

THE JERSEY CHILD CARE TRUST

Report and Financial Statements

31 December 2006

THE JERSEY CHILD CARE TRUST

REPORT AND FINANCIAL STATEMENTS 2006

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THE JERSEY CHILD CARE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

TRUSTEES

G C Powell CBE	(Chairman)
M Baudains	
C J Anderson	(Resigned 3 May 2006)
I M Le Feuvre MBE	
S A Blackmore	
R Newell	
P Wojciechowski	(Treasurer)
L MacKenzie	
J Hairo	(Appointed 14 September 2006)
R Livesey	(Appointed 3 July 2006)
J Tye	(Appointed 3 July 2006 resigned 14 November 2006)
C Myers	(Appointed 22 February 2007)

CHILDCARE EXECUTIVE DIRECTOR

F Vacher

BANKERS

HSBC Bank
2 Hill Street
St Helier
Jersey JE4 8NJ

LEGAL ADVISERS

Crill Canavan
40 Don Street
St Helier
Jersey JE1 4XD

ADDRESS

The Bridge
Le Geyt Road
St Saviour
Jersey JE2 7NT

THE JERSEY CHILD CARE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The Trustees are pleased to present their report along with the financial statements of the Jersey Child Care Trust ("the Trust") for the year ended 31st December 2006.

The financial statements have been prepared in accordance with the accounting policies set out on page 11, and comply with the trust deed.

Constitution and objectives

The Trust was established under a trust deed by the States of Jersey on the 5th December 1997 and was incorporated as an Association under the Loi (1862) sur les teneures enfidei commis et l'incorporation d'associations.

The Trust's charity number is 241.

Since its establishment in 1997, the Trust's aim, which has remained at the core of its work, has been to co-ordinate, promote and facilitate the expansion of high quality and affordable childcare in the Island. The initial objectives first outlined by a working party in December 1997 were incorporated into the Constitution of the Trust. Following a period of review which took into consideration the recommendations from "A Vision for the Future of Early Education and Childcare in Jersey (J.Spratt 2004), and discussion with the Department for Education, Sport and Culture, revised objectives were agreed and approved by the Royal Court on 12th July 2006 in accordance with the requirements of the Constitution. These are to:

- Promote high standards of childcare.
- Monitor and seek to improve the accessibility and affordability of childcare facilities and services in the Island.
- Promote and encourage improvements in the status and conditions of service of childcare staff.
- Promote the training and development of staff in the childcare sector.
- Provide information and advice to parents, professionals and other interested parties.
- Co-ordinate childcare provision.
- Sponsor and support research into childcare needs.
- Provide support for childcare providers through grants and other forms of assistance.
- Encourage employers and service providers to develop family friendly work places and service facilities.
- Promote quality childcare and engage parents in this process.
- Attract funding to pump prime initiatives for all of the above.

Organisation

The Trustees who have served during the year and since the year-end are set out on page 1. The States on the recommendation of the Education, Sport and Culture Minister appoints the chairperson, who is not a member of the States of Jersey. The Education, Sport and Culture Minister nominates one trustee who can be a member of the States and that Ministry. The Social Security and the Health Ministers nominate one trustee each, who cannot be members of the States or those Ministries. The Board of Trustees appoints the remainder of independent trustees. The Trustees serve for a period of three years.

The Trustees meet three times a year. There is an executive committee which includes co-optees of the Board, and which meets more frequently to deal with administrative matters and to assess grant applications. The executive committee reports to the full Board of Trustees.

THE JERSEY CHILD CARE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

Financial review

The Trust received a grant from the Ministry of Education, Sport and Culture of £162,500 (2005: £217,500) for administration and core activities. The Trust also received a management fee of £10,000 from the School Age Discount Scheme.

The Trustees were grateful to receive donations totalling £77,883 in 2006 (2005: £28,795). In addition to these funds the Trust has also received certain donations in kind, including regular and dedicated voluntary help.

The total funds at the year-end, after transfer of the deficit for the year of £4,786 (2005: deficit £44,057), amounted to £105,428 (2005: £110,214). This year-end balance will be called upon as necessary to supplement the grant from the Ministry of Education, Sport and Culture and private donations in order to support the on-going provision of the Trust's activities.

Staffing

At the end of 2006 the Trust employed 4 full time equivalent (FTE) core staff. The Special Needs Inclusion Project employed 13 support workers offering a minimum of 6 hours of support a week up to a maximum of 20 hours a week equating to 1.6 FTE staff funded by donations (4.4 FTE Trust staff and 1.2 FTE project staff funded by donations at the end of 2005). The Trust's core staff was reduced in 2006 through the decision not to fill the position of Deputy Executive Officer. The increase in project staff in 2006 was due to the changes in Employment legislation with the Trust becoming the employer of the Special Needs Support Workers rather than the nursery where the support is taking place.

Grant Making Policy

The Trust invites applications for grants from the childcare sector in support of the Trust's main objectives of accessible, affordable, quality childcare for the children of Jersey. In 2006 the Grants contributed towards the development of 110 extra childcare places (116 in 2005).

The Executive Committee, advised by the Executive Director, considers all the applications according to the criteria laid out in the application form which is available to download from our website, www.jcct.org.je.

All successful applicants were required to sign a memorandum of agreement. They were also required to supply the Trust with a report of the project as detailed in the initial application. Each successful recipient, depending on the size and nature of the grant, was then either visited by a Trustee or member of Trust staff, or supplied photographs demonstrating the project or equipment being used by the children to ensure that proper use of the grant was made.

Review of the activities and future developments

On the 3rd January 2006, the Trust, along with a variety of States and voluntary bodies moved into the newly created Bridge Centre, formally St Mark's School. The Trust has welcomed this opportunity to work more closely with other services for parents and has many examples of inter-agency working that have developed as a result. The Bridge offers an excellent standard of facility to the Trust including crèche space, training and boardroom facilities. The Trust has seen a substantial increase in face-to-face contact with parents seeking childcare information. With free parking and easy buggy access, parents are combining their visit to an organised session held by another service with the café at the Bridge and seeking advice and information from the Trust.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The Trust continues to strive to make a difference to the quality, accessibility and affordability of childcare provision in Jersey. In 2006 these activities included:

- a. 21 **Quality Grants** to childcare providers totalling £19,967, which contributed towards 110 (116 in 2005) extra childcare places.
- b. A **Special Needs Inclusion Project**, which facilitated 2406 hours of support (3297 hours in 2005) to 14 children (12 children in 2005) to enable them to access mainstream early years childcare through one to one Support Workers. The reduction in the hours of support was due to less demand for support during the Summer period, and the children required less hours of support to meet their specific needs. In addition to funding from the Trust's core budget, the Project has received generous charitable donations. These were initially, the Association of Jersey Charities and latterly the Lloyds TSB Foundation for the Channel Islands.
- c. **Support for 9 part-time nursery places (15 in 2005)** for children starting school in September at a cost of £7,138 (£12,804 in 2005). The children, who were unable to access a free Nursery Class place, ~~for a variety of social or developmental reasons,~~ were referred by a professional for a social and/or developmental reason and met strict criteria to receive these places. The Project ensures that they have received some early education and care before commencing formal schooling in September. This intervention can offer improvements to all aspects of a child's development prior to them starting school.
- d. Provision of **Continuous Professional Development courses** for childcare staff. A nominal fee is applied for each place to fund this provision, and 1,046 places were provided in 2006 (1,462 in 2005).
- e. Administration of the **School Age Discount Scheme** on behalf of the Social Security Department. Funds totalling £328,000 were administered to 440 parents (£322,000 administered to 460 in 2005) of school-aged children attending school-aged care settings such as activity, breakfast and after school clubs.
- f. Provision of an **Information Service** for parents and providers of childcare. The Trust received an average of 250 enquiries per month (150 in 2005) by telephone, email and in person. The substantial increase is due to the move of the Trust to The Bridge. The Trust offers a central point of contact for parents, childcare providers and other professionals to seek information and support in childcare related matters. This includes a website with a comprehensive childcare search and a variety of childcare related newsletters, guides and publications.
- g. Compilation of a list of **54 Approved Babysitters** (37 in 2005) who are police checked and referenced to assist parents with a flexible form of childcare in the child's own home. With a good number of babysitters on the list the application process has been closed and the list is circulated to any enquiring parents.
- h. Assistance to the sector on the **retention of existing qualified staff** through support for J-Category Housing Applications. The childcare sector currently has 5 staff (5 in 2005) with J-Category housing status.
- i. The 24 private Foundation Stage settings in Jersey were offered training and support by the **Foundation Stage Teacher** contracted to the Trust from the Department for Education, Sport and Culture. 135 visits were made to settings; and a comprehensive training programme offering 18 (19 in 2005) training sessions was designed to meet the needs of the sector.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

- j. **The Nanny Accreditation Scheme** which professionally recognises nannies meeting a strict quality criteria. It is planned that parents employing an Accredited Nanny will be able to access the same tax breaks as other parents accessing Registered Childcare. During 2006, the Trust had discussions with the Treasury and Resources Minister with a view to this applying to the 2008 tax year.
- k. The Trust has worked with the **NSPCC Pathways Project** both at strategic and operational level to help its successful development. During 2006, the executive director took on the role as chair for the Project's Strategic Board meetings.
- l. **Raising the status of issues surrounding childcare.** The Trust made representations to the Council of Ministers on the importance of early years childcare for the achievement of a number of the objectives in the States Strategic Plan. Ministers' acceptance of this view was reflected in the Strategic Plan document presented to and adopted by the States in which it is stated "we recognise that all forms of investment in the Island's children from the earliest years are an important and necessary investment in the Island's future."
- m. With the proposed changes to the Income Support System and the introduction of GST imminent, the Trust has been part of several **consultation exercises** alongside the Jersey Early Years Association and the Jersey Association of Child Carers to ensure the impact of such changes to parents using childcare is both recognised and responded to appropriately.
- n. The Trust **developed and maintained links** with key strategic partners and service providers to support the implementation of the work of the Trust. In December a meeting was held with representatives of JEYA with a view to ensuring that both the Trust and JEYA are aware of each other's objectives and actions in support of childcare.

For 2007, the Trust will continue the projects detailed above. In addition the Trust plans to give particular emphasis through a variety of projects to encouraging employers to engage in family friendly employment practices.

The Trust recognises the part all must play in responding to the States objective of controlling public expenditure, and has contributed towards this, while maintaining its services, by the supplementation of a significantly reduced grant through successful fundraising activities during 2006. The Trust's move to the Bridge has also been a wise move financially. By sharing the facilities in the centre with other services, the Trust's rent and overheads have reduced substantially. For 2007, the Trust plans to actively continue its fundraising role and to ensure that all funds raised are invested directly into activities and projects that meet its core aims.

The Trust is a member of the officer group, which has been tasked to bring forward recommendations for supporting early years childcare and education in respect of the birth to five age group. This work is to take account of financial support for parents including benefits and tax allowances. The recommendations from this group may incorporate future changes for the early years sector in Jersey and ultimately the role of the Trust.

It is the firmly held view of the Trust that there is a continuing and urgent need to address issues impacting on the ability to provide adequate, high quality, and affordable childcare in the Island. There is a need for a public/private sector partnership in childcare provision and for equality of treatment of parents and children according to their needs.

The Trust will continue to work to meet these needs. The Trust in doing so will continue to seek to gain greater appreciation of the real benefits that are to be obtained from an investment in children from their earliest years. These benefits include –

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

- Improved academic performance;
- Enhanced social skills;
- Reduced requirement for support in special needs;
- A reduction in crime and antisocial behaviour;
- Improved life skills and job satisfaction.

Research has shown that many of the problems surrounding the activities of young people have their roots in the lack of adequate investment/support made available for children in their formative years.

Many parents who wish to work are disincentivised by the high cost of childcare. Enabling parents to support their families through work rather than through benefits is an important objective to secure from which the economy as well as the individuals will benefit.

For all these reasons the Trust believes priority should be given to the further and enhanced funding of childcare and the Trust in 2007 will continue to strive to achieve this in partnership with other interested parties.

Finally, a word of thanks to the Board of Trustees, the Executive Director and the staff of the Trust for their total commitment and endeavour, and for their overall much valued contribution to the work of the Trust throughout 2006. A particular vote of thanks to Caroline Anderson who held the position of Secretary and left the Board in May having served as a Trustee for six years .

By order of the trustees:

G.C.Powell CBE (chairman)

Date.....

THE JERSEY CHILD CARE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for the preparation of the financial statements which give a true and fair view. In preparing them, the trustees 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 and to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue. The trustees are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF JERSEY CHILD CARE TRUST

We have audited the financial statements of Jersey Child Care Trust for the year ended 31 December 2006 which comprise the statement of financial activities, the balance sheet and the related notes 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with our engagement letter dated 18 April 2007. Our audit work has been undertaken so that we might state to the Trustees 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 Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

The Trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Trust Deed. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the Trustees' Report for the above year and consider the implications for our report if we become aware of any apparent misstatements within it.

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 statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust'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 statements 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 statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Trusts affairs as at 31 December 2006 and of its deficit for the year then ended and the financial statements have been properly prepared in accordance with the Trust Deed.

Deloitte & Touche LLP
Chartered Accountants
St. Helier, Jersey

THE JERSEY CHILD CARE TRUST

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 December 2006

	Note	2006 £	2005 £
INCOMING RESOURCES	1		
Donations		77,883	28,795
Activities in furtherance of the Trust objectives:			
States of Jersey grant - General		162,500	217,500
BBC Children In Need		-	15,000
Discount scheme		10,000	10,000
Deposit interest		3,357	4,180
Other income		494	-
TOTAL INCOMING RESOURCES		<u>254,235</u>	<u>275,475</u>
RESOURCES EXPENDED			
Costs of generating funds:			
Fundraising and publicity		17,182	20,101
Charitable expenditure			
Grants payable		19,967	13,236
Childcare activities		23,521	54,119
Support costs		138,798	162,163
Management and administration		59,554	69,913
TOTAL RESOURCES EXPENDED	2	<u>259,021</u>	<u>319,532</u>
NET MOVEMENT IN FUNDS		(4,786)	(44,057)
Fund balances at 1 January		<u>110,214</u>	<u>154,271</u>
FUND BALANCES AT 31 DECEMBER		<u><u>105,428</u></u>	<u><u>110,214</u></u>

All activities are derived from continuing operations.

The notes on pages 9 to 13 form part of these accounts.

THE JERSEY CHILD CARE TRUST

BALANCE SHEET 31 December 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	3	7,385	12,326
CURRENT ASSETS			
Loans	4	-	2,250
Debtors		866	7,769
Short term deposits		71,053	89,843
Cash at bank and in hand		32,500	13,130
Cash at bank - Childcare Discount Scheme	5	28,475	35,422
		<u>132,894</u>	<u>148,414</u>
CREDITORS: amounts falling due within one year			
Creditors and accruals		(6,376)	(12,524)
Creditor – Childcare Discount Scheme	5	(28,475)	(38,002)
		<u>(34,851)</u>	<u>50,526</u>
NET CURRENT ASSETS		<u>98,043</u>	<u>97,888</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,428</u>	<u>110,214</u>
NET ASSETS		<u>105,428</u>	<u>110,214</u>
Represented by:			
FUNDS			
Unrestricted		105,428	110,214
		<u>105,428</u>	<u>110,214</u>

The notes on pages 9 to 13 form part of these accounts.

These financial statements were approved by the trustees on

2007

Chairman

Secretary

THE JERSEY CHILD CARE TRUST

NOTES TO THE ACCOUNTS

31 December 2006

1. PRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards in the United Kingdom and the requirements of the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005).

Basis of accounting

The accounts have been prepared under the historical cost convention.

Donations and other income

Donations and other income are credited as income in the year in which they are receivable.

Grants receivable

Grants are credited as income in the year in which they are receivable.

Charitable expenditure

Grants payable are recognised as a liability when the Trust is under an obligation to make a transfer to a third party.

Childcare activities include all expenditure incurred on activities in pursuance of the Trust's objectives under its constitution. The direct costs of supporting these activities, including staff, establishment and other overhead costs are separately analysed and shown as support costs under this heading.

A proportion of staff, establishment and other costs is attributed to support costs, fundraising and publicity and to management and administration costs according to an estimate of the staff involved supporting each activity or other estimated basis.

Tangible fixed assets

Depreciation is calculated to write down the cost of tangible fixed assets less their residual values at the following annual rates in order to write off each asset over its estimated useful life.

Owned assets:

Office equipment	25%	Straight line
Furniture, fixtures and fittings	10%	Reducing balance

Operating leases

Rental costs under operating leases are charged to the statement of financial activities in equal amounts over the period of the lease.

Funds

The Trust's funds consist of unrestricted amounts. The Trust may use unrestricted amounts at its discretion.

Cash Flow Statement

The Trust is exempt from the requirement to prepare a cash flow statement in accordance with FRS 1 Cash Flow Statements (Revised 1), as it falls within the definition of a small trust.

THE JERSEY CHILD CARE TRUST

NOTES TO THE ACCOUNTS 31 December 2006

2. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	Depreciation £	2006 Total £	2005 Total £
Charitable expenditure:					
Grants payable	-	19,967	-	19,967	13,236
Childcare activities	-	23,521	-	23,521	54,119
Support costs	111,345	22,888	4,565	138,798	162,163
Management and administration	46,521	12,207	1,096	59,553	69,913
	<u>157,596</u>	<u>78,583</u>	<u>5,660</u>	<u>241,839</u>	<u>299,431</u>
Costs of generating funds:					
Fund raising and publicity	<u>13,704</u>	<u>3,052</u>	<u>426</u>	<u>17,182</u>	<u>20,101</u>
Total resources expended	<u>171,300</u>	<u>81,634</u>	<u>6,086</u>	<u>259,020</u>	<u>319,532</u>
Staff costs:					
Wages and salaries				162,081	173,595
Social security costs				8,839	19,206
Training costs				380	2,451
				<u>171,300</u>	<u>195,252</u>
Other costs:					
Grants payable				19,967	13,236
Childcare activities				23,521	54,119
Rent and rates				15,000	14,522
Light and heat				1,804	2,035
Insurance				3,150	2,660
Repairs, maintenance and cleaning				-	3,613
Printing and stationery				8,615	7,962
Telephone and postage				2,905	5,918
Publications and subscriptions				563	672
Travel and entertaining				1,815	1,937
Audit fee				1,500	1,100
Relocation costs				80	3,110
Advertising				395	1,780
Miscellaneous				2,320	4,322
				<u>81,634</u>	<u>116,986</u>

Average number of employees during the year: 4 (2005: 5).

None of the Trustees received any emoluments or reimbursements for expenses during the year (2005: £Nil).

None of the employees earned in excess of £50,000 in the year (2005: None in excess of £50,000).

During the year an insurance premium of £294 was incurred by the Trust in respect of Trustees' and officers liability (2005: £294).

THE JERSEY CHILD CARE TRUST

NOTES TO THE ACCOUNTS 31 December 2006

3. TANGIBLE FIXED ASSETS

	Office equipment £	Furniture fixtures and fittings £	Total £
Cost			
At 1 January 2006	47,967	10,533	58,500
Additions	454	692	1,146
	<u>48,421</u>	<u>11,224</u>	<u>59,645</u>
At 31 December 2006			
Depreciation			
At 1 January 2006	41,388	4,786	46,174
Charge for year	5,511	575	6,086
	<u>46,899</u>	<u>5,361</u>	<u>52,260</u>
At 31 December 2006			
Net book values			
At 31 December 2006	<u>1,522</u>	<u>5,863</u>	<u>7,835</u>
At 31 December 2005	<u>6,579</u>	<u>5,747</u>	<u>12,326</u>

4. LOANS

The loan to the Spring Trust of Nil (2005: £2,250) was repaid during the year.

5. CHILDCARE DISCOUNT SCHEME

The Trust administers the Childcare Discount Scheme on behalf of the States of Jersey Employment and Social Security Committee, and the bank balances held on behalf of that Committee and the related liability at 31 December 2006 and 2005 are reflected in current assets and creditors in the balance sheet.

6. TAXATION

The income of the Trust is exempt from income tax under Article 115 (a) of the Income Tax (Jersey) Law 1961.

7. CONTROLLING AND ULTIMATE CONTROLLING PARTY

In the opinion of the Trustees, they are the controlling and ultimate controlling party of the Trust. There have been no related party transactions during the current or prior years.