

STATES OF JERSEY



JERSEY DENTAL SCHEME: ANNUAL REPORT FOR THE YEAR ENDED 31ST DECEMBER 2004

**Presented to the States on 6th September 2005
by the Employment and Social Security Committee**

STATES GREFFE

THE STATES OF JERSEY DENTAL SCHEME

(Established by Act of the States of Jersey on 18th June 1991)

| | |
|----------------------------|---|
| BOARD OF MANAGEMENT | Mr. M. Touzel (Chairman) (Appointed 1st April 2004) Miss J. Waddell Mr. M. Cassidy Ms. Milner Mr. J. Wood |
| SECRETARY | Mr. J. Sowerby |
| REGISTERED OFFICE | P.O. Box 699 St. Helier Jersey JE4 0PD Channel Islands |
| AUDITORS | PricewaterhouseCoopers C.I. L.L.P. Twenty-Two Colomberie St. Helier Jersey JE1 4XA Channel Islands |

THE STATES OF JERSEY DENTAL SCHEME

Chairman's Statement

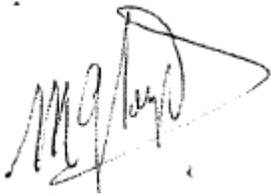
Membership established in 2004 standing at 1,363 at 31st December, a slight fall from 1,382 at 31st December 2003. The Family Income threshold for membership qualification was increased to £36,060, with effect from 1st October 2004.

The Board recognised that the Jersey Dental Fitness Scheme was not immune from the current financial pressures facing the Island. A strategy was formulated to take into account of the pressure on budgets with certain changes implemented during the year.

The Clinical audit was moved from an annual to a tri-annual cycle: the next audit will now take place in 2006. To reflect this change the audit, when undertaken, will be more comprehensive, but the overall cost is reduced. A review of the administration workload identified efficiency savings, which have resulted in a reduction in the Scheme's administration costs, from November 2004 onward.

A joint effort to publicise the benefits of Scheme membership direct to parents with the assistance of education staff at a secondary school, proved successful, with new members being recruited directly. The aim is to roll out this programme to other secondary schools on the Island throughout 2005.

The Scheme continues to provide excellent value and support to young people towards the cost of good dental health. My thanks go to the affiliated Dentists, and to the Members' parents for all their contributions throughout 2004 without which the Scheme would not be so successful. In addition, my thanks go to my fellow Board members who supported me since my appointment in April 2004.



M. Touzel

April 2005

Chairman

THE STATES OF JERSEY DENTAL SCHEME

Statement of the Board of Management and Treasurer's Responsibilities in respect of the Financial Statements

The Act of the States of Jersey establishing the Dental Scheme requires the Board of Management and the Treasurer of the Scheme to prepare financial statements which show a true and fair view of the state of the Scheme's affairs at the end of the year and of the surplus or deficit of the Scheme for the year then ended.

In preparing the financial statements the Board of Management and the Treasurer of the Scheme 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; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Scheme will continue to operate.

The Board of Management is responsible for causing proper accounting records to be kept which disclose with reasonable accuracy at any time the financial position of the Scheme.

The Board of Management is also responsible for safeguarding the assets of the Scheme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF MANAGEMENT FOR THE STATES OF JERSEY DENTAL SCHEME

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

Respective responsibilities of Board of Management and Auditors

The Board of Management and the Treasurer of the Scheme's responsibilities for preparing the annual report and the financial statements are set out in the statement of Board of Management and Treasurer's responsibilities.

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 Board's members as a body 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. We also report to you if, in our opinion, the Scheme 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 chairman's statement.

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 scheme's affairs at 31st December 2004 and of its surplus for the year then ended in accordance with United Kingdom accounting standards.

PricewaterhouseCoopers C.I. L.L.P.
Chartered Accountants
Jersey, Channel Islands

PricewaterhouseCoopers C.I. LLP
14/5/05 2005

THE STATES OF JERSEY DENTAL SCHEME

Income and Expenditure Account for the year ended 31st December 2004

| | <i>Notes</i> | <u>2004</u> | <u>2003</u> |
|--|--------------|-----------------|-----------------|
| | | £ | £ |
| Income | | | |
| Members' subscriptions | 4 | 67,475 | 60,944 |
| Subsidy | 4 | 94,200 | 79,354 |
| Administration grant | 5 | 30,000 | 39,558 |
| Bank interest | | 447 | 33 |
| | | <hr/> 192,122 | <hr/> 179,889 |
| Expenditure | | | |
| Payments to dentists | 4 | 160,766 | 155,307 |
| Administrative expenses | | | |
| Administration | 6 | 26,837 | 27,350 |
| Advertising | | 331 | 286 |
| Printing, postage and stationery | | 370 | 973 |
| Audit and accountancy | | 1,130 | 1,090 |
| Secretarial | | – | 125 |
| Telephone | | 883 | 941 |
| Dental audit | | – | 2,902 |
| Bank charges | | 1,207 | 1,116 |
| | 5 | <hr/> 30,758 | <hr/> 34,783 |
| Total expenses | | <hr/> (191,524) | <hr/> (190,090) |
| Surplus/(deficit) of income against expenditure | | 598 | (10,201) |
| Surplus brought forward | | 77 | 10,278 |
| Surplus carried forward | | <hr/> 675 | <hr/> 77 |

There are no recognised gains and losses other than those included in the Income and Expenditure account above and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 8 and 9 form part of these financial statements.

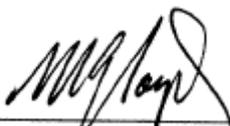
THE STATES OF JERSEY DENTAL SCHEME

Balance Sheet as at 31st December 2004

| | <i>Notes</i> | <u>2004</u> £ | <u>2003</u> £ |
|--|--------------|------------------|------------------|
| Current assets | | | |
| Cash at bank | | 34,220 | 32,593 |
| Creditors (amounts falling due within one year) | 7 | (33,545) | (32,516) |
| Net current assets | | 675 | 77 |
| Total assets less current liabilities | | 675 | 77 |
| Accumulated fund | | | |
| Accumulated surplus | | 675 | 77 |

Approved by the Board of Management on

and signed on their behalf by



M. Touzel

Chairman

The notes on pages 8 and 9 form part of these financial statements.

THE STATES OF JERSEY DENTAL SCHEME

Notes to the Financial Statements for the year ended 31st December 2004

1. Principal Accounting Policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Income and Expenditure

All income and expenditure is accounted for on an accruals basis.

2. Cash Flow

The scheme is exempt from producing a cash flow statement as required by the Financial Reporting Standard No. 1 'Cash Flow Statements', on the grounds that it is a small entity.

3. Tax

The scheme is exempt from paying tax.

4. Subscription Income

| | 2004 £ | 2003 £ |
|---|-----------|-----------|
| Members' subscriptions | 67,475 | 60,944 |
| Subsidy from the Employment and Social Security Committee | 94,200 | 79,354 |
| | <hr/> | <hr/> |
| | 161,675 | 140,298 |
| | <hr/> | <hr/> |
| Amounts paid to dentists | (160,766) | (155,307) |
| | <hr/> | <hr/> |
| | 909 | (15,009) |
| | <hr/> | <hr/> |

5. Administration Grant

An annual grant is received from the Employment and Social Security Committee to allow payment of administrative expenses.

| | 2004 £ | 2003 £ |
|-------------------------|-----------|-----------|
| Grant received | 30,000 | 39,558 |
| Administrative expenses | (30,758) | (34,783) |
| | <hr/> | <hr/> |
| | (758) | 4,775 |
| | <hr/> | <hr/> |

THE STATES OF JERSEY DENTAL SCHEME

Notes to the Financial Statements for the year ended 31st December 2004 (continued)

6. Administration Charge

CDP Sigma receives a fixed monthly payment of £1,350, decreased to £1,150 in November 2004. Additionally £0.701 (amended from £0.673 on 1st November 2003) is paid per month for each scheme member.

7. Creditors (Amounts falling due within one year)

| | 2004 | 2003 |
|-------------------------------|--------|--------|
| | £ | £ |
| States' subsidy prepaid | 7,446 | 846 |
| Amounts due to dentists | 13,493 | 12,763 |
| Subscriptions paid in advance | 9,377 | 13,041 |
| Amounts due to CDP Sigma | 2,129 | 4,821 |
| Accruals | 1,100 | 1,045 |
| | <hr/> | <hr/> |
| | 33,545 | 32,516 |

8. Related Party Transactions

During the year the scheme received subsidies totalling £94,200 (as detailed in note 4) and an administration grant of £30,000 (as detailed in note 5) from the Department of Employment and Social Security.

9. Ultimate Controlling Party

The ultimate controlling party is the States of Jersey Department of Employment and Social Security.