover			
Grant received	1	329,200	322,755
Grant received - Outreach		17,200	-
Other income		14,788	16,651
Profit on disposal of fixed asset		1,933	-
		<u>363,121</u>	<u>339,406</u>
Administration expenses			
Staff costs		297,680	288,885
Motor running costs		1,509	878
Travel and entertainment		1,332	1,402
Telephone		2,273	2,576
Computer support and maintenance		9,890	12,757
Advertising and promotion		5,006	2,856
Legal and professional		-	55
Auditors' remuneration		4,363	4,249
Equipment/room rental		5,701	5,112
Sundry expenses		779	1,109
Rent		20,559	21,600
Light and heat		2,229	1,813
Service charges and maintenance		13,140	9,292
Insurance		845	938
Depreciation		640	2,046
Stationery, printing and production		2,892	2,560
Subscriptions		391	303
Leasing charges		427	509
Outreach Business expenses		17,192	-
		<u>386,848</u>	<u>358,940</u>
Operating loss		<u>(23,727)</u>	<u>(19,534)</u>
Loss for the year	5	<u>(23,727)</u>	<u>(19,534)</u>

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

There were no recognised gains and losses for 2013 and 2012 other than those included in the profit and loss account.

All amounts relate to continuing activities.

The notes on pages 6 to 10 form part of these financial statements.

Jersey Advisory & Conciliation Service

Balance sheet as at 31 December 2013

	Note	2013 £	2013 £	2012 £	2012 £
Fixed Assets					
Tangible fixed assets	2		7,914		2,511
Current Assets					
Debtors and prepayments	3	5,040		5,040	
Cash at bank and in hand		149,016		144,004	
		<u>154,056</u>		<u>149,044</u>	
Creditors: amounts falling due within one year	4	<u>(46,066)</u>		<u>(15,076)</u>	
Net current assets			<u>107,990</u>		<u>133,968</u>
Total assets less current liabilities			<u>115,904</u>		<u>136,479</u>
Creditors: amounts falling due after more than one year	4		<u>(5,085)</u>		<u>(1,933)</u>
Net assets			<u><u>110,819</u></u>		<u><u>134,546</u></u>
Capital and Reserves					
Profit and Loss account	5		<u>110,819</u>		<u>134,546</u>
Retained funds			<u><u>110,819</u></u>		<u><u>134,546</u></u>

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



Executive Director



Chairman

Date: 15/4/2014

The notes on pages 6 to 10 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on a going concern basis and in accordance with generally accepted accounting standards in the United Kingdom.

1.2 Government Grants

Grants provided by the States of Jersey Social Security Department have been given to finance the general activities of the Service over the year and as such constitute the Service's major income source. Grants are recognised in the profit and loss account in full in the period in respect of which they are received as in the opinion of the Board Members there is no existing obligation to repay any unspent portion unless this is specifically requested by the Social Security Department.

1.3 Tangible fixed assets and depreciation

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

Fixture and fittings	20% straight line
Other fixed assets	33% straight line

1.4 Taxation

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

1.5 Leasing

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

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

1.6 Cashflow

JACS is exempt from the requirements to prepare a cashflow statement under Financial Reporting Standard 1 (revised) on the grounds of its size.

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2013

2. Tangible fixed assets

	Furniture, fittings and equipment £	Computer equipment £	Leased office equipment £	Total £
Cost				
At 1 January 2013	27,499	4,362	5,150	37,011
Additions	-	-	6,043	6,043
Disposals	-	-	(5,150)	(5,150)
	<u>27,499</u>	<u>4,362</u>	<u>6,043</u>	<u>37,904</u>
At 31 December 2013	<u>27,499</u>	<u>4,362</u>	<u>6,043</u>	<u>37,904</u>
Depreciation				
At 1 January 2013	24,988	4,362	5,150	34,500
Charge for the year	640	-	-	640
Disposals	-	-	(5,150)	(5,150)
	<u>25,628</u>	<u>4,362</u>	<u>-</u>	<u>29,990</u>
At 31 December 2013	<u>25,628</u>	<u>4,362</u>	<u>-</u>	<u>29,990</u>
Net book value				
At 31 December 2013	<u>1,871</u>	<u>-</u>	<u>6,043</u>	<u>7,914</u>
At 31 December 2012	<u>2,511</u>	<u>-</u>	<u>-</u>	<u>2,511</u>

3. Debtors:

Amounts falling due within one year	2013 £	2012 £
Prepayments and accrued income	<u>5,040</u>	<u>5,040</u>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2013

4. Creditors:

Amounts falling due within one year	2013	2012
	£	£
Other creditors	12,466	13,996
Lease creditor	800	1,080
Deferred income re Outreach grant	32,800	-
	<hr/>	<hr/>
	46,066	15,076
	<hr/> <hr/>	<hr/> <hr/>

£50,000 was received during the year as a Grant from Outreach. £17,200 of the grant was committed September to December 2013. The remaining £32,800 was rolled over as a grant towards the remainder of the pilot January to August 2014.

Amounts falling due after more than one year	2013	2012
	£	£
Lease creditor	5,085	1,933
	<hr/>	<hr/>
	5,085	1,933
	<hr/> <hr/>	<hr/> <hr/>

Net obligations under finance leases	2013	2012
	£	£
Repayable within one year	800	1,080
Repayable between two and five years	5,085	1,933
	<hr/>	<hr/>
	5,885	3,013
	<hr/> <hr/>	<hr/> <hr/>

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2013

5. Reserves

	Profit and loss Account £
At 1 January 2013	134,546
Loss for the year	(23,727)
	<hr/>
At 31 December 2013	110,819
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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, David Witherington, earns a salary on an arm's length basis.

8. Commitments

At 31 December 2013 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 (2012: £21,600).

Net obligations under operating leases	2013 £	2012 £
Expiring within one year	-	-
Expiring between two to five years	-	-
Expiring after more than five years	21,600	21,600
	<hr/>	<hr/>
	21,600	21,600
	<hr/> <hr/>	<hr/> <hr/>

As at 31 December 2013 the service had committed to spend £2,305 in respect of a new air conditioning system.

Jersey Advisory & Conciliation Service

Notes to the financial statements for the year ended 31 December 2013

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 17 paragraph 9 (b) (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 £30,722 (2012: £31,103).