

THE JERSEY HERITAGE TRUST

Report and Financial Statements

31 December 2019

The Jersey Heritage Trust

TRUSTEES

Professor E Sallis, OBE – Chair ^{1,2} (Retired 31st October 2019)

Mr N Molyneux ^{3,7}

Mrs C Follain-Metcalf – Vice Chair ² (Retired 4th April 2020)

Mr C May ³ (Retired 4th April 2020)

Mr L Trevellyan (Retired 4th April 2020)

Mr T Brown - Chair ¹ (Appointed as Chair 1st August 2020)

Mr J Reed ^{1,4} (Resigned 9th March 2019)

Mrs C Ferguson (née Moore) ²

Mr R Urban ^{3,4} (Retired 31st October 2019)

Dr A Hall ^{1,6} (Appointed 28th January 2020)

Mr S Boas ^{1,5} (Appointed 4th April 2020)

Mr S Cartwright ⁵ (Appointed 4th April 2020)

Mrs C Littleboy ⁵ (Appointed 4th April 2020)

Mrs L Robertson ^{2,9} (Appointed 4th April 2020)

Mrs N Thomas – Vice Chair ^{2,3} (Appointed 4th April 2020)

Mr P Vane ^{3,6} (Appointed 4th April 2020)

Mr C Perchard CVO,OBE, President of the Société Jersiaise, was appointed as Board observer on 23rd May 2016 and retired 25th April 2019. Mr A Best ³, President of the Société Jersiaise from 25th April was appointed on 3rd June 2019 again as a Board observer.

1 – Member of the Finance & Audit Committee, 2 – Member of the Remuneration & Appointments Committee, 3 – Member of the Archives, Collections & Ethics Committee, 4 – Member of the Enterprise Committee, 5 – Member of the Experience, Programme & Content Committee, 6 – Member of the Environment Committee, 7 – Member of the Records Advisory Panel

CHIEF EXECUTIVE OFFICER

Mr J Carter

FINANCE DIRECTOR

Mr P Thomas

OFFICE

The Jersey Museum

The Weighbridge

St Helier

Jersey JE2 4SP

AUDITORS

Moore Stephens Audit & Assurance
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The Jersey Heritage Trust

CHAIR'S REPORT 2019

The team at Jersey Heritage, its staff, volunteers, members, patrons, sponsors and visitors have achieved so much, and its international recognition is a testament to the hard work of all. However, despite this, in recent years a lot of focus has been on the financial stability of the organisation and its ability to do so much more. It is recognised that our heritage is more than a few attractions, a number of collections and a museum. It is at the heart of what Jersey is today and who we are. It is part of our identity, the good and the bad. Our institutions, our governance and legal systems, our economy and our outlook on the world is driven by our heritage. Indeed, how we respond, react, and recover from Covid-19 will be heavily influenced by what has shaped us in getting to this point in time. It is forever evolving, influenced by new cultures, new experiences and global trends, perhaps more so now than ever before. Jersey is a place that has throughout its history, shown itself to be more than a rock off the coast of France.

As we left 2019, Jersey's heritage and the role of Jersey Heritage in being its gardien, seemed to be in a much better position than it had at the beginning of the year. The 1% proposition proposed by Deputy Montfort Tadier that was accepted by the Assembly, and incorporated in the Government's Plan (together with significant investment in Elizabeth Castle) provided the basis for a secure financial outlook. On top of this, Senator Lyndon Farnham supported the need for an Island-wide heritage strategy, the first of its kind, and commissioned Jersey Heritage to draft it, and we have made significant progress.

It was, therefore, with a huge deal of optimism that we entered 2020.

However, within only a few months of the year ending, the world and Jersey were hit by Covid-19 and the dreadful impact it had on the health and welfare of individuals, and the strength of the economies around the world. The impacts of social distancing, self-isolation and nation-isolation have had a serious impact on all our lives in Jersey, its businesses and in particular the tourist industry. Over the years, Jersey Heritage has been successful in raising more of its revenue from commercial activity as government funding became less reliable. However, nearly all that funding came from activity related to the tourist sector and therefore Jersey Heritage is forecast to lose approximately 55% of self-generated revenue in 2020, or nearly £1.7m.

The team at Jersey Heritage reviewed what it does and how, and has been able to make savings of nearly 25%, but that still leaves a shortfall of £1.1m. We know we were just one of a number of worthy causes seeking government help, but without our funding made good, there was a real possibility Jersey Heritage would need to make significant, and could be damaging, decisions and cuts.

We are extremely grateful, therefore, to Senator Farnham and his officers for approving a top-up fund, which will enable us to keep our staff and their expertise, as we continue to protect and care for the Island's very special history. Apart from Government, I would also like to thank Islanders and Jersey Heritage Members, who continue to demonstrate how important Jersey's heritage is to the general public.

My frustration at what is happening now is amplified by what could be. Jersey's heritage and investment in it should be part of a wider government plan of recovery and not run the risk of being left to decay further. Our next challenge is to secure funding for 2021 and beyond.

I am hoping that with the Government's support the optimism for heritage we felt at the beginning of 2020 will be rekindled for 2021 and beyond.

Tim Brown
Chair

The Jersey Heritage Trust

CHIEF EXECUTIVE'S REPORT 2019

In 2019, Jersey Heritage was able to make important progress in our four main areas of strategic development: making the most of Island-wide heritage assets; deepening community engagement and participation in heritage; promoting Island heritage internationally; and building a more sustainable future for heritage.

ISLAND HERITAGE

The Forts and Towers programme, which generates funds for conservation of historic buildings through use as Holiday Lets, was augmented by completion of the restoration of Archirondel Tower. 2,714 guests stayed in Heritage Lets in 2019, enabling the ongoing conservation of a number of non-commercial, ruined heritage structures, which form an important part of the heritage landscape. Progress was made towards a 99-year lease with the Government for these properties, which will see 35 heritage buildings secured in the longer term.

Most heritage assets in Jersey are in private ownership and appropriate management through the planning regime requires high quality and publicly accessible information. 2019 was the final year of a three-year project to establish an Historic Environment Record to bring together known information on historic and archaeological sites in Jersey. Jersey had been one of the few areas of the British Isles not covered by such a facility and this resource will now be developed via a Research Framework in association with a number of British and French academic institutions.

Facilities for the Island's documentary heritage have been greatly improved by the Government's construction of a new Repository Block at Jersey Archive due for completion in 2020. Over 630,000 items from the collection are now available online via the catalogue operated from the Archive.

In collaboration with the Don Balleine Trust and the Government, Jersey Heritage took on a new role in 2019 in support of the intangible heritage of the Island's native language, Jèrriais, with the creation of a language development post in the organisation.

COMMUNITY HERITAGE

The visitor sites remain at the heart of public engagement work. There were 211,853 visits to the sites in 2019. Footfall has increased year on year, every year for over a decade. The 2019 figure includes visits by 5,516 students in school visits, representing most of the primary age population, and 22,583 visits by students outside school hours. This is a high level of youth engagement in support of our ambition to develop a new generation of heritage *gardiens*.

Facilities development at sites included the creation of a new tearoom at La Hougue Bie to be operated by our partners Beresford Street Kitchen. Meanwhile we continued to develop investment projects to improve facilities at all sites including a new museum building at Hamptonne in association with the Société Jersiaise and the National Trust for Jersey. Plans for the long overdue restoration of the Hospital Block and Officers' Quarters at Elizabeth Castle were further developed with the support of our colleagues at York University Archaeology Department and we were delighted to see provision in the Government Plan to enable these ambitions.

Volunteering remained strong with more than 300 volunteers gifting 17,647 hours. Volunteering across all areas of Jersey Heritage operations is significant but perhaps the most important achievement in 2019 was the completion of a three-year volunteer project to construct a Neolithic Longhouse at La Hougue Bie in support of educational projects. The Longhouse won a national Association of Heritage Interpretation Award during the year in recognition of the volunteer contribution. Membership also contributed to community engagement programmes with a record 13,822 members during the year, who consequently also make an important financial contribution in support of the heritage service.

INTERNATIONAL

Heritage is significant in the Island brand. Heritage stories continued to attract media interest and generated valuable coverage. Works to protect the Neanderthal site at La Cotte de St Brélade, perhaps the Island's most famous and internationally significant site, were completed in 2019 enabling scientific

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CHIEF EXECUTIVE'S REPORT 2019

access for the first time in 40 years which in turn attracted visits from British, European and North American television crews.

We continued to develop our own online video resource for this and other heritage projects, especially including Liberation 75 during 2019/2020, via Jersey Heritage TV, a partnership with The Educational Television Network.

Working closely with the UK UNESCO Global Geoparks Committee and the Société Jersiaise we progressed our plans for an international geopark designation for Jersey in recognition of our landscape and geoarchaeological heritage. This programme gives us access to partnerships and support for local heritage from the international community to build capacity and expertise, currently represented by our participation in a Cross Channel UNESCO sites partnership to develop heritage tourism in the region.

SUSTAINABILITY

There is only so much Jersey Heritage can do alone and the partnership with Government is crucial. Whereas at one time Government grants formed 90% of the operating cost of the organisation, commercial success meant that in 2019 that had been reduced to below 50%. That commercial success of course has made us particularly vulnerable to events in 2020. We welcomed the Government's recognition of long-term funding issues in the Government Plan's response to the Assembly's adoption of Deputy Tadier's P.40/2019 to address levels of Government investment in culture.

The Government has important responsibilities to heritage under a significant number of international conventions although Government capacity for heritage has been reduced over the years. In 2019, the Minister for Economic Development asked Jersey Heritage to develop the Island's first Heritage Strategy to consider how these obligations might best be met and we continue to work with relevant UK bodies, especially Historic England, to deliver this.

Sustainability is not only a question of funding but also of appropriate legislation, policy, strategy and frameworks governing the relationship between government and Jersey Heritage. A review of our Constitution to meet the requirements of the 2014 charity legislation culminated in registration at the end of 2020 and clarified aspects of the strategic partnership. The heritage strategy will seek to identify where further changes to legislation and policy may be appropriate in order to comply with international obligations in heritage management.

Jon Carter
Chief Executive

The Jersey Heritage Trust

TRUSTEES' REPORT 2019

INCORPORATION

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

PURPOSE STATEMENT

The Trust's purpose statement is as follows:

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

RESULTS FOR THE YEAR

The excess of expenditure over income after accounting for investment gains and actuarial losses on the pension scheme for the year was £829,000, decreasing the total accumulated Trust funds to £5.1 million.

The unrestricted fund deficit for the year after accounting for investment gains and actuarial losses on the pension scheme and after transfer between funds was £507,000.

RESERVES POLICY

The Trust has net assets totalling £5.1 million but of this £3.6 million is restricted to donor specified projects, whilst a further £2,000 has been set aside for work in conjunction with the Société Jersiaise, £35,000 for patron-funded initiatives and £43,000 for acquisitions to the collection. The remaining £1.4 million comprises £4.4 million of property (primarily the Jersey Archive) that the Trust could not freely dispose of without damaging the primary aims of the Trust, and heritage assets of £358,000. Consequently, the Trust has no free reserves.

A significant reason for this situation is the existence of the past service pension debt of £3.73 million. This past service debt arose when a shortfall in funding of the Government of Jersey Public Employees Contributory Retirement Scheme (PECRS), of which the Trust is an admitted member, was identified in the late 1980s. At that time, PECRS hoped current members' contributions would service the cost of this obligation. In 2005, further changes were made to the pension fund and the remaining liability was transferred to the participating bodies. As with other participating bodies, the Trust is liable to repay its share of the pre-1987 debt by 2083, and this will be achieved by monthly payments that will continue to December 2083.

On the assumption that the Department for Economic Development, Tourism, Sport and Culture will continue to fund the Trust according to the provisions of the Service Level Agreement and that the Service Level Agreement continues to be renewed, recognising that the Trust has no free reserves, the Trust will seek to maintain cash balances sufficient to cover the working capital requirements, taking into account the seasonality of its activities and the potential for a sudden significant reduction in its revenue-generating opportunities as might arise from paralysis of international transport services or a global pandemic. To fulfil this requirement, the Trust estimates that it would normally need to hold cash balances of approximately £1.4 million. The value of the unrestricted cash or near cash balances held at 31 December 2019 was £443,000.

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TRUSTEES' REPORT 2019

OBJECTIVES AND ACTIVITIES

The following is a summary of the Trust's main aims as described in its 2017 - 2018 Business Plan:

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

PLANS FOR FUTURE PERIODS

The Service Level Agreement (SLA) between the Trust and the Department for Economic Development, Tourism, Sport & Culture (EDTSC) was signed in February 2016 and re-signed in March 2019. It documents fully what is expected of the Trust in terms of its service level for the funding it receives from EDTSC. It clearly identifies what that funding will be over the four years of the Government of Jersey Medium Term Financial Plan and therefore, the Trust has developed plans based on that funding plan. The Government of Jersey Medium Term financial plan ended December 2019 and Jersey Heritage has secured a new SLA for the period 2020 - 2023.

SUMMARY OF MAIN RISKS

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

- Failure to position heritage in visitor economy. Failure to maintain attractions to meet changing market expectations. Potential closure of sites in response to funding shortfall. Failure to develop and promote online content to global audience;
- Loss of specialist in-house curatorial/archival expertise and knowledge of collections sufficient to ensure maintenance of archives and collections management standards. Insufficient storage for Island collections. Lack of research to realise value of key collections;
- Failure to meet management agreement requirements. Investment fund available to maintain the sites and therefore key partnerships is decreasing in real terms. Insufficient long-term planning to identify and address maintenance backlog;
- Inadequate framework of legal protection and supporting protocols for archaeology. Absence of dedicated funding. Shortage of qualified Historic Environment specialists currently employed in the Island. Inadequate provision for reporting, maintaining and providing access to historic environment data leading to unnecessary loss;
- Failure to engage community in programmes and ultimately in cause, leading to loss of political, sponsor, membership and partner support. Failure to engage across demographic segments – failure to understand reach and inclusion. Failure to balance commercial and charitable identity;
- Failure to recognise value of and therefore resource international programmes because not directly remunerative in short term;
- Reduction of States investment in Jersey Heritage leading to reductions in service below that expected by Islanders. Admissions income decline through failure to invest to meet changing visitor expectations. Decline in trading income owing to regulatory changes;
- Failure of relationship with key stakeholder organisations leading to reputational/political issues and blocks to progress;

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SUMMARY OF MAIN RISKS (CONTINUED)

- Growth in number of assets and volume of projects leading to loss of governance oversight, potential delivery failure and consequential reputational, partnership and funding risks;
- Growth of compliance and controls required for good IT and data governance is not receiving sufficient investment in systems, hardware, training and capacity;
- Pension debt repayments and revaluation risk insolvency;
- Absence of cohesive, Island strategy for heritage. Without this there is a real risk that the activity of all those partners engaged in heritage will be competing for resource (money and volunteers), have different and maybe conflicting priorities and thus effort and money could be wasted.

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

INVESTMENT POLICY

The Trustees, mindful of poor interest rates on cash balances have been seeking better returns on funds held. Consequently, the decision was taken to transfer some cash into a portfolio of bonds and equities. This is expected to realise a minimum rate of return of approximately 2% per annum. All the remaining cash balances are held by the Trust either to meet its short-term working capital requirements or as part of a restricted fund. The Trust's investment policy is, therefore, necessarily a cautious one with cash being held on short-term deposit accounts.

GOVERNANCE

The Trust is governed by a Board of Trustees, which number up to twelve members and meets at least six times a year. The list of Trustees and Directors is shown on page 2.

The Board of Trustees comprises:

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

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

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

New Trustees are recruited through a process consistent with the Jersey's Appointments Commission procedures 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.

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TRUSTEES' REPORT 2019

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

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

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

The Archives, Collections and Ethics Committee, which seeks to make the most of the collections in terms of community engagement, public access and commercial opportunities with the objective of reaching the widest public audience and realising the biggest public value from the material held by the Trust.

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

RELATED PARTIES

Société Jersiaise

By virtue of common trusteeship, the Société Jersiaise is considered a related party.

On 21st December 2018, the Trust entered into a new agreement with the Société Jersiaise, superseding all previous agreements and entered into three leases of 99 years for Hamptonne Country Life Museum, La Hougue Bie and the headland consisting of a cave commonly known as La Cotte de St Brélade.

Whereas previously a grant had been paid to the Société Jersiaise (2018 - £82,532), under the new agreement, an annual management fee of £23,000 is payable, along with lease payments totalling £30,000 annually for each of Hamptonne Country Life Museum and La Hougue Bie.

The lease payment of £99 for La Cotte de St Brélade was expensed in full in 2019.

During the year, there were 795 Société member admissions (2018 – 727) to Trust-managed sites without charge at an estimated value of £7,005 (2018 - £7,956).

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 £5,490 (2018 - £5,330).

Jersey Museum Trading Company Ltd

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

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TRUSTEES' REPORT 2019

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 17,647 hours (2018 – 18,857 hours) 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.

The Trust has entered into 99 year leases for La Hougue Bie, Hamptonne Country Life Museum and La Cotte de St Brélade.

The Trust also has a management agreement with Jersey Property Holdings in respect of Seymour Tower, La Crête Fort, Barge Aground, Radio Tower, Fort Leicester, L'Etacquerel Fort, Archirondel Tower, La Tour Cârrée, Lewis's Tower, Kempt Tower and La Rocco Tower.

Grosnez Castle is managed by the Trust under an agreement with Rosel Estates.

The Trust has a 25-year lease on Le Hocq Tower that expires in 2042.

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 the Société Jersiaise, the Government of Jersey and National Trust for Jersey legally own, 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.

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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 2020 are based on the historic cost of construction, inflation-linked to the local building cost indices.

Building Insurance Valuations

	£'000
Jersey Museum and 9-13 Pier Road	12,299
Hamptonne Country Life Museum Buildings	5,468
La Hougue Bie Museum Buildings, Passage Grave and Neolithic Longhouse	2,047
Jersey Archive	11,608
Sir Francis Cook Gallery and Store	6,245
Grosnez Castle	481
Le Hocq Tower	825

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 Government of Jersey who insure these buildings. The cost of this insurance is recharged to the Trust.

Museum and Archive Collections

The total value of insurable risks covered under the collections policy was £21.53 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 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.

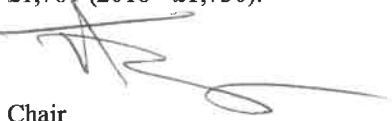
Public archives are insured separately by the Government of Jersey's insurer and, as with all insurance policies issued in Jersey, acts of terrorism are now excluded from policy claims.

Other Insurance

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

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

The Trust has a 'Charities Policy', which has many of the characteristics of a 'Directors & Officers' Policy, providing risk cover of up to £1 million for each insurable event, and purchased in the year at a cost of £1,761 (2018 - £1,730).



Chair

The Jersey Heritage Trust

STATEMENT OF THE BOARD 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Charities Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Trustees must prepare financial statements that give a true and fair view of the state of the Trust's affairs at the end of the period and of the net movement in resources of the Trust for the period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time, the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JERSEY HERITAGE TRUST

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Jersey Heritage Trust ("the Trust") which comprise the Balance Sheet as at 31 December 2019, and the Statement of Financial Activities, Statement of Cash Flows for the year ended 31 December 2019, and notes to the financial statements, including summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Charities Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

In our opinion the financial statements:

- give a true and fair view, of the state of the Trust's affairs as at 31 December 2019 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

Basis for opinion

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

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which states that the financial statements of the Trust are prepared based on a going concern basis on the assumption that the Department of Economic Development, Sport, Tourism and Culture will continue to fund the Trust.

We also draw attention to Note 24 to the financial statements, which explains that the Trustees have submitted a bid to the Government of Jersey for additional funding for the next Medium Term Financial Plan covering the period 2020-2023. The outcome of that bid was an increase in the annual grant by £461,800. Furthermore, an additional £1.1 million was granted to the Trust on 7th December 2020 to be able to continue operations into 2021.

Other information

The Board of Trustees are responsible for the other information. The other information comprises the information included in the Vice Chair and Chair of the Finance and Audit Committee's Report, Chief Executive's Report and Trustees' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE JERSEY HERITAGE TRUST (CONTINUED)

Responsibilities of the Board of Trustees

As explained more fully in the Statement of Board of Trustees' Responsibilities set out on page 12, the Board of Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

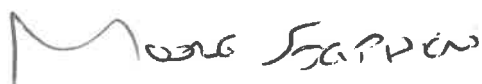
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Trust's members as a body. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Moore Stephens Audit & Assurance (Jersey) Limited

1 Waverley Place
Union Street
St Helier
Jersey
JE2 4SP

Dated:



BALANCE SHEET
at 31 December 201915

The Jersey Heritage Trust

BALANCE SHEET

at 31 December 2019

Notes	Unrestricted Funds		Designated Funds		Restricted Funds		Endowment Funds		Total Funds
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000
	Note 2		Note 3		Note 4		Note 5		
TOTAL ASSETS LESS	5,123	5,116	80	86	1,087	1,237	2,468	2,634	8,758
CURRENT LIABILITIES B/F									9,073
CREDITORS: amounts falling due after more than one year									
Past service debt	12	(3,692)	(3,178)	-	-	-	-	-	(3,178)
		(3,692)	(3,178)	-	1,087	-	2,468	-	(3,178)
NET ASSETS	1,431	1,938	80	86	1,087	1,237	2,468	2,634	5,066
									5,895

THE FUNDS OF THE CHARITY:

Unrestricted funds	2	1,431	1,938	-	-	-	-	-	1,431	1,938
Designated funds	3	-	-	80	86	-	-	-	80	86
Restricted funds	4	-	-	-	-	1,087	1,237	-	1,087	1,237
Endowment funds	5	-	-	-	-	-	-	2,468	2,468	2,634
Total charity funds		1,431	1,938	80	86	1,087	1,237	2,468	5,066	5,895

Approved by the Board of Trustees on 19th February 2020 and signed on their behalf by:

Chair

Trustee

The Jersey Heritage Trust

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 December 2019

Notes	Unrestricted Funds		Designated Funds		Restricted Funds		Endowment Funds		Total Funds
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000	
	Note 2		Note 3		Note 4		Note 5		
INCOME AND ENDOWMENTS FROM:									
Donations & legacies									
Government of Jersey									
- operating grant	2,437	2,432	-	-	-	-	-	-	2,437
- other	79	88	-	-	386	570	-	-	465
Commercial trading income	591	566	-	-	299	259	32	25	922
Income from investments	12	14	-	-	-	-	1	1	13
	3,119	3,100	-	-	685	829	33	26	3,837
Income from charitable activities									
Admissions income	1,508	1,468	-	-	-	-	-	-	1,508
Membership fees	363	336	27	27	-	-	-	-	390
Fees & charges	247	349	100	11	-	-	-	-	347
Sponsorship income	38	29	-	-	-	-	-	-	38
	2,156	2,182	127	38	-	-	-	-	2,283
Total income and endowments c/f	5,275	5,282	127	38	685	829	33	26	6,120
									6,175

The Jersey Heritage Trust

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2019

Notes	Unrestricted Funds		Designated Funds		Restricted Funds		Endowment Funds		Total Funds	
	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000	2019 £000	2018 £000
	Note 2		Note 3		Note 4		Note 5			
<i>Total income and endowments b/f</i>	5,275	5,282	127	38	685	829	33	26	6,120	6,175
<i>Expenditure on - raising funds</i>	13	815	11	60	69	70	-	-	895	952
-Site costs	2,216	2,424	217	477	832	786	205	110	3,470	3,797
-Community learning	645	638	-	-	-	-	-	-	645	638
-Jersey Archive & collections	943	994	-	-	71	114	-	-	1,014	1,108
-Historic building service	144	159	-	-	-	-	-	-	144	159
-Société Jersiaise contractual payments	82	83	-	-	-	-	-	-	82	83
-Central costs	239	274	-	-	-	-	-	-	239	274
<i>Total expenditure on charitable activities</i>	5,084	5,394	228	537	972	970	205	110	6,489	7,011
Net income/(expenditure)	191	(112)	(101)	(499)	(287)	(141)	(172)	(84)	(369)	(836)
Net gains/(losses) on Investments	48	(45)	-	(1)	-	-	6	(6)	54	(52)
Transfers between funds	15	(232)	95	-	137	141	-	-	-	-
<i>Net movement in funds before other recognized gains and losses</i>	7	(298)	(6)	(500)	(150)	-	(166)	(90)	(315)	(888)
Actuarial (loss)/gain on pension scheme	(514)	240	-	-	-	-	-	-	(514)	240
<i>Net movement in funds</i>	(507)	(58)	(6)	(500)	(150)	-	(166)	(90)	(829)	(648)
TOTAL FUNDS BROUGHT FORWARD	1,938	1,996	86	586	1,237	1,237	2,634	2,724	5,895	6,543
TOTAL FUNDS CARRIED FORWARD	1,431	1,938	80	86	1,087	1,237	2,468	2,634	5,066	5,895

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

STATEMENT OF CASH FLOWS for the year ended 31 December 2019

	2019 £000	2018 £000
<i>Note</i>		
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES		
Outflow of funds	(829)	(648)
Net unrealised (gain)/loss on investments	(47)	30
Depreciation	238	243
Increase in creditors	202	57
(Increase)/Decrease in debtors	(186)	75
Decrease/(Increase) in stock	4	(17)
Increase/(Decrease) in past service debt	514	(240)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(104)	(500)
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(7)	(6)
Purchase of investments	(172)	(97)
Receipts from disposals of investments	129	501
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	(50)	398
FINANCING ACTIVITIES		
Loan repayments	-	(27)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	-	(27)
CASH AT BANK AND IN HAND AT BEGINNING OF YEAR	1,543	1,588
(Decrease)/Increase in cash	(154)	39
Movement in cash with investment adviser	23	(84)
CASH AT BANK AND IN HAND AT END OF YEAR	1,412	1,543

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

1. ACCOUNTING POLICIES

(A) *ACCOUNTING CONVENTION*

The Financial Statements have been prepared under the historical cost convention and on a going concern basis in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Charities "Statement of Recommended Practice" (SORP FRS 102) issued by the Charities Commission. The Financial Statements are prepared on the assumption that the Department for Economic Development, Sport, Tourism and Culture will continue to fund the Trust.

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

Unrestricted Funds

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

Restricted Funds

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

Endowment Funds

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

(B) *PROPERTY*

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

Depreciation is provided from the valuation date or from the date of acquisition, if later, on a straight-line basis at the rate of 2% p.a. or the life of the lease if the lease term is less than 50 years.

Any leasehold improvements to the Property are charged to the Statement of Financial Activities (SOFA) in the year the expense is incurred.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

1. ACCOUNTING POLICIES (CONTINUED)

(C) **HERITAGE ASSETS**

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

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

Heritage assets also comprise assets donated to the Trust which are legally owned by the Société Jersiaise, the Government 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 Government 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%
Elizabeth Castle Café	10%

The Elizabeth Castle Ferries are 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 Government of Jersey Public Employees Contributory Retirement Scheme (PECRS) was identified in the late 1980s, is calculated by discounting future repayments.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

1 ACCOUNTING POLICIES (CONTINUED)

(H) PENSION COSTS

The Government of Jersey does 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 Government of Jersey honouring this arrangement in order to avoid the Trust becoming responsible for scheme deficits.

The final salary scheme and the career average revalued earnings scheme are accounted for as defined contribution schemes 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 accrual basis.

(K) LEASES

The Trust has no finance leases. Costs relating to operating leases are charged over the life of the lease on a straight-line basis.

(L) FOREIGN CURRENCIES

Functional & Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Trust operates ("the functional currency"). The financial statements are presented in sterling pounds (£), which is the Trust's functional and presentation currency.

Translation & Balances

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

(M) SPECIFIC FUNDS

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

(N) GRANTS PAYABLE

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

(O) INVESTMENTS

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

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

2. UNRESTRICTED FUNDS

	<i>Balance 1 January 2019</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2019</i>
	£000	£000	£000	£000	£000	£000
Unrestricted fund	1,938	5,275	(5,084)	(232)	(466)	1,431
Total	1,938	5,275	(5,084)	(232)	(466)	1,431

	<i>Balance 1 January 2018</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2018</i>
	£000	£000	£000	£000	£000	£000
Unrestricted fund	1,996	5,282	(5,394)	(141)	195	1,938
Total	1,996	5,282	(5,394)	(141)	195	1,938

3. DESIGNATED FUNDS

	<i>Balance 1 January 2019</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2019</i>
	£000	£000	£000	£000	£000	£000
JHT fund-Société Jersiaise projects	2	-	-	-	-	2
Patrons' fund	19	27	(11)	-	-	35
Acquisition fund	43	-	-	-	-	43
La Cotte Protection fund	22	100	(217)	95	-	-
Total	86	127	(228)	95	-	80

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

3. DESIGNATED FUNDS (CONTINUED)

	<i>Balance</i>	<i>Incoming</i>	<i>Outgoing</i>	<i>Transfers</i>	<i>Other</i>	<i>Balance</i>
	<i>1 January</i>	<i>Resources</i>	<i>Resources</i>		<i>recognised</i>	<i>31</i>
	<i>2018</i>				<i>gains &</i>	<i>December</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>losses</i>	<i>2018</i>
					<i>£000</i>	<i>£000</i>
JHT fund-Société						
Jersiaise projects	2	-	-	-	-	2
Patrons' fund	51	27	(59)	-	-	19
Acquisition fund	43	-	-	-	-	43
La Cotte						
Protection fund	490	11	(478)	-	(1)	22
Total	586	38	(537)	-	(1)	86

JHT fund – Société Jersiaise projects

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

Patrons' fund

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

Acquisition fund

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

La Cotte Protection fund

The archaeological importance of the site known as La Cotte de St Brélade and the danger of losing any potential archaeological remains through erosion has caused the Trustees over the last few years to consider how best to protect the site. This became all the more important with the storm surges experienced in 2015.

The work undertaken in 2019 is a continuation of the work commenced in 2018. The site is now considered to be protected from damage through tidal erosion following the completion of the protective wall and accordingly work has ceased whilst a scheme of archaeological investigation is developed.

In 2019, it was necessary to transfer £95,000 from unrestricted funds to cover the shortfall in fundraising.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

4. RESTRICTED FUNDS

	<i>Balance 1 January 2019</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2019</i>
	£000	£000	£000	£000	£000	£000
Ancient Monuments fund (Note 15)	285	-	(207)	172	-	250
Forts & Towers Investment fund (Note 15)	415	299	(335)	(37)	-	342
Glass Rainbow publication fund	3	-	-	-	-	3
EDTSC Refreshment & Refurbishment fund	184	386	(358)	-	-	212
Heritage Assets	280	-	-	-	-	280
Children's Home Enquiry fund	70	-	(72)	2	-	-
Total	1,237	685	(972)	137	-	1,087

	<i>Balance 1 January 2018</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2018</i>
	£000	£000	£000	£000	£000	£000
Ancient Monuments fund	248	-	(136)	173	-	285
Forts & Towers Investment fund	347	259	(159)	(32)	-	415
Glass Rainbow publication fund	3	-	-	-	-	3
EDTSC Refreshment & Refurbishment fund	359	386	(561)	-	-	184
Heritage Assets	280	-	-	-	-	280
Children's Home Enquiry fund	-	184	(114)	-	-	70
Total	1,237	829	(970)	141	-	1,237

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

4. RESTRICTED FUNDS (CONTINUED)

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 the Trust and EDTSC. In the event the usufruct is terminated by either the Trust or the Government of Jersey, then the Trust is required to return the money held in the Ancient Monument Fund to EDTSC.

Forts & Towers Investment Fund

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

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

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

Glass Rainbow Fund

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

EDTSC Refreshment & Refurbishment Fund

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

In 2019, the fund supported site improvements at La Hougue Bie, and Jersey Museum.

Heritage Assets

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

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

4. RESTRICTED FUNDS (CONTINUED)

Children's Home Enquiry Fund

Information created from the Independent Jersey Care Inquiry has significant and lasting historic interest as evidence of an investigation into an issue of serious public concern which scrutinised past decisions and events. Jersey Archive is the appropriate place for the inquiry records to be stored to ensure proper management and archival for future policy makers and researchers. The Government of Jersey agreed to fund Jersey Heritage to catalogue and make accessible the records. These included a large volume of both scanned paper records and born digital records.

Jersey Heritage engaged two members of staff, implemented a digital storage solution and commenced publishing of the information online in 2018. The project was completed in 2019.

5. ENDOWMENT FUNDS

	<i>Balance 1 January 2019</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2019</i>
	£000	£000	£000	£000	£000	£000
Sir Francis Cook Bequest fund	439	33	(138)	-	6	340
Jersey Museum fund	2,195	-	(67)	-	-	2,128
Total	2,634	33	(205)	-	6	2,468

	<i>Balance 1 January 2018</i>	<i>Incoming Resources</i>	<i>Outgoing Resources</i>	<i>Transfers</i>	<i>Other recognised gains & losses</i>	<i>Balance 31 December 2018</i>
	£000	£000	£000	£000	£000	£000
Sir Francis Cook Bequest fund	460	26	(41)	-	(6)	439
Jersey Museum fund	2,264	-	(69)	-	-	2,195
Total	2,724	26	(110)	-	(6)	2,634

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

5. ENDOWMENT FUNDS (CONTINUED)

Sir Francis Cook Bequest Fund

This fund comprises the Sir Francis Cook Gallery, four residential rental 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 Fund

This fund comprises the residual value (after annual depreciation) of the cost of buildings and fit out of these buildings, which were funded through Government of Jersey capital grants.

Until 21st December 2018, under an agreement dated 2 November 1987, the Trust was 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. On 21st December 2018, the Trust entered into a new agreement with the Société Jersiaise, cancelling the previous agreement, under terms which whilst broadly similar, improve governance arrangements between the two organisations.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

6. PROPERTY

	<i>Freehold Land & Buildings £000</i>	<i>Leasehold Property £000</i>	<i>Total £000</i>
Cost			
At 1 January 2019	4,781	5,916	10,697
At 31 December 2019	4,781	5,916	10,697
Accumulated depreciation			
At 1 January 2019	1,621	2,064	3,685
Charge for the year	98	103	201
At 31 December 2019	1,719	2,167	3,886
Net book value at 31 December 2019	3,062	3,749	6,811
Net book value at 31 December 2018	3,160	3,852	7,012

The net book value of freehold property comprises the following:

	<i>Net Book Value £000</i>
Jersey Museum, Weighbridge, St Helier	2,434
Sir Francis Cook Gallery, Augrès, Trinity	276
Collections Store, Augrès, Trinity	352
Total	3,062

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

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

The Collections Store and Jersey Archive are included within unrestricted funds.

Leasehold property above relates entirely to Jersey Archive, which is held on a 99-year lease which commenced 1 January 1998.

The terms of the leases are as follows:

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

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

7. HERITAGE ASSETS

	<i>Total</i> <i>£000</i>
Cost	
At 1 January 2019	358
At 31 December 2019	<u>358</u>

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.

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 Government of Jersey.

8. OTHER FIXED ASSETS

	<i>2019</i> <i>£000</i>	<i>2018</i> <i>£000</i>
Fixture, Fittings, Vehicles & Equipment at net book value (see table following)	59	89
	<u>59</u>	<u>89</u>

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

8. OTHER FIXED ASSETS (CONTINUED)

	<i>Leasehold Fixtures, Fittings & Displays £000</i>	<i>Other Fittings £000</i>	<i>Mont Orgueil Fittings £000</i>	<i>Other Equip- ment £000</i>	<i>Motor Vehicle £000</i>	<i>Elizabeth Castle Ferry £000</i>	<i>Elizabeth Castle Cafe £000</i>	<i>Total £000</i>
Cost								
At 1 January 2019	1,712	1,090	1,095	344	31	411	125	4,808
Additions	-	-	-	7		-	-	7
At 31 December 2019	1,712	1,090	1,095	351	31	411	125	4,815
Accumulated Depreciation and impairment loss								
At 1 January 2019	1,712	1,090	1,095	314	31	411	66	4,719
Charge for the period	-	-	-	25	-	-	12	37
At 31 December 2019	1,712	1,090	1,095	339	31	411	78	4,756
Net book values at 31 December 2019	-	-	-	12	-	-	47	59
Net book Values at 31 December 2018	-	-	-	30	-	-	59	89

Leasehold fixtures and fittings

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

Elizabeth Castle Ferry Operation

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

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

9. INVESTMENTS

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

	2019 £000	2018 £000
Market value of investments at beginning of year	477	911
Acquisitions at cost	172	97
Disposals at carrying value	(139)	(479)
Net realised gains/(losses)	10	(22)
Net unrealised gains/(losses)	47	(30)
Market value of investments at end of year	567	477
Portfolio cash held for investment at end of year	13	36
Market value of portfolio at end of year	580	513
Historical cost of investments at end of year	500	441

	2019 £000	2018 £000
Represented by:		
Fixed interest securities	219	112
Listed Equities	228	281
Listed Funds	120	84
Cash	13	36
	580	513

10. DEBTORS

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

	2019 £000	2018 £000
Trade debtors & prepayments	395	209
	395	209

11. CREDITORS : AMOUNTS FALLING DUE WITHIN 1 YEAR

	2019 £000	2018 £000
Trade creditors	255	216
Other creditors	609	446
Pension debt	39	39
	903	701

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

12. PAST SERVICE DEBT

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

	2019 £000	2018 £000
At 1 January	3,178	3,418
Increase/(decrease) in value of pension debt during the year	553	(201)
Less: Repayments for the year	(39)	(39)
At 31 December	3,692	3,178

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

As with other participating employers, the Trust is liable to repay its share of the pre-1987 pension scheme debt by 2083. This liability is currently serviced through monthly payments that will continue until December 2083. The 2019 repayment rate was £3,229 per month and is subject to annual review by the scheme actuary. Future contribution payments are discounted to obtain the past service debt.

In line with the approach adopted to value the Government of Jersey debt as at 31 December 2019, the calculation of the value of the debt reflects the present value (as at 31 December 2019) of all the future debt repayments due. The calculations are consistent with the assumptions used for valuation of PECRS as at 31 December 2018 updated to reflect market conditions at the date of calculation. The assumptions as at 31 December 2019 were a discount rate of 4.4% per annum to 31 December 2021 reducing over the following 20 years to 3.9% per annum and an average salary increase rate of 5.15%.

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.

13. OUTGOING RESOURCES

Included within outgoing resources are the following amounts:

	2019 £000	2018 £000
Depreciation	238	243
Audit Fee	18	20

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

14. OBLIGATIONS UNDER LEASES

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

	2019 £000	2018 £000
Amounts payable:		
Not later than one year	94	94
Later than one year and not later than five years	376	470
	<u>470</u>	<u>564</u>

The Trust holds a number of residential properties which are let on a commercial basis. During the year, one of the four units of accommodation was undergoing refurbishment to be completed in 2020. At 31 December 2019, two of the units were unlet; one unit was on an annual renewable lease and one unit on a two-year renewable lease expiring in 2020. Future minimum rents receivable under operating leases are as follows:

	2019 £000	2018 £000
Amounts payable:		
Not later than one year	26	36
Later than one year and not later than five years	-	6
	<u>26</u>	<u>42</u>

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

Included within unrestricted admission income is an amount of £172,000 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 £37,000 that the Trust is permitted to un-restrict under the terms of its agreement with Property Holdings to manage ten Government of Jersey owned historic sites. Accordingly, this sum has been transferred from the Restricted Forts and Towers Investment Fund to the Unrestricted Fund.

An amount of £95,000 has been transferred from the unrestricted fund to the designated La Cotte Protection Fund to cover the shortfall in fund raising.

An amount of £2,000 has been transferred from the unrestricted fund to the restricted Children's Home Enquiry Fund to cover the small excess of expenditure over income. That fund is now closed.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

16. ANALYSIS OF CHARITABLE ACTIVITIES

	<i>Direct Costs £000</i>	<i>Grant £000</i>	<i>Support Costs £000</i>	<i>2019 Total £000</i>	<i>2018 Total £000</i>
Cost of Generating Income Charitable Activities	771	-	124	895	952
Sites Costs	3,073	-	397	3,470	3,797
Community Learning	502	-	143	645	638
Jersey Archive & Collections	794	-	220	1,014	1,108
Historic Building Service	114	-	30	144	159
Société Grant	-	82	-	82	83
Central Costs	239	-	-	239	274
Total	5,493	82	914	6,489	7,011

The allocation of support costs is based on the number of people employed within an activity.

17. ANALYSIS OF CHANGES IN NET DEBT

	<i>At 1 January 2019 £000</i>	<i>Cash Flow 31 December 2019 £000</i>	<i>At 31 December 2019 £000</i>
Cash at bank and in hand	1,543	(131)	1,412
Net debt	1,543	(131)	1,412

18. ANALYSIS OF STAFF COSTS

	<i>2019 £000</i>	<i>2018 £000</i>
Salaries and Wages	2,609	2,649
Employers' Social Security	157	156
Employers' Pension costs	278	258
	3,044	3,063

Average Number of employees

The average number of employees expressed as full time equivalents in 2019 was 68 (2018 – 70).

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS for the year ended 31 December 2019

18. ANALYSIS OF STAFF COSTS (CONTINUED)

Details of higher paid staff

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

	2019	2018
£70,000 to £79,999	0	3
£80,000 to £89,999	3	1
£90,000 to £99,999	0	0
£100,000 to £109,999	0	1
£110,000 to £119,999	1	1
£120,000 to £129,999	0	0
£130,000 to £139,999	1	0

Key management personnel constitute the Trustees, Chief Executive Officer and senior management team.

The Trustees received no remuneration. The remuneration received by the remaining key management personnel was £575,000 (2018: £621,000).

19. 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 in respect of carrying out their duties during the year (2018 – Nil). Expenses claimed by Trustees totalled Nil (2018 – 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 (2018 – Nil).

20. 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 recoverable.

21. PENSION SCHEME

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

The PEPF covers the final salary pension benefits provided by the Public Employees' Contributory Pension Scheme (PECRS) and the career average revalued earnings scheme (CARE) introduced 1 January 2016 into which all new employees are admitted. Existing employees in PECRS will transfer into the CARE scheme on 1 January 2019 with the exception of members who are within 7 years of their normal retirement age who will have the option of remaining in PECRS. The majority of the Trust's employees who are members of the PEPF are members of PECRS.

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

21. PENSION SCHEME (CONTINUED)

PECRS 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.

For the CARE scheme, the initial employer contribution rate has been set at 16%. For the PECRS scheme, the Trust's contribution rate for 2019 has been set by the actuary at 14.40% of the gross salary of participating employees. This rate will increase over 2020 and 2021 to be the same rate as that of the CARE scheme in 2021.

The rate on both schemes has been fixed at 16% until at least 2024. The Pensions Law also introduced an employer cap of 16.5%.

During the year, the Trust made contributions into the PEPF on behalf of employees of £267,000.

Actuarial valuations are performed on a triennial basis, the most recent available being at 31 December 2018. The main purpose of the valuation is 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.

For the PECRS scheme, the most recently available valuation showed that there is a deficit in the present scheme as a whole at the valuation date of £1.1 million corresponding to a funding level of 99.95%. The Trust's share of this deficit has not been quantified. The Actuary has concluded that this deficit is in the "funding corridor" of 95% to 105% and it has been agreed that it is acceptable for there to be no adjustment to benefits.

For the CARE scheme, there was a small funding surplus of £3.26 million, corresponding to a funding level of 120.5%, reflecting the fact that the scheme is relatively new. In accordance with the transitional arrangements set out in the Funding and Valuation Regulations, the CARE valuation has no impact on benefits.

In addition, salaries and emoluments include pension contributions of £11,285 (2018 – £11,480) which relate to staff who have personal plans that are defined contribution schemes. At 31st December 2019, the Trust had 3 members of staff in such schemes (2018 – 3).

22. RELATED PARTY TRANSACTIONS

Société Jersiaise

By virtue of common trusteeship, the Société Jersiaise is considered a related party.

On 21st December 2018, the Trust entered into a new agreement with the Société Jersiaise, superseding all previous agreements and entered into three leases of 99 years for Hamptonne Country Life Museum, La Hougue Bie and the headland consisting of a cave commonly known as La Cotte de St Brélade.

Whereas previously a grant had been paid to the Société Jersiaise (2018 - £82,532), under the new agreement, an annual management fee of £23,000 is payable along with lease payments totalling £30,000 annually for each of Hamptonne Country Life Museum and La Hougue Bie.

The lease payment of £99 for La Cotte de St Brélade was expensed in full in 2019.

During the year, there were 795 Société member admissions (2018 – 727) to Trust managed sites without charge at an estimated value of £7,005 (2018 - £7,956).

The Jersey Heritage Trust

NOTES TO THE ACCOUNTS

for the year ended 31 December 2019

22. RELATED PARTY TRANSACTIONS (CONTINUED)

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 £5,490 (2018 - £5,330).

Jersey Museum Trading Company Limited

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

23. CONTROLLING PARTY

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

24. FUNDING ISSUES

Under proposition P.75/2010, The Minister for Education Sport & Culture at the time agreed –

- (1) *An annual grant of £2,300,000 index linked to avoid erosion of value.*
- (2) *An annual allowance for site refurbishment of £465,000, index-linked to avoid erosion of value.*

Since then the annual grant has increased to £2,412,000 and the site refurbishment reduced to £386,000. If the grant had increased to avoid erosion of value, then by 2019 the grant should have been increased by a value of approximately £640,000. Over the same period the trust has increased self-generated funding by approximately £1.3 million per annum.

Also during the year, proposition P.40/2019, prepared by Deputy Montfort Tadier seeking investment of 1% of Government of Jersey spend be directed to Arts, Culture and Heritage was adopted. This was to be phased in over the period 2020 – 2023 and finally offered a real opportunity for stabilisation of the Trust's finances.

The Trustees submitted a bid to the Government of Jersey for the next Medium Term Financial Plan covering the period 2020 - 2023. The outcome of that bid was an increase in the annual grant from £2,412,000 to £2,873,800, an increase of £461,800.

However, in March 2020 because of the global health emergency resulting from the corona virus Covid-19 pandemic, the Trust was forced to close all sites. Tourism, from which Jersey Heritage generates approximately 97.5% of its gate receipts, ceased and revenues across all activities dwindled to virtually zero.

At risk was a total of approximately £3 million of self-generated revenue. The Trust by virtue of its funding arrangements, despite being an independent organisation was classed as an arms-length organisation and denied access to the Payroll Co-Funding Phase 2 scheme, which would otherwise have covered 80% of most employee wages.

Severe cuts were made to the 2020 programme and the Government was approached for financial assistance.

An additional £1.1 million was granted to Jersey Heritage on 7th December 2020 to continue operations into 2021.