

STATES OF JERSEY



THE JERSEY EMPLOYMENT TRUST: FINANCIAL STATEMENTS AT 31ST DECEMBER 2004

**Presented to the States on 22nd November 2005
by the Employment and Social Security Committee**

STATES GREFFE

THE JERSEY EMPLOYMENT TRUST

FINANCIAL STATEMENTS

31 DECEMBER 2004

LE ROSSIGNOL, SCOTT WARREN AND COMPANY
CHARTERED ACCOUNTANTS

Thomas Edge House
Tunnell Street
St. Helier
Jersey JE2 4LU

THE JERSEY EMPLOYMENT TRUST

**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004**

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JERSEY EMPLOYMENT TRUST

2004 Chairman's Annual Report

I am pleased to present the consolidated accounts of the Jersey Employment Trust for the year ended 31st December 2004.

Financials. The financial results of our principal operating companies Workforce Solutions Limited (WSL) and Oakfield Industries Limited (OIL) were broadly in line with expectations and comparable to those recorded in the previous year. WSL improved its overall income from £110,505 in 2003 to £119,426 in 2004. However, costs (and in particular wages and salaries, following a review of comparable local pay levels) rose more rapidly and the net loss for the year increased from £405,707 to £484,505. OIL also increased its income (from £42,162 to £50,279) and expenditure fell slightly, so that the net loss was reduced from £129,251 to £116,917. The Trust itself received States grants during the year totalling £520,000 (2003: £847,000) which were disbursed in full to the operating companies; there was additional Trust income of £10,252 representing bank deposit interest and apart from the disbursements there were no expenses.

Business. 2004 was a year of mixed fortunes. The contract gardening service remained very popular and was fully booked throughout the gardening season. This is an excellent programme for both training and rehabilitation, which confers useful skills as well as teaching work ethics. The nursery was adversely affected by the difficult trading conditions affecting the whole horticultural industry, although it continues to provide a cost-effective form of work experience and useful preparation for open employment. The launch of the wood recycling scheme whereby salvaged timber is de-nailed, cleaned, planed and cut to length represents an exciting new venture which could have significant environmental benefits. The Island Wood carpentry workshop operates under the aegis of Health and Social Security but there are useful synergies with our French polishing operation. In 2004 we employed a skilled part-time carpenter and joiner to undertake training and development work for our clients. The Sunflower Nursery pilot came to an end in October and those clients who wished to do so transferred to Acorn. Cycle sales and repairs were mostly steady despite increased competition from other cycle outlets.

Client data. During 2004 we dealt with a total of 99 clients, three of whom were placed into full-time open employment. A total of 53 clients were referred to us for help from a wide range of sources including Adult Mental Health, the Adult Social Work Team, the Alcohol and Drug Service, the Brain Injury Service and the Community Network Team. Although the small number of permanent job placements is disappointing, we did succeed in arranging 36 outside work experience placements at a range of organisations both commercial and States-run.

Training, development and placement. We ran a total of 12 training courses in 2004 and most of our clients participated in at least one. The recruitment by the Trust of its own occupational therapist enabled us to run greatly enhanced assessment panels and review meetings, and to improve our links with other agencies, to our clients' advantage. The monthly meetings arranged with the MENCAP self-advocacy officer ran throughout the year and provided a valuable service for clients with learning difficulties. Highlands have been extremely supportive and we have run a number of social, educational and work-related courses through them. The Skill Solutions programme was set up to bring together the job-finding activities of the Trust with those of three other agencies, Workwise, Jobscope and Interwork. We have also worked closely with Interwork, a Health and Social services programme whose remit is to find open and supported work placements for people with a learning difficulty and to continue to provide post-placement support. The intention is to integrate Interwork fully into the Trust so as to offer an efficient and coordinated service for all disability groups (as well as reducing the number of organisations approaching employers). In a difficult jobs market we recognise the importance of giving maximum impetus to placement initiatives if we are to improve our performance in this area.

Premises. Our existing premises, especially on the Highlands campus, have long been inadequate in terms of both facilities and space. After an exhaustive trawl through the various alternatives, the Trust Board took the decision in principle to redevelop the existing building at Oakfield. This project will be less complex and more affordable than the proposed move to the Uoward Davis Farm site as well as preserving our proximity to the valuable training resources provided by Highlands. The development will give us a modern multifunctional building housing a mix of workshops, retail, office and educational areas. The indicative budget for the redevelopment is £600,000 and the target completion date is January 2006.

Looking ahead. We face fresh challenges in 2005 as the long-awaited employment legislation comes into force, while changes to the invalidity benefits regime are expected to lead to a significant increase in demand for our services. The process of appointing a new executive officer to replace Suzie Le Brocq who left at the end of 2003 has proved much more protracted than we expected, but Jocelyn Butterworth has recently joined us in this role and brings with her from the UK many years' experience of dealing with employment provision for people with special needs. I wish her every success in her new assignment. At the same time, the lack of an executive officer throughout 2004 and the increasing challenges faced by the Trust placed many demands on our existing staff, who responded to them with energy and enthusiasm. I would especially like to mention Steve Pearce, Siobhan O'Connor, Mark Bingle, Amanda Webster, who left in October, and Mick Hamon and his team. My thanks to them all.

John Boothman
April 2005

THE JERSEY EMPLOYMENT TRUST

NOTES ON THE TRUST

MEMBERS

Mr John Boothman - Chairman
Senator Paul Routier
Deputy Ben Fox
Deputy Celia Scott-Warren
Miss Gill Curtis MBE
Mr David West
Mr Mike Berry

BUSINESS ADDRESS

Oakfield
La Rue du Froid Vent
St Saviour
Jersey JE2 7LJ

THE JERSEY EMPLOYMENT TRUST ("JET")

JET was set up on behalf of the States of Jersey, and incorporated by the Royal Court on 1st March 2002 "to co-ordinate action and services for people with disabilities currently provided by the Employment and Social Security, Health and Social Services, and Education Committees." (P16/2000)

The Board of Trustees consists of an independent chair, three States members (nominated on behalf of the Employment and Social Security, Health and Social Services, and Education Committees), a person with first hand experience of living with a disability, and two representatives from the local business community.

OBJECTS OF THE TRUST

To co-ordinate, promote and facilitate the development of appropriate employment and training options for people with special needs and to assist them to obtain appropriate supported open employment.

To provide employment and vocational training for persons in the Island with special needs.

To define and ensure the introduction and utilisation of consistent policies, organisational structures, management systems and employment practices in all training and work provisions for those persons with special needs in the Island.

ACCOUNTANTS

JE ROSSIGNOL, SCOTT WARREN AND COMPANY
CHARTERED ACCOUNTANTS
Thomas Edge House
Tunnell Street
St. Helier
Jersey JE2 4LU

AUDITORS

BESTWICK, BONE & ALLBUTT
Beachside Business Centre
La Rue du Hocq
St Clement
Jersey JE2 6LF

NOTE

This summary is intended purely as an aide memoire.
Reference should be made to the relevant Trust documents for
any matters requiring detailed consideration.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF
THE JERSEY EMPLOYMENT TRUST

We have audited the financial statements of The Jersey Employment Trust for the year ended 31 December 2004 set out on pages 6 to 8. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the Trust's members. Our audit work has been undertaken so that we might state to the members 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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and auditors

The Trust's members are responsible under the Constitution of their Association for the preparation of the financial statements in accordance with applicable law and relevant 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. We also report to you if, in our opinion, the Chairman's Report is not consistent with the financial statements, if the Trust has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We read the Chairman's 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 Members 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 of the state of the Trust's affairs as at 31 December 2004 and of its net income for the year then ended and have been properly prepared.

Bestwick Bone & Allbut

Bestwick, Bone & Allbut

Chartered Accountants & Registered Auditors

Beachside Business Centre, Rue du Hocq, St. Clement,

Jersey, Channel Islands, JE2 6LF.

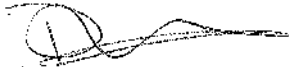
22nd June 2005


THE JERSEY EMPLOYMENT TRUST

BALANCE SHEET AS AT 31 DECEMBER 2004

	<u>Notes</u>	£	<u>2004</u> £
Fixed assets			
Investments	2		18
Current assets			
Cash at bank		<u>200,701</u>	
Net current assets			<u>200,701</u>
Total assets less current liabilities			200,719
Creditors: amounts due after one year			
Loan payable	3		<u>190,467</u>
Total net assets			<u><u>10,252</u></u>
 Represented by:			
Income account			<u>10,252</u> <u>10,252</u>

The accounts were approved by the Members on13/04/2005.....
and were signed on their behalf by:


.....
Member


.....
Member

The notes on pages 11 to 12 form an integral part of these accounts.

THE JERSEY EMPLOYMENT TRUST

**INCOME ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004
		£
Income		
Employment and Social Security Committee grant		520,000
Bank interest received		<u>10,252</u>
		530,252
Expenses		
Grant paid to Workforce Solutions Limited	100,000	
Grant paid to Workforce Solutions t/as Acorn	300,000	
Grant paid to Oakfield Industries Limited	<u>120,000</u>	
		<u>520,000</u>
Net income for the year		<u>10,252</u>
Balance brought forward		<u>-</u>
Balance carried forward		<u><u>10,252</u></u>

There is no difference between the losses shown above and their historic cost equivalent.

There are no recognised gains or losses other than as disclosed above.

There have been no discontinued activities or acquisitions in the current or preceding accounting period.

The notes on pages 11 to 12 form an integral part of these accounts.

THE JERSEY EMPLOYMENT TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

1. Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with the Statement of Channel Islands Accounting Practice except where otherwise stated.

The principal accounting policies adopted by the company are set out below.

Consolidation

Previous to 1 January 2004, the results of the trust were consolidated with its subsidiary, Workforce Solutions Limited. The creation of a separate set of financial statements has resulted in no comparative figures being available for The Jersey Employment Trust.

Revenue grants

Revenue grants are accounted for on an accruals basis.

Deposit interest

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

Investments

Investments are included in the accounts at cost unless there is evidence of a permanent diminution in value when they are written down to the estimated recoverable amount.

2. Investments

	<u>2004</u>
	£
Unquoted investments:	
Workforce Solutions Limited	9
Oakfield Industries Limited	<u>9</u>
	<u>18</u>

The Jersey Employment Trust owns 100% of the issued share capital of Workforce Solutions Limited, a Jersey incorporated company. Workforce Solutions Limited is the provider of an agricultural workshop for people with learning difficulties.

The Jersey Employment Trust owns 100% of the issued share capital of Oakfield Industries Limited, a Jersey incorporated company. Oakfield Industries Limited is the provider of a sheltered workshop for people with physical or learning disabilities.

3. Loan payable

	<u>2004</u>
	£
Workforce Solutions Limited	<u>190,467</u>

This loan is interest free, unsecured and has no specified date of repayment.

THE JERSEY EMPLOYMENT TRUST

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

4. Revenue grant

The States of Jersey Employment and Social Security Committee has funded the continued operation of the Trust and its subsidiaries by means of a revenue grant and has indicated that it will continue to do so. The total grant voted by the Employment and Social Security Committee for the year to 31 December 2004 was £520,000.

5. Ultimate controlling party

The ultimate and controlling party is the States of Jersey which sponsors the Jersey Employment Trust.

THE JERSEY EMPLOYMENT TRUST

CONSOLIDATION SCHEDULE - INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2004

	JET	Workforce	Oakfield	Total
	£	£	£	£
Sales	-	125,195	93,114	218,309
Cost of Sales	-	(19,321)	(44,425)	(63,746)
Gross Profit	-	105,874	48,689	154,563
Other Income	10,252	13,552	1,590	25,394
	10,252	119,426	50,279	179,957
Expenses				
Wages and Salaries	-	489,669	138,982	628,651
Staff Training	-	3,953	-	3,953
Rent and Rates	-	545	-	545
Heat, Light and Water	-	6,081	1,544	7,625
Insurance	-	7,480	2,158	9,638
Telephone	-	3,159	1,887	5,046
Office Expenses	-	2,737	1,353	4,090
Advertising	-	6,757	2,015	8,772
Printing, Postage and Stationery	-	5,044	107	5,151
Repairs and Renewals	-	23,668	971	24,639
Tools and Equipment	-	1,309	-	1,309
Supplies and Chemicals	-	3,704	-	3,704
Transport	-	14,005	2,157	16,162
Travel and Entertaining	-	2,742	35	2,777
Freight Charges	-	528	-	528
Food Provision	-	187	-	187
Cleaning	-	1,404	1,117	2,521
Dues and Subscriptions	-	1,622	-	1,622
Audit and Accountancy	-	2,775	4,646	7,421
Legal and Professional Fees	-	2,922	-	2,922
Hire of Equipment	-	881	-	881
Bank Charges	-	58	694	752
Sundry Expenses	-	2,900	127	3,027
Depreciation	-	20,801	9,403	30,204
Profit on Sale of Fixed Assets	-	(1,000)	-	(1,000)
	-	603,931	167,196	771,127
	10,252	(484,505)	(116,917)	(591,170)
Balance Brought Forward	-	61,765	23,810	85,575
	10,252	(422,740)	(93,107)	(505,595)
Revenue Grant Receivable	-	400,000	120,000	520,000
Transfer to Deferred Income	-	84,505	(3,083)	81,422
Balance Carried Forward	£ 10,252	£ 61,765	£ 23,810	£ 95,827

THE JERSEY EMPLOYMENT TRUST

CONSOLIDATION SCHEDULE - BALANCE SHEET
FOR THE YEAR ENDED 31ST DECEMBER 2004

	JET	Workforce	Oakfield	Consolidation	Total
	£	£	£	Adjust.	£
Fixed Assets					
Tangible Fixed Assets	-	18,328	13,493	-	31,821
Investments	18	-	-	18	-
Loans Receivable	-	190,467	-	190,467	-
	18	208,795	13,493	190,485	31,821
Current Assets					
Stock	-	500	14,245	-	14,745
Short Term Loans	-	1,000	-	1,000	-
Debtors	-	10,391	557	-	10,948
Cash at Bank	200,701	118,828	59,851	-	379,380
	200,701	130,719	74,653	1,000	405,073
Creditors: Amounts Due Within One Year					
Creditors and Accruals	-	18,693	2,242	-	20,935
Social Security Contributions Payable	-	-	3,853	-	3,853
Amount Due to Acorn Enterprises	-	-	1,000	(1,000)	-
	-	18,693	7,095	(1,000)	24,788
Net Current Assets	200,701	112,026	67,558	-	380,285
Total Assets less: Current Liabilities	200,719	320,821	81,051	190,485	412,106
Creditors: Amounts Due After One Year					
Loan Payable	190,467	-	-	(190,467)	-
Deferred Income	-	259,047	57,232	-	316,279
	190,467	259,047	57,232	(190,467)	316,279
Total Net Assets	£10,252	£ 61,774	£23,819	£ 18	£ 95,827
Capital and Reserves					
Share Capital	-	9	9	(18)	-
Income and Expenditure Account	10,252	61,765	23,810	-	95,827
	£10,252	£ 61,774	£23,819	£ (18)	£ 95,827