

JERSEY HERITAGE TRUST

Report and Financial Statements

31 December 2006

TRUSTEES

Jurat P J de Veulle OBE – Chairman
Mr P J B Le Brocq – Vice-Chairman
Mr R Anthony
Mr G G Crill
Constable A S Crowcroft
Mr B Gould
Mr C Jones
Deputy C F Labey
Mr P Nicolle
Mrs J Stubbs
Mr J Voak

DIRECTOR

Mr J Carter MA AMA

FINANCE DIRECTOR

Mr N G Danby ACA

OFFICE

The Jersey Museum
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AUDITORS

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BANKERS

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PO Box 64
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JE4 8PJ

INCORPORATION

The Jersey Heritage 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 Jersey Heritage 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."

GOVERNANCE

The Board of Trustees formally meet five times a year. In addition there are two more informal Trustee groups which provide additional assurance about the Trust's work: the 'Sub-Committee' (formerly Governance Committee) which meets annually to consider staff remuneration and the 'Commissions Group' which has responsibility to add to the museum collections through the purchase of historic objects of local interest, or commissioning new work.

The Mont Orgueil Project cost control group, which draws its membership from professional consultants, Trust officers and a States Treasury representative, ensures that value for money is obtained from, and cost control is applied to, the restoration and interpretation programme planned for that site. The Chairman of the Board sits in attendance at meetings.

In accordance with the constitutional rules of the Trust, the term in office of Professor Ed Sallis ceased on the 14 June 2006 and that of Mr Francis Corbet on 19 April 2007. Mr Jonathan Voak and Mr R Anthony were elected in their stead. Mr Jonathan Voak's appointment was approved on 27 July 2006 and he attended his first Board meeting on 18 September 2006. Mr Paul Nicolle was appointed to an existing vacancy on the Board of Trustees on 13 July 2005 and attended his first Board meeting on 27 July 2006.

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. Two management agreements with the Société Jersiaise cover the responsibilities of the Trust in respect of the properties at La Hougue Bie and Hamptonne. There are currently no long-term agreements between the States of Jersey and the Trust over its occupation of the buildings that are home to the Maritime Museum/Occupation Tapestry Gallery and Jersey Archive. The Board of Trustees hope that continuing negotiations with Education Sport and Culture (ESC) and Property Holdings Limited will eventually result in a long term tenure of these properties.

Since 2005 the Trust has become responsible for the restoration and management of a number of publicly owned properties of historic interest (also known as Forts and Towers). The management agreement currently extends to six properties Seymour Tower; La Crête Fort,

Barge Aground, Radio Tower, Fort Leicester and L'Etacquerel Fort and this will increase in number as funds for the restoration programme become available.

INSURANCE

Property Insurance

Insurance valuations for Jersey Archive, Jersey Museum, and the Sir Francis Cook Gallery are based on the original balance sheet cost index-linked to the building cost indices. The Maritime Museum/Occupation Tapestry buildings are insured by Jersey Harbours.

The inalienable nature of the historic properties and collections means that whilst many of these assets do not carry balance sheet valuations the Trust still applies valuations for insurance purposes. These are set out in more detail below:

Sites of an historic nature

	£'000
No. 9 Pier Road	6,296
Hamptonne Country Life Museum Buildings	3,236
La Hougue Bie Museum Buildings	661

The States of Jersey, through Property Holdings Ltd, are responsible for providing adequate building insurance in respect of Elizabeth Castle, Mont Orgueil castles and the group of historic sites called 'Forts and Towers.'

Museum and Archive Collections

The total insurable risk for the museum collection and privately deposited archives is currently estimated at £15 million. The States of Jersey archives (around 80% of the material held on deposit with the Trust) are insured separately through the States' insurer. However the maximum loss from one single insurable loss has been estimated at only £4 million because the JHT's collections are dispersed across several sites. As a result it has been possible for the JHT to achieve a more cost effective means of insuring this collection through 'a first loss agreement'. The policy also has special provisions that apply to insurable risks associated with objects that have little or no market value. This provision has meant that where damage or repair is possible then restoration costs up to a maximum of £10,000 or the market value (whichever is the greater) will be met by the insurers.

It has been agreed with the Trust's insurer that the majority of the recent objects which have been acquired for display at Mont Orgueil will be covered by this policy and, as a result, have no impact on the total premiums paid. The main exceptions being the playground, display cases, AV equipment and ticket office contents, which are insured under standard contents insurance policies.

Trustee indemnity insurance, providing risk cover of up to £250,000 for each insurable event, was purchased in the year at a cost of £950.

FINANCIAL REPORT AND RESULTS

Definitions

In compliance with requirements of the Statement of Recommended Practice entitled "Accounting and Reporting by Charities", issued by the Charities Commission, the Statement of Financial Activities splits the Financial Statements into the following funds:

Unrestricted Funds

These are resources which are expendable at the discretion of the Trustees of the Jersey Heritage 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.

Heritage Funds

Where there is no power or authority within the Jersey Heritage Trust to convert assets into any other form or to dispose of them, they are designated as a Heritage Fund, which has the characteristic of permanence. Note 4 to the Financial Statements expands on the assets that comprise the Heritage Funds.

Activity in the year

The States of Jersey Revenue Grant

The level of the ESC grant increased from £1,808,000 to £1,856,000 (2.6%), a rate of increase broadly in line with increase in the retail price index but still significantly below the average level of States of Jersey pay award (to which the grant is notionally linked), which was settled at 3.5% in 2006.

The States of Jersey - other grants

In 2005 the Trust began to provide historic building advice in respect of planning applications to the States of Jersey Planning Department and also agreed to extend its education programme to include advice to the public on the maintenance of historic properties. In 2006 JHT received funding of £53,000 in the form of on-going support for this programme.

In 2005 the Tourism Development Fund (TDF) agreed to provide the Trust with a grant totalling £590,000 towards the cost of restoration and refurbishment of various publicly owned historic sites (Forts and Towers). The grant was given in staged payments: £200,000 was received in 2005 and the balance of £390,000 in 2006, all of which was placed in the F & T capital (restricted) fund.

Admissions income

Without doubt, the completion of the re-display and restoration of Mont Orgueil Castle, and the subsequent re-opening to the public on 2 April 2006 after a 6-month closure, was the single most significant event for the JHT in 2006. Its success and popularity with the public is reflected in the fact that admission income and footfall at the castle are up 83% and 66% year on year.

TRUSTEES' ANNUAL REPORT 2006

The admission income from the other sites (down 3%) mirrors the continuing downward trend in visitor numbers to the Island (down 6%).

Under the terms of the usufruct, the Trust is required to set aside part of the admission income from both Elizabeth Castle and Mont Orgueil into a separate fund called the Ancient Monuments Fund. As result of the improved visitor numbers at Mont Orgueil the value of the contribution increased from £77,000 to £112,000.

Other income

The growth in rents and space hire income this year, up £26,000 to £195,000, is entirely a consequence of fact that three of the six Forts and Towers now under JHT management have started to become available for public hire. 2007 will see a marked increase in income as more properties become available.

100% of the income generated in 2006 from letting these Forts and Towers has been applied to the fund which will be used for the upkeep, maintenance and restoration of the Forts and Towers under JHT management.

From 2007, the income will be allocated 50% towards the above fund and 50% towards the site operating costs which will be borne by the JHT.

Although total income received from sponsorship was down in 2006, this is more a reflection of the fact that 2005 was 'exceptional' due to the 60th Liberation anniversary celebrations providing an unusually high number of sponsorship opportunities. The decline in total bank interest received is principally a reflection of the decline in cash balances held within Mont Orgueil project and Ancient Monument Fund.

UNRESTRICTED EXPENDITURE

Staff costs

All staff received a cost of living pay award of 1.9% which added around £36,000 to pay costs with responsibility and incremental pay awards adding a further £18,000 to total pay. The Board's sub-committee completed its review of senior management salaries and introduced the recommendations made by the then Sub-Committee Chairman, Professor Ed Sallis. The full implementation of these recommendations would have increased annual pay costs by around £27,000. However, the majority of this increase will be offset by savings achieved through changes in senior personnel. In total, three senior staff replacements have or will have been made in 2006/7 and their successors are likely to be appointed on lower pay scales.

Unrestricted Fund expenditure

The overall unrestricted expenditure, including staff pay awards, increased by 3.2% year on year. The main area of expenditure growth was the result of a planned increase in living history and public programmes especially at Mont Orgueil and Elizabeth Castle.

RESTRICTED FUNDS EXPENDITURE

There were some significant movements in all of the larger restricted funds in the year. The key changes are described below:

- The 'Partnership Fund' represents funds set aside in 2004 by ESC to help meet future costs of implementing the cultural aims adopted by the States of Jersey. At the time the money was given to the JHT it was possible that the JHT would be the administrative

conduit for some of these aims. Following the appointment of an ESC Cultural Co-ordinator, the department have said they will ask for the funds to be returned and administered directly by ESC.

- The Chief Minister gave permission for the JHT to release the money held within the Freedom Tree Fund to the Jersey Public Sculpture Trust to enable it to pay for the future upkeep and maintenance of public art works.
- In partnership with the TDF, the Trust has produced and installed 92 'Heritage Signs' around the Island to enable tourists and Islanders alike to gain a better understanding of the historic environment. The Trust completed this work in 2006 and received around £24,000 towards its cost and contributed a further £13,000 to the project.
- From the funds given by TDF to JHT to carry out its restoration programme, around £553,000 was spent on the five forts and towers sites which are now open for public use.
- In 2006 the Board agreed to transfer £440,000 from the Ancient Monuments Fund to help pay for some of the repair work carried out on Mont Orgueil Castle during the recently completed restoration and re-display programme.

Other Restricted Funds

The Trust also administers two small boat restoration funds, one of which is supported by the Friends of Maritime Museum which pays for the material costs associated with restoring and maintaining the Trust's historic boat collection. Work on restoring the Howard D Lifeboat finally began in 2006 using a team of paid and unpaid staff specialists. Although the funds donated to the project are now spent, the JHT will be able to complete the remaining work at a modest cost.

The Marc Fitch Charitable Trust has provided a second grant towards the cost of buying preservation materials for the La Cotte Collection.

The original finance used to pay for the production of *The Glass Rainbow* publication was given by Jersey Tourism and the income from the sale of this book is being retained within a restricted fund to enable publications of a similar nature to be produced.

HERITAGE FUNDS

As noted above, the cost of restoration work on Mont Orgueil Castle far exceeded expectations at the start of the project. As a result, the Board have approved the transfer of the reserve held in the Ancient Monuments Fund to the Mont Orgueil project to help finance some of the repair costs at the castle. A further transfer of around £50,000 will be made in 2007 as work on the final project aim (the toilet block) is completed.

Also included in the Heritage Fund is the Sir Francis Cook bequest which comprises a gallery that is currently used as an exhibition space by local artists. Income to support the upkeep of the gallery is generated through property rental and interest earned on cash balances held on deposit, which also form part of the bequest.

TRUSTEES' ANNUAL REPORT 2006

The remaining funds represent the cost of capital investment in buildings operated by the Trust. The outgoing resources are the result of depreciation on these assets which are being written off over the expected lifetime of the building.

CONCLUSION

The JHT has had another year of high achievement. Although the re-opening of Mont Orgueil was a dominant feature of the year, at the same time the JHT managed to extend its public programme and acquired the management of six new historic sites. Despite significant cost pressures arising from the need to complete these programmes, the deficit in the unrestricted fund has remained relatively unchanged.

From past experience opening of new attractions it would be reasonable to expect the increased level of interest in visiting Mont Orgueil castle to be sustainable for the next three years. If it does, this should provide a small window of opportunity in which the JHT can strengthen its financial position which continues to remain vulnerable to changes in Jersey's economic environment.



(Chairman)


STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Financial Statements, in accordance with applicable Jersey law and generally accepted accounting principles. The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the net movement in resources of the Jersey Heritage Trust for the period and the state of the Jersey Heritage Trust's affairs at the end of the year.

In preparing Financial Statements the Trustees should:

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

The Trustees are responsible for keeping accounting records which are sufficient to show and explain the Jersey Heritage Trust's transactions so as to disclose with reasonable accuracy, at any time, the financial position of the Jersey Heritage Trust. They are also responsible for safeguarding the assets of the Jersey Heritage Trust and hence for taking reasonable steps to prevent and detect fraud and other irregularities.



(Chairman)

INDEPENDENT AUDITORS' REPORT
to the trustees of the Jersey Heritage Trust

We have audited the trust's financial statements for the year ended 31 December 2006, which comprise Balance Sheet, Statement of Financial Activities, Cash Flow Statement, and the related notes 1 to 14. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the financial statements in accordance with applicable Jersey law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements, give a true and fair view.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

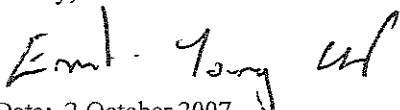
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom accounting standards, of the state of affairs of the Jersey Heritage Trust as at 31 December 2006 and of its net outgoing resources for the year then ended.

Jersey, Channel Islands



Date: 2 October 2007

Jersey Heritage Trust

BALANCE SHEET

at 31 December 2006

	Notes	Unrestricted Funds			Heritage Funds £000 (Note 4)	2006 Total £000	2005 Total £000
		Undesignated Funds £000	Designated Funds £000 (Note 2)	Restricted Funds £000 (Note 3)			
PROPERTY	5	–	–	–	9,376	9,427	
OTHER FIXED ASSETS	6	50	–	–	158	366	
		50	–	–	9,534	9,793	
CURRENT ASSETS							
Stock		–	–	–	–	9	
Debtors	7	53	–	12	–	57	
Bank balances		(42)	30	83	114	1,281	
		11	30	95	114	1,347	
CREDITORS: amounts falling due within one year							
Creditors		99	–	69	28	251	
Net current assets		(88)	30	26	86	1,096	
TOTAL ASSETS LESS CURRENT LIABILITIES		(38)	30	26	9,620	10,889	
CREDITORS: amounts falling due after more than one year							
Loan payable	8	–	–	–	330	358	
Pension liability	9	–	–	–	1,511	1,537	
		–	–	–	1,841	1,895	
Net assets		(38)	30	26	7,779	8,994	
Represented by:							
INCOME FUNDS		(38)	30	26	–	629	
HERITAGE FUNDS		–	–	–	7,779	8,365	
Total		(38)	30	26	7,779	8,994	

Signed by:
Chairman

N. Khan

Trustee

Clare Jones

19 September 2007

Jersey Heritage Trust

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2006

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	<i>Heritage</i>	<i>2006</i>	<i>2005</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>
INCOMING RESOURCES						
States' grants						
-revenue	1,815	41	—	—	1,856	1,808
-other	—	—	467	—	467	270
Admissions income	714	—	109	—	823	700
Rental & Space Hire	130	—	30	35	195	169
Publications	16	—	—	—	16	24
Bank interest	41	—	4	7	52	106
Sponsorship & Similar income	87	—	12	—	99	171
Fees & charges	26	—	8	—	34	41
	<u>2,829</u>	<u>41</u>	<u>630</u>	<u>42</u>	<u>3,542</u>	<u>3,289</u>
OUTGOING RESOURCES						
Direct expenses 10						
Sites & collections	1,338	—	592	1,017	2,947	2,616
Visitor services	631	—	—	—	631	632
Jersey Archive	352	—	—	104	456	413
Historic Building Service	—	—	63	—	63	51
Other public programmes	—	—	149	—	149	269
Société grant	—	41	—	—	41	41
Management & administration	478	—	—	(26)	452	616
	<u>2,799</u>	<u>41</u>	<u>804</u>	<u>1,095</u>	<u>4,739</u>	<u>4,638</u>
Net outgoing resources before transfers	30	—	(174)	(1,053)	(1,197)	(1,349)
Transfers between Funds	(31)	—	(436)	467	—	—
Net outgoing resources for the year	<u>(1)</u>	<u>—</u>	<u>(610)</u>	<u>(586)</u>	<u>(1,197)</u>	<u>(1,349)</u>
Balances brought forward	(37)	30	636	8,365	8,994	10,343
Balances carried forward at 31 December	<u>(38)</u>	<u>30</u>	<u>26</u>	<u>7,779</u>	<u>7,797</u>	<u>8,994</u>

Jersey Heritage Trust

CASH FLOW STATEMENT for the year ended 31 December 2006

	2006	2005
	£000	£000
	<i>Note</i>	
RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Decrease in resources	(1,197)	(1,349)
Bank Interest receivable	(52)	(106)
Depreciation	236	295
(Decrease)/increase in creditors	(55)	(96)
Decrease/(increase) in debtors	(7)	26
Decrease/(increase) in stock	9	1
(Decrease)/increase in pension liability	(26)	97
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(1,092)	(1,132)
RETURNS ON INVESTMENTS		
Bank Interest receivable	52	106
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Payments to acquire tangible fixed assets	(27)	(8)
NET CASH INFLOW FROM INVESTING ACTIVITIES	25	98
FINANCING		
Loan repayments	(28)	(27)
DECREASE IN CASH	(1,095)	(1,061)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
Decrease in cash	(1,095)	(1,061)
Loan repayments	28	27
MOVEMENT IN NET DEBT	11	11
Net debt at the start of the year	(1,067)	(1,034)
	11	895
NET DEBT AT THE END OF THE YEAR	11	(172)
		895

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

1. ACCOUNTING POLICIES

(A) ACCOUNTING CONVENTION

The Financial Statements are prepared under the historical cost convention and in accordance with accounting principles generally accepted in the Island of Jersey incorporating United Kingdom accounting standards, and comply with Statement of Recommended Practice entitled "Accounting and Reporting by Charities".

(B) PROPERTY

The initial restoration expenditure and any development work is capitalised; subsequent conservation repair and restoration costs are written off to the Statement of Financial Activities. No depreciation is provided on freehold property as in the opinion of the trustees, any depreciation charged on the freehold property would be immaterial. The trustees carry out an annual impairment review on each of the freehold properties to ensure their current value is not less than their carrying amount.

(C) FIXED ASSETS

Fixed assets (with the exception of items for collection which are written off in the year of acquisition) are depreciated on a straight line basis using the following rates:

Fixtures and fittings	10%
Other equipment	10% - 33%
Motor vehicle	20%
Leasehold property	Life of the lease

The status of the Trust in respect of the Jersey Archive building, which is owned by the States of Jersey, is still subject to negotiation. However it is assumed that in the near future a 99-year lease will be given to the Trust and, when it is, the date of commencement will be backdated to 1st January 2006. The building cost is therefore now being written down over a 99 year period, the expected life of the lease.

(D) COLLECTIONS

The Jersey Heritage Trust's own collection comprises objects, artefacts, archives material, and data, of an historic nature which are specifically donated to, or purchased by, the Trust. All acquisition costs are written off in the year of purchase.

Items generally donated to the museum are deemed to have been donated to the Société Jersiaise and are not included in these Financial Statements.

Costs of the care and maintenance of all collections managed by the Jersey Heritage Trust, whether owned by the Société Jersiaise, the Jersey Heritage Trust, the States of Jersey and others, are borne by the Jersey Heritage Trust and are reflected in these Financial Statements. All the costs of insurance in respect of collections held on properties owned or managed by the Trust, are reflected in these Financial Statements.

(E) HISTORIC BUILDINGS

The Jersey Heritage Trust cares for a number of Historic Buildings for which it would be impossible to find the cost information needed to produce a reliable valuation. Therefore the restoration cost of these buildings is written off in the year in which it is expended.

(F) GRANTS

All grants are credited on a received basis.

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

1. ACCOUNTING POLICIES (CONTINUED)

(G) INVESTMENT INCOME

Deposit interest is accrued on a daily basis.

(H) RENT RECEIVABLE

Credit is taken for rental income on the dates receivable.

(I) SPECIFIC FUNDS

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

2. DESIGNATED FUNDS

The income funds of the Trust include the following designated funds which have been set aside out of unrestricted fund by the Trustees of the Jersey Heritage Trust.

	<i>Balance</i> <i>1 January</i> <i>2006</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>2006</i> <i>£000</i>
Grants to the Société Jersiaise	–	41	(41)	–	–
JHT fund-Société projects	30	–	–	–	30
Total	30	41	(41)	–	30

3. RESTRICTED FUNDS

	<i>Balance</i> <i>1 January</i> <i>2006</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>2006</i> <i>£000</i>
Ancient Monuments	363	112	(35)	(440)	–
Charing Cross Exhibitions	2	1	–	(3)	–
'ESC' Partnership	52	–	(50)	(2)	–
Forts & Towers	168	392	(553)	7	14
Forts & Towers Income	(3)	30	(27)	–	–
Freedom Tree (Millennium Monument)	25	–	(25)	–	–
Glass Rainbow Publication	3	–	–	–	3
Hamptonne Land acquisition fund	–	14	(7)	–	7
Historic Building Service	19	53	(63)	(7)	2
'Marc Fitch' La Cotte collection	–	4	–	(4)	–
'Maritime Friend's' Boat Restoration	(2)	–	–	2	–
Howard D Lifeboat Restoration	3	–	(3)	–	–
No 9 Fund	2	–	–	(2)	–
'TDF' Heritage Signage	4	24	(41)	13	–
Total	636	630	(804)	(436)	26

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

4. HERITAGE FUNDS

	<i>Balance 1 January 2006 £000</i>	<i>Incoming Resources £000</i>	<i>Outgoing Resources £000</i>	<i>Transfers £000</i>	<i>Balance 31 December 2006 £000</i>
Augrès Collections Store	184	–	–	27	211
Jersey Archive	5,192	–	(104)	–	5,088
Jersey Museum	3,433	–	–	–	3,433
Mont Orgueil Restoration	442	3	(896)	440	(11)
OTG/Maritime Museum	110	–	(110)	–	–
Sir Francis Cook Gallery-Bequest	541	39	(11)	–	569
Pension Liability	(1,537)	–	26	–	(1,511)
Total	8,365	42	(1,095)	467	7,779

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

5. PROPERTY

	<i>Freehold Land & Buildings £000</i>	<i>Leasehold Property £000</i>	<i>Total £000</i>
Cost			
At 1 January 2006	4,446	5,916	10,362
Additions	–	–	–
At 31 December 2006	<u>4,446</u>	<u>5,916</u>	<u>10,362</u>
Accumulated depreciation			
At 1 January 2006	–	935	935
Charge for the year	–	51	51
At 31 December 2006	<u>–</u>	<u>986</u>	<u>986</u>
Net book values at 31 December 2006	<u>4,446</u>	<u>4,930</u>	<u>9,376</u>
Net book values at 31 December 2005	<u>4,446</u>	<u>4,981</u>	<u>9,427</u>

All the above assets have been included within the Heritage Funds.

The freehold property above comprises the following:

	<i>Cost £000</i>
Jersey Museum, Weighbridge, St Helier	3,433
Sir Francis Cook Gallery, Augrès, Trinity	445
Collections Store, Augrès, Trinity	568
Total	<u>4,446</u>

The Net Book Value of the leasehold property above relates entirely to the unamortized 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
Le Hocq Tower, St Clement	25 years	24 June 2019

In compliance with requirements of Statement of Recommended Practice all expenditure on the Mont Orgueil Restoration Project has been taken to the Statement of Financial Activities.

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

6. OTHER FIXED ASSETS

	<i>Fixtures & Fittings</i>		<i>Other Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	<i>Leasehold</i>	<i>Other</i>			
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost					
At 1 January 2006	1,712	1,090	87	12	2,901
Additions	–	–	18	10	28
Disposals	–	–	(11)	(12)	(23)
At 31 December 2006	1,712	1,090	94	10	2,906
Accumulated depreciation					
At 1 January 2006	1,391	1,090	44	10	2,535
Charge for the period	162	–	19	4	185
Disposals	–	–	(11)	(12)	(23)
At 31 December 2006	1,553	1,090	52	2	2,697
Net book values at 31 December 2006	159	–	42	8	209
Net book values at 31 December 2005	321	–	43	2	366

The net book value of assets at 31 December 2006 is analysed between the following funds:

	<i>Fixtures & Fittings</i>		<i>Other Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	<i>Leasehold</i>	<i>Other</i>			
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Unrestricted	–	–	42	8	50
Heritage funds	159	–	–	–	159
Total	159	–	42	8	209

Leasehold fixtures and fittings relate to costs associated with fitting out the Occupation Tapestry Gallery/ Maritime Museum and the Archive Building. Other fittings relate to costs associated with the Jersey Museum.

	<i>2006</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>
	<i>Total</i>	<i>Total</i>
Capital commitments		
Authorised but not contracted for:	–	690
Contracted for:	–	132
Total	–	822

All the above capital commitments relate to the Mont Orgueil project.

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

7. DEBTORS

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

	2006	2005
	£000	£000
2006 States Grant receivable	17	—
Other debtors	47	57
	<u>64</u>	<u>57</u>

8. LOAN PAYABLE

The States of Jersey has provided a loan of £550,000 to the Jersey Heritage 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 1 January 1999. The loan is analysed as follows:

	2006	2005
	£000	£000
Amounts falling due in less than 1 year	28	28
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	83	83
Amounts falling due in more than 5 years	220	247
	<u>358</u>	<u>385</u>

9. PENSION LIABILITY

The following is an analysis of the movement in the pension liability

	2006
	£000
At 1 January 2006	1,537
Add: Interest for the year (at 6.75%)	104
Less: Repayments for the year	(107)
Less: 2006 Debt Repayments	(23)
At 31 December 2006	<u>1,511</u>

10. DIRECT EXPENSES

Included within direct expenses are the following amounts:

	2006	2005
	£000	£000
Depreciation	236	295
Audit Fee	8	5
	<u>244</u>	<u>300</u>

11. TRANSFER BETWEEN FUNDS

The sum of £27,500 was transferred from the unrestricted funds to the Augrès Store fund. This relates to the annual payment of the loan described more fully in note 8.

Jersey Heritage Trust

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2006

12. ANALYSIS OF CHANGES IN NET DEBT

	<i>At</i>		<i>At</i>
	<i>1 January</i>	<i>Cash 31 December</i>	<i>2006</i>
	<i>2006</i>	<i>Flow</i>	<i>2006</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cash at Bank and in hand	1,281	(1,095)	186
Debt due within one year	(28)	-	(28)
Debt due after one year	(358)	28	(330)
	<u>895</u>	<u>(1,067)</u>	<u>(172)</u>

13. PENSION SCHEME

The Jersey Heritage Trust has along with a number of other locally based Public bodies and institutions '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 scheme.

The Jersey Heritage Trust meets the employer cost of pension cover for the staff they employ by payment of contributions calculated by the Scheme Actuary triennially. Although the scheme is a defined benefit scheme the Board of Trustees is unable to identify the Trust's share of the underlying assets and liabilities and has therefore accounted for the contributions to the scheme as if it were a defined contribution scheme. Since 1st February 2006 the Trust's contribution rate has been set by the actuary at 13.60% (2005: 15.16%) of the gross salary of participating employees. In the year the Trust made contributions on behalf of employees of £159,715

As with other participating employers the Trust also is liable to repay its share of the pre-1987 scheme debt by 2083. This liability which arose when PECRS was restructured in the late 1980's, is currently being serviced through monthly payments which will continue until December 2083. The current repayment rate is £2,010 per month and is reviewed annually by the scheme actuary.

Adequacy of Scheme funding

Actuarial valuations are performed on a triennial basis, the most recent being at 31 December 2005. 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 latest valuation showed that there is a deficiency in the present scheme as a whole at the valuation date of £17.4 million. The Trust's share of this deficit has not been quantified. However the actuary has concluded that this deficit is temporary in nature and no action is necessary at this time.

14. WHOLLY OWNED SUBSIDIARY

The Jersey Heritage 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.