

**JERSEY ADVISORY & CONCILIATION
SERVICE - 'JACS'**

**BOARD MEMBERS' REPORT AND FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2003**

JERSEY ADVISORY & CONCILIATION SERVICE - 'JACS'

COMPANY INFORMATION

NON EXECUTIVE BOARD

Mike Berry
Nicola Santos-Costa
Ed Daubeney
John Noel
George Robertson
Tom Slattery (appointed 25/03/04)
Teresa Lamy (appointed 25/03/04)

EXECUTIVE DIRECTOR

David Witherington

SERVICE OFFICE

Trinity House
Bath Street
St Helier
Jersey
JE2 4ST

AUDITORS

MRI Moores Rowland
Chartered Accountants
44 Esplanade
St Helier
Jersey
JE1 3UQ

JURISDICTION

JACS was established in Jersey on 1 December 2000

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NON EXECUTIVE BOARD MEMBERS' REPORT
For the year ended 31 December 2003

The board members present their report and the financial statements for the year ended 31 December 2003.

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

The board members have prepared the financial statements for each financial year which give a true and fair view of the state of affairs of JACS and of the surplus or deficit of JACS for that period. In preparing those financial statements, the board members have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The board members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of JACS and to enable them to ensure that the financial statements comply with the relevant law. They are also responsible for safeguarding the assets of JACS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The surplus for the year, after taxation, amounted to £4,908 (2002 - Deficit £2,880) .

BOARD MEMBERS

The board members who served during the year were:

David Witherington (Executive Director)
Mike Berry (Chairman)
Nicola Santos-Costa (Deputy Chair)
Ed Daubeney
John Noel
George Robertson
Tom Slattery (appointed 25/03/04)
Teresa Lamy (appointed 25/03/04)
Sheila Henwood (resigned 31/01/04)
Gary Jones (resigned 31/01/04)

AUDITORS

The auditors, MRI Moores Rowland, served throughout the year and have indicated their willingness to continue in office.

NON EXECUTIVE BOARD MEMBERS' REPORT
For the year ended 31 December 2003

This report was approved by the board on 2/8/04 and signed on its behalf.


Board member

INDEPENDENT AUDITORS' REPORT TO THE BOARD MEMBERS OF JERSEY ADVISORY & CONCILIATION SERVICE - 'JACS'

We have audited the financial statements of Jersey Advisory & Conciliation Service - 'JACS' for the year ended 31 December 2003 set out on pages 4 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Board Members' Responsibilities, JACS board members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 States of Jersey Standards of Corporate Governance. We also report to you if, in our opinion, the Board Members' Report is not consistent with the financial statements, if JACS has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Board Members' Report 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 United Kingdom Auditing Standards 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 board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to JACS 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 of the state of JACS affairs as at 31 December 2003 and of its surplus for the year then ended and have been properly prepared in accordance with States of Jersey Standards of Corporate Governance.

MRI Moores Rowland

3 August 2004

Chartered Accountants

44 Esplanade
St Helier
Jersey
JE1 3UQ

Registered to carry on audit work
by the Institute of Chartered
Accountants in England and Wales

Partners

B H Morris FCA, R M Kearsey FCA
G P Ireson, C A McFadyen FCA FCCA
E S Axford FCA, J L Medina FCCA
J R Lees-Baker FCCA, A Budworth ACA

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INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2003

	Note	2003 £	2002 £
TURNOVER		244,471	224,200
Administrative expenses		<u>(244,935)</u>	<u>(230,555)</u>
OPERATING DEFICIT		(464)	(6,355)
Interest receivable		<u>5,372</u>	<u>3,475</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		4,908	(2,880)
TAX ON SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES		<u>-</u>	<u>-</u>
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>4,908</u></u>	<u><u>(2,880)</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2003 or 2002 other than those included in the profit and loss account.

The notes on pages 6 to 8 form part of these financial statements.

JERSEY ADVISORY & CONCILIATION SERVICE - 'JACS'

BALANCE SHEET
As at 31 December 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible fixed assets	2		7,174		18,290
CURRENT ASSETS					
Debtors	3	399		261	
Cash at bank and in hand		144,798		133,340	
		<u>145,197</u>		<u>133,601</u>	
CREDITORS: amounts falling due within one year	4	(105,135)		(107,463)	
NET CURRENT ASSETS			<u>40,062</u>		<u>26,138</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>47,236</u>		<u>44,428</u>
CREDITORS: amounts falling due after more than one year	5		(186)		(2,286)
NET ASSETS			<u><u>47,050</u></u>		<u><u>42,142</u></u>
CAPITAL AND RESERVES					
Income and expenditure account	6		47,050		42,142
ASSOCIATIONS' FUNDS			<u><u>47,050</u></u>		<u><u>42,142</u></u>

The financial statements were approved by the board on 2/8/04 and signed on its behalf.


Executive Director


Chairman

The notes on pages 6 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2003

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. A full years charge is taken in the year of acquisition and none in the year of disposal. Leased assets are depreciated over the period of the lease. 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:

Fixtures and fittings	-	20%	straight line
Computer equipment	-	33%	straight line

1.3 Government Grants

Grants provided by the States of Jersey Employment and Social Security Services Department have been given to finance the general activities of JACS over the year and as such constitute the Service's major income source. Grants are therefore, recognised in the income and expenditure account of the period in respect of which they relate. The Employment and Social Services Department have made a demonstrative commitment to the continued provision of grant finance to JACS.

1.4 Cash flow statement

JACS is exempt from preparing a cash flow statement under Financial Reporting Standard 1 (revised) on the grounds of its size.

1.5 Taxation

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

2. TANGIBLE FIXED ASSETS

	Furniture, Fixtures & Fittings	Computer equipment	Leased assets	Total
	£	£	£	£
Cost				
At 1 January 2003 and 31 December 2003	<u>13,500</u>	<u>19,927</u>	<u>7,093</u>	<u>40,520</u>
Depreciation				
At 1 January 2003	5,400	13,284	3,546	22,230
Charge for the year	2,700	6,643	1,773	11,116
At 31 December 2003	<u>8,100</u>	<u>19,927</u>	<u>5,319</u>	<u>33,346</u>
Net book value				
At 31 December 2003	<u>5,400</u>	-	<u>1,774</u>	<u>7,174</u>
At 31 December 2002	<u>8,100</u>	<u>6,643</u>	<u>3,547</u>	<u>18,290</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2003

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2003 £	2002 £
Leased assets	1,774	3,547

3. DEBTORS

	2003 £	2002 £
Due within one year		
Other debtors	324	261
Prepayments and accrued income	75	-
	<u>399</u>	<u>261</u>

4. CREDITORS:
Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	1,040	-
Net obligations under finance leases and hire purchase contracts	2,100	1,850
Trade creditors	6,495	5,613
Accruals and deferred income	95,500	100,000
	<u>105,135</u>	<u>107,463</u>

5. CREDITORS:
Amounts falling due after more than one year

	2003 £	2002 £
Net obligations under finance leases and hire purchase contracts	186	2,286

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2003 £	2002 £
Between two and five years	186	2,286

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2003

6. RESERVES

	Income and expenditure account £
At 1 January 2003	42,142
Surplus retained for the year	4,908
	<hr/>
At 31 December 2003	<u>47,050</u>

7. OWNERSHIP

JACS is managed by an executive director and a non-executive board consisting of a chairman and 6 other board members. JACS, as a quasi-government body, is funded by the States Employment and Social Services Department. The aim of JACS is to assist in the building of harmonious relationships between employers and employees.

DETAILED INCOME AND EXPENDITURE ACCOUNT
For the year ended 31 December 2003

	Page	2003 £	2002 £
TURNOVER	10	244,471	224,200
Less: OVERHEADS			
Administrative expenses	10	(244,935)	(230,555)
OPERATING DEFICIT		(464)	(6,355)
Interest receivable	10	5,372	3,475
SURPLUS/(DEFICIT) FOR THE YEAR		<u>4,908</u>	<u>(2,880)</u>

SCHEDULE TO THE DETAILED ACCOUNTS
For the year ended 31 December 2003

	2003	2002
	£	£
TURNOVER		
Grant received	235,000	220,000
Other income	9,471	4,200
	<u>244,471</u>	<u>224,200</u>
	2003	2002
	£	£
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	2,400	1,700
Rent	21,600	21,600
Depreciation	11,116	11,115
Staff costs	160,515	147,362
Motor running costs	3,234	3,272
Travel and entertainment	2,507	4,714
Consultancy	-	3,173
Printing and production	2,700	3,165
Telephone	2,958	3,334
Computer support and maintenance	10,048	5,828
Marketing and advertising	10,507	10,000
Subscriptions	1,412	1,449
Legal and professional	177	166
Equipment/room rental	5,994	2,964
Sundry expenses	1,679	2,338
Leasing interest	406	656
Light and heat	1,459	1,417
Service charges	3,416	3,434
Insurances	2,285	2,479
Repairs and maintenance	522	389
	<u>244,935</u>	<u>230,555</u>
	2003	2002
	£	£
INTEREST RECEIVABLE		
Bank interest receivable	<u>5,372</u>	<u>3,475</u>