STATES OF JERSEY

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OAKFIELD INDUSTRIES LIMITED: ANNUAL REPORT 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

OAKFIELD INDUSTRIES LIMITED

Directors	Senator Paul Routier	(appointed 6 July 2000)
	Deputy Ben Fox	(appointed 3 March 2003)
	Deputy Celia Scott-Warren	(appointed 3 March 2003)
	Miss Gill Curtis MBE	(appointed 16 October 2000)
	Mr John Boothman - Chairman	(appointed 16 October 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

Auditors

PricewaterhouseCoopers
Twenty Two Colomberie
St Helier
Jersey
Channel Islands
JE1 4XA

OAKFIELD INDUSTRIES LIMITED

Directors' report for the year ended 31 December 2003

The directors present their report and the audited 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 enable them 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 a sheltered workshop for people with physical disabilities.

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.

Secretary

The secretary of the company is detailed on page 1.

OAKFIELD INDUSTRIES LIMITED

Directors' report for the year ended 31 December 2003

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

Secretary

30th September 2004

Registered office:

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

PRICEWATERHOUSECOOPERS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAKFIELD INDUSTRIES LIMITED

We have audited the financial statements which comprise the income and expenditure account, the balance sheet and the related notes

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Jersey law and United Kingdom accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 110 of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 of the state of the company's affairs at 31 December 2003 and of its loss for the year then ended in accordance with United Kingdom accounting standards and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants
Jersey, Channel Islands

1 October 2004

OAKFIELD INDUSTRIES LIMITED

Income and expenditure account
for the year ended 31 December 2003

	Note	2003 £	2003 £	2002 £	2002 £
Income					
Cycles		63,712		71,850	
Printing and photocopying		-		1,324	
French polishing		11,030		23,783	
Picture framing		78		629	
Furniture sales		203		-	
Sundry income		1,505		1,051	
			76,528		98,637
Cost of sales			(35,241)		(43,312)
Gross profit			41,287		55,325
Expenditure					
Staff costs	2	139,269		156,377	
Depreciation	5	7,920		7,359	
Direct expenses	3	2,895		2,854	
Administration expenses	4	17,353		17,889	
Repairs and maintenance		3,976		3,167	
			171,413		187,646
Excess of expenditure over operating income			(130,126)		(132,321)
Interest income			875		1,754
Profit on disposal of motor vehicles			-		1,000
Deficit for the year			(129,251)		(129,567)
Revenue grant receivable	6	150,000		157,889	
Revenue grant payable	13	-		(42,500)	
			150,000		115,389
Grant recoverable by the Employment and Social Security Committee			20,749		(14,178)
Balance brought forward	6		33,400		47,578
Balance carried forward	6		54,149		33,400

Continuing operations: all the items dealt with in arriving at the net (deficit) 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 (deficit) above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no different between the net (deficit) from ordinary activities before taxation and the net (deficit) retained for the year stated above, and their historical cost equivalents.

OAKFIELD INDUSTRIES LIMITED

Balance sheet as at 31 December 2003

	Note	2003		2002	
		£	£	£	£
Fixed assets	5		**22,895**		21,108
Current assets					
Stock	8	**12,902**		16,667	
Debtors	9	**1,671**		691	
Cash at bank and in hand		**52,323**		29,618	
		66,896		46,976	
Creditors: amounts falling due within one year					
Creditors	10	**7,164**		5,810	
Social Security contributions payable		**3,659**		4,055	
Amount due to Acorn Enterprises		**1,000**		1,000	
		11,823		10,865	
Net current assets			**55,073**		36,111
Total assets less current liabilities			**77,968**		57,219
Creditors: amounts falling due after more than one year					
Due to the Employment and Social Security Committee	6		**(54,149)**		(33,400)
			23,819		23,819
Capital and reserves					
Called up share capital	12		**9**		9
Reserves			**23,810**		23,810
Equity shareholders' funds	11		**23,819**		23,819

The financial statements on pages 5 to 10 were approved by the Board on 2004 and signed on their behalf by:

Director:

30 September 04

OAKFIELD INDUSTRIES 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.

Depreciation

Assets are depreciated on a straight line basis over their estimated useful economic lives, which are as follows:

Plant and machinery	7 years
Computer equipment	5 years
Office equipment	10 years
Motor vehicles	5 years
Office improvements	20 years

Stock

Second hand bicycles are stated at directors' valuation. Other stock lines are valued at the lower of cost and net realisable value.

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.

2 Staff costs

	2003	2002
	£	£
Wages and salaries	138,340	153,582
Staff training	929	2,795
	139,269	156,377

3 Direct expenses

	2003	2002
	£	£
Transport	1,979	1,361
Heat, light and water	916	1,493
	2,895	2,854

OAKFIELD INDUSTRIES LIMITED

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

4 Admin expenses

	2003	2002
	£	£
Accounting	**3,915**	1,151
Advertising	**1,508**	3,808
Bank interest and charges	**568**	633
Insurance	**1,930**	2,283
Stock Write off – Second hand bicycles	**140**	438
Other	**9,292**	9,576
	17,353	17,889

5 Fixed Assets

	Plant and machinery	Computer Equipment	Office equipment	Motor vehicles	Office improvements	Total
	£	£	£	£	£	£
Cost						
At 1 January 2003	81,056	25,760	21,564	22,440	10,608	161,428
Additions for the year	-	900	-	-	8,807	9,707
Disposals	-	-	-	-	-	-
At 31 December 2003	**81,056**	**26,660**	**21,564**	**22,440**	**19,415**	**171,135**
Depreciation						
At 1 January 2003	80,849	21,573	19,913	10,992	6,993	140,320
Disposals	-	-	-	-	-	-
Charge for the year	41	1,387	1,032	4,488	972	7,920
At 31 December 2003	**80,890**	**22,960**	**20,945**	**15,480**	**7,965**	**148,240**
Net book amounts						
At 31 December 2003	**166**	**3,700**	**619**	**6,960**	**11,450**	**22,895**
At 31 December 2002	207	4,187	1,651	11,448	3,615	21,108

Note: The addition of an LDV minibus during 2002 by Oakfield was for the use of both Oakfield Industries Limited and Workforce Solutions Limited (formerly Acorn Enterprises Limited). The fixed asset and depreciation costs are included in the Oakfield accounts and the insurance costs are reflected in the Workforce accounts. Running costs are split between the two companies on the basis of usage.

6 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 has indicated that will continue to do so. The total grant voted by the Employment and Social Security Committee for the year to 31 December 2003 was £150,000. (2002 : £157,889).

The grant is paid by the Committee to meet the actual deficit incurred during the year. The Committee has confirmed that it 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.

OAKFIELD INDUSTRIES LIMITED

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

7 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 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.

8 Stock

	2003	2002
	£	£
New bicycles valued at cost	6,830	9,745
Second hand bicycles at directors' valuation	2,170	2,365
Cycle spares	3,852	4,017
Printing and paper	-	-
French polish	50	540
Other stock lines	-	-
	12,902	16,667

9 Debtors

	2003	2002
	£	£
Amounts falling due within one year:		
Prepayments and accrued income	340	296
Trade debtors	1,331	395
	1,671	691

10 Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	1,508	1,550
Other creditors	2,656	2,174
Accruals	3,000	2,086
	7,164	5,810

OAKFIELD INDUSTRIES LIMITED

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

11 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	23,819	23,819
Equity shareholders' funds at 31 December	23,819	23,819

12 Called Up Share Capital

	2003	2002
Equity Share Capital	£	£
Authorised		
5,000 Ordinary shares of £1 each	5,000	5,000
Issued and fully paid		
9 Ordinary shares of £1 each issued at par	9	9

13 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 Oakfield Industries Limited and Workforce Solutions Limited (formerly Acorn Enterprises Limited).

£42,500 of the grant received from the Employment and Social Security Department was paid from Oakfield to JET during 2002, there was no such payment to JET during 2003.

Other companies within JET have benefited from the use of assets owned by Oakfield Industries during the year, namely an LDV van (cost £5,400) used by Workforce Solutions Limited (formerly Acorn Enterprises Limited).

14 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.

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.