

STATES OF JERSEY



WORKFORCE SOLUTIONS LIMITED: REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

**Presented to the States on 16th November 2004
by the Employment and Social Security Committee**

STATES GREFFE



Jersey Employment Trust
workforce solutions

ANNUAL REPORT

2003

Chairman's Introduction

I am pleased to report further good progress during the past year towards integrating the island's employment, training and development services for people with special needs.

The Management Group is providing greater cohesion between the different programmes and seeking to implement operational improvements across the board, drawing on the resources and expertise provided by the various specialist units. Good synergies have been achieved for example by moving the French polishing operation into shared premises with Island Wood. The Island Wood retail unit has been moved to Oakfield, and Interwork has also relocated there, with encouraging results. Oakfield is increasingly becoming the hub for a mix of programmes for people with different disabilities.

Acorn Enterprises had a busy year with the contract gardening service fully booked and a successful bedding plant season. Preparations for the wood recycling project were completed by the year end and the service commenced early in 2004.

More emphasis has been placed on training and the new training room at Oakfield is being heavily used. I am grateful to HSBC Bank, the Berni Foundation Trust and Mr David West, all of whom donated equipment to the new room. A successful life skills training run took place and plans are advanced for a joint training programme with the Le Geyt Services and a literacy course in conjunction with Education.

The recruitment by the Trust of its own Occupational Therapist was an important step forward and has already made a significant difference to client assessment procedures.

Work on the Trust's legal and operational infrastructure was largely completed and a raft of new employment-related policies introduced.

Our mid-year conference was very successful, attracting attendees from across the public services and from the voluntary sector. We learned a great deal from the comments and suggestions put forward and many of the ideas have already been incorporated in the Trust's plans and policies. We remain dependent on, and grateful to, many people across a wide spread of agencies for their continuing involvement and support.

One area of disappointment is our limited success in placing clients into open employment. It must be said that conditions in the employment market could hardly be less propitious, but more needs to be done both to educate employers in the opportunities provided by recruiting people with special needs, and (on our side) to understand and overcome their concerns.

Looking forward to 2004, we need to continue building on the successes of the past three years and in particular to further the process of drawing the various initiatives more closely together and increasing the emphasis on training and workplace preparation for those clients capable of making the transition. A key priority is to reconfigure our existing premises to create better working conditions for our clients and staff, and achieve greater synergies between programmes.

Towards the end of last year, Suzie Le Brocq tendered her resignation as Executive Officer to resume her studies and follow a change of direction in her career. Suzie has played a key role in taking the Trust from its formative stages and I am very grateful for her enthusiastic contribution.

John Boothman
Chairman

WORKFORCE SOLUTIONS LIMITED
(formerly Acorn Enterprises Limited)

Directors	Senator Paul Routier	(appointed 17 July 2000)
	Deputy Celia Scott-Warren	(appointed 3 March 2003)
	Deputy Ben Fox	(appointed 3 March 2003)
	Mr John Boothman - Chairman	(appointed 16 October 2000)
	Miss Gill Curtis MBE	(appointed 6 July 2000)
	Mr David West	(appointed 24 April 2002)
Secretary	Mr David West	(appointed 3 March 2003)
Registered Office	La Rue Du Froid Vent St Saviour Jersey JE2 7LJ Channel Islands	
Accountants	PricewaterhouseCoopers Twenty Two Colomberie St Helier Jersey JE1 4XA Channel Islands	

WORKFORCE SOLUTIONS LIMITED (formerly Acorn Enterprises Limited)

Directors' Report For The Year Ended 31 December 2003

The directors present their report and the unaudited financial statements for the year ended 31 December 2003.

Directors' responsibilities for the financial statements

Directors are required by the Companies (Jersey) Law 1991 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the income or deficit for that period. In preparing these financial statements, the directors 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 company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

Principal activities

The income and expenditure account for the year is set out on page 5. The principal activity of the company, which is incorporated in Jersey as a charitable, tax exempt company wholly owned by the States of Jersey, is the provision of an agricultural workshop for people with learning difficulties.

Subsequent events

Subsequent to the year end, it is likely that the company will be included in a re-organisation of the Jersey Employment Trust's activities, who are the ultimate and immediate parent. While the activities of the company will continue, the legal structure surrounding those activities is likely to change, although the exact nature of these changes are yet unknown.

The directors believe that the assets and liabilities of the company are stated at their estimated recoverable amounts.

Dividends

The directors do not propose to pay a dividend.

Directors

The directors of the company are detailed on page 1.

**WORKFORCE SOLUTIONS LIMITED
(formerly Acorn Enterprises Limited)**

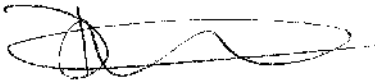
Secretary

The secretary of the company is detailed on page 1.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Registered office:

La Rue Du Froid Vent
St Saviour
Jersey
JE2 7LJ
Channel Islands

Secretary

30th September 2004.

**ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF WORKFORCE SOLUTIONS LIMITED
(formerly Acorn Enterprises Limited)**

On the basis of information supplied by you we have compiled the accompanying financial statements set out on pages 5 to 11 for the year ended 31 December 2003. You are solely responsible for this information. We have not audited or reviewed the financial statements and, accordingly, do not imply or express an opinion or any other form of assurance on them. Readers are cautioned that the financial statements may not be appropriate for their purposes.



PricewaterhouseCoopers
Chartered Accountants
Jersey CI

1 October 2004

WORKFORCE SOLUTIONS LIMITED
(formerly Acorn Enterprises Limited)
Income And Expenditure Account
For The Year Ended 31 December 2003

	Note	2003	2002
		£	£
Income			
Garden maintenance and landscaping		96,386	112,323
Stock sales		7,986	18,383
Shop sales		25,511	34,037
		129,883	164,743
Cost of sales		(31,152)	(39,028)
Net trading income		98,731	125,715
Expenditure			
Staff costs	2	408,737	321,465
Direct expenses	3	29,243	36,954
Administration expenses	4	33,234	21,056
Depreciation	5	10,797	7,128
Repairs and renewals		34,201	23,072
		516,212	409,705
Excess of expenditure over net trading income		(417,481)	(283,990)
Deposit interest		2,810	2,118
(Loss)/profit on disposal of fixed assets		-	1,500
Sundry non-operating income		3,602	2,866
Social Security Refund		5,362	-
Staff loan		-	(1,327)
Deficit for the year		(405,707)	(278,833)
Revenue grant	8	697,000	291,568
Net income for the year		291,293	12,733
Appropriated as follows:			
Excess grant recoverable by the Employment and Social Security Committee	8	291,293	12,733
Retained by the company	9	-	-
		291,293	12,733

Continuing operations: all the items dealt with in arriving at the net income from ordinary activities before taxation for 2003 and 2002 relate to continuing operations.

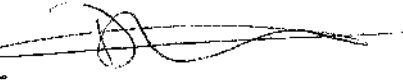
The company has no recognised gains and losses other than those included in the net income above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the net income from ordinary activities before taxation and the net income retained for the year stated above, and their historical cost equivalents.

WORKFORCE SOLUTIONS LIMITED
(formerly Acorn Enterprises Limited)
Balance Sheet As At 31 December 2003

	Notes	2003		2002	
		£	£	£	£
Fixed assets	5		21,087		17,050
Current assets					
Stock		420		398	
Trade debtors		13,614		11,585	
Other debtors		1,995		1,847	
Amount due from Oakfield Industries		1,000		1,000	
Prepayments		3,211		2,927	
Cash at bank		384,100		92,638	
		404,340		110,395	
Creditors: amounts falling due within one year	7	20,102		13,423	
		20,102		13,423	
Net current assets			384,238		96,972
Total assets less current liabilities			405,325		114,032
Creditors: amounts falling due after more than one year					
Employment and Social Security Committee	8		(343,551)		(52,258)
			61,774		61,774
Capital and reserves					
Called up share capital	10		9		9
Reserves	14		61,765		61,765
			61,774		61,774

The accounts on pages 5 to 11 were approved by the Board on 2004 and signed on their behalf by:

Director:

Director:

20 September 04

WORKFORCE SOLUTIONS LIMITED

(formerly Acorn Enterprises Limited)

Notes To The Financial Statements For The Year Ended 31 December 2003

1 Principal Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. A summary of the principal accounting policies is set out below.

Income

Income from contracted work is accounted for when the work is completed. Income from cash sales is credited on receipt.

Fixed assets and depreciation

Office and computer equipment and motor vehicles are depreciated over 5 years on a straight line basis.

Agricultural machinery and equipment are capitalised and fully written off in the year of purchase.

Expenditure on buildings is fully written off each year due to the nature of the buildings and the short term non-transferable nature of the lease.

All tools and similar equipment are written off in the year of purchase.

Capital grants

Capital grants received are deducted from the cost of the capital equipment purchased.

Revenue grants

Revenue grants are accounted for on an accruals basis.

Deposit interest

Interest on bank deposits is accounted for on a receivable basis.

Stock

Stock, which represents purchased materials and goods held for sale in the shop, is stated at the lower of cost and net realisable value. The costs of standing crops are expensed as incurred.

Cash flow statement

The company is exempt from producing a cash flow statement as required by Financial Reporting Standard 1 'Cash Flow Statements' on the grounds that it is a small company.

WORKFORCE SOLUTIONS LIMITED

(formerly Acorn Enterprises Limited)

Notes To The Financial Statements For The Year Ended 31 December 2003

(continued)

2 Staff Costs

	2003	2002
	£	£
Wages and salaries	401,464	319,523
Staff training	7,273	1,942
	<hr/>	<hr/>
	408,737	321,465

3 Direct Expenses

	2003	2002
	£	£
Supplies and chemicals	4,891	10,015
Heat, light and water	9,199	11,818
Motor vehicles expenses	5,024	1,372
Tools and equipment	7,105	10,475
Equipment hire	2,415	2,430
Freight charges	609	844
	<hr/>	<hr/>
	29,243	36,954

4 Administration Expenses

	2003	2002
	£	£
Printing, postage and stationery	2,173	2,603
Advertising	4,302	2,411
Telephone	6,418	2,567
Travel and entertainment	3,947	1,301
Insurance	7,709	4,097
Rent	663	2,181
Accountancy	2,500	2,598
Stock write-off	-	289
Sundry Expenses	5,522	3,039
	<hr/>	<hr/>
	33,234	21,086

Note: Included in the insurance payment above is the cover of an LDV minibus which was purchased during the year by Oakfield Industries Limited. The fixed asset and depreciation costs are included in the accounts of Oakfield. Running costs are split between the two companies on the basis of usage.

WORKFORCE SOLUTIONS LIMITED

(formerly Acorn Enterprises Limited)

Notes To The Financial Statements For The Year Ended 31 December 2003

(continued)

5 Fixed Assets

	Office and computer equipment	Leasehold Buildings	Motor vehicles	Agricultural machinery and equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2003	10,709	145,191	54,105	4,261	214,266
Additions	3,187	-	9,750	1,887	14,824
Disposals	-	-	-	-	-
At 31 December 2003	13,896	145,191	63,855	6,148	229,090
Depreciation					
At 1 January 2003	9,272	145,190	38,483	4,261	197,206
Disposals	-	-	-	-	-
Charge for the year	1,070	-	7,840	1,887	10,797
At 31 December 2003	10,342	145,190	46,323	6,148	208,003
Net book amounts					
At 31 December 2003	3,554	1	17,532	-	21,087
At 31 December 2002	1,437	1	15,622	-	17,060

6 Land and Buildings Occupied By The Company

The land and buildings are not reflected in the financial statements as the company only has the right to occupy the premises during its operational lifetime and title to the assets has been retained by the Education Committee/Environment Department on behalf of the Public of Jersey.

No rent is payable by the company to the States of Jersey as this would result in a corresponding increase in funding by the Employment and Social Security Committee of the States of Jersey. The company is, however, responsible for maintenance and repair costs.

7 Creditors

	2003	2002
	£	£
Trade creditors	1,526	309
Creditors – wages	12,856	8,052
Other creditors	5,720	3,084
Accruals	-	1,978
	20,102	13,423

WORKFORCE SOLUTIONS LIMITED

(formerly Acorn Enterprises Limited)

Notes To The Financial Statements For The Year Ended 31 December 2003 (continued)

8 Revenue Grant

The States of Jersey Employment and Social Security Committee has funded the continued operation of the company by means of a revenue grant, and they have indicated that they will continue to do so. The total grant voted by the Employment and Social Security Committee for the year to 31 December 2003 was £697,000. (2002 : £291,556).

The grant is paid by the Committee to meet the actual deficit incurred during the year. The Committee has confirmed that they will not seek repayment of the recoverable amount arising in 2002 and 2003 within the next twelve months or within the foreseeable future, however this amount has been included in creditors due after more than one year.

9 Reconciliation Of Movements In Equity Shareholders' Funds

	2003	2002
	£	£
Surplus for the financial year	-	-
Dividends	-	-
Net additions to equity shareholders' funds	-	-
Equity shareholders' funds at 1 January	61,774	61,774
Equity shareholders' funds at 31 December	61,774	61,774

10 Called Up Share Capital

(All equity capital)	2003 and 2002
	£
Authorised 10,000 shares of £1 each	10,000
Allotted and fully paid 9 shares of £1 each	9

WORKFORCE SOLUTIONS LIMITED

(formerly Acorn Enterprises Limited)

Notes To The Financial Statements For The Year Ended 31 December 2003

(continued)

11 Pension Scheme

Workforce Solutions Limited provides pension benefits to some of its employees through a defined benefit scheme known as the Public Employees Contributory Retirement Scheme (PECRS). PECRS is a group scheme, details of which are given in the financial statements of The States of Jersey. Contributions to the scheme amounted to £ Nil (2002: £Nil). Since the company is unable to identify its share of the underlying assets and liabilities of the Scheme, under Financial Reporting Standard 17 (FRS 17), contributions to the scheme will be accounted for as if they were contributions to a defined contribution scheme. As at 31 December 2003, the scheme had a deficit disclosed for FRS 17 purposes of £274 million. Funding of the deficit is undergoing negotiations, the resolution of which is unknown at this point.

12 Related Party Transactions

The ultimate and controlling party is the States of Jersey which sponsors the Jersey Employment Trust ('JET') which is the parent company of both Workforce Solutions Limited and Oakfield Industries Limited.

During the year Workforce Solutions Limited have benefited from the use of assets owned by other companies within JET, namely an LDV van (cost £5,400) owned by Oakfield Industries.

13 Taxation

The company is not subject to taxation as it was established as a charitable, tax exempt company by an Act of the States of Jersey.

14 Reserves

	Profit and loss account £
At 1 January 2002	61,765
Surplus for the year	-
At 31 December 2003	61,765

15 Subsequent Events

Subsequent to the year end, it is likely that the company will be included in a re-organisation of the Jersey Employment Trust's activities, who are the ultimate and immediate parent. While the activities of the company will continue, the legal structure surrounding those activities is likely to change, although the exact nature of these changes are as yet unknown.