

THE JERSEY HERITAGE TRUST

Report and Financial Statements

31 December 2010

# The Jersey Heritage Trust

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## TRUSTEES' ANNUAL REPORT 2010

### **TRUSTEES**

Mr C Jones - Chairman  
Jurat P Nicolle - Vice Chairman  
Mr J Clarke – Société President  
Constable A S Crowcroft  
Mr P Funk  
Mr B Gould  
Mr R Hassell  
Mr M Oliver FCCA  
Mr J Voak

### **HONORARY FINANCIAL ADVISER**

Mr K Keen FCCA FCMA

### **DIRECTOR**

Mr J Carter MA AMA

### **FINANCE DIRECTOR**

Mr N G Danby ACA

### **OFFICE**

The Jersey Museum  
The Weighbridge  
St Helier  
Jersey JE2 3NG

### **AUDITORS**

Moore Stephens  
PO Box 236  
First Island House  
Peter Street  
St Helier  
Jersey JE4 8SG

### **BANKERS**

Royal Bank of Scotland International  
Royal Bank House  
Bath Street  
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St Helier  
Jersey JE4 8PJ

### **LEGAL ADVISERS**

Ogier  
Ogier House  
The Esplanade  
St Helier  
Jersey JE4 9WG

# The Jersey Heritage Trust

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## TRUSTEES' ANNUAL REPORT 2010

### **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 income over expenditure for the year was £258,000 increasing the total accumulated Trust funds to £7,758,000.

The unrestricted fund surplus for the year was £206,000.

### **ACHIEVEMENTS AND PERFORMANCE**

For the Trust, 2010 was a second successive year of improving financial performance. In 2009, this improved performance was largely as the result of additional financial support from Education Sport and Culture (ESC). In that year the Trust received one-off States grants of £1,088,000 out of a total States Grant of £3,106,000. By contrast, in 2010 the Trust received one-off grants of much smaller amount, £323,000 out of the total States Grant of £2,363,000.

2010 will be the last year the Trust can expect to receive the additional financial support from ESC. Therefore significantly for the medium term health of the Trust's finances and in agreement with ESC, Trustees have now taken several important steps towards reducing overall its operating costs and increasing the level of flexibility around the way that its money can be spent.

The aim of reducing operating costs has been met by not opening sites and offering other services, such as formal learning programme, when demand is at its lowest. The Maritime Museum and Jersey Museum will now be open for seven and nine months of the year respectively where as, previously, both sites were open year round. For 2010, at least, it also meant that Hamptonne was only opened to the public for pre-arranged events. A similar approach has been adopted with the Trust's offer of formal learning support for schools. Typically demand is highest at the beginning and end of each school year. So rather than providing a year round service, additional support will now be brought in when demand is high.

In order to establish greater cost flexibility, the Trustees agreed to outsource certain functions (marketing, design and technical support). The value of work previously undertaken by in house staff and now outsourced is estimated at around £300,000.

Finally, in order to retain greater control over future pay awards, the Trust has recently introduced a new performance related pay award scheme. Although the 2010 pay award was made before the implementation of the new pay scheme, it was based on the September 2009 quarter Retail Price Index, which was negative. Accordingly, Trust Staff were neither entitled nor received a pay award in 2010.

## The Jersey Heritage Trust

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### TRUSTEES' ANNUAL REPORT 2010

There are already some very positive signs that this strategy will deliver even greater savings than planned. The savings anticipated from operational changes have been carefully monitored and have been achieved. Additionally, there is evidence that outsourcing has the potential to deliver savings as well as flexibility around the way money can be targeted.

Certainly, in 2010, the savings from outsourcing have been substantial. A large part of this saving was delivered as natural consequence of the time taken to appoint third parties to replace staff who made redundant from outsourced functions. It will be another 12 months before the full impact of the decision to outsource these functions is fully understood and whether the cost savings achieved in 2010 become more permanent in character. Whatever that outcome, the Trust will still benefit from much greater flexibility in way the money is spent without the need repeat the implementation of a costly redundancy programme.

Inevitably, there were some one off costs attached to the programme of restructuring. These include payments made to staff in lieu of notice periods (PILON) and severance payments. It also includes some cost incurred in the first four months of the year whilst the Trust and ESC agreed the details of the restructuring package itself. To offset these costs the Trust received a one-off grant from ESC of £323,000 (see above), making the exercise a financially neutral one for the Trust.

As result of the restructure Staff costs excluding PILON and severance pay fell 15% (2010 - £1,995,000; 2009 - £2,346,000).

Income Generated from Charitable Activities fell by 7% year on year (2010 - £1,244,000; 2009 - £1,344,000). Inevitably, uncertainties about how expenditure cuts would impact on the sites under the Trust's care or the services it could provide has affected this result. The contribution to income provided by membership fell by 32% (2010 - £76,000; 2009 - £112,000). Additionally, although closing sites when demand is low delivers net savings, it still means some revenue loss. Around £50,000 of admission income was lost as a result of the 2010 opening arrangements at Hamptonne Country Life Museum.

Sponsorship income fell sharply, by 56% year on year (2010 - £57,000, 2009 - £131,000). The same uncertainties that affected admission income will have had its part to play in this decline but there is another more important factor. With spending on exhibition and interpretative programmes on hold pending a resolution of the Trust's future funding arrangements there were far fewer attractive sponsorship opportunities in 2010.

Disappointing though these declines are, the declines need not be permanent especially now the Trust's financial position is beginning to improve.

The one exception to the general decline in income generated by the Trust in 2010 is trading income. This grew by 32% (2010 - £557,000; 2009 - £421,000), growth that was supported almost entirely by the expansion of the Trust's retail operation.

Towards the end of 2009 the Trust began a process of developing its own retail operation. The contribution from retail in 2010 (Turnover - £185,000; Gross Profit - £100,000) contrasts markedly with the performance in 2009 (Turnover - £51,000; Gross Profit - £32,000) when the Trust sold only a limited range of publications and guide books to the public and received a very modest level of commission on sale of goods provided by third party retailers operators.

# The Jersey Heritage Trust

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## TRUSTEES' ANNUAL REPORT 2010

Income generated from other Trading activities was comparatively flat measured year on year. Income generated through private and corporate venue hire was down 4% (2010 - £107,000; 2009 - £111,000); income from letting of the nine self catering and stone tent properties managed by the Trust up 7% (2010 - £165,000; 2009 - £154,000); and third party operators which licence areas of Trust property down 34% (2010 - £41,000; 2009 - £62,000).

Throughout 2010 the Trust continued to negotiate with ESC over the terms of a proposed new service level agreement with the department (SLA). The SLA proposes an increase in the Trust's base grant to £2,300,000 million from 2011 and to establish a £465,000 p.a. investment fund to enable the Trust to continue to attract new and repeat visitors.

Whilst Trustees welcome the proposal to increase both revenue support and levels of investment, they remain concerned that a number of longer term threats to the financial viability of the Trust remain unresolved. The Trust is carrying substantial past service debt on its balance sheet that absorbs over 50% of unrestricted funds. This is of particular concern as most of funds are presented as long term illiquid assets such as freehold and leasehold property.

Trustees understand that consideration is underway as to how to deal with the States pension deficit. The deficit was identified when the 2007 actuarial valuation of the scheme was completed. According to the 2009 States accounts that deficit has since grown even further. The Committee are concerned at Trust's ability to meet these deficits if the current policy of the States (to make deficits the sole responsibility of employees) were to change and be passed to the relevant employer.

Trustees are also concerned that ESC have still not been able to arrange suitable terms under which The Trust can lease and occupy the Jersey Archive and Maritime Museum. Nor has it been agreed who is responsible for the repair and maintenance of this building. Trustees are seeking to resolve these issues through the SLA with ESC.

Once these issues are resolved the Trust will better placed to agree the proposed SLA.

### **RESERVE POLICY**

The Trust does not currently have a reserve policy, but Trustees intend addressing this as part of the Trust's continuing negotiations with ESC over the SLA.

### **OBJECTIVES AND ACTIVITIES**

The following is a summary of the Trust's main aims as described in its 2011 –2013 Business Plan:

- Improve the quality of our collections through better acquisition, documentation, conservation and storage programmes.
- Help more people understand, care for and enjoy the historic environment through building conservation and protection programmes.
- Promote wider access to our sites and services through better marketing and improving visitor services.
- Inspire people to learn more about Jersey's heritage with events, exhibitions, displays, living history and publications.

- Work to get more people involved in caring for Jersey's heritage through our volunteer, business associate and community partner programmes.
- Build public trust in Jersey Heritage by meeting the highest standards of governance.
- Generate enough money to pay for it all by realising commercial opportunities at our sites and giving the States exceptional value for money.

### **PLANS FOR FUTURE PERIODS**

The draft SLA is intended to provide the financial and policy framework in which the Trust can develop its capital investment programme. The financial contribution made by, and increased participation of local audiences is seen as an opportunity for future growth and therefore will be the focus of much of this investment. Plans to develop two self catering units of accommodation at Hamptonne and add two more sites to the Forts and Towers scheme are already well advanced. Other capital investment programmes will follow once a review of investment opportunities commissioned by the Trust is complete.

### **SUMMARY OF MAIN RISKS**

The Trust maintains a risk register that is currently in the process of being updated. The following risks were identified and are listed here in no particular ranking order:

- Failure to meet obligations under Public Records Law,
- Failure to meet national collections management standard,
- Failure of site management agreements,
- Insufficient expert staff capacity to manage historic properties,
- Failure to get heritage on other people's agendas, share responsibility for care of the historic environment and have a wider impact,
- Admissions charges act as a barrier to inclusive access,
- Failure to communicate/establish 'cause' in the minds of Islanders – not perceived as a worthy cause,
- Failure to keep learning at heart of what we do,
- Insufficiently diverse creativity and imagination in developing interpretations to produce, really inspirational, popular and informative programmes,
- Failure to communicate cause,
- Inability to offer corporate supporters what they want,
- Failure to recruit and retain volunteers,
- Failure (or perception of failure) of accountability and transparency,
- Reputation damage,
- Failure of stakeholder advocacy,
- Major unexpected event that changes funding/visitor/trading/fundraising environment – or has significant cost implications,
- Risk to plural funding imbalance,
- Admissions income failure.

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.

### **INVESTMENT POLICY**

All the cash balances are held by the Trust either to meet its 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.

### **TRUSTEES**

There have been no changes in the make up of the Board of Trustees since the 2009 annual report and accounts were approved.

### **APPOINTMENT OF NEW TRUSTEES**

The Board of Trustees comprises:

- A chairman who, following consultation with the Trust, is nominated by the Minister for ESC 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 current member of the States of Jersey who is committed to the objectives of the Trust;
- A trustee appointed by the Trust at its discretion but on the recommendation of the Société Jersiaise;
- A member for the time being of the States of Jersey who is committed to the objectives of the Jersey Heritage Trust as set out in paragraph 3 of the Constitution, and a member for the time being of the Education Sport and Culture Committee nominated in writing by that Committee;

No fewer than three, and no more than seven, additional trustees 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 by made by simple majority. The Chairman has an additional casting vote in addition to his own in the event of a tied vote.

### **INDUCTION OF NEW TRUSTEES**

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 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, organisation chart and budget forecasts is provided.

# The Jersey Heritage Trust

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## TRUSTEES' ANNUAL REPORT 2010

### GOVERNANCE

On 25 January 2010 The Honorary Financial Adviser was appointed chairman of a newly appointed Finance and Audit Committee. This committee, which comprises three members of the Board of Trustees and the Board's Chairman, has the responsibility of overseeing the Trust's financial management and adequacy of reporting. It meets every two months.

The SLA establishes some further guidelines on reporting and governance, which the Board of Trustees considered and agreed to at its meeting held on 6 December 2010.

### RELATED PARTY

#### **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 is currently subject to review by a group of representatives from both the Trust and the Société. Part of that review will codify the purpose for which the Trust pays an annual grant to the Société of £41,266. During the year the Trust admitted 958 Société members (2009 – 1,412) to Trust managed sites without charge at an estimated revenue loss of £6,265 (2009 - £9,178).

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 £4,030 (unchanged from 2009).

#### **Jersey Museum Trading Company Ltd**

The Trust has one wholly owned subsidiary, the Jersey Museum Trading Company Limited. This company holds 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.



# The Jersey Heritage Trust

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## TRUSTEES' ANNUAL REPORT 2010

### **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 2,948 sessions (2009 – 5,307 sessions) of their time supporting the work of the Trust.

### **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 and Lewis's 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.

The Trust still believes it would not be in its interests to enter into long-term tenancy agreements in respect of the Maritime Museum/Occupation Tapestry Gallery or the Jersey Archive until the responsibility for the long term cost of care and maintenance for these buildings is resolved.

### **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 2010 are based on the historic cost of construction, inflation-linked to the local building cost indices.

# The Jersey Heritage Trust

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## TRUSTEES' ANNUAL REPORT 2010

### Building Insurance Valuations

	£'000
Jersey Museum and 9-13 Pier Road	6,586
Hamptonne Country Life Museum Buildings	3,551
La Hougue Bie Museum Buildings and Passage Grave	944
Jersey Archive	7,610
Sir Francis Cook Gallery and Store	4,075

Although the Trust has the responsibility for the care and maintenance of Elizabeth Castle, Mont Orgueil, the Maritime Museum/Occupation Tapestry and the group of historic sites called 'Forts and Towers', it is the States of Jersey who insure these buildings.

### Museum and Archive Collections

The total value of insurable risks covered under the collections policy was £15.54 million with a maximum first loss cover of £9.2 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.

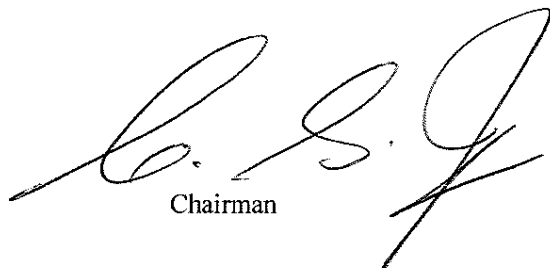
More traditional insurance usually limits the maximum claim that can be made to the market value of the property damaged. This is considered adequate for objects such as paintings with high market value. However, the Trust's insurers have granted a special provision for damage that occurs to collection 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 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 £250,000 for each insurable event, and purchased in the year at a cost of £1,000.



Chairman

## The Jersey Heritage Trust

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### 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;
- 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 for the year ended 31 December 2010 which comprise the Balance Sheet, Statement of Financial Activities, the Cash Flow Statement and the related notes 1 to 21. 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).

This report is made solely to the Trust's members as a body in accordance with our agreement. 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 11) 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.

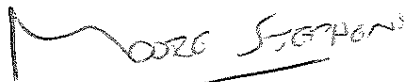
#### **Basis of audit opinion**

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 Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 2010, 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.



Chartered Accountants  
First Island House  
Peter Street  
St Helier  
Jersey

Dated: 2 June 2011

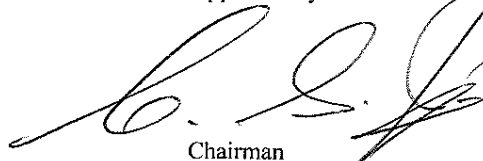
# The Jersey Heritage Trust

## BALANCE SHEET

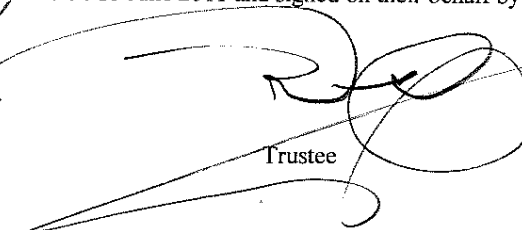
at 31 December 2010

	<i>Unrestricted Funds</i>	<i>Designated Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>2010 Total</i>	<i>2009 Total</i>
<i>Notes</i>	<i>£000 (Note 2)</i>	<i>£000 (Note 3)</i>	<i>£000 (Note 4)</i>	<i>£000 (Note 5)</i>	<i>£000</i>	<i>£000</i>
<b>FIXED ASSETS:</b>						
Property	6	5,127	–	–	3,102	8,229
Heritage assets	7	–	–	245	–	245
Other fixed assets	8	576	–	–	–	576
<b>TOTAL FIXED ASSETS</b>		<b>5,703</b>	<b>–</b>	<b>245</b>	<b>3,102</b>	<b>9,050</b>
<b>CURRENT ASSETS:</b>						
Stock		29	–	–	–	29
Debtors	9	13	–	–	–	13
Bank balances		701	28	271	183	1,183
<b>TOTAL CURRENT ASSETS</b>		<b>743</b>	<b>28</b>	<b>271</b>	<b>183</b>	<b>1,225</b>
<b>LIABILITIES:</b>						
Creditors: Amounts falling due within one year						
Creditors		(227)	–	(40)	–	(267)
<b>NET CURRENT ASSETS</b>		<b>516</b>	<b>28</b>	<b>231</b>	<b>183</b>	<b>958</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>6,219</b>	<b>28</b>	<b>476</b>	<b>3,285</b>	<b>10,008</b>
<b>CREDITORS: amounts falling due after more than one year</b>						
Loan payable	10	220	–	–	–	220
Past service debt	11	2,030	–	–	–	2,030
		2,250	–	–	–	2,250
<b>NET ASSETS</b>		<b>3,969</b>	<b>28</b>	<b>476</b>	<b>3,285</b>	<b>7,758</b>
<b>THE FUNDS OF THE CHARITY:</b>						
Unrestricted funds		3,969	–	–	–	3,969
Designated funds		–	28	–	–	28
Restricted funds		–	–	476	–	476
Endowment fund		–	–	–	3,285	3,285
<b>Total charity funds</b>		<b>3,969</b>	<b>28</b>	<b>476</b>	<b>3,285</b>	<b>7,758</b>

Approved by the Board of Trustees on 16 June 2011 and signed on their behalf by:



Chairman



Trustee

# The Jersey Heritage Trust

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2010

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Endowment</i>	<i>2010</i>	<i>2009</i>
	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>Funds</i>	<i>Total</i>	<i>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>		
<b>INCOMING RESOURCES</b>						
<i>Incoming resources</i>						
<i>from generated funds</i>						
Voluntary income						
- States' grants-ESC	2,363	–	–	–	2,363	3,106
-other	68	–	–	–	68	130
- Heritage assets	–	–	43	–	43	4
Activities for generating funds						
-Commercial trading income	354	–	165	38	557	421
Investment income	1	–	1	–	2	1
	<u>2,786</u>	<u>–</u>	<u>209</u>	<u>38</u>	<u>3,033</u>	<u>3,622</u>
<i>Incoming resources</i>						
<i>from charitable activities</i>						
-Admissions income	1,058	–	–	–	1,058	1,046
-Membership fees	76	–	–	–	76	112
-Fees & charges	53	–	–	–	53	55
-Sponsorship income	42	–	15	–	57	131
	<u>1,229</u>	<u>–</u>	<u>15</u>	<u>–</u>	<u>1,244</u>	<u>1,344</u>
Total Incoming Resources	<u>4,015</u>	<u>–</u>	<u>224</u>	<u>38</u>	<u>4,277</u>	<u>5,006</u>
<b>RESOURCES EXPENDED 12</b>						
<i>Cost of generating funds</i>						
	467	–	71	–	538	591
<i>Charitable activities</i>						
-Sites costs	2,004	–	43	100	2,147	2,724
-Community learning	444	–	–	–	444	581
-Jersey archive & collections	653	–	27	–	680	699
-Historic building service	70	–	–	–	70	70
-Société grant	41	–	–	–	41	41
-Other grants	–	–	27	–	27	–
<i>Governance costs</i>	72	–	–	–	72	90
Total Outgoing Resources	<u>3,751</u>	<u>–</u>	<u>168</u>	<u>100</u>	<u>4,019</u>	<u>4,796</u>
Net incoming/(outgoing) resources before transfers	264	–	56	(62)	258	210
Transfers	13	(58)	–	58	–	–
Net movement in funds	<u>206</u>	<u>–</u>	<u>114</u>	<u>(62)</u>	<u>258</u>	<u>210</u>
Total funds brought forward	3,763	28	362	3,347	7,500	7,290
Total funds carried forward	<u>3,969</u>	<u>28</u>	<u>476</u>	<u>3,285</u>	<u>7,758</u>	<u>7,500</u>

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 2010

		2010	2009
		£000	£000
	<i>Note</i>		
<i>RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES</i>			
Increase in resources		258	210
Bank interest receivable		(1)	(1)
Depreciation		350	729
Heritage assets acquired		(43)	(4)
Increase/(decrease) in creditors		38	(74)
Decrease/(increase) in debtors		23	77
Increase in stock		(3)	(7)
Increase in past service debt		173	213
		<hr/>	<hr/>
<i>NET CASH INFLOW FROM OPERATING ACTIVITIES</i>		795	1,143
		<hr/>	<hr/>
<b>CASH FLOW STATEMENT</b>			
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		795	1,143
<b>RETURNS ON INVESTMENTS</b>			
Bank interest receivable		1	1
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(4)	(65)
		<hr/>	<hr/>
		792	1,079
		<hr/>	<hr/>
<b>FINANCING</b>			
Loan repayments		–	(27)
Payment in respect of past service debt		(30)	(30)
		<hr/>	<hr/>
Loan repayments		(30)	(57)
		<hr/>	<hr/>
<b>INCREASE IN CASH</b>		762	1,022
		<hr/> <hr/>	<hr/> <hr/>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>			
Increase in cash		762	1,022
Loan repayments		–	28
		<hr/>	<hr/>
<b>MOVEMENT IN NET FUNDS/(DEBT)</b>		762	1,050
Net funds/(debt) at the start of the year	15	146	(904)
	<hr/>	<hr/>	<hr/>
<b>NET FUNDS AT THE END OF THE YEAR</b>	15	908	146
		<hr/> <hr/>	<hr/> <hr/>

# The Jersey Heritage Trust

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 1. ACCOUNTING POLICIES

#### (A) *ACCOUNTING CONVENTION*

The Financial Statements are prepared under the historical cost convention and on a going concern basis in accordance with UK GAAP, and comply with Statement of Recommended Practice (SORP) entitled "Accounting and Reporting by Charities" (SORP – Revised 2005) issued by the Charities Commission. The Financial Statements are prepared on the assumption that the Education Sport and Culture Department will continue to fund the Trust.

The SORP 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 SORP.

In accordance with SORP (Para 255d), the balance sheet carrying valuation of all Property as at 1 January 2001 was assumed to be equivalent to a 2000 valuation. Depreciation is provided from that 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.

Included within Leasehold Property are two buildings, which the Trust currently occupies, but for which no formal leasing arrangements have been agreed with Property Holdings and Jersey Harbours the respective administrators of these properties. In the view of the Trustees, the Trust cannot currently afford the obligations that attach to the leases on the Jersey Archive and Maritime Museum being offered. Trustees are seeking to resolve this issue with ESC and anticipate being able to enter into a lease agreement in the near future. Therefore, they do not do not consider the carrying value of the Jersey Archive building and Maritime Museum to be impaired.

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



# The Jersey Heritage Trust

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 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 SORP 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

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 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. The States Grant is taken to the SOFA in the year in which it is received. 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.

# The Jersey Heritage Trust

## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 2. UNRESTRICTED FUNDS

	<i>Balance 1 January 2010 £000</i>	<i>Incoming Resources £000</i>	<i>Outgoing Resources £000</i>	<i>Transfers £000</i>	<i>Balance 31 December 2010 £000</i>
Unrestricted funds	3,763	4,015	3,751	(58)	3,969
Total	<u>3,763</u>	<u>4,015</u>	<u>3,751</u>	<u>(58)</u>	<u>3,969</u>

### 3. DESIGNATED FUNDS

	<i>Balance 1 January 2010 £000</i>	<i>Incoming Resources £000</i>	<i>Outgoing Resources £000</i>	<i>Transfers £000</i>	<i>Balance 31 December 2010 £000</i>
JHT fund-Société Jersiaise projects	28	–	–	–	28
Total	<u>28</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>28</u>

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.

### 4. RESTRICTED FUNDS

	<i>Balance 1 January 2010 £000</i>	<i>Incoming Resources £000</i>	<i>Outgoing Resources £000</i>	<i>Transfers £000</i>	<i>Balance 31 December 2010 £000</i>
Ancient Monuments	88	–	(10)	117	195
Children's Care Homes Inquiry	67	–	(27)	(38)	2
Forts & Towers Investment	(17)	165	(104)	(21)	23
Glass Rainbow Publication	3	–	–	–	3
Hamptonne Land Acquisition	7	1	–	–	8
Heritage Assets	202	43	–	–	245
Public Catalogue Foundation	12	15	(27)	–	–
Total	<u>362</u>	<u>224</u>	<u>(168)</u>	<u>58</u>	<u>476</u>

#### 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 ESC. 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 ESC.

# The Jersey Heritage Trust

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 4. RESTRICTED FUNDS (CONTINUED)

#### **Children's Home Inquiry Fund**

Under a proposition approved by the States of Jersey, it was resolved that all the historic records that may be required by the Committee of Inquiry into Children's Care Homes in Jersey should be transferred to the Jersey Archive. The Jersey Archive would then act as the official repository for Public Records under the Public Records (Jersey) Law 2002 to ensure that they are catalogued and kept in a secure, impartial environment.

A service level agreement between the Trust, the Department for Education Sport and Culture and the States Greffe was then drawn up and it was agreed the Trust would receive a fee of £135,000 for undertaking this work over a two year period. Work began building the repository of Children's Care Homes' Records in the early part of 2009 and was completed at the end of 2010. The balance of unspent funds totalling £2,159 was returned to ESC in 2011.

#### **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 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 Economic Development Department Property Holdings and Transport and Technical Services 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. With the capital investment programme phase of the work now complete, the Board of Trustees felt it prudent to ask HFG to agree to set a minimum reserve level of 25% of annual gross income. Based on current financial projections, that will be achieved by the end of 2014. Thereafter any residual funds may be used by the HFG towards the development of further properties.

#### **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.

#### **Hamptonne Land Acquisition Fund**

The National Trust for Jersey, the Société Jersiaise and the Trust have agreed to raise funds to enable them to jointly purchase a field located adjacent to Hamptonne Country Life Museum. This fund comprises the money raised to date. The total cost of the land purchase is estimated at around £100,000.

#### **Heritage Assets**

This fund comprises the value of collections purchased by or gifted to Jersey Heritage since 2001 less any impairment cost. Jersey 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

# The Jersey Heritage Trust

## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 4. RESTRICTED FUNDS (CONTINUED)

#### Public Catalogue Foundation

The Public Catalogue Foundation (PCF) is a UK registered charity. It was set up to photograph and record all oil, acrylic and tempera paintings in publicly owned collections in the UK. The aim of the PCF is to improve public access to these paintings by producing a series of affordable colour catalogues.

Jersey invited the PCF to publish a catalogue on the Island's publicly owned collections, which it agreed to do on condition that the necessary funds were raised within the Island. Anne Binney, PCF co-ordinator for the Channel Islands, organised all fund-raising in Jersey.

The Public Catalogue Foundation does not have an administrative or legal presence in Jersey. Instead, the Trust, which shares similar charitable objectives, has provided that presence and lent the support of its professional staff. Monies held in this fund were transferred to the PCF in 2010.

### 5. ENDOWMENT FUNDS

	<i>Balance 1 January 2010 £000</i>	<i>Incoming Resources £000</i>	<i>Outgoing Resources £000</i>	<i>Transfers £000</i>	<i>Balance 31 December 2010 £000</i>
Sir Francis Cook Bequest	532	38	(31)	–	539
Jersey Museum	2,815	–	(69)	–	2,746
Total	3,347	38	(100)	–	3,285

#### 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 2010

### 6. PROPERTY

	<i>Freehold Land &amp; Buildings £000</i>	<i>Leasehold Property £000</i>	<i>Total £000</i>
<b>Cost</b>			
At 1 January 2010	4,446	5,916	10,362
Additions	–	–	–
At 31 December 2010	4,446	5,916	10,362
<b>Accumulated depreciation</b>			
At 1 January 2010	801	1,140	1,941
Charge for the year	89	103	192
At 31 December 2010	890	1,243	2,133
Net book values at 31 December 2010	3,556	4,673	8,229
Net book values at 31 December 2009	3,645	4,776	8,421

The net book value of freehold property comprises the following:

	<i>Net Book Value £000</i>
Jersey Museum, Weighbridge, St Helier	2,747
Sir Francis Cook Gallery, Augrès, Trinity	355
Collections Store, Augrès, Trinity	454
Total	3,556

The Sir Francis Cook Gallery and the Jersey Museum have been included within the Endowment Funds. 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>	<i>Expiry date</i>
Occupation Tapestry Gallery/ Maritime Museum	(under re-negotiation)	N/a
Jersey Archive	(under negotiation)	N/a

# The Jersey Heritage Trust

## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 7. HERITAGE ASSETS

	<i>Total</i> <i>£000</i>
<b>Cost</b>	
At 1 January 2010	202
Additions	43
	<hr/>
At 31 December 2010	245

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>Leasehold Fixtures, Fittings &amp; Displays</i> <i>£000</i>	<i>Other Fittings</i> <i>£000</i>	<i>Mont Orgueil Fittings</i> <i>£000</i>	<i>Other Equipment</i> <i>£000</i>	<i>Motor Vehicle</i> <i>£000</i>	<i>Elizabeth Castle Ferry</i> <i>£000</i>	<i>Total</i> <i>£000</i>
<b>Cost</b>							
At 1 January 2010	1,712	1,090	1,095	173	25	411	4,506
Additions	–	–	–	4	–	–	4
Disposals	–	–	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	1,712	1,090	1,095	177	25	411	4,510
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>							
At 1 January 2010	1,712	1,090	438	112	13	411	3,776
Charge for the period	–	–	110	43	5	–	158
Disposals	–	–	–	–	–	–	–
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	1,712	1,090	548	155	18	411	3,934
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book values</b>							
at 31 December 2010	–	–	547	22	7	–	576
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book values at 31 December 2009	–	–	657	61	12	–	730
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

#### **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.

# The Jersey Heritage Trust

## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 8. OTHER FIXED ASSETS (CONTINUED)

#### Elizabeth Castle Ferry

In 2009 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 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 Trustees view that the assets remain impaired.

### 9. DEBTORS

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

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Trade debtors	13	36
	<u>13</u>	<u>36</u>

### 10. 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. The loan is analysed as follows:

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Amounts falling due in less than 1 year	55	27
Amounts falling due in more than 1 year and less than 2 years	27	28
Amounts falling due in more than 2 years and less than 5 years	83	82
Amounts falling due in more than 5 years	110	138
	<u>275</u>	<u>275</u>

### 11. PAST SERVICE DEBT

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

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
At 1 January 2010	1,887	1,704
Add Increase in value of debt during the year	173	213
Less: Repayments for the year	(30)	(30)
At 31 December 2010	<u>2,030</u>	<u>1,887</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 2010 repayment rate was £2,493 per month and is subject to annual review by the scheme actuary. Future contribution payments are discounted to obtain the past service debt.



# The Jersey Heritage Trust

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 11. PAST SERVICE DEBT (CONTINUED)

In line with approach adopted to value the States debt as at 31 December 2010, the calculation of the value of the debt reflects the capital value (as at 31 December 2010) of all the future debt repayments due. The calculations are based on the approach used in the valuation of PECRS as at 31 December 2007 updated to reflect market conditions at the date of calculation. The assumptions as at 31 December 2010 were a discount rate of 6.0% p.a. and a salary increase assumption of 5.85% p.a. (which is made up of general salary increases of 5.15% p.a. and promotional salary increases of 0.7% p.a.).

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.

### 12. OUTGOING RESOURCES

Included within outgoing resources are the following amounts:

	<i>2010</i>	<i>2009</i>
	<i>£000</i>	<i>£000</i>
Depreciation	350	729
Audit Fee	14	14

Of the amounts included within depreciation costs in the 12 month period to 31 December 2009, £370,000 represents a one-off impairment cost to the Elizabeth Castle Ferry.

### 13. TRANSFER BETWEEN FUNDS (SEE NOTE 4)

Included within unrestricted admission income is an amount of £117,000 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 £21,000 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.

A sum of £38,000 was transferred from the restricted Children's Home Inquiry Fund in order to cover the Trust's overheads costs and the salary costs of the Head of Archives not otherwise charged to the Fund.

# The Jersey Heritage Trust

## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 14. ANALYSIS OF SUPPORT COSTS

The Trust allocates support costs to Charitable Activities as set out below.

	<i>Direct Costs £000</i>	<i>Grant £000</i>	<i>Support Costs £000</i>	<i>2010 Total £000</i>	<i>2009 Total £000</i>
<b>Cost of Generating Income</b>	482	–	56	538	591
<b>Charitable Activities</b>					
Sites Costs	1,758	–	389	2,147	2,724
Community Learning	356	–	88	444	581
Jersey Archive & Collections	550	–	130	680	699
Historic Building Service	56	–	14	70	70
Société Grant	–	41	–	41	41
Other Grants	–	27	–	27	–
<b>Governance Costs</b>	72	–	–	72	90
Total	3,274	68	677	4,019	4,796

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

### 15. ANALYSIS OF CHANGES IN NET DEBT

	<i>At 1 January 2010 £000</i>	<i>Cash Flow 31 December 2010 £000</i>	<i>At Cash 31 December 2010 £000</i>
Cash at Bank and in hand	421	762	1,183
Debt due within one year	(27)	(28)	(55)
Debt due after one year	(248)	28	(220)
	146	762	908

### 16. ANALYSIS OF STAFF COSTS

	<i>2010 £000</i>	<i>2009 £000</i>
Salaries and Wages	1,720	2,015
Employers' Social Security	104	122
Employers' Pension costs	171	209
Payments in Lieu of Notice	61	–
Severance Payments	109	–
	2,165	2,346

#### Average Number of employees

The average number of employees expressed as full time equivalents in 2010 was 55 (2009 – 82).

#### Details of higher paid staff

During the year 1 member of staff earned between £60,000 p.a. and £70,000 p.a. (2009 - 1) and 1 member of staff earned between £70,000 p.a. and £80,000 p.a. (2009 - 1).

# The Jersey Heritage Trust

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 17. 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 (2009 – 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 (2009 – Nil).

Directors' remuneration has been reported under note 16.

### 18. 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.

### 19. 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 £175,000.

Actuarial valuations are performed on a triennial basis, the most recent being at 31 December 2007 and dated 2 July 2009. 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 deficiency in the present scheme as a whole at the valuation date of £63.2 million. The Trust's share of this deficit has not been quantified. However, the States Actuary has concluded that this deficiency will need to be dealt with in accordance with the terms of the Scheme's Regulations.

The Board of Trustees also note that as at 31 December 2009, the defined benefit obligations of PECRS as reported in the States of Jersey Financial Report and Accounts exceed the fair value of the scheme assets by £569 million. An unquantified proportion of those obligations relate to Staff employed by the Trust.

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## NOTES TO THE ACCOUNTS for the year ended 31 December 2010

### 20. 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 is currently subject to review by a group of representatives from both the Trust and the Société. Part of that review will codify the purpose for which the Trust pays an annual grant to the Société of £41,266. During the year the Trust admitted 958 Société members (2009 – 1,412) to Trust managed sites without charge at an estimated revenue loss of £6,265 (2009 - £9,178).

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 £4,030 (unchanged from 2009).

#### **Jersey Museum Trading Company Limited**

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

### 21. CONTROLLING PARTY

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