

THE JERSEY HERITAGE TRUST

Report and Financial Statements

31 December 2015

The Jersey Heritage Trust

TRUSTEES

Mr C Jones – Chair ^{1,2} (retired 23rd November 2015)
Professor E Sallis – Chair ^{1,2} (appointed 23rd November 2015)
Mr N Molyneux ³ – (retired 19th April 2016 upon termination of Société Jersiaise Presidency and appointed as Trustee 23rd May 2016)
Mr R Hassell ² (retired 25th February 2016)
Mr M Oliver – Vice Chair ¹ (retired 25th February 2016)
Mrs E de Gruchy ¹ (retired 11th December 2015)
Ms K Kirk ^{3,4}
Mr N Lane (retired 21st May 2015)
Mrs C Follain-Metcalf – Vice Chair ²
Mr C May ³
Mr L Trevellyan ^{3,4}
Mr T Brown ¹ (appointed 21st March 2016 - previously honorary financial adviser)
Mr J Reed ^{1,4} (appointed 28th September 2015)
Mr N Aubin ¹ (appointed 11th December 2015)
Ms C Moore ¹ (appointed 21st March 2016)
Mr R Urban (appointed 21st March 2016)

1 – Member of the Finance & Audit Committee, 2 – Member of the Remuneration Committee, 3 – Member of the Archives, Collections & Ethics Committee, 4 – Member of the Enterprise Committee

DIRECTOR

Mr J Carter

FINANCE DIRECTOR

Mr P Thomas

OFFICE

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BANKERS

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LEGAL ADVISERS

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The Jersey Heritage Trust

CHAIR'S REPORT 2015

This is my first report as Chair having been appointed by the States to take over from Clive Jones, MBE in November 2015.

I wish to put on record the enormous contribution that Clive Jones made to Jersey Heritage. He was a trustee for ten years and for seven of those chaired the Board. He worked hard with the States and particularly with James Reed, when he was Minister of Education, Sport and Culture, to put the Trust on a sustainable financial basis. Proposition P75/2010 is his most important legacy as for the first time the States defined the amount of money the Trust should receive to run the organisation and to invest in important refurbishment projects. That coupled with hard re-engineering decisions has put the Trust on a firmer financial footing and has seen it go from strength to strength. It is fitting that Clive was appointed a Member of the Order of the British Empire in the New Year's Honours List 2016 for his services to Jersey Heritage. I would also like to thank for their tremendous contribution Mark Oliver, Bob Hassell, Eve de Gruchy and Nick Lane who all retired during 2015.

This is an exciting time for the governance of the Trust. Not only does it have a new chair, but also the Board has appointed five new members to replace those who have retired. Claire Follain-Metcalf has been appointed as Vice Chair and each of the committees has a new chair. The Board has established two new committees – Enterprise, and Archives, Collections and Ethics - in addition to its existing Remuneration and Appointments and Finance and Audit committees. It has refreshed its strategy and reaffirmed its mission to tell the special story of Jersey's history and heritage, and has confirmed its desire to be an inclusive, community based organisation working closely with its partners in heritage and culture, such as Société Jersiaise and the National Trust as well with government, and the organisations that promote the Island to visitors.

In addition, the Trust has a new relationship with the States with our service level agreement for funding having been transferred to the Department for Economic Development, Tourism, Sport and Culture and we are looking forward to a fruitful partnership with them.

The Board has set itself the considerable task of looking at how best to secure much needed investment in Elizabeth Castle. The Castle is an iconic monument and is one of the most visited historic sites in the Island. Yet while it receives excellent ratings from visitors, parts of the Castle are closed or have limited access because of their state of disrepair. It is often not understood that rather than being a single building the Castle is actually a village of thirty separate buildings with tremendous potential to improve the visitor experience. The Trust has carried out extensive work to ensure that as far as possible the Castle fabric is safe but it needs an extensive capital programme to conserve, preserve and interpret its buildings so that visitors can enjoy it and learn about its fascinating history. Our challenge is to make Elizabeth Castle the showpiece of Jersey's rich and varied heritage.

The next few years are likely to be challenging financially. States' funding will be tight and we will need to rely more heavily on promoting heritage to visitors and tourists. Just under 50% of our income comes in the form of grants from the States and this is under some pressure as the States looks to make savings. Under our service level agreement with the Department of Economic Development, Tourism, Sport and Culture we undertake a wide range of curatorial, research, educational and building maintenance projects to care for the historic buildings and collections in our care. The funding allows us to mount new exhibitions and to carry out work in the community and to financially support the work of our partner the Société Jersiaise. The States also provides us with a refreshment and refurbishment fund that allows us to carry out more significant projects such as the work that is in train at La Hougue Bie where we are building a replica Neolithic Hut and providing new visitor facilities and increasing the space for the Société Jersiaise's archaeological work. We also have grants to carry out building listing work and our work on converting the Island's historic forts and towers to tourist accommodation has been supported by the Tourist Development Fund.

There are three special challenges for us in this tight financial climate. The first is La Cotte at Ouaisne, one of the most significant archaeological sites in Europe, which is in need of major work to secure its treasures from the encroaching sea. Jersey Heritage has invested considerably in its infrastructure and archaeology but funds beyond those we can afford will be necessary to conserve it for the future. Secondly, the Celtic Coin Hoard has yet to be secured for the benefit of the public and, finally, while the Archives have reduced the backlog of cataloguing with the help of a grant from the Chief Minister's

The Jersey Heritage Trust

CHAIR'S REPORT 2015

department this important facility is struggling to meet the demands placed on it and continues to require additional funding.

The Trust is working hard on becoming more efficient and effective and in looking for new revenue streams. We are a very cost effective organisation. Our Board carry out their governance function on an honorary basis and in addition to our salaried staff we have an excellent and dedicated team of over 240 volunteers. We would probably require our States grant to be doubled if we had to replace the volunteers with salaried staff. Not many other independent organisations that receive States funding can make these cost efficiency claims, but we are not complacent and we are seeking to further diversify our income streams.

Yet despite all the challenges Jersey Heritage does amazing and important work. I won't repeat the achievements detailed in the Director's report, but reading that report demonstrates the value that our Island community gains from the work of Jersey Heritage. It is only with the dedication, enthusiasm and expertise of the staff that this is possible and I want to thank them as well as the dedicated team of volunteers, including the Board, that makes Jersey Heritage such a special organisation.

Professor Ed Sallis, OBE

The Jersey Heritage Trust

CHIEF EXECUTIVE'S REPORT 2015

In 2015, heritage in its many forms continued to play a significant role in the cultural and social life of the Island and to make a strong contribution to the environment and economy.

Towards the end of the year we reached agreement with Visit Jersey and Ports of Jersey to host the Tourism Information Centre at Jersey Museum. Tourist admissions provided around half of the income generated at Jersey Heritage in the year and so directly supported much of the heritage service. In return heritage underpins the tourism offer. Research confirmed that the Island's landscape, its stories and heritage sites are important travel motivators and areas where Jersey's offer is perceived as strong. Our own surveys confirmed that a visit to Jersey's heritage sites does much to enhance learning experience of a visit to Jersey.

To further develop these areas of natural strength we have reached out from the sites we manage to incorporate the heritage landscape in our conservation and presentation work, the community as partners in delivering heritage experiences and the importance of presenting Jersey heritage stories to international audiences. Some of the headline results deriving from those strategies are outlined below.

The sites performed well in the course of the year attracting 188,881 visitors, around 3.5% up on the previous year with both resident and tourist growth. This is in part a reflection of continued investment in the sites with new exhibitions including the relocation of the coin hoard to La Hougue Bie and the major new Ice Age archaeology show which followed exhibitions of our internationally significant Claude Cahun photography collection and the newly deposited Jersey Evening Post photographic archive at Jersey Museum.

Our strategy to develop Island-wide heritage assets has been led in recent years by the programme of conversion of redundant coastal fortifications to Heritage Lets. In 2015 2,634 guests, around 25% resident 75% visitors, enjoyed these properties. Income generated from higher earning properties has enabled investment in conservation and public access to a number of ruined guardhouses to enhance walking in the coastal landscape. With our partners at States of Jersey Infrastructure Department we started consolidation works at Les Hurets Guardhouse in Trinity as well as further work on La Rocco Tower in St Ouens's Bay.

But heritage is about people as well as places and we continued to make progress with our community engagement programmes. At the end of the year memberships totalled 11,063 helping support continued growth in resident visits. 16,679 hours were given by volunteers, the highest amount recorded in a single year. Many of those were accounted for by the project to stitch a new panel of the Occupation Tapestry depicting how memories of occupation and liberation continue to evolve. 6,208 students visited the sites on school trips and there were 23,199 student visits outside school hours giving some cause for optimism in the future of Island heritage.

Many people experience Jersey's heritage from afar through various media including online, broadcast and print media. To support distance access to heritage resources we have continued to grow online content and at the end of the year had placed 367,788 items from the collection on our database. These were searched by nearly 90,000 online users during the course of the year. The relaunch of the Archives and Collections Online site was the result of years of work by volunteers and Community Jobs Fund posts digitising new collections. A new partnership with Ancestry gives these collections a truly global reach. Archaeological stories too reached out worldwide during the year with the Ice Age Island project achieving international coverage for the discovery in July of 'the earliest art in Britain' at the Les Varines site.

To achieve all this we have extended and deepened our partnerships, locally and internationally. Our archaeological work has seen formal partnerships with a consortium of UK academic institutions including University College London, Southampton University, The Natural History Museum and the British Museum as well as with the Société Jersiaise and the National Trust for Jersey. Occupation projects including a new Resistance Trail have been developed with University of Cambridge. Our network of Patrons, sponsors and corporate supports in Jersey has continued to grow alongside our membership and volunteer base. The task of conservation and valorisation of Jersey's amazing heritage resources is far too large and important to be achievable by the heritage organisations alone and it is on the nurturing of these support networks that future success depends.

The Jersey Heritage Trust

CHIEF EXECUTIVE'S REPORT 2015

Finally, I would like to acknowledge the tremendous contribution made by Clive Jones MBE who retired during the year having chaired the organisation through a significant period of change in which the foundations of current achievements were laid.

Jonathan Carter
Chief Executive

The Jersey Heritage Trust

TRUSTEES' REPORT 2015

INCORPORATION

The Jersey Heritage Trust ('the Trust') was formally incorporated by order of Her Majesty in Council on 1 May 1983 and registered in Jersey on 3 June 1983.

PURPOSE STATEMENT

The Trust's purpose statement is as follows:

"Jersey's heritage and culture is special. The purpose of the Trust is to care for it, promote wide access to it, act as advocates on its behalf and bring imagination to telling its stories so that we inspire people to create a better Island for everyone."

RESULTS FOR THE YEAR

The excess of expenditure over income after accounting for investment gains and actuarial losses for the year was £195,000 increasing the total accumulated Trust funds to £8,210,000.

The unrestricted fund loss for the year after accounting for investment gains and actuarial losses and after transfer between funds was £35,000.

RESERVE POLICY

The Trust has assets totalling £8.2 million but of this £4.3 million is restricted to donor specified projects whilst a further £2,000 has been set aside for work in conjunction with the Société Jersiaise, £92,000 for patron funded initiatives and £43,000 for acquisitions to the collection. The remaining £3.8 million comprises £4.8 million of property (primarily the Jersey Archive) that the Trust could not freely dispose of without damaging the primary aims of the Trust, and heritage assets of £58,000. Consequently, the Trust has no free reserves.

A significant reason for this situation is the existence of the past service pension debt of £2.18 million. This past service debt arose when a shortfall in funding of the States' Public Employees Contributory Retirement Scheme (PECRS), of which the Trust is an admitted member, was identified in the late 1980's. At that time PECRS hoped current members' contributions would service the cost of this obligation. In 2005, further changes were made to the pension fund and the remaining liability was transferred to the participating bodies. As with other participating bodies, the Trust is liable to repay its share of the pre-1987 debt by 2083 and this will be achieved by monthly payments that will continue to December 2083.

On the assumption that Economic Development, Tourism, Sport and Culture will continue to fund the Trust according to the provisions of the Service Level Agreement and that the Service Level Agreement continues to be renewed, recognising that the Trust has no free reserves, the Trust will maintain cash balances sufficient to cover the working capital requirements taking into account the seasonality of its activities and the potential for a sudden significant reduction in its revenue generating opportunities as might arise from paralysis of international transport services. To fulfil this requirement, the Trust estimates that it needs to hold cash balances of approximately £1.2 million. The value of the unrestricted cash or near cash balances held at 31st December 2015 was £1.4 million.

For 2016, the Trust intends to continue utilising this surplus to replace the roof of No.9 Pier road at a further cost of some £70,000 and spend £150,000 on stabilising the La Cotte site for future archaeological investigation.

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OBJECTIVES AND ACTIVITIES

The following is a summary of the Trust's main aims as described in its 2015–2016 Business Plan:

- Continued modest increase in winter opening of the Town sites.
- Increase access to monuments & collections online.
- Increase community engagement through creative projects & volunteering.
- Work with Visit Jersey and other attractions to grow the numbers of visitors to Jersey.
- Continue to grow self-generated income through the Archive & Collections Online project, reaching new markets outside of Jersey.
- Support the strategic aims of the States of Jersey in the areas of inclusion & participation, wellbeing, education, the economy and St Helier.

PLANS FOR FUTURE PERIODS

The Service Level Agreement (SLA) between the Trust and the department for Economic Development, Tourism, Sport & Culture (EDTSC) was signed in February 2016. It documents fully what is expected of the Trust in terms of its service level for the funding it receives from EDTSC. It clearly identifies what that funding will be over the 4 years of the States Medium Term Financial Plan and as a consequence, the Trust is developing plans on the basis of that funding plan.

SUMMARY OF MAIN RISKS

The Trust maintains a risk register that is regularly reviewed. The following risks were identified and are listed here in no particular ranking order:

- Failure to engage community in cause leading to loss of political, sponsor membership & partner support
- Reduction of States investment in Jersey Heritage leading to reductions in service below that expected by Islanders
- Admissions income decline through failure to meet changing visitor expectations
- Unexpected event that changes funding / visitor / trading / fundraising environment - or has significant cost implications
- Damaging legal costs and reputational damage owing to breach of relevant employer or visitor health and safety practice
- Failure to meet national collections management standards leading to loss of accreditation
- Insufficient funds for repair to historic sites leading to greater future expense and interim loss of fabric
- Failure of partnership with Société Jersiaise leading to loss of collections and sites and stakeholder support
- Insufficient qualified staff to undertake core specialist (curatorial/archival/conservation/education) work
- Staff / trustees not doing what is necessary to achieve JH strategic aims
- Project management failure on high risk projects
- Data breach involving loss of personal data, FOI exempt data or closed public records

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems or procedures have been established to manage those risks.

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TRUSTEES' REPORT 2015

INVESTMENT POLICY

The Trustees, mindful of poor interest rates on cash balances have been seeking better returns on funds held. As a consequence, the decision was taken to transfer some cash into a portfolio of bonds & equities. This is expected to realise a rate of return of approximately 3% - 4% per annum. All the remaining cash balances are held by the Trust either to meet its short term working capital requirements or as part of a restricted fund. The Trust's investment policy is, therefore, necessarily a cautious one with cash being held on short-term deposit accounts.

GOVERNANCE

The Trust is governed by a board of Trustees, which number up to 12 members and meet at least six times a year. The list of Trustees and directors is shown on page 2.

The Board of Trustees comprises:

- A chairman who, following consultation with the Trust, is nominated by the Minister for EDTSC and then appointed by the States Assembly. The chairman is appointed for a period of four years, and may subsequently be re-appointed by the States of Jersey for one further period of four years;
- The current President of the Société Jersiaise;
- A trustee appointed by the Trust at its discretion but on the recommendation of the Société Jersiaise.

No fewer than five and no more than nine additional trustees can be appointed by the Trust. These trustees are appointed for a period of three years and may be re-appointed by the Trust for a further period of three years.

Decisions of the Board of Trustees are made by simple majority. The Chairman has an additional casting vote in addition to his own in the event of a tied vote.

New Trustees are recruited through a process that is overseen by Jersey's Appointments Commission to ensure openness and transparency. Vacant positions are advertised and all applications are considered. Selection is based on criteria related to the applicant's experience, skills, and personal qualities.

The induction of Trustees is primarily through a programme of site visits and meetings with the Director, and members of the senior management team. An introductory pack of key documents and publications including Governance Policies, Business Plans, Annual Report and Accounts, an organisation chart and budget forecasts is provided.

The Trust has four formally constituted sub-committees as follows:

The Finance & Audit Committee, which reviews the audited annual financial statements of the Trust and recommends them to the Board. In addition, it has responsibility for oversight of the Trust's financial management, the adequacy of its reporting and risk management. It comprises four members of the Board of Trustees and the Board's Chairman and meets at least every two months. Members of the senior management team attend as required.

The Remuneration Committee, which reviews pension, employment and remuneration policies, determines the salary and appointment of the Director and senior management, and approves the annual salary review. It leads the process of trustee appointments. It comprises of two members of the Board of Trustees and the Board's Chairman. It meets as matters dictate but at least annually with the Director in attendance as required.

The Archives, Collections and Ethics Committee, which seeks to make the most of the collections in terms of community engagement, public access and commercial opportunities with the objective of

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reaching the widest public audience and realising the biggest public value from the material held by the Trust.

The Enterprise Committee, which seeks to assist the board in discharging its responsibilities to generate income to further the Trust's programme and activities.

RELATED PARTIES

Société Jersiaise

By virtue of common trusteeship the Société Jersiaise is considered a related party. The Trust has three separate agreements with the Société Jersiaise under which it undertakes to care for, preserve, and provide public access to Hamptonne Country Life Museum (through an agreement dated 23 October 1992), La Hougue Bie (through an agreement dated 21 May 1993), and the collections owned by the Société Jersiaise (through an agreement dated 2 November 1987). These agreements are kept updated through an 'accord' between the two parties. That accord was reviewed by a group of representatives from both the Trust and the Société during 2013 setting out the terms under which the Trust and the Société would work together and agreeing the purpose for which Trust pays an annual grant to the Société of £82,531 (2014 - £82,531).

Additionally, during the year, the Trust made a further grant of £49,000 (2014 - £42,000) in respect of stabilisation of the La Cotte archaeological site, in the ownership of the Société Jersiaise which had suffered severe storm damage in 2013. The Trust had committed funding of £150,000 to this project in 2015, but health & safety and engineering issues has caused this expenditure to be delayed.

During the year there were 1,253 Société member admissions (2014 - 1,367) to Trust managed sites without charge at an estimated value of £9,452 (2014 - £12,390).

No.7 Pier Road and collections owned by the Société Jersiaise are also insured under the Trust's insurance policy. The Société Jersiaise reimburses the Trust for the additional premiums paid of £4,892 (2014 - £4,750).

Jersey Museum Trading Company Ltd

The Trust has one wholly owned subsidiary, the Jersey Museum Trading Company Limited which previously held the liquor licences in respect of the Jersey Museum, but is otherwise dormant and has no other assets.

HERITAGE PARTNERS

The Trust has developed formal and informal relationships with a number of other heritage bodies that share similar aims:

Channel Islands Occupation Society (CIOS)

The Trust cares for the archival collections of the CIOS at the Jersey Archive. The collections are fully catalogued and preserved by the Trust's staff, who also deal with any enquiries from individuals wishing to access the records. CIOS liaise with Jersey Archive when planning archive days for their members. There were no other material transactions between the Trust and CIOS in the year.

Channel Islands Family History Society (CIFHS)

The collections of the Channel Islands Family History Society are hosted by the Trust at Jersey Archive. The CIFHS provide volunteers at the Archive to assist members of the public with their family history enquiries. CIFHS and the Trust both promote the collections through websites, leaflets and open days/family history events. There were no other material transactions between the Trust and CIFHS in the year.

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National Trust for Jersey (NTfJ)

Jersey Heritage cares for the collections of the NTfJ under a collections management agreement. The NTfJ are the owners of Hamptonne and are party to a tripartite agreement with the Société Jersiaise, who hold the usufruct, and Jersey Heritage under which Jersey Heritage manages and operates the site.

VOLUNTEERS

The Trust also manages its own volunteer programme. Those individuals, together with volunteers working through the above heritage bodies, donated 7,091 sessions (2014 – 4,843 sessions) of their time supporting the work of the Trust, the large increase being mainly attributable to work on the Coin Hoard and 13th Occupation Gallery Tapestry.

PROPERTIES

The Trust is the owner of the properties known as the Jersey Museum, No. 9 Pier Road and the Sir Francis Cook Gallery and has been granted by deed of gift the usufruct of Mont Orgueil and Elizabeth Castle. There are two management agreements with the Société Jersiaise that cover the responsibilities of the Trust in respect of the properties at La Hougue Bie and Hamptonne. The Trust also has a management agreement with Jersey Property Holdings in respect of Seymour Tower, La Crête Fort, Barge Aground, Radio Tower, Fort Leicester, L'Etacquerel Fort, Archirondel Tower, La Tour Carrée, Lewis's Tower, Kempt Tower & La Rocco Tower. Grosnez Castle is managed by the Trust under an agreement with Rosel Estates. The Trust has a 25-year lease on Le Hocq Tower that expires in 2019.

HERITAGE ASSETS

The Trust has a collection of heritage assets comprising of objects, artefacts, archives material, and data of an historic nature, which are specifically donated to, or purchased by, the Trust. These assets are valued by in-house staff with appropriate subject specialism. The de-minimis capitalisation limit for individual collection purchases is £500.

Heritage assets donated to the Trust but which are legally owned by the Société Jersiaise, the States of Jersey and National Trust for Jersey are valued at value-in-use. In the opinion of the Trustees, the value-in use for such heritage assets is determined to be nil as the Trust does not generate positive cash flows from the display of the assets. The Trust relies upon grant funding which is unrelated to specific assets.

INSURANCE

Property Insurance

The insurance values of Jersey Museum and associated complex of buildings and the Sir Francis Cook Gallery and associated collections store were reviewed in 2007 and 2008 respectively by a firm of locally qualified architects. Other property valuations as at 1 January 2016 are based on the historic cost of construction, inflation-linked to the local building cost indices.

Building Insurance Valuations

	£'000
Jersey Museum and 9-13 Pier Road	10,905
Hamptonne Country Life Museum Buildings	4,848
La Hougue Bie Museum Buildings and Passage Grave	1,306
Jersey Archive	10,292
Sir Francis Cook Gallery and Store	5,435
Grosnez Castle	452
Le Hocq Tower	732

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TRUSTEES' REPORT 2015

Museum and Archive Collections

The total value of insurable risks covered under the collections policy was £18 million with a maximum first loss cover of £9.37 million.

The first loss is the maximum loss the Trust could recover in the event of losses suffered in any one insurable event. This type of cover is substantially less costly to purchase, whilst achieving similar levels of risk mitigation provided by more traditional insurance cover. Only if the collections stored or displayed at more than one site were to suffer substantial loss by some common act of destruction could the policy prove inadequate. Trustees consider this risk to be extremely low.

More traditional insurance usually limits the maximum claim that can be made to the market value of the property damaged. This is considered adequate for objects such as paintings with high market value. However, the Trust's insurers have granted a special provision for damage that occurs to collection items with low or no market value, such as most archive material. In this case legitimate restoration costs up to £10,000 for each item damaged may be claimed, regardless of market value.

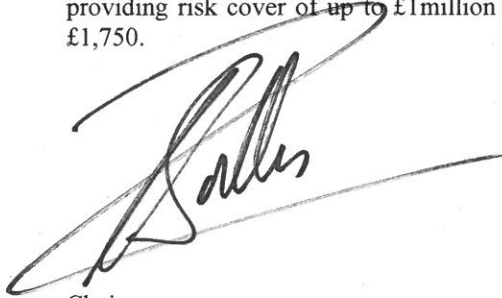
Public archives are insured separately by the States' insurer and, as with all insurance policies issued in Jersey, acts of terrorism are now excluded from policy claims.

Other Insurance

The Trust has undertaken to insure the coin collection found in 2012, currently in its custody.

The Trust has public liability and employers' liability insurance of £10 million each.

The Trust has a 'Charities Policy', which has many of the characteristics of a 'Directors & Officers' Policy, providing risk cover of up to £1million for each insurable event, and purchased in the year at a cost of £1,750.



Chairman

The Jersey Heritage Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Trustees are required to prepare financial statements for each financial year. The Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Trustees must prepare financial statements that give a true and fair view of the state of Trust's affairs at the end of the period and of the net movement in resources of the Trust for the period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

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. They are also 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 Jersey Heritage Trust

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE JERSEY HERITAGE TRUST ("the Trust")

We have audited the financial statements of The Jersey Heritage Trust ("the Trust") for the year ended 31 December 2015 which comprise the Balance Sheet, Statement of Financial Activities, the Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland".

This report is made solely to the Trust's members as a body in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditors' 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 trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement (set out on page 13) the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Report, the Director's Report and the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015, and of its incoming resources and application of resources, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

MORRIS STEPHEN
Chartered Accountants
First Island House
Peter Street
St Helier
Jersey

Dated: *30 June 2016*

The Jersey Heritage Trust

BALANCE SHEET at 31 December 2015

	Notes	Unrestricted Funds £000 (Note 2)	Designated Funds £000 (Note 3)	Restricted Funds £000 (Note 4)	Endowment Funds £000 (Note 5)	2015 Total £000	2014 Total £000
FIXED ASSETS:							
Property	6	4,777	-	-	2,714	7,491	7,468
Heritage assets	7	58	20	280	-	358	356
Other fixed assets	8	60	-	110	-	170	255
Investments	9	772	-	-	52	824	803
TOTAL FIXED ASSETS		5,667	20	390	2,766	8,843	8,882
CURRENT ASSETS:							
Stock		39	-	-	-	39	32
Debtors	10	221	-	-	-	221	344
Bank balances		603	117	1,081	168	1,969	2,153
TOTAL CURRENT ASSETS		863	117	1,081	168	2,229	2,529
LIABILITIES:							
Creditors: Amounts falling due within one year							
Creditors	11	(521)	-	(110)	0	(631)	(1,056)
NET CURRENT ASSETS		342	117	971	168	1,598	1,473
TOTAL ASSETS LESS CURRENT LIABILITIES		6,009	137	1,361	2,934	10,441	10,355
CREDITORS: amounts falling due after more than one year							
Loan payable	12	55	-	-	-	55	83
Past service debt	13	2,176	-	-	-	2,176	2,257
		2,231	-	-	-	2,231	2,340
NET ASSETS		3,778	137	1,361	2,934	8,210	8,015
THE FUNDS OF THE CHARITY:							
Unrestricted funds	2	3,778	-	-	-	3,778	3,813
Designated funds	3	-	137	-	-	137	116
Restricted funds	4	-	-	1,361	-	1,361	1,077
Endowment fund	5	-	-	-	2,934	2,934	3,009
Total charity funds		3,778	137	1,361	2,934	8,210	8,015

Approved by the Board of Trustees on 30th June 2016 and signed on their behalf by:

Chairman



Trustee



The Jersey Heritage Trust

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2015

	<i>Unrestricted Funds</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2015 Total</i>	<i>2014 Total</i>
<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>		
INCOME AND ENDOWMENTS FROM						
Donations & legacies						
- States' grants- operating	2,338	-	-	-	2,338	2,423
- other	158	-	738	-	896	656
Other trading activities						
-Commercial trading income	520	-	224	36	780	652
Income from Investments	32	-	3	2	37	5
	3,048	-	965	38	4,051	3,736
<i>Income from charitable activities</i>						
-Admissions income	1,222	-	-	-	1,222	1,276
-Membership fees	255	32	-	-	287	257
-Fees & charges	370	-	61	-	431	379
-Sponsorship income	84	-	-	-	84	101
	1,931	32	61	-	2,024	2,013
<i>Total income and endowments</i>	4,979	32	1,026	38	6,075	5,749
<i>Expenditure on Raising funds</i>						
14	680	7	63	-	750	710
<i>Expenditure on Charitable activities</i>						
-Sites costs	2,512	-	733	113	3,358	3,399
-Community learning	444	-	-	-	444	501
-Jersey archive & collections	1,010	21	61	-	1,092	962
-Historic building service	72	-	-	-	72	70
-Société grant	131	-	-	-	131	125
-Central costs	117	-	-	-	117	107
<i>Total expenditure on Charitable activities</i>	4,966	28	857	113	5,964	5,874
Net gains / losses on Investments	3	-	-	-	3	3
Net income/(expenditure)	16	4	169	(75)	114	(122)
Transfers between funds	16	(132)	17	115	-	-
Net movement in funds before other recognised gains and losses (c/f)	(116)	21	284	(75)	114	(122)

The Jersey Heritage Trust

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) for the year ended 31 December 2015

	<i>Unrestricted Funds</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2015 Total</i>	<i>2014 Total</i>
<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
	<i>(Note 2)</i>	<i>(Note 3)</i>	<i>(Note 4)</i>	<i>(Note 5)</i>		
Net movement in funds before other recognised gains and losses (b/f)	(116)	21	284	(75)	114	(122)
Actuarial gain/(loss) on pension scheme	81	-	-	-	81	(477)
Net movement in funds	(35)	21	284	(75)	195	(599)
Total funds brought forward	3,813	116	1,077	3,009	8,015	8,614
Total funds carried forward	3,778	137	1,361	2,934	8,210	8,015

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

The Jersey Heritage Trust

CASH FLOW STATEMENT for the year ended 31 December 2015

	2015 £000	2014 £000
	<i>Note</i>	
<i>RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES</i>		
Increase/ (Decrease) in resources	195	(599)
Net gain on investments	(3)	(3)
Depreciation	346	328
(Decrease) / Increase in creditors	(425)	535
Decrease in debtors	123	(21)
(Increase) / Decrease in stock	(7)	13
(Decrease) / Increase in past service debt	(81)	476
	<hr/>	<hr/>
<i>NET CASH INFLOW FROM OPERATING ACTIVITIES</i>	148	729
	<hr/>	<hr/>

CASH FLOW STATEMENT

NET CASH INFLOW FROM OPERATING ACTIVITIES	148	729
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(284)	(47)
Heritage assets acquired	(2)	(52)
Purchase of investments	(483)	(745)
Receipts from disposals of investments at carrying value	428	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(341)	(844)
	<hr/>	<hr/>
FINANCING ACTIVITIES		
Loan repayments	(28)	-
	<hr/>	<hr/>
Net cash outflow from financing activities	(28)	-
	<hr/>	<hr/>
CASH AT BANK AND IN HAND 1st January 2015	2,153	2,323
Decrease in cash	(221)	(115)
Cash with investment adviser	37	(55)
	<hr/>	<hr/>
CASH AT BANK AND IN HAND 31st December 2015	1,969	2,153
	<hr/> <hr/>	<hr/> <hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease) in cash		(221)	(115)
Loan repayments		28	-
		<hr/>	<hr/>
MOVEMENT IN NET FUNDS/(DEBT)	18	(193)	(115)
Net funds at the start of the year	18	2,098	2,213
		<hr/>	<hr/>
NET FUNDS AT THE END OF THE YEAR	18	1,905	2,098
		<hr/> <hr/>	<hr/> <hr/>

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2015

1. ACCOUNTING POLICIES

(A) **ACCOUNTING CONVENTION**

The financial statements have been prepared under the historical cost convention and on a going concern basis in accordance with the United Kingdom Accounting Standards and comply with Charities "Statement of Recommended Practice" (SORP (FRS 102)) "Accounting and Reporting by Charities" issued by the Charities Commission. The Financial Statements are prepared on the assumption that the department for Economic Development, Sport Tourism & Culture will continue to fund the Trust. This is the first year that the Trust has presented its results under Charities SORP (FRS 102). The last financial statements under the old Charities SORP (revised 2005) were for the year ended 31 December 2014. The date of transition to Charities SORP (FRS 102) was 1 January 2015. The impact of the transition to Charities SORP (FRS 102) has been to the presentation of the financial statements, but the results for the year and the net assets of the Trust have not been affected by the transition.

The Charities SORP (FRS 102) requires a split of the Financial Statements into the following funds:

Unrestricted Funds

These are resources that are expendable at the discretion of the Trustees of the Trust. From within such funds the Trustees may, from time to time, designate or re-designate funds for special purposes and, at the end of the year, the distinction between those unrestricted funds which are designated and those which are not will need to be shown.

Restricted Funds

Both income and capital earmarked by the donor or provider for specific projects must be accounted for separately.

Endowment Funds

Where there is no power or authority within the Trust to convert assets into any other form or to dispose of them, they are designated as an Endowment Fund, which has the characteristic of permanence.

(B) **PROPERTY**

Land and Buildings owned by, or improvements made to buildings held on long term leases are treated as Fixed Assets in accordance with Charities SORP (FRS 102).

Upon transition to Charities SORP (FRS 102), the balance sheet valuation of all Property as at 1 January 2014 was deemed as its cost. Depreciation is provided from the valuation date or from the date of acquisition, if later, on a straight line basis at the rate of 2% p.a. or the life of the lease if the lease term is less than 50 years.

Any leasehold improvements to the Property are charged to the SOFA in the year the expense is incurred.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

1. ACCOUNTING POLICIES (CONTINUED)

(C) **HERITAGE ASSETS**

The collection comprises objects, artefacts, archives material, and data, of an historic nature, which are specifically donated to, or purchased by, the Trust.

In accordance with Charities SORP (FRS 102) any additions to the collections owned by the Trust since 1 January 2001 are capitalised and recognised in the Balance Sheet at the cost or value of the acquisition, where such cost or valuation is reasonably obtainable and reliable. Such items are not depreciated because, in the Trustees' opinion the life of the asset is considered to be very long and the depreciation charge and accumulated depreciation are considered to be immaterial. Market valuations are obtained from in-house staff with appropriate subject specialism. The de-minimis capitalisation limit for individual collection purchases is £500.

Heritage assets also comprise assets donated to the Trust but which are legally owned by the Société Jersiaise, the States of Jersey and National Trust for Jersey. These assets are valued at value-in-use. Value-in-use is determined by calculating the net present value of future cash flows arising from the assets. The Trust relies upon grant funding which is unrelated to specific assets and does not generate positive cash flows from the display of the assets and thus value-in-use is determined to be nil.

Costs of the care and maintenance and insurance of all collections managed by the Trust, whether owned by the Société Jersiaise, the Trust, the States of Jersey and National Trust for Jersey, are borne by the Trust and are reflected in these Financial Statements.

(D) **OTHER FIXED ASSETS**

Other Fixed assets are depreciated on a straight-line basis using the following rates:

Fixtures, fittings and displays	10% or life of lease if <10yrs
Other equipment	10% - 33%
Motor vehicles	20%

The Elizabeth Castle Ferry is considered to be fully impaired and, therefore, the balance sheet carrying value has been fully written down.

(E) **IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS**

At each balance sheet date, the Trustees review its tangible assets to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Trustees estimate the recoverable amount of the cash-generating unit to which the asset belongs.

(F) **STOCK**

Stock is valued at the lower of cost or net realisable value.

(G) **PROVISIONS & LIABILITIES**

The Trust provides for legal or constructive obligations, which are of uncertain timing or amount on the balance sheet date on the basis of best estimate of the expenditure required to settle the obligation. Provisions are recognised where there is a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. The Past Service Debt provision, a liability that arose when a shortfall in funding in the States Public Employees Contributory Retirement Scheme (PECRS) was identified in the late 1980's is calculated by discounting future repayments.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

1 ACCOUNTING POLICIES (CONTINUED)

(H) PENSION COSTS

The States of Jersey do not regard the Public Employees' Contributory Retirement Scheme final salary schemes as a conventional defined benefit scheme, as the employer is not responsible for meeting any ongoing deficiency in the scheme. Trustees rely on the States of Jersey honouring this arrangement in order to avoid the Trust becoming responsible for scheme deficits.

The scheme is therefore accounted for as a defined contribution scheme in which employer contributions to the schemes are charged to the SOFA in the year they are incurred.

(I) INCOMING RESOURCES

In general, incoming resources are accounted for on a receivable basis. Grants for fixed assets are recognised in the SOFA when the conditions of the grant have been fulfilled and the grant is claimable. Credit is taken for annual membership subscriptions on the dates received. Donations are recognised as incoming resources when the conditions for their receipt have been met. Legacies are recognised as incoming resources when there is certainty that the conditions have been met and there is certainty as to the amount. Income from endowment funds is restricted.

Contractual and trading income is recognised as incoming resources to the extent that the Trust has provided the associated goods or services. Where income is received in advance and the Trust does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

(J) OUTGOING RESOURCES

Outgoing resources are recognised in the financial statements on an accruals basis.

(K) LEASES

The Trust has no finance leases. Costs relating to operating leases are charged over the life of the lease.

(L) FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are reflected in the SOFA.

(M) SPECIFIC FUNDS

Grants or bequests received for specific purposes are accounted for separately.

(N) GRANTS PAYABLE

Grants payable are recognised in the SOFA when the conditions of the grant have been fulfilled and the grant is claimable.

(O) INVESTMENTS

Listed investments are stated at market value at the balance sheet date which gives rise to unrealised gains and losses at the end of the financial period which are included in the statement of financial activities.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

2. UNRESTRICTED FUNDS

	<i>Balance 1 January 2015</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2015</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Unrestricted funds	3,813	4,979	(4,966)	(132)	84	3,778
Total	3,813	4,979	(4,966)	(132)	84	3,778

3. DESIGNATED FUNDS

	<i>Balance 1 January 2015</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Balance 31 December 2015</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
JHT fund-Société Jersiaise projects	2	-	-	-	2
Patrons' fund	88	32	(28)	-	92
Acquisition fund	26	-	-	17	43
Total	116	32	(28)	17	137

JHT fund – Société Jersiaise projects

The Trust established this fund after the Société Jersiaise paid for a programme of archaeological work and restoration on the mound and passage grave at La Hougue Bie in 1993. Both bodies have agreed this fund will be spent on restoring parts of the La Hougue Bie chapel.

Patrons' fund

The Trust introduced the Patron Scheme in 2012 to offer a new level of membership allowing a greater opportunity for involvement with the Trust and its activities. The membership fees net of the costs of servicing this membership have been directed to this fund for the purpose of preservation of the collection and further additions to the collection.

Acquisition fund

Each year, the Trust budgets to acquire items for the collection. The opportunity to acquire items can happen at any time. Any unutilised acquisition budgets are transferred to this fund at the end of each year and carried forward to be available for any future acquisitions.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

4. RESTRICTED FUNDS

	<i>Balance</i> <i>1 January</i> <i>2015</i> <i>£000</i>	<i>Incoming</i> <i>Resources</i> <i>£000</i>	<i>Outgoing</i> <i>Resources</i> <i>£000</i>	<i>Transfers</i> <i>£000</i>	<i>Balance</i> <i>31 December</i> <i>2015</i> <i>£000</i>
Ancient Monuments	189	274	(392)	143	214
Forts & Towers Investment	220	225	(113)	(28)	304
Glass Rainbow Publication	3	-	-	-	3
EDTSC Refreshment & Refurbishment	335	466	(291)	-	510
Heritage Assets	280	-	-	-	280
Hoard Conservation	50	61	(61)	-	50
Total	1,077	1,026	(857)	115	1,361

Ancient Monuments Fund

Under the terms of the usufruct for both Mont Orgueil and Elizabeth Castle, the Trust pays a percentage of admission income received from both Castles into the Ancient Monuments Fund. The Trust can use this fund to pay for development and maintenance programmes at both Castles. The rate of contribution (17%) is set by agreement between Trust and EDTSC. In the event the usufruct is terminated by either the Trust or the States of Jersey, then the Trust is required to return the money held in the Ancient Monument Fund to EDTSC.

Forts & Towers Investment Fund

Nine States-owned historic sites had been developed by the Trust into self-catering accommodation and are available for public hire. All are operated under a management agreement with Property Holdings in which the Trust collects all the income from the hire of the properties. Under that agreement the Trust is allowed to take a fee of 12.5% of gross income. All other income and expenditure associated with the programme is reported through the restricted Forts and Towers Investment fund.

The level of reserve is determined by agreement between the Trust and the Historic Fortifications Group (HFG), a group that includes representatives of the Economic Development, Tourism Sport & Culture Department, Property Holdings and Department for Infrastructure as well as the Trust itself.

That reserve is used in the first instance to protect the Trust's commercial interest in the programme should income fall significantly below forecast or the level of unforeseen expenditure threaten the financial viability of the scheme. The minimum level of reserve has been set at 25% of annual gross income plus an additional £40,000. As funds accumulate, The Trust will seek to include properties in the programme suitable for development and in need of conservation with a view to growing the revenue generating opportunities further.

Glass Rainbow Fund

Jersey Tourism provided the finance for the production of the Glass Rainbow publication. Income from the sale of these books is retained in the fund and will be applied to the production of publications of a similar nature in the future.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

4. RESTRICTED FUNDS (CONTINUED)

EDTSC Refreshment & Refurbishment Fund

The EDTSC Refreshment & Refurbishment Fund is a fund to enable work on the enhancement of various sites to continue to attract visitors and maintain the capacity to generate income.

In 2015, the fund supported the finalisation of work to refurbish the Maritime Museum which will continue into 2016. In addition work commenced on options for the development of La Hougue Bie and the Jersey Museum.

Heritage Assets

This fund comprises the value of collections purchased by or gifted to Jersey Heritage since 2001 less any impairment cost. Jersey Heritage holds the items on trust for use by its museum for educational purposes to the public benefit and in accordance with those provisions of the Museum Accreditation Scheme in force at the time of the gift.

Hoard Conservation Fund

In 2012, a very large collection of buried coins was found by 2 metal detectorists and labelled the "Le Catillon II Hoard". This Hoard has now been claimed by The Crown and Jersey Heritage has entered into a 3 year service level agreement with the Crown to undertake its conservation and assist in its valuation. In 2015 the Crown advanced £61,000 (2014 - £91,000) to fund this work.

5. ENDOWMENT FUNDS

	<i>Balance</i> <i>1 January</i> <i>2015</i> <i>£000</i>	<i>Incoming</i> <i>Resources</i> <i>£000</i>	<i>Outgoing</i> <i>Resources</i> <i>£000</i>	<i>Transfers</i> <i>£000</i>	<i>Balance</i> <i>31 December</i> <i>2015</i> <i>£000</i>
Sir Francis Cook Bequest	538	38	(44)	-	532
Jersey Museum	2,471	-	(69)	-	2,402
Total	<u>3,009</u>	<u>38</u>	<u>(113)</u>	<u>-</u>	<u>2,934</u>

Sir Francis Cook Bequest

This fund comprises the Sir Francis Cook Gallery, four rented properties and some cash balances. Interest earned from cash balances held on deposit and the rental income is used for the purposes defined under the bequest as a collections and resource centre and a permanent display space for the Sir Francis Cook collection. The majority of the income is applied to maintaining the gallery which houses a permanent display of Sir Francis Cook's works of art.

Jersey Museum

This fund comprises the residual value (after annual depreciation) of the cost of buildings and fit out of these buildings, which were funded through States of Jersey capital grants. Under an agreement dated 2 November 1987, the Trust is required to operate the building as a museum with residual interests falling to the Société Jersiaise in the event of a breach of that agreement.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2015

6. PROPERTY

	<i>Freehold Land & Buildings £000</i>	<i>Leasehold Property £000</i>	<i>Total £000</i>
Cost			
At 1 January 2015	4,451	5,916	10,367
Additions	215	-	215
At 31 December 2015	4,666	5,916	10,582
Accumulated depreciation			
At 1 January 2015	1,246	1,653	2,899
Charge for the year	89	103	192
At 31 December 2015	1,335	1,756	3,091
Net book values at 31 December 2015	3,331	4,160	7,491
Net book values at 31 December 2014	3,205	4,263	7,468

The net book value of freehold property comprises the following:

	<i>Net Book Value £000</i>
Jersey Museum, Weighbridge, St Helier	2,623
Sir Francis Cook Gallery, Augrès, Trinity	311
Collections Store, Augrès, Trinity	397
Total	3,331

The Sir Francis Cook Gallery and the Jersey Museum have been included within the Endowment Funds.

The Société Jersiasse has a reversionary interest in Jersey Museum in the event of Jersey Heritage being wound up.

The Collections Store and Jersey Archive are included within Unrestricted Funds.

The Net Book Value of the leasehold property above relates entirely to the unamortised cost of the Jersey Archive.

The terms of the leases are as follows:

<i>Property</i>	<i>Lease length</i>
Occupation Tapestry Gallery/ Maritime Museum	9 year lease commencing 1 st January 2016
Jersey Archive	99 year lease commencing 1 st January 1998.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

7. HERITAGE ASSETS

	<i>Total</i> <i>£000</i>
Cost	
At 1 January 2015	356
Additions	2
	<hr/>
At 31 December 2015	358

These assets comprise the value of collections purchased or donated to the Trust, the Société Jersiaise or the Public of Jersey since 2001 less any impairment cost.

The Trust cares for a number of Historic Buildings, for which the Trustees consider it would be impossible or too expensive to find the cost information needed to produce a reliable valuation. These are set out below:

Mont Orgueil and Elizabeth Castle both acquired by deed of gift the usufruct from the States of Jersey.

8. OTHER FIXED ASSETS

	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Fixtures, Fittings, Vehicles & Equipment at net book value (see table following)	170	255
	<hr/>	<hr/>
	170	255
	<hr/> <hr/>	<hr/> <hr/>

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

8. OTHER FIXED ASSETS (CONTINUED)

	<i>Leasehold Fixtures, Fittings & Displays £000</i>	<i>Other Fittings £000</i>	<i>Mont Orgueil Fittings £000</i>	<i>Other Equip- ment £000</i>	<i>Motor Vehicle £000</i>	<i>Elizabeth Castle Ferry £000</i>	<i>Elizabeth Castle Cafe £000</i>	<i>Total £000</i>
Cost								
At 1 January 2015	1,712	1,090	1,095	246	31	411	125	4,710
Additions	-	-	-	69	-	-	-	69
Disposals	-	-	-	-	-	-	-	-
At 31 December 2015	1,712	1,090	1,095	315	31	411	125	4,779
Accumulated Depreciation								
At 1 January 2015	1,712	1,090	987	210	30	411	15	4,455
Charge for the period	-	-	108	30	1	-	15	154
At 31 December 2015	1,712	1,090	1,095	240	31	411	30	4,609
Net book values at 31 December 2015	-	-	-	75	-	-	95	170
Net book Values at 31 December 2014	-	-	108	36	1	-	110	255

Leasehold fixtures and fittings

Leasehold fixtures and fittings relate to costs associated with the fit out of the Jersey Archive. Other fittings relate to costs associated with the Jersey Museum.

Elizabeth Castle Ferry

In 2010 an impairment review was undertaken by the Board of Trustees in respect of the Castle Ferry operation. The review examined the projected cash flows generated at the smallest level of income generation with which this asset is associated, that is, the provision of public access to Elizabeth Castle. It was concluded that the amounts recoverable in respect of this activity is negative and therefore the Elizabeth Castle Ferry carrying value should be reduced to nil. It remains the Trustees' view that the assets remain impaired.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

9. INVESTMENTS

The following is an analysis of the amount included in investments:

	2015	2014
	£000	£000
Market Value at 1 January	748	–
Acquisitions at cost	483	745
Disposals at carrying value	(428)	–
Net realised gains	8	–
Net unrealised (losses) / gains	(5)	3
	<hr/>	<hr/>
Market Value of investments at 31 December	806	748
Portfolio cash held for investment	18	55
	<hr/>	<hr/>
Market Value of Portfolio at 31 December	824	803
	<hr/>	<hr/>
Historical cost at 31 December	827	800
	<hr/>	<hr/>
	2015	2014
	£000	£000
Represented by:		
Fixed interest securities	241	388
Listed Equities	463	360
Listed Funds	102	–
Cash	18	55
	<hr/>	<hr/>
	824	803
	<hr/>	<hr/>

10. DEBTORS

The following is an analysis of the amount included in debtors:

	2015	2014
	£000	£000
Trade debtors & prepayments	221	344
	<hr/>	<hr/>
	221	344
	<hr/>	<hr/>

11. CREDITORS : AMOUNTS FALLING DUE WITHIN 1 YEAR

	2015	2014
	£000	£000
Trade creditors	153	274
Other creditors	426	456
Deferred Income	52	326
	<hr/>	<hr/>
	631	1,056
	<hr/>	<hr/>

The deferred income is a grant from The States of Jersey in respect of their obligations under the usufruct of Mont Orgueil Castle. Essential repairs for the first gate costing approximately £406,000 were identified as necessary in 2014. The contract for these works was signed in January 2015 and work has continued throughout 2015. The final deferral represents the value of the works yet to be completed at 31st December 2015.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

12. LOAN PAYABLE

The States of Jersey has provided a loan of £550,000 to the Trust for the purpose of building a Collections Store at Augrès. The loan is interest free and repayable in 20 equal annual instalments, with the first instalment having been made on 1 January 1999. Payment deferrals were granted for 1998 and 2003 and payment of one of these deferred payments was made in 2011 with the remaining deferred payment made in 2012. The loan is analysed as follows:

	2015	2014
	£000	£000
Amounts falling due in less than 1 year	27	27
Amounts falling due in more than 1 year and less than 2 years	27	27
Amounts falling due in more than 2 years and less than 5 years	28	56
Amounts falling due in more than 5 years	-	-
	<u>82</u>	<u>110</u>

13. PAST SERVICE DEBT

The following is an analysis of the movement in the Past Service Debt:-

	2015	2014
	£000	£000
At 1 January	2,257	1,780
(Decrease)/Increase in value of debt during the year	(46)	509
Less: Repayments for the year	(35)	(32)
At 31 December	<u>2,176</u>	<u>2,257</u>

The Past Service Debt arose when a shortfall in funding in the States Public Employees Contributory Retirement Scheme (PECRS) was identified in the late 1980's. At that time PECRS hoped surpluses from current members' contributions would service the cost of this obligation. In 2005 further changes were made to the pension fund and the remaining liability was transferred to the participating bodies.

As with other participating employers the Trust is liable to repay its share of the pre-1987 pension scheme debt by 2083. This liability is currently being serviced through monthly payments that will continue until December 2083. The 2015 repayment rate was £2,943 per month and is subject to annual review by the scheme actuary. Future contribution payments are discounted to obtain the past service debt.

In line with the approach adopted to value the States debt as at 31 December 2015, the calculation of the value of the debt reflects the capital value (as at 31 December 2013) of all the future debt repayments due. The calculations are based on the approach used in the valuation of PECRS as at 31 December 2010 updated to reflect market conditions at the date of calculation. The assumptions as at 31 December 2015 were a discount rate of 5.16% and an average salary increase rate of 4.90%.

The capital value placed on the debt may fluctuate from year to year due to changes in market conditions. Future valuations of PECRS may also result in changes to the assumptions used to value the debt.

14. OUTGOING RESOURCES

Included within outgoing resources are the following amounts:

	2015	2014
	£000	£000
Depreciation	346	328
Audit Fee	16	15

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15. OBLIGATIONS UNDER LEASES

Future minimum rentals in respect of the Maritime Museum payable under non-cancellable operating leases are as follows:

	2015	2014
	£000	£000
Amounts payable:		
Not later than 1 year	90	-
Later than one year and not later than five years	360	-
Later than 5 years	450	-
	<u>900</u>	<u>-</u>

The Trust holds a number of properties which are let on a commercial basis. Future minimum rents receivable under non-cancellable operating leases are as follows:

	2015	2014
	£000	£000
Amounts payable:		
Not later than 1 year	85	51
Later than one year and not later than five years	9	37
	<u>94</u>	<u>88</u>

16. TRANSFER BETWEEN FUNDS (SEE NOTES 2, 3 & 4)

Included within unrestricted admission income is an amount of £143,000 that the Trust is required to restrict under the terms of the deed of gift of the usufruct for Mont Orgueil and Elizabeth Castle. Accordingly, this sum has been transferred from unrestricted funds to the restricted Ancient Monument Fund.

Included within Restricted Trading income is the sum of £28,000 that the Trust is permitted to un-restrict under the terms of its agreement with Property Holdings to manage nine States-owned historic sites. Accordingly this sum has been transferred from the Restricted Forts and Towers Investment Fund to the Unrestricted fund.

At the year end, The Trust has transferred £17,000 from the Unrestricted Fund to the Designated Acquisitions Fund for future acquisitions.

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NOTES TO THE ACCOUNTS for the year ended 31 December 2015

17. ANALYSIS OF CHARITABLE ACTIVITIES

	<i>Direct Costs £000</i>	<i>Grant £000</i>	<i>Support Costs £000</i>	<i>2015 Total £000</i>	<i>2014 Total £000</i>
Cost of Generating Income	674	-	76	750	710
Charitable Activities					
Sites Costs	3,074	-	284	3,358	3,399
Community Learning	370	-	74	444	501
Jersey Archive & Collections	910	-	182	1,092	962
Historic Building Service	62	-	10	72	70
Société Grant	-	131	-	131	125
Central Costs	117	-	-	117	107
Total	<u>5,207</u>	<u>131</u>	<u>626</u>	<u>5,964</u>	<u>5,874</u>

Support costs are allocated based on the number of people employed within an activity.

18. ANALYSIS OF CHANGES IN NET DEBT

	<i>At 1 January 2015 £000</i>	<i>Cash 31 December Flow £000</i>	<i>At 2015 £000</i>
Cash at Bank and in hand	2,153	(184)	1,969
Debt due within one year	(27)	-	(27)
Debt due after one year	(83)	28	(55)
	<u>2,043</u>	<u>(156)</u>	<u>1,887</u>

19. ANALYSIS OF STAFF COSTS

	<i>2015 £000</i>	<i>2014 £000</i>
Salaries and Wages	2,248	2,100
Employers' Social Security	138	128
Employers' Pension costs	209	200
	<u>2,595</u>	<u>2,428</u>

Average Number of employees

The average number of employees expressed as full time equivalents in 2015 was 66 (2014 – 62).

The increase in staff numbers is largely attributable to those employed on fixed term contracts following service level agreements with The Chief Minister's Department for work in connection with the implementation of the Freedom of Information Law and with the Crown for work in connection with the conservation of the Le Catillon II Hoard.

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NOTES TO THE ACCOUNTS

for the year ended 31 December 2015

19. ANALYSIS OF STAFF COSTS (CONTINUED)

Details of higher paid staff

The number of employees whose emoluments amounted to over £60,000 in the year were as follows:

	2015	2014
£60,000 to £69,999	2	1
£70,000 to £79,999	2	1
£80,000 to £89,999	1	1
£90,000 to £99,999	1	1
£100,000 to £109,999	0	1

20. TRUSTEE REMUNERATION

Trustees are entitled to claim all reasonable out-of-pocket or other expenses occasioned in the course of carrying out their duties. No trustee who is not otherwise an employee of the Trust, or any company owned by it, is entitled to be remunerated.

No Trustee was remunerated or claimed expenses in respect of carrying out their duties during the year (2014 – Nil).

No Trustee or other person related to the Trust had any personal interest in any contract or transaction entered into by the Trust during the year (2014 – Nil).

21. TAXATION

The Trust is exempt from Jersey Income Tax by virtue of Article 115(a) of the Income Tax (Jersey) Law, 1961, in so far as it is applied for charitable purposes. This law also entitles the Trust to qualify for exemption from charging Goods and Service Tax (GST) on supplies and services it provides. Any GST paid on qualifying expenditure is fully recoverable.

22. PENSION SCHEME

The Trust, together with a number of other locally based public bodies and institutions, has 'admitted body status' within the Public Employees' Contributory Retirement Scheme (PECRS). This enables the Trust to offer its employees the chance to participate in this large defined benefit pension scheme.

The Public Employees' Contributory Retirement Scheme (final salary scheme) is not a conventional defined benefit scheme as the employer is not responsible for meeting any ongoing deficiency in the scheme. Sufficient information is not available in order to allocate assets of PECRS specifically to the Trust. Liabilities of PECRS are not split between the participating employers. This scheme is therefore accounted for as a defined contribution scheme. Employer contributions to the scheme are charged to the SOFA in the year they are incurred.

The Trust's contribution rate has been set by the actuary at 13.60% of the gross salary of participating employees. During the year, the Trust made contributions on behalf of employees of £35,316.

Actuarial valuations are performed on a triennial basis, the most recent available being at 31 December 2013. The main purposes of the valuation are to review the operations of the scheme, to report on its financial condition, and to confirm the adequacy of the contributions to support the scheme benefits.

The most recently available valuation showed that there is a surplus in the present scheme as a whole at the valuation date of £54.6 million. The Trust's share of this surplus has not been quantified. The States Actuary has concluded that this surplus will need to be dealt with in accordance with the terms of the Scheme's Regulations.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2015

22. PENSION SCHEME (CONTINUED)

The Board of Trustees also note that as at 31 December 2015, the defined benefit obligations of PECRS as reported in the States of Jersey Financial Report and Accounts for 31 December 2015 exceed the fair value of the scheme assets. The States of Jersey recognise that this shortfall needs to be addressed. An unquantified proportion of those obligations relate to Staff employed by the Trust.

In addition, salaries and emoluments include pension contributions of £18,000 (2014 – £18,000) which relate to staff who have personal plans that are defined contribution schemes. In 2015, the Trust had 3 members of staff in such schemes (2014 – 3).

23. RELATED PARTY TRANSACTIONS

Société Jersiaise

By virtue of common trusteeship the Société Jersiaise is considered a related party. The Trust has three separate agreements with the Société Jersiaise under which it undertakes to care for, preserve, and provide public access to Hamptonne Country Life Museum (through an agreement dated 23 October 1992), La Hougue Bie (through an agreement dated 21 May 1993), and the collections owned by the Société Jersiaise (through an agreement dated 2 November 1987). These agreements are kept updated through an 'accord' between the two parties. That accord was reviewed by a group of representatives from both the Trust and the Société during 2013 setting out the terms under which the Trust and the Société would work together and agreeing the purpose for which Trust pays an annual grant to the Société of £82,531 (2014 - £82,531).

Additionally, during the year, the Trust made a further grant of £42,000 in respect of stabilisation of the La Cotte archaeological site, in the ownership of the Société Jersiaise which had suffered severe storm damage in 2013. The Trust has committed further funding of £150,000 to this project in 2015.

During the year there were 1,253 Société member admissions (2014 – 1,367) to Trust managed sites without charge at an estimated value of £9,452 (2014 - £12,390).

No.7 Pier Road and collections owned by the Société Jersiaise are also insured under the Trust's insurance policy. The Société Jersiaise reimburses the Trust for the additional premiums paid of £4,892 (2014 - £4,750).

Jersey Museum Trading Company Limited

The Trust has one wholly owned subsidiary, the Jersey Museum Trading Company Limited. This company previously held the liquor licences in respect of the Jersey Museum, but is otherwise dormant and has no other assets.

24. CONTROLLING PARTY

There is no ultimate controlling party. The Trust is controlled by trustees acting in concert.