THE JERSEY HERITAGE TRUST

Report and Financial Statements

31 December 2011
The Jersey Heritage Trust

TRUSTEES' ANNUAL REPORT 2011

TRUSTEES
Mr C Jones - Chairman
Jurat P Nicolle - Vice Chairman
Mr J Clarke – Société President
Constable A S Crowcroft
Mr P Funk
Mr R Hassell
Mr M Oliver FCCA
Mr J Voak
Mrs E de Gruchy
Professor E Sallis
Ms K Kirk

HONORARY FINANCIAL ADVISER
Mr K Keen FCCA FCMA

DIRECTOR
Mr J Carter MA AMA

FINANCE DIRECTOR
Mr P Thomas ACCA

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
PO Box 64
St Helier
Jersey JE4 8PJ

LEGAL ADVISERS
Ogier
Ogier House
The Esplanade
St Helier
Jersey JE4 9WG
INTEGRATION

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 £514,000 increasing the total accumulated Trust funds to £8,272,000.

The unrestricted fund surplus for the year was £255,000.

ACHIEVEMENTS AND PERFORMANCE

Introduction

It is now a year since the Board of Trustees outlined the road that lay ahead for Jersey Heritage. With a focus on engaging all stakeholder groups, we were committed to communicating the value of Jersey Heritage in order to secure continued and greater support for this incredibly important organisation.

At that time we could not have looked forward to what we have to tell you today. We are simply more optimistic about the outlook for Jersey Heritage than we have been since before July 2009.

Getting to where we are today, we have had a lot of support which must be recognised. This has come from all areas of our business - from our staff, our members and our corporate partners, from the Minister for Education, Sport and Culture, his Department and from States Members. Without that support it would have been difficult to get to the position we’re in today.

There have been some notable achievements. New exhibitions have impressed visitors to the Jersey Museum, and events at the Maritime Museum, La Hougue Bie and our other key sites have attracted large numbers of visitors. Our new membership structures have been welcomed by the public and we have already surpassed our expectations for 2011 in terms of people wanting to belong to Jersey Heritage. Turning to educational initiatives, our new Discovery Day Scrapbook has introduced new ways of engaging with our young followers. And not least, we are on the verge of at last being able to invest in our important assets.

We continue to work closely with our partners at Education, Sport & Culture (ESC) and with Jersey Tourism and the Economic Development Department to ensure that the experience we provide for both Islanders and visitors is of the highest standard.
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Performance
The total operating grant from ESC in the year totalled £2,289,200 and covered approximately 57% of the operating expenditure of the Trust. An additional £150,000 was made available in respect of development of heritage lets at Hamptonne Country Life Museum, on which construction work is due to commence in June 2012. From TDF an initial advance of £50,000 out of a commitment of £145,000 was made in respect of development of Kempt Tower and La Rocco Tower to create additional heritage lets, work on which will commence in mid 2012. All these developments are due to become available for letting in 2013 and will greatly enhance an already impressive collection of properties that allow visitors and locals to enjoy historic properties whilst providing additional opportunities for the Trust to improve the sustainability of its activities.

The advance of £150,000 from ESC is the first tranche of an annual amount of £465,000 recognised by the Council of Ministers as being necessary for the refreshment and refurbishment of the sites to attract visitors and maintain the capacity of the Trust to generate income. The remaining £315,000 is to be funded by DfESC for the first year. A consequence of this committed funding is that the Trust has increased its planning horizon and looking towards a rolling 5 year plan for refreshment & refurbishment, something it was previously unable to do through the uncertainties surrounding the sustainability of its income stream.

During the restructuring exercise in 2009/2010, the Trust recognised that it had a part to play in raising funds in addition to the operating grant from ESC and has responded well to that challenge albeit against a background of tough economic times.

Commercial Trading income has disappointingly fallen by 3.6%. A significant contribution to this fall has been a decrease in heritage lets income of 9% (2011 - £150,000; 2010 - £165,000) which perhaps is unsurprising considering the tough economic circumstances. A more flexible approach to bookings in 2012 is showing improving results. Additionally income from venue hire has shown a decrease of 12% (2011: £94,000; 2010: £107,000). This is a competitive environment where other providers will lead on the catering and provide the venue hire for free or at a reduced price. However, 2012 is showing signs of improvement with many bookings for weddings. Income from third party operators who lease or licence areas of Trust property has increased by 22% (2011 - £50,000; 2010 - £41,000) and retail trading income continues to provide significant funds (Turnover: 2011 - £185,000; 2010 - £185,000) and improving margins (Gross Profit: 2011 - £105,000; 2010 - £100,000).

Encouragingly, income generated from charitable activities has seen an increase of 12% (2011 - £1,392,000; 2010 - £1,244,400). Admissions to sites increased by 7% (2011 - £1,137,000; 2010 - £1,058,000) whilst memberships showed a 34% increase (2011 - £109,000; 2010 - £76,000). The Trust recognises the importance of membership in furthering its work. Throughout 2011 major efforts were made to grow membership and this is set to continue in 2012. Significant resources were devoted to signing up old and new members and a system of direct debit payments was introduced. Early indications from the 2012 renewal process suggest that the level of renewal is high and new monthly payment methods have been introduced in addition to the annual method previously offered. The ambition is to engage some 12,000 of the islands population as members. Corporate sponsorship was slightly reduced.

Fees & charges saw a similar increase of 34% (2011 - £71,000; 2010 - £53,000) with reproduction fees from the Claude Cahun collection, Events income and donations all improved on the previous year.
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As always we are grateful for the assistance of our generous sponsors. They are key to the Trust and in 2011 assisted in the efforts to secure the loan of the Death of Major Perison painting from Tate London which will be the centrepiece of the Battle of Jersey Exhibition in 2012. Sponsorship income increased by 32% on the previous year (2011 - £75,000; 2010 - £57,000).

On the costs side, the total outgoing resources has seen a small reduction of £11,000. Much of this reduction in costs follows from the reduction in staffing levels and the decision to outsource a number of functions previously provided in house. It is also fair to say that there has been a very cautious approach to spending throughout 2011.

Marketing costs increased substantially during 2011 with the aim of informing the public of the many and varied activities available throughout the year and the great value to be gained by becoming a member. At the Chartered Institute of Marketing awards, and as a consequence of the excellent efforts made by our marketing agency, the Trust won four awards (Best Brand, Best Use of Media, Best Integrated Marketing Campaign and Marketing Achievement of the Year) whilst our newly-appointed marketing agency, Orchid, won the Best Agency Contribution award.

Overall the financial position of the Trust at the end of 2011 is more robust than it has been over the past two or three years, leaving the organisation in a much better position to advance its plans for 2012.

RESERVE POLICY

The Trustees present the first reserves policy of the Trust.

The unrestricted fund comprises the Trust’s investment in properties and contents held for its charitable purpose and the Trust’s free reserve.

At 31st December, the value of the unrestricted fund was £4.2 million of which £5.5 million represents properties and contents. The Trust therefore has no free reserves.

A significant reason for this situation is the existence of the past service debt of £1.9 million. This past service debt arose when a shortfall in funding of the States' Public Employees Contributory Retirement Scheme (PECRS), of which the Trust is an admitted member, was identified in the late 1980's. At that time PECRS hoped current member's contributions would service the cost of this obligation. In 2005, further changes were made to the pension fund and the remaining liability was transferred to the participating bodies. As with other participating bodies, the Trust is liable to repay its share of the pre-1987 debt by 2083 and this will be achieved by monthly payments that will continue to December 2083.

The Trustees’ policy for the Trust’s cash reserves is to hold sufficient to cover the working capital requirements of the Trust taking into account the seasonality of its activities, the potential for a sudden significant reduction in its revenue generating opportunities as might arise from paralysis of international transport services and sufficient to wind down the Trust in an orderly manner should it be forced to close. This value is estimated to be approximately £1.2 million and assumes continued support at the current funding rate and frequency from the Department for Education Sport & Culture and no significant acceleration or increase in the repayment of the past service debt.

At 31st December 2011, the value of the unrestricted cash reserves amounted to £1.08 million and the Trustees will work to ensure that these cash reserves will be attained by 31st December 2012. Furthermore the Trustees will review the policy on an annual basis.
OBJECTIVES AND ACTIVITIES

The following is a summary of the Trust’s main aims as described in its 2012–2013 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 SLA between the Trust and ESC was signed in early 2012. It documents fully what is expected of the Trust in terms of its service level for the funding it receives from ESC. It clearly identifies what that funding will be and as a consequence, the Trust is developing 5 year rolling plans for investment. The initial investment will be in heritage lets, the refurbishment of the gallery at the museum and subsequent to that development of the Story of Jersey. Plans are also under way to vacate all of 9 Pier Road from occupation by the Trust and return it to a state in keeping with the remainder of the house.

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,
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- 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

Since the 2010 annual report and accounts were approved, Mr B Gould has retired and Professor E Sallis, Mrs E de Gruchy and Ms K Kirk have joined as trustees.

Two trustees, P Nicolle and J Voak are due to retire during 2012 as they will have completed 6 years service. Recruitment for their replacement will commence towards the end of the year.

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

The constitution of the Trust is currently undergoing review and it is working with the Minister to bring governance into line with current States practice regarding political participation on independent boards.

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 the applicant’s experience, skills, and personal qualities.

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

GOVERNANCE

On 25 January 2010 the Honorary Financial Adviser was appointed chairman of the then newly constituted Finance and Audit Committee. On 6th December 2011, K Keen relinquished his chairmanship of this committee whilst continuing to act as Honorary Financial Adviser and M Oliver was appointed as chairman in his place. 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 PARTIES

Société Jersiaise

By virtue of common trusteeship the Société Jersiaise is considered a related party. The Trust has three separate agreements with the Société Jersiaise under which it undertakes to care for, preserve, and provide public access to Hampton Court 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 £41,265. During the year the Trust admitted 1,069 Société members (2010 - 958) to Trust managed sites without charge at an estimated revenue loss of £8,962 (2010 - £6,265).

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 £4,307 (2010 - £4,030).

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.

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 3,204 sessions (2010 – 2,948 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’Étacquerel 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.

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 2012 are based on the historic cost of construction, inflation-linked to the local building cost indices.

Building Insurance Valuations

<table>
<thead>
<tr>
<th>Building Description</th>
<th>£'000</th>
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<tbody>
<tr>
<td>Jersey Museum and 9-13 Pier Road</td>
<td>8,638</td>
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<tr>
<td>Hamptonne Country Life Museum Buildings</td>
<td>3,840</td>
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<td>La Hougue Bie Museum Buildings and Passage Grave</td>
<td>1,034</td>
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<tr>
<td>Jersey Archive</td>
<td>8,230</td>
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<tr>
<td>Sir Francis Cook Gallery and Store</td>
<td>4,407</td>
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</tbody>
</table>

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 £18 million with a maximum first loss cover of £9.37 million.

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

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

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

Other Insurance

The Trust has 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.
The Jersey Heritage Trust

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

- select suitable accounting policies and then apply them consistently;

- 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.
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 2011 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 12) 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 2011, 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: 24 June 2012
## The Jersey Heritage Trust

### BALANCE SHEET
at 31 December 2011

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Funds £000 (Note 2)</th>
<th>Designated Funds £000 (Note 3)</th>
<th>Restricted Funds £000 (Note 4)</th>
<th>Endowment Funds £000 (Note 5)</th>
<th>2011 £000</th>
<th>2010 £000</th>
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<td><strong>FIXED ASSETS:</strong></td>
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<tr>
<td>Property</td>
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<td>Heritage assets</td>
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<td>Other fixed assets</td>
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<td>456</td>
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<td>Debtors</td>
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<td>135</td>
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<td>413</td>
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<td>Creditors: Amounts falling due within one year</td>
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<td>(38)</td>
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<td>(403)</td>
<td>(267)</td>
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<td><strong>NET CURRENT ASSETS</strong></td>
<td><strong>818</strong></td>
<td><strong>28</strong></td>
<td><strong>510</strong></td>
<td><strong>205</strong></td>
<td><strong>1,561</strong></td>
<td><strong>958</strong></td>
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<td><strong>TOTAL ASSETS LESS CURRENT LIABILITIES</strong></td>
<td><strong>6,287</strong></td>
<td><strong>28</strong></td>
<td><strong>790</strong></td>
<td><strong>3,230</strong></td>
<td><strong>10,335</strong></td>
<td><strong>10,008</strong></td>
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<td><strong>CREDITORS:</strong> Amounts falling due after more than one year</td>
<td>Loan payable 10 165</td>
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<td><strong>790</strong></td>
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<td><strong>8,272</strong></td>
<td><strong>7,758</strong></td>
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</tbody>
</table>

### THE FUNDS OF THE CHARITY:

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds 4,224</th>
<th>Designated funds 28</th>
<th>Restricted funds 790</th>
<th>Endowment fund 3,230</th>
<th>Total charity funds 4,224</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4,224</td>
<td>28</td>
<td>790</td>
<td>3,230</td>
<td>8,272</td>
</tr>
</tbody>
</table>

Approved by the Board of Trustees on 29 June 2012 and signed on their behalf by:

Chairman

Trustee

14
The Jersey Heritage Trust

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2011

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Designated</th>
<th>Restricted</th>
<th>Endowment</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds (£000)</td>
<td>Funds (£000)</td>
<td>Funds (£000)</td>
<td>Funds (£000)</td>
<td>Total (£000)</td>
<td>Total (£000)</td>
</tr>
<tr>
<td>Notes</td>
<td>(Note 2)</td>
<td>(Note 3)</td>
<td>(Note 4)</td>
<td>(Note 5)</td>
<td></td>
</tr>
</tbody>
</table>

INCOMING RESOURCES

Incoming resources
from generated funds

Voluntary income
- States' grants-ESC 2,289 — — — 2,289 2,363
- Other 83 — 185 — 258 68
- Heritage assets — — 35 — 35 43

Activities for generating funds
- Commercial trading income 350 — 151 36 537 557
- Investment income 1 — — — 1 2

Total Incoming Resources 2,723 — 371 36 3,130 3,033

Incoming resources
from charitable activities

- Admissions income 1,137 — — — 1,137 1,058
- Membership fees 109 — — — 109 76
- Fees & charges 71 — — — 71 53
- Sponsorship income 75 — — — 75 57

Total Incoming Resources from charitable activities 1,392 — — 36 1,392 1,244

Total Incoming Resources 4,115 — 371 36 4,522 4,277

RESOURCES EXPENDED 12

Cost of generating funds
Charitable activities
- Sites costs 1,907 — 117 91 2,115 2,147
- Community learning 432 — — — 432 444
- Jersey archive & collections 659 — 2 — 661 680
- Historic building service 67 — — — 67 70
- Société grant 41 — — — 41 41
- Other grants — — 8 — 8 27
- Governance costs 90 — — — 90 72

Total Outgoing Resources 3,746 — 171 91 4,008 4,019

Net incoming/(outgoing) resources before transfers 369 — 200 (55) 514 258

Transfers 13 (114) — 114 — —

Net movement in funds 255 — 314 (55) 514 258

Total funds brought forward 3,969 28 476 3,285 7,758 7,500

Total funds carried forward 4,224 28 790 3,230 8,272 7,758

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 2011

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>RECONCILIATION OF NET INCOMING RESOURCES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in resources</td>
<td>514</td>
<td>258</td>
</tr>
<tr>
<td>Bank interest receivable</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>330</td>
<td>350</td>
</tr>
<tr>
<td>Heritage assets acquired</td>
<td>(35)</td>
<td>(43)</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>136</td>
<td>38</td>
</tr>
<tr>
<td>(Increase)/decrease in debtors</td>
<td>(191)</td>
<td>23</td>
</tr>
<tr>
<td>Increase in stock</td>
<td>(9)</td>
<td>(3)</td>
</tr>
<tr>
<td>(Decrease)/increase in past service debt</td>
<td>(102)</td>
<td>173</td>
</tr>
<tr>
<td><strong>NET CASH INFLOW FROM OPERATING ACTIVITIES</strong></td>
<td>642</td>
<td>795</td>
</tr>
</tbody>
</table>

CASH FLOW STATEMENT

**NET CASH INFLOW FROM OPERATING ACTIVITIES**
642 795

**RETURNS ON INVESTMENTS**
Bank interest receivable 1 1

**CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**
Payments to acquire tangible fixed assets (19) (4)

**FINANCING**
Loan repayments (55) –
Payment in respect of past service debt (30) (30)

Loan repayments (85) (30)

**INCREASE IN CASH**
539 762

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**
Increase in cash 539 762
Loan repayments 55 –

**MOVEMENT IN NET FUNDS/(DEBT)**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net funds/(debt) at the start of the year</td>
<td>594</td>
<td>762</td>
</tr>
<tr>
<td></td>
<td>908</td>
<td>146</td>
</tr>
</tbody>
</table>

**NET FUNDS AT THE END OF THE YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,502</td>
<td>908</td>
</tr>
</tbody>
</table>
The Jersey Heritage Trust

NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

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. Whereas in the past it was the view of the Trustees that the Trust could not afford the obligations that attach to the leases on the Jersey Archive and Maritime Museum, improving financial results have caused the Trustees to recommence the negotiations with a view to entering into leases for these properties.

Any leasehold improvements to the Property are charged to the SOFA in the year the expense is incurred.
NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

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 these assets 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.
1. **ACCOUNTING POLICIES (CONTINUED)**

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

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

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

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

**(J) OUTGOING RESOURCES**
Outgoing resources are recognised in the financial statements on an accruals basis.

**(K) LEASES**
The Trust has no finance leases. Costs relating to operating leases are charged over the life of the lease.

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

**(M) SPECIFIC FUNDS**
Grants or bequests received for specific purposes are accounted for separately.

**(N) GRANTS PAYABLE**
Grants payable are recognised in the SOFA when the conditions of the grant have been fulfilled and the grant is claimable.
2. UNRESTRICTED FUNDS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>3,969</td>
<td>4,115</td>
<td>(3,746)</td>
<td>(114)</td>
<td>4,224</td>
</tr>
<tr>
<td>Total</td>
<td>3,969</td>
<td>4,115</td>
<td>(3,746)</td>
<td>(114)</td>
<td>4,224</td>
</tr>
</tbody>
</table>

3. DESIGNATED FUNDS

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Balance 1 January 2011</th>
<th>Incoming Resources 2011</th>
<th>Outgoing Resources 2011</th>
<th>Transfers 2011</th>
<th>Balance 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>JHT fund-Société Jersiaise projects</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>28</td>
<td></td>
<td></td>
<td></td>
<td>28</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>Balance 1 January 2011</th>
<th>Incoming Resources 2011</th>
<th>Outgoing Resources 2011</th>
<th>Transfers 2011</th>
<th>Balance 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ancient Monuments</td>
<td>195</td>
<td></td>
<td>(92)</td>
<td>133</td>
<td>236</td>
</tr>
<tr>
<td>Children’s Care Homes Inquiry</td>
<td>2</td>
<td></td>
<td>(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forts &amp; Towers Investment</td>
<td>23</td>
<td>151</td>
<td>(69)</td>
<td>(19)</td>
<td>86</td>
</tr>
<tr>
<td>Glass Rainbow Publication</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Hamptonne Land Acquisition</td>
<td>8</td>
<td></td>
<td>(8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kempt &amp; Rocco Towers Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamptonne Refreshment &amp; Refurbishment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Assets</td>
<td>245</td>
<td>35</td>
<td></td>
<td></td>
<td>280</td>
</tr>
<tr>
<td>Total</td>
<td>476</td>
<td>371</td>
<td>(171)</td>
<td>114</td>
<td>790</td>
</tr>
</tbody>
</table>

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.
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.

Kempt & La Rocco Towers Development Fund

Following an application made to the Tourism Development Fund, that fund has agreed to finance the conversion of Kempt Tower and La Rocco Tower in St Ouen’s Bay into holiday lets for occupation in the season commencing 2013. The estimated costs of these conversion works is estimated at £145,000 which is being funded in full by this grant from the Tourism Development Fund.
The Jersey Heritage Trust

NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

4. RESTRICTED FUNDS (CONTINUED)

ESC Refreshment & Refurbishment Fund

The ESC Refreshment & Refurbishment Fund is a new fund to enable work on the enhancement of various sites to continue to attract visitors and maintain the capacity to generate income. The first project to benefit from this fund will be the development of two holiday lets at Hamptonne Country Life Museum. Additional projects for which the fund will be utilised include the refurbishment of the Gallery at Jersey Museum in preparation for future exhibitions, the first of which in 2012 will be the Battle of Jersey and thereafter development of the Story of Jersey.

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.

5. ENDOWMENT FUNDS

<table>
<thead>
<tr>
<th></th>
<th>Balance 1 January 2011</th>
<th>Incoming Resources</th>
<th>Outgoing Resources</th>
<th>Transfers</th>
<th>Balance 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sir Francis Cook Bequest</td>
<td>£539</td>
<td>£36</td>
<td>(23)</td>
<td>—</td>
<td>£552</td>
</tr>
<tr>
<td>Jersey Museum</td>
<td>£2,746</td>
<td>—</td>
<td>(68)</td>
<td>—</td>
<td>£2,678</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,285</strong></td>
<td><strong>36</strong></td>
<td><strong>(91)</strong></td>
<td>—</td>
<td><strong>3,230</strong></td>
</tr>
</tbody>
</table>

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 2011

6. PROPERTY

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land &amp; Buildings £000</th>
<th>Leasehold Property £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>4,446</td>
<td>5,916</td>
<td>10,362</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>At 31 December 2011</strong></td>
<td>4,446</td>
<td>5,916</td>
<td>10,362</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>890</td>
<td>1,243</td>
<td>2,133</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>88</td>
<td>103</td>
<td>191</td>
</tr>
<tr>
<td><strong>At 31 December 2011</strong></td>
<td>978</td>
<td>1,346</td>
<td>2,324</td>
</tr>
<tr>
<td><strong>Net book values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at 31 December 2011</td>
<td>3,468</td>
<td>4,570</td>
<td>8,038</td>
</tr>
<tr>
<td><strong>Net book values</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at 31 December 2010</td>
<td>3,556</td>
<td>4,673</td>
<td>8,229</td>
</tr>
</tbody>
</table>

The net book value of freehold property comprises the following:

<table>
<thead>
<tr>
<th>Property</th>
<th>Net Book Value £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jersey Museum, Weighbridge, St Helier</td>
<td>2,678</td>
</tr>
<tr>
<td>Sir Francis Cook Gallery, Augrès, Trinity</td>
<td>347</td>
</tr>
<tr>
<td>Collections Store, Augrès, Trinity</td>
<td>443</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,468</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Property</th>
<th>Lease length</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation Tapestry Gallery/</td>
<td>(under re-negotiation)</td>
<td>N/A</td>
</tr>
<tr>
<td>Maritime Museum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jersey Archive</td>
<td>(under negotiation)</td>
<td>N/A</td>
</tr>
</tbody>
</table>
The Jersey Heritage Trust

NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

7. HERITAGE ASSETS

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>245</td>
</tr>
<tr>
<td>Additions</td>
<td>35</td>
</tr>
<tr>
<td><strong>At 31 December 2011</strong></td>
<td><strong>280</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Leasehold Fixtures</th>
<th>Other Fittings</th>
<th>Mont Orgueil Fittings</th>
<th>Other Equipment</th>
<th>Other Vehicle</th>
<th>Elizabeth Castle Ferry</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>1,712</td>
<td>1,090</td>
<td>1,095</td>
<td>177</td>
<td>25</td>
<td>411</td>
<td>4,510</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>19</td>
<td>–</td>
<td>–</td>
<td>19</td>
</tr>
<tr>
<td><strong>At 31 December 2011</strong></td>
<td><strong>1,712</strong></td>
<td><strong>1,090</strong></td>
<td><strong>1,095</strong></td>
<td><strong>196</strong></td>
<td><strong>25</strong></td>
<td><strong>411</strong></td>
<td><strong>4,529</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>1,712</td>
<td>1,090</td>
<td>548</td>
<td>155</td>
<td>18</td>
<td>411</td>
<td>3,934</td>
</tr>
<tr>
<td>Charge for the period</td>
<td>–</td>
<td>–</td>
<td>109</td>
<td>27</td>
<td>3</td>
<td>–</td>
<td>139</td>
</tr>
<tr>
<td><strong>At 31 December 2011</strong></td>
<td><strong>1,712</strong></td>
<td><strong>1,090</strong></td>
<td><strong>657</strong></td>
<td><strong>182</strong></td>
<td><strong>21</strong></td>
<td><strong>411</strong></td>
<td><strong>4,073</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net book values</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>at 31 December 2011</td>
<td>–</td>
<td>–</td>
<td>438</td>
<td>14</td>
<td>4</td>
<td>–</td>
<td>456</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
<td>547</td>
<td>22</td>
<td>7</td>
<td>–</td>
<td>576</td>
</tr>
</tbody>
</table>

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 2011

8. OTHER FIXED ASSETS (CONTINUED)

Elizabeth Castle Ferry
In 2010 an impairment review was undertaken by the Board of Trustees in respect of the Castle Ferry operation. The review, examined the projected cash flows generated at 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:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>69</td>
<td>13</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>135</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>204</td>
<td>13</td>
</tr>
</tbody>
</table>

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. Payment deferments were granted for 1998 and 2003 and payment of one of these deferred payments was made in 2011 with the remaining deferred payment to be made in 2012. The loan is analysed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due in less than 1 year</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Amounts falling due in more than 1 year and less than 2 years</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Amounts falling due in more than 2 years and less than 5 years</td>
<td>83</td>
<td>83</td>
</tr>
<tr>
<td>Amounts falling due in more than 5 years</td>
<td>55</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>220</td>
<td>275</td>
</tr>
</tbody>
</table>

11. PAST SERVICE DEBT
The following is an analysis of the movement in the Past Service Debt:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>At 1 January 2011</td>
<td>2,030</td>
<td>1,887</td>
</tr>
<tr>
<td>(Decrease): increase in value of debt during the year</td>
<td>(102)</td>
<td>173</td>
</tr>
<tr>
<td>Less: Repayments for the year</td>
<td>(30)</td>
<td>(30)</td>
</tr>
<tr>
<td></td>
<td>1,898</td>
<td>2,030</td>
</tr>
</tbody>
</table>

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.
NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

11. PAST SERVICE DEBT (CONTINUED)
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 2011 repayment rate was £2,505 per month and is subject to annual review by the scheme actuary. Future contribution payments are discounted to obtain the past service debt.

In line with approach adopted to value the States debt as at 31 December 2011, the calculation of the value of the debt reflects the capital value (as at 31 December 2011) 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 2011 were a discount rate of 5.45% p.a. and a salary increase assumption of 5.00% p.a. (which is made up of general salary increases of 4.30% 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:

<table>
<thead>
<tr>
<th></th>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>330</td>
<td>350</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>14</td>
<td>14</td>
</tr>
</tbody>
</table>

13. TRANSFER BETWEEN FUNDS (SEE NOTE 4)
Included within unrestricted admission income is an amount of £133,000 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 £19,000 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.

14. ANALYSIS OF CHARITABLE ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Direct Costs £000</th>
<th>Grant Costs £000</th>
<th>Support Costs £000</th>
<th>2011 Total £000</th>
<th>2010 Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Generating Income</td>
<td>561</td>
<td></td>
<td>33</td>
<td>594</td>
<td>538</td>
</tr>
<tr>
<td>Charitable Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sites Costs</td>
<td>1,884</td>
<td></td>
<td>231</td>
<td>2,115</td>
<td>2,147</td>
</tr>
<tr>
<td>Community Learning</td>
<td>380</td>
<td></td>
<td>52</td>
<td>432</td>
<td>444</td>
</tr>
<tr>
<td>Jersey Archive &amp; Collections</td>
<td>584</td>
<td></td>
<td>77</td>
<td>661</td>
<td>680</td>
</tr>
<tr>
<td>Historic Building Service</td>
<td>58</td>
<td></td>
<td>9</td>
<td>67</td>
<td>70</td>
</tr>
<tr>
<td>Société Grant</td>
<td>41</td>
<td></td>
<td>41</td>
<td>41</td>
<td>41</td>
</tr>
<tr>
<td>Other Grants</td>
<td>8</td>
<td></td>
<td>8</td>
<td>8</td>
<td>27</td>
</tr>
<tr>
<td>Governance Costs</td>
<td>90</td>
<td></td>
<td></td>
<td>90</td>
<td>72</td>
</tr>
<tr>
<td>Total</td>
<td>3,557</td>
<td>49</td>
<td>402</td>
<td>4,008</td>
<td>4,019</td>
</tr>
</tbody>
</table>

Support costs are allocated based on the number of people employed within an activity.
15. ANALYSIS OF CHANGES IN NET DEBT

<table>
<thead>
<tr>
<th></th>
<th>1 January 2011</th>
<th>Cash 31 December 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at Bank and in hand</td>
<td>1,183</td>
<td>539</td>
</tr>
<tr>
<td>Debt due within one year</td>
<td>(55)</td>
<td>28</td>
</tr>
<tr>
<td>Debt due after one year</td>
<td>(220)</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>908</td>
<td>594</td>
</tr>
</tbody>
</table>

16. ANALYSIS OF STAFF COSTS

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and Wages</td>
<td>1,683</td>
<td>1,720</td>
</tr>
<tr>
<td>Employers’ Social Security</td>
<td>100</td>
<td>104</td>
</tr>
<tr>
<td>Employers’ Pension costs</td>
<td>158</td>
<td>171</td>
</tr>
<tr>
<td>Payments in Lieu of Notice</td>
<td>–</td>
<td>61</td>
</tr>
<tr>
<td>Severance Payments</td>
<td>–</td>
<td>109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,941</td>
<td>2,165</td>
</tr>
</tbody>
</table>

**Average Number of employees**
The average number of employees expressed as full time equivalents in 2011 was 48 (2010 – 55).

**Details of higher paid staff**
During the year 2 members of staff earned between £60,000 p.a. and £70,000 p.a. (2010 - 1) and 1 member of staff earned between £70,000 p.a. and £80,000 p.a. (2010 - 1).

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 (2010 - 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 (2010 – 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.
NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

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 £30,000.

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 2011, 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 £698 million. An unquantified proportion of those obligations relate to Staff employed by the Trust.

In addition, salaries and emoluments include pension contributions of £5,000 (2010 - 0) which relate to staff who have personal plans that are defined contribution schemes. In 2011, the Trust had 3 member of staff in such schemes (2010 - 0).

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 1,069 Société members (2010 – 958) to Trust managed sites without charge at an estimated value of £8,962 (2010 - £6,265).

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 £4,307 (2010 - £4,030).

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.
The Jersey Heritage Trust

NOTES TO THE ACCOUNTS
for the year ended 31 December 2011

21. CONTROLLING PARTY

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