

THE JERSEY EMPLOYMENT TRUST
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2022

THE JERSEY EMPLOYMENT TRUST
REPORT AND FINANCIAL STATEMENTS

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THE JERSEY EMPLOYMENT TRUST

Officers and professional advisors

Incorporation	Jersey, Channel Islands 1st March 2002
Trustees	Helen Ruelle (Chairperson) Stephanie De La Cour Christopher Leck Carl Howarth (resigned on 18 October 2022) Nichola Withe (resigned on 28 April 2022) Lorna Pestana Matthew Tabb Jason Laity Daniel Perkins (appointed on 25 January 2023)
Secretary	Christopher Leck
Headquarters	The Oakfield Building La Rue du Froid Vent St Saviour Jersey JE2 7LJ
Independent auditors	PKF BBA Audit & Assurance Limited

THE JERSEY EMPLOYMENT TRUST

Trustees' Report for the Year Ended 31 December 2022

The Trustees present their report and the audited financial statements for the year ended 31 December 2022.

Principal activities and objectives

The Jersey Employment Trust supports and enables individuals who would otherwise struggle to overcome barriers to employment to access employment on the Island. The principle activity of the Trust is to hold charitable assets utilised in the operations of the Trust, along with making grants to Employ Jersey (JET) Limited to provide employment, training and support services for people with a disability and/or long-term health conditions.

The Trust has five strategic objectives set out in its Business Plan 2020 - 2023 namely:

- Maximise and promote our client's potential capacity to move towards employment;
- Provide a quality, professional recruitment and information service for employers;
- Contribute to the wider Jersey community and develop sustainable environmental projects for our
- Maintain effective governance, quality premises and resources which are fit for purpose in the future whilst strengthening our financial position to meet growing demand for our services; and
- Enhance our working environment to ensure staff feel valued and have rewarding careers.

Quantitative and qualitative measures are employed to monitor the fulfilment of these objectives and formal appraisal is undertaken by the Board of Trustees at least 6 monthly.

Trustees

The membership of the Board of Trustees throughout the year ended 31 December 2022 is set out as below. The Trustees do not receive any remuneration and provide their services on a voluntary basis.

Helen Ruelle (Chairperson)

Stephanie De La Cour

Christopher Leck

Carl Howarth (resigned on 18 October 2022)

Nichola Withe (resigned on 28 April 2022)

Lorna Pestana

Matthew Tabb

Jason Laity

Daniel Perkins (appointed on 25 January 2023)

Trustees' Responsibilities

The Trustees are responsible for preparing the Trust's annual report and financial statements in accordance with applicable laws and regulations.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

THE JERSEY EMPLOYMENT TRUST

Trustees' Report for the Year Ended 31 December 2022 (continued)

Trustees' Responsibilities (continued)

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust.

The Trustees are responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- to the best of their knowledge, there is no relevant audit information of which the auditors are unaware; and
- they have taken all steps they ought to have taken in order to make themselves aware of any relevant audit information to establish that the Charity's auditors are aware of that information.

This report was approved by the Trustees on
and signed on their behalf, by;

17th May 2023

Trustee



CHRISTOPHER DAVID LECK

Independent auditor's report to the trustees of The Jersey Employment Trust for the year ended 31 December 2022

Opinion

We have audited the financial statements of The Jersey Employment Trust (the 'trust') for the year ended 31 December 2022 which comprise the Income and Expenditure Account, the Balance Sheet and the Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 December 2022 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the engagement letter requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

The trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the trust financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these trust financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the trust through enquiry of management, review of trustee board minutes, industry research and the application of cumulative audit knowledge. We identified the following principal laws and regulations relevant to the trust:

- Charities (Jersey) Law 2014
- United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

We developed an understanding of the key fraud risks to the trust (including how fraud might occur), the controls in place to help mitigate those risks, and the accounts, balances and disclosures within the financial statements which may be susceptible to management bias. Our understanding was obtained through review of the financial statements for significant accounting estimates, analysis of journal entries, walkthrough of the key control cycles in place and enquiry of management.

Our procedures to respond to those risks identified included, but were not limited to:

- Identifying and assessing the design of key controls implemented by management to prevent and detect fraud;
- Enquiry of management and those charged with governance;
- Performance of analytical procedures to identify unusual relationships which may indicate a risk of fraud or an irregularity;
- Review of board minutes
- Journal entry testing - including analysis of the general ledger to identify entries deemed to represent a higher risk of fraud or error; and
- Assessment of the reasonableness of judgements made by management in significant accounting estimates.

The inherent limitations of an audit mean that there will always be a risk that irregularities will go undetected, including those which may ultimately lead to a material misstatement. This risk is considered greater where an irregularity results from fraud including misrepresentation, collusion, and forgery.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the trustees, as a body, in accordance with our engagement letter. Our audit work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PKF BBA Audit and Assurance Ltd.

PKF BBA Audit and Assurance Limited
9 Bond Street,
St. Helier,
Jersey, JE2 3NP

Date: 17 May 2023

THE JERSEY EMPLOYMENT TRUST

**Income and Expenditure Account
for the year ended 31 December 2022**

	Notes	2022	2021
		£	£
Income			
Social Security Department Grant	10	1,029,592	1,029,592
Social Security Department Employment Strategy (VDS) Grant	10	800,492	800,492
Release of capital grant from Government of Jersey	7	16,219	13,730
Donations	9	263,971	142,217
Contribution towards payment of bank loan from Acorn Enterprises Limited (previously Workforce Solutions Limited)	6	45,933	44,097
		<u>2,156,207</u>	<u>2,030,128</u>
Expenses			
Grant paid to Employ Jersey (JET) Limited		1,950,000	1,882,154
Waive of amounts due from Employ Jersey (JET) Limited	4, 13	80,000	-
Audit and accountancy		5,500	5,500
Donations		-	2,000
Depreciation	2	63,139	37,984
Bank charges		228	93
		<u>2,098,867</u>	<u>1,927,731</u>
Operating surplus		<u>57,340</u>	<u>102,397</u>
Loan interest payable	6	(7,557)	(8,919)
Net surplus for the year	9	<u>49,783</u>	<u>93,478</u>

There have been no discontinued activities or acquisitions in the current or preceeding accounting year.

THE JERSEY EMPLOYMENT TRUST

**Balance Sheet
as at 31 December 2022**

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	2		2,402,163		2,036,754
Investments	3		<u>20</u>		<u>20</u>
			2,402,183		2,036,774
Current assets					
Debtors	4	132,134		319,174	
Cash at bank and in hand		<u>1,035,280</u>		<u>467,100</u>	
		1,167,414		786,274	
Creditors: amounts falling due within one year					
Trade and other creditors	5	(666,498)		(178,886)	
Capital grant - current	7	(16,219)		(12,935)	
Fiscal stimulus capital grant - current	8	<u>(20,208)</u>		<u>-</u>	
		(702,925)		(191,821)	
Net current assets			464,489		594,453
Total assets less current liabilities			<u>2,866,672</u>		<u>2,631,227</u>
Creditors: amounts falling due after one year					
Capital grant - Non-current	7		(616,334)		(635,837)
Fiscal stimulus capital grant - Non-current	8		(788,128)		(552,144)
Bank loans	6		(146,727)		(177,546)
Total non-current liabilities			(1,551,189)		(1,365,527)
Net assets			<u>1,315,483</u>		<u>1,265,700</u>
Represented by					
Income reserve	9		<u>1,315,483</u>		<u>1,265,700</u>
			<u>1,315,483</u>		<u>1,265,700</u>

These financial statements were approved by the Trustees on

17th May 2023.



CHRISTOPHER DAVID LECK

THE JERSEY EMPLOYMENT TRUST

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies

Accounting convention

The Trust meets the small entity criteria and the Trust's members have chosen to prepare the financial statements in accordance with the provisions of FRS 102 Section 1A small entities.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, including any incidental expenses of acquisition. Tangible fixed assets are depreciated on the straight line basis calculated to write off their cost to their estimated residual value over their expected useful lives.

Expenditure on leasehold improvements is depreciated on a straight line basis over remaining lease term for each applicable building.

Expenditure on land & buildings is depreciated over the useful life of each applicable building. The Trustees consider the useful life to be consistent with the leaseholds held by Acorn Enterprises Limited over each building. As such, costs are depreciated over the remaining years of the leaseholds, to 2062.

Capital grants

Capital grants are recognised as deferred income. A subsequent annual release to the income and expenditure account is made by instalments over the expected useful economic life of the related asset on a basis consistent with the depreciation policy, once it is finalised and ready for use.

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 an impairment when they are written down to cost less impairment.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred.

Consolidation

FRS102 Section 9.3(g) states 'a parent is exempt from the requirement to prepare consolidated financial statements if its statutory framework does not require the preparation of consolidated financial statements'. As the statutory framework for the Trust doesn't require this, the Trust has taken the exemption to prepare consolidated financial statements.

Taxation

The Trust and its subsidiary companies are together a registered charity (under Jersey Charity Number 158). As such, the Trust is exempt from taxation on income and gains to the extent that these are applied for charitable purposes.

THE JERSEY EMPLOYMENT TRUST

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies (continued)

Going Concern

The Trust's main source of income comprises grants from the Social Security Department of the Government of Jersey. Without these grants the Trust would not be able to continue in business and make grants to Employ Jersey (JET) Limited to provide employment, training and support services for people with a disability and/or long-term health conditions. The Trust is deemed to be a going concern on the basis it will continue to receive ongoing financial support from the Government of Jersey.

The current agreement for grant funding from the Government of Jersey concludes on 31 December 2023, with the Trustees to commence negotiations for new grant agreements before this date. The Trustees believe that a new agreement will be entered into, and there has been no indication from the Government of Jersey that they do not intend to enter into a new agreements. As such, the Trustees believe there is no material uncertainty around going concern, and that the funding requirements of the Trust will be met for the foreseeable future.

2 Tangible fixed assets

	Acorn Building £	Leasehold improvements - Kensington Place £	Acorn New Development	Total £
Cost				
At 1 January 2022	2,021,311	27,927	618,939	2,668,177
Additions	-	-	428,548	428,548
At 31 December 2022	<u>2,021,311</u>	<u>27,927</u>	<u>1,047,487</u>	<u>3,096,725</u>
Depreciation				
At 1 January 2022	605,041	26,382	-	631,423
Charge for the year	35,407	1,545	26,187	63,139
At 31 December 2022	<u>640,448</u>	<u>27,927</u>	<u>26,187</u>	<u>694,562</u>
Net book value				
At 31 December 2022	<u>1,380,863</u>	<u>-</u>	<u>1,021,300</u>	<u>2,402,163</u>
At 31 December 2021	<u>1,416,270</u>	<u>1,545</u>	<u>618,939</u>	<u>2,036,754</u>

Previously the Acorn Building was depreciated up to the end of the leasehold period of 25 years. However, this leasehold contains an option to extend a further 25 years. It has been deemed likely that this option will be exercised. The useful economic life of the Acorn Building has therefore been extended to 2062.

Acorn Building contains assets which were previously under construction and are now complete. These works were completed in September 2018 and from this date depreciation has been charged up to the deemed likely end of the leasehold of the Acorn site (2062).

The leasehold at Kensington Place expired during the year ended 31 December 2022, and hence all leasehold improvements are fully depreciated at that date. The lease has been renewed on 08 August 2022 for a term of nine years, ending on 08 August 2031. Any further leasehold improvements will be depreciated over the term of that leasehold.

Acorn New Development contains assets which were under construction as at 31 December 2021. These were substantially completed and brought into use on March 2022. These assets were predominantly funded by the Fiscal Stimulus Grant received from the Government of Jersey (see Note 8) and other donations. As such, for the year ended 31 December 2022, the assets are subject to depreciation which has been charged up to the deemed likely end of the leasehold of the Acorn site (2062).

THE JERSEY EMPLOYMENT TRUST

**Notes to the financial statements
for the year ended 31 December 2022**

3 Investments

Unquoted Investments	Investments in subsidiary undertakings £
At 1 January 2022	20
Additions	-
At 31 December 2022	<u>20</u>
Employ Jersey (JET) Limited	10
Acorn Enterprises Limited	10
	<u>20</u>

The Jersey Employment Trust owns 100% of the issued share capital in Acorn Enterprises Limited, a company incorporated on 13 November 1990. The Trust also owns 100% of the issued share capital in Employ Jersey (JET) Limited, a company incorporated on 21 January 2020.

4 Debtors	2022	2021
	£	£
Due from Employ Jersey (JET) Limited	107,806	187,806
Other debtors	4,000	102,690
GST recoverable	20,328	28,678
	<u>132,134</u>	<u>319,174</u>

The loan amount due from Employ Jersey (JET) Limited is interest free, unsecured and has no specified date of repayment. As on 31 December 2022, part of the loan amount due from Employ Jersey (JET) Limited was written off. Please see Note 13 for more details.

5 Trade and other creditors	2022	2021
	£	£
Bank loans	38,376	38,376
Amount due to Acorn Enterprises Limited	79,103	79,103
Trade creditors	11,000	42,907
Deferred income	532,519	-
Sundry creditors and accruals	5,500	18,500
	<u>666,498</u>	<u>178,886</u>

Bank loans represent the current portion of a facility granted from Barclays of £300,000, that is payable within the next year. For the non-current portion of the loan, please refer to Note 6.

The loan amount due to Acorn Enterprises Limited is interest free, unsecured and has no specified date of repayment. Please see Note 13 for more details.

Deferred income represents income that has been received by the Trust but is applicable to the next period. This is in reference to a grant payments for the Social Security Department and Social Security Department Employment Strategy (VDS) Grants that relate to the year ended 31 December 2023 but were received before 31 December 2022.

THE JERSEY EMPLOYMENT TRUST

**Notes to the financial statements
for the year ended 31 December 2022**

6 Bank loans	2022	2021
	£	£
Bank loans	146,727	177,546
	<u>146,727</u>	<u>177,546</u>

Bank loans represent a facility granted from Barclays of £300,000, the full amount has been drawn in prior years and subsequently partially repaid, as detailed below. Interest is charged at 4.25% and the final repayment date is June 2028.

Repayments of the facility totalled £38,376 for the year ended 31 December 2022 (2021: £35,178), and total loan interest payable for the year ended 31 December 2022 was £7,557 (2021: £8,919).

Contributions of £45,933 (2021: £44,097) were received from Acorn Enterprises Limited to aid in the repayment of the facility and interest.

7 Deferred capital grant	2022	2021
	£	£
Current element	16,219	12,935
Non-current element	616,334	635,837
Total deferred capital grant	<u>632,553</u>	<u>648,772</u>

The capital grant was issued to rebuild and refurbish the premises at Oakfield and at Acorn and for the acquisition of a comprehensive database for the Trust.

The annual release to the income and expenditure account is made by instalments over the expected useful economic life of the related asset. The useful economic life of the Oakfield and Acorn buildings is deemed to be the remaining term of the respective leases, reflecting the deemed likely end to 2062. During the year £16,219 (2021: £12,935) was transferred to the income reserve.

8 Deferred fiscal stimulus capital grant	2022	2021
	£	£
Current element	20,208	-
Non-current element	788,128	552,144
Total deferred fiscal stimulus grant	<u>808,336</u>	<u>552,144</u>

On 18 November 2020, the States Assembly agreed to establish a £50 million Fiscal Stimulus Fund to support Jersey's economic recovery. The Jersey Employment Trust was awarded grant funding from this Fund to build a collection, delivery and goods processing depot at Acorn in Trinity. The total awarded to the Trust was £808,336.

The annual release to the income and expenditure account is made by instalments over the expected useful economic life of the related asset. The useful economic life of the Oakfield and Acorn buildings is deemed to be the remaining term of the respective leases, reflecting the deemed likely end to 2062. As the asset is completed in the year ended 31 December 2022, the grant amounts will commence being transferred to the income reserve from the year ended 31 December 2023.

THE JERSEY EMPLOYMENT TRUST

**Notes to the financial statements
for the year ended 31 December 2022**

9 Income reserve	2022	2021
	£	£
At 1 January	1,265,700	1,172,222
Surplus for the year	49,783	93,478
At 31 December	<u>1,315,483</u>	<u>1,265,700</u>

During the year the Trust actively sought and received donations from the public of £263,971 (2021: £142,217). The Trust would have made a Deficit for the year of £214,188 (2021: £48,739) had the donations from the public not been received.

10 Revenue grant

The Government of Jersey Social Security Department and The Health and Social Services Department have funded the continued operations of the Trust and its subsidiary by means of a revenue grant and have indicated that they will continue to do so. The total grants paid by them for the year to 31 December 2022 were £1,830,084 (2021: £1,830,084).

11 Ultimate controlling party

The ultimate controlling party is considered to be the Trustees.

12 Related party transactions

During the year the Trust received revenue and capital grants from the Government of Jersey, a related party, as detailed in notes 7, 8 & 10.

Acorn Enterprises Limited, a subsidiary company of the Jersey Employment Trust, has two principal contracts with the Infrastructure, Housing and Environment Department of the Government of Jersey generating income as detailed below:

	2022	2021
	£	£
Bench maintenance contract	36,855	36,400
Bedding plants contract	66,541	52,587
	<u>103,396</u>	<u>88,987</u>

Historically the Trust has also transacted with its wholly owned subsidiaries, Acorn Enterprises Limited and Employ Jersey (JET) Limited. This has given rise to payables and receivables between the entities, as detailed below.

	2022	2021
	£	£
Due from Employ Jersey (JET) Limited	107,806	187,806
Amount due to Acorn Enterprises Limited	79,103	79,103

Both amounts are interest free, unsecured and have no specified date of repayment. Please see Note 4 & 5 for more details.

THE JERSEY EMPLOYMENT TRUST

Notes to the financial statements for the year ended 31 December 2022

13 Post balance sheet events

On 18 April 2023, a meeting of the Board of Trustees approved that £80,000 of the loan due from Employ Jersey (JET) Limited be waived as at 31 December 2022. The Trustees considered the financial position and future cash flows of Employ Jersey (JET) Limited and concluded that, as it will not have funds to repay the debt in full, that this portion be waived as at 31 December 2022. As such, this amount has been recognised as an expense and a reduction in the amount due from Employ Jersey (JET) Limited as at 31 December 2022. The total amount due from Employ Jersey (JET) Limited is £107,806 (2021: £187,806). Amounts are expected to be received during the year ended 31 December 2023.

The Trustees further concluded that the amount due to Acorn Enterprises Limited of £79,103 be fully repaid. The amounts are expected to be paid during the year ended 31 December 2023.

The Trustees have concluded that no further post balance sheet events have occurred since 31 December 2022 which would have influenced the results of the Trust, nor require recognition or disclosure in the financial statements.