
THE ASSOCIATION OF JERSEY CHARITIES

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

THE ASSOCIATION OF JERSEY CHARITIES

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THE ASSOCIATION OF JERSEY CHARITIES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ASSOCIATION, ITS OFFICERS AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2019

Committee / Officers

Elizabeth Le Poidevin, Chairman
Ivo Le Maistre-Smith, Deputy Chairman (appointed 12 July 2018)
Andrew Pinel, Deputy Chairman (retired 12 July 2018)
Marie du Feu, Treasurer
Simon LARBALÉSTIER, Secretary
Lynsey Mallinson, Publicity Officer
Tim Rogers, Officer (appointed 12 July 2018, resigned 4 December 2018)
Harry Mc Randle, Officer (appointed 12 July 2018, resigned 26 February 2019)
Peter Bourne, Officer (co-opted 26 February 2019)
Allana Binnie, Officer (resigned 26 August 2018)

Patron

Sir Stephen Dalton, GCB

Independent Auditor

Bracken Rothwell Limited, 2nd Floor, The Le Gallais Building, 54 Bath Street, St Helier, Jersey, JE1 1FW

Bankers

Lloyds Bank, 9 Broad Street, St Helier, Jersey JE4 8NG

THE ASSOCIATION OF JERSEY CHARITIES

REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

The Officers present their annual report together with the audited financial statements of the Association of Jersey Charities ("the Association") for the year ended 31 March 2019.

Structure, governance and management

a. CONSTITUTION

The principal object of the Association is to encourage charitable and community work in Jersey and, in particular, to encourage co-operation and co-ordination of activities between members and prospective members and the discussion and exchange of ideas regarding service to the community.

There have been no changes in the objectives since the last annual report.

b. METHOD OF APPOINTMENT OR ELECTION OF OFFICERS

The management of the Association is the responsibility of the Officers who are elected and co-opted under the terms of the Constitution.

c. POLICIES ADOPTED FOR THE INDUCTION AND TRAINING OF OFFICERS

The Officers on the Committee have a range of professional qualifications and experience. It is open to any of them to attend courses offered by the Association and other relevant providers to supplement their skills. The Association does not currently have a formal induction programme for Officers however this is under development.

d. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The day to day running of the Association is in the hands of the Committee, which comprises the Officers of the Association who are elected annually by the members. A full list of Officers is provided on page 1. The Association also employs a full time Administrator, a part time Grants Officer and, with effect from 1 January 2019, a part-time Projects Officer on a one-year contract.

e. RISK MANAGEMENT

During the year, the Officers undertook a review of the Association's policies and procedures and completed a comprehensive risk assessment. The Officers are satisfied that adequate systems and procedures are in place to mitigate exposure to major risks, however a number of enhancements to processes were identified which are now in hand.

THE ASSOCIATION OF JERSEY CHARITIES

REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Objectives and Activities

a. OBJECTIVES

Since 1981, the Association has been the distributor of some or all of the Jersey share of the profits from the Channel Islands Lottery. In 2005 the Association entered into an agreement with the Economic Development Committee of the States of Jersey ("States") in relation to the receipt of a grant representing the entirety of the Jersey share of those profits. Since then, the grant has been made to the Association by the Economic Development Department (or its successor department) ("EDTSC") on behalf of the States by annual resolution of the States Assembly. The 2017 lottery profits were received during the current financial year.

On 18 March 2019, it was announced that "In order to increase the public benefit from the lottery, EDTSC is now taking action to widen the number of organisations which could potentially receive funding from it. An expression of interest exercise will be launched shortly to find partners who are able to distribute the proceeds among a wider number of organisations". On 26 March 2019 the "expression of interest" process was opened. The Association has submitted an expression of interest and further details are contained in the "Future Developments" section on page 5.

A primary objective of the Association has been to administer the distribution of the lottery and other funds available to it to achieve its objectives. During the year the Association approved grants to applicants from lottery profits, on the basis of need, in the sum of £1,100,741 (2018: £1,011,503). In the year ended 31 March 2018, an additional £213,705 was awarded to charitable and community organisations from restricted funds, being the remaining sum available from an anonymous donation.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

GRANTS

The Association offers a range of grants to both members and non-members. Guidance notes on eligibility and how to apply, along with the criteria which the Committee uses to assess applications, are set out in full on the website www.jerseycharities.org. Members with a continuing period of membership of at least 6 months can apply for a grant of up to £30,000 in each financial year. Larger and longer-standing charities can apply for a single large grant of £50,000 in any financial year, or for up to £90,000 over a 3 year period if they meet certain additional conditions. There is a simplified application process for small, volunteer only, charities which can apply for up to £3,000 each financial year. There are limited funds available for grants to non-members and therefore the maximum amount they may apply for is £20,000 in any financial year. The Association keeps its grants policies, criteria and procedures under continual review.

OTHER ACTIVITIES

In accordance with our other objectives regarding the encouragement of charitable work; co-operation and co-ordination of activities of members and others; developing a programme of training and information exchange; assisting and representing members, the Association conducts the following activities:

Training

The Association arranges for members and other voluntary organisations to receive guidance and training on matters relevant to their charitable and voluntary purposes. Training is currently provided on a no-cost basis for attendees, funded principally from the anonymous donation.

Other

In addition, the Association organises volunteer training, and pays for weekly advertising space in the Jersey Evening Post where members may promote their fund raising events. It also provides an e-mail news and exchange service; a quarterly newsletter; and supports the sector by way of website content which includes diary information; guidance and pro forma documents for establishing a charity; details of how to apply for exemption from income tax; arranging for tax efficient donations and other useful information, in particular template constitutions which comply with the Charities (Jersey) Law 2014. It also organises the biennial Charity Awards event.

The Association has recently established working groups covering Advocacy, Communications and Operations in addition to the existing Training, Grants and Restructuring working groups.

THE ASSOCIATION OF JERSEY CHARITIES

REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Achievements and performance

a. INVESTMENT POLICY AND PERFORMANCE

The Association's Officers have a general power of investment and so enjoy considerable freedom to invest in such investment assets as they see fit.

The Association has three distinct sources of funding of which profits from the Channel Islands' Lottery are the most significant. Other sources include investment income and gains and ongoing donations.

In the year ended 31 March 2010, the Association received an anonymous donation from a private donor which included a capital sum of £1,950,000 of which a maximum of 5% pa may be distributed by way of grants. This sum was invested in a portfolio of securities and is currently managed on a discretionary basis by the Royal Bank of Canada. The capital sum plus the accumulated profits form the entirety of the Association's investment portfolio which is now valued at £2,690,359. As the Association is now 10 years into the 20 year "life" of the invested sum, during the year the Officers undertook a review which considered both investment performance to date and the need to protect in real terms the amount available for grants in future years. As a result, IAM Advisory have been appointed as investment consultants to the Association with a mandate to work with the Officers to establish an investment strategy for the next 10 years. IAM Advisory will have a continuing role in the oversight of investment performance and it is anticipated that the net cost of portfolio management will be reduced as a result of any changes they propose.

The remainder of the Association's funds are held on call or short term deposit or in the current account so that the Association always has sufficient cash on hand to meet its liability to settle grant obligations. Under the terms of the Service Level Agreement with the States, funds received from lottery profits for the purpose of making grants are expected to be distributed in full in the year in which they are received.

Financial Review

a. RESERVES POLICY

At 31 March 2019 the Association had total unrestricted funds of £3,225,130 (2018: £2,876,378). The table on page 18 provides an analysis of this figure.

The largest element is £1,072,500 (2018: £1,170,000) which represents the balance of the anonymous donation received in the year ended 31 March 2010 which is not yet available for distribution. Under the terms of that donation, the Officers cannot spend more than 5% of the capital in any one year. The capital sum invested in the year ended 31 March 2010 was £1,950,000 and this amount is being amortised in twenty equal annual instalments (i.e. 5% p.a.) of £97,500 terminating in September 2029.

During the year, the Association formalised its reserves policy such that it will aim to maintain a balance in free reserves equivalent to at least one year's funding for its members, such sum to be determined based on the amount of grants approved in the previous financial year. The rationale for this approach is that, should lottery funding be withdrawn, the Association will be able to continue funding its members for one year while it seeks alternative sources of funds. As of 31 March 2019, this policy requires £1.1 million to be held in reserves and the actual sum is £1,918,269. The Officers also created a designated development reserve this year. This reserve has been set aside out of the 2017 lottery profits, as required by the Service Level Agreement, in order to complete certain sector initiatives including the restructuring of the Association. Should any of those initiatives be cancelled or delivered under budget, the amount in the designated reserve will be released to general reserves and available to members by way of grants.

In the opinion of the Officers, the Association's reserves are adequate to meet its stated policies and plan for future changes.

THE ASSOCIATION OF JERSEY CHARITIES

REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019 (continued)

Financial review (continued)

b. PRINCIPAL FUNDING

Grant income from the States of Jersey in respect of lottery profits increased from £1,250,482 in the year ended 31 March 2018 to £1,399,097 in the year ended 31 March 2019 as a result of sustained increases in sales and profitability of the lottery.

During the year total incoming charitable resources have therefore increased from £1,282,776 in the year ended 31 March 2018 to £1,437,943 in the year ended 31 March 2019. Grants approved were £1,100,741 for the year compared to £1,011,553 in the year to 31 March 2018. After deduction of grant funds released by applicants, net grants for the year were £1,075,458 (2018: £968,766).

In anticipation of increased income for the year, at the AGM in July 2017, the Committee proposed and members approved an increase in the maximum grant from £30,000 to £50,000 provided that such "large grants" be used for one-off projects and expenditures and that the Committee attach such conditions as it saw fit when approving the grant. At the AGM in July 2018 members approved a three year grant funding programme which increases the maximum available to applicants to £90,000.

c. ACCUMULATED FUND

The accumulated fund totalled £3,452,310 at 31 March 2019 (2018: £3,172,786). Of this amount, there are restricted funds of £227,180 (2018: £296,408); leaving £3,225,130 (2018: £2,876,378) in unrestricted funds. Of this amount, £1,072,500 (2018: £1,170,000) relates to the element of the anonymous donation which is not currently distributable.

Plans for the future

FUTURE DEVELOPMENTS

At an Extraordinary General Meeting held on 7 November 2018, members approved in principle a scheme of restructuring of the Association which involved the creation of the AJC Trust and anticipated the creation of a service company which would take over the grant decisions and administrative functions of the Association respectively. The AJC Trust was subsequently created. Both the AJC Trust and the Association have submitted applications for registration to the Charity Commissioner.

As noted above, on 18 March 2019, it was announced that "In order to increase the public benefit from the lottery, EDTSC is now taking action to widen the number of organisations which could potentially receive funding from it. An expression of interest exercise will be launched shortly to find partners who are able to distribute the proceeds among a wider number of organisations". On 26 March 2019 the "expression of interest" process was opened. The Association registered its interest in accordance with the relevant procedure and ahead of the 12 April 2019 closing date. On 28 May 2019, a detailed tender document was issued for completion by interested parties. The deadline for completion is 21 June 2019 and the successful applicant(s) will be notified on 12 July 2019. The Officers intend to submit an application on behalf of the Association. However, at the time of signing these financial statements, the Officers do not know what role the Association will play in the distribution of lottery funds in the future.

In light of the above, the Officers intend to fund grant applications for the quarter ended 30 June 2019 from the Association's reserves and to take a decision with regard to future periods in consultation with members.

The Officers also intend to proceed with the restructuring project, as required, in pursuit of the Association's objectives and in order to maintain its charity status. In tandem with developments regarding the future allocation of lottery profits, the Association will be working with interested parties in the design and development of voluntary and community sector support services.

THE ASSOCIATION OF JERSEY CHARITIES

REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019 (continued)

STATEMENT OF THE COMMITTEE'S RESPONSIBILITIES

The Committee is responsible for preparing the Committee's report and the financial statements in accordance with the Constitution.

The Constitution requires the Officers to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources of the Association for that period. In preparing these financial statements, the Officers are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- 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 Association will continue in operation.

The Officers are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the Constitution. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Officers on 4 June 2019 and signed on their behalf by:



Elizabeth Le Poidevin, Chairman



BRACKEN | ROTHWELL
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE EXECUTIVE COMMITTEE OF THE ASSOCIATION OF JERSEY CHARITIES

Opinion

We have audited the financial statements of the Association of Jersey Charities ("the Association") for the year ended 31 March 2019, which comprise of the Statement of Financial Activities, Statement of Financial Position and the related notes 1 to 16 of the financial statements, including accounting policies.

In our opinion, the accompanying financial statements:

- present a true and fair view of the financial position of the Association as at 31 March 2019, and of its financial performance for the year then ended;
- have been properly prepared in accordance with Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in July 2014 (effective January 2015) ("SORP 2015") and Section 1A of Financial Reporting Standard 102 the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 Section 1A); and
- have been prepared in accordance with the Association's Constitution.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing applicable in the United Kingdom (ISAs (UK)). 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 Association in accordance with the Ethical Standards as issued by the Financial Reporting Council ("FRC") in the United Kingdom and other guidance and ethical requirements that are relevant to our audit of the financial statements in Jersey, and we have fulfilled our other 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 opinion.

Material Factors Related to Going Concern

We draw your attention to the financial statements which indicate that there is no material uncertainty that may cast significant doubt on the Association's ability to continue as a going concern. The Association is able to continue its activities and settle its current grants payable and other liabilities through the receipt of the proceeds of the Channel Island lottery and its reserves. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements

Management is responsible for the other information which comprises the Report of the Committee on pages 2 to 6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. As part of the audit of the financial statements we read the other information and 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, 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 EXECUTIVE COMMITTEE OF THE ASSOCIATION OF JERSEY CHARITIES (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with SORP 2015 and FRS 102 Section 1A and for such internal control as management determines are 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, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

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 the auditor's 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.



Alistair Rothwell, FCA

For and behalf of

Bracken Rothwell Limited

2nd Floor, The Le Gallais Building

54 Bath Street, St Helier

Jersey, JE1 1FW

Date: *4 June 2019*

THE ASSOCIATION OF JERSEY CHARITIES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	1,437,943	1,437,943	1,282,776
Investment income	3	-	64,604	64,604	59,790
TOTAL INCOMING RESOURCES		-	1,502,547	1,502,547	1,342,566
RESOURCES EXPENDED					
Charitable activities	4	69,228	1,222,455	1,291,683	1,328,212
Governance costs	5	-	6,140	6,140	7,960
TOTAL RESOURCES EXPENDED		69,228	1,228,595	1,297,822	1,336,172
NET RESOURCES EXPENDED BEFORE REVALUATIONS		(69,228)	273,952	204,725	6,394
Realised and unrealised gains and losses on investments	8	-	74,800	74,800	(82,361)
NET MOVEMENT IN FUNDS FOR THE YEAR		(69,228)	348,752	279,524	(75,967)
<i>Total funds brought forward</i>		296,408	2,876,378	3,172,786	3,248,753
TOTAL FUNDS AT 31 MARCH		227,180	3,225,130	3,452,310	3,172,786

All movements in resources are derived from continuing activities.

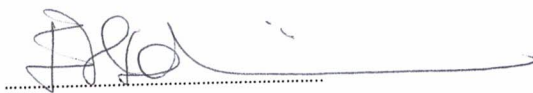
The notes on pages 11 to 19 form part of these financial statements.

THE ASSOCIATION OF JERSEY CHARITIES

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2019

	Notes	£	2019 £	£	2018 £
FIXED ASSETS					
Investments	8		2,690,359		2,622,791
CURRENT ASSETS					
Debtors	9	762		693	
Cash at bank and in hand	10	1,625,107		1,331,120	
		1,625,869		1,331,813	
CREDITORS: amounts falling due within one year	11	<u>(863,918)</u>		<u>(781,818)</u>	
		(863,918)		(781,818)	
NET CURRENT ASSETS			761,951		549,995
NET ASSETS			<u>3,452,310</u>		<u>3,172,786</u>
CHARITY FUNDS					
Restricted funds	13		227,180		296,408
Unrestricted funds	13		3,225,130		2,876,378
TOTAL FUNDS			<u>3,452,310</u>		<u>3,172,786</u>

The financial statements were approved by the Officers on 4 June 2019 and signed on their behalf, by:



Elizabeth Le Poidevin, Chairman



Marie du Feu, Treasurer

The notes on pages 11 to 19 form part of these financial statements.

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' published in July 2014 (effective January 2015) as issued by the Charity Commission and Financial Reporting Standard 102 Section 1A, the Financial Reporting Standard applicable in the United Kingdom and Ireland applicable to smaller entities (FRS 102 Section 1A).

1.2 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Committee in furtherance of the general objectives of the Association and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Association for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities ("SoFA") when the Association has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Association where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services of facilities are included as income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs include the costs of the Association's administrator and other administration costs. Governance costs are those incurred in connection with administration of the Association and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

1.5 Cash flow

The financial statements do not include a Cash Flow Statement because the Association, as a small reporting entity, is exempt from the requirement to prepare such a statement.

1.6 Tangible fixed assets

All assets costing more than £5,000 are capitalised.

There are no such assets at 31 March 2019 (2018: None).

1.7 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

2. VOLUNTARY INCOME

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	2018 £
Donations (see note below)	-	33,851	33,851	27,349
Grant income - lottery profits		1,399,097	1,399,097	1,250,482
Subscriptions	-	4,995	4,995	4,945
	<u>-</u>	<u>1,437,943</u>	<u>1,437,943</u>	<u>1,282,776</u>
Total voluntary income	<u>-</u>	<u>1,437,943</u>	<u>1,437,943</u>	<u>1,282,776</u>

GRANT RECEIPTS

During the year the Association received grants of £1,399,097 (2018: £1,250,482) representing 100% (2018: 100%) of the Jersey portion of the profits from the Channel Islands Lottery in the year ended 31 December 2017.

At the time of signing these financial statements, no decision has been taken on the allocation of the 2018 profits from the Channel Island Lottery which amounted to £2.2 million.

DONATIONS RECEIVED	2019 £	2018 £
<i>Unrestricted</i>		
Parish of Grouville	9,000	9,000
Anonymous internet donations via Paypal	18,237	8,443
Proceeds from charities wound up	420	-
Other	6,194	3,132
Total unrestricted	<u>33,851</u>	<u>20,575</u>
<i>Restricted</i>		
Ana Leaf Foundation	-	6,774
Total restricted to Jersey Charity Awards	<u>-</u>	<u>6,774</u>
Total donations received	<u><u>33,851</u></u>	<u><u>27,349</u></u>

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

3. INVESTMENT INCOME

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Dividends	-	88,581	88,581	86,664
Interest	-	1,946	1,946	169
Portfolio management fees	-	(25,923)	(25,923)	(27,043)
Bank interest and dividends net of charges	-	64,604	64,604	59,790

4. CHARITABLE ACTIVITIES

	2019 £	2018 £
<i>Grants to institutions</i>		
Grants approved (see note below)	1,075,458	968,766
Internet donations paid	18,093	8,415
Total grants to institutions from unrestricted funds	<u>1,093,551</u>	<u>977,181</u>
<i>Support Costs</i>		
Staff costs	71,192	42,284
Telephone	1,090	783
IT and website costs	6,163	1,911
Insurance	2,150	1,859
Miscellaneous expenses	3,679	3,259
Printage, posting and stationery	4,126	1,116
Bank and internet donation charges	357	465
Total support costs	<u>88,757</u>	<u>51,677</u>
<i>Sector development costs</i>		
Advertising member events	24,980	24,793
Other development	15,167	-
Total sector development costs	<u>40,147</u>	<u>24,793</u>
<i>Restricted funds</i>		
Training costs	26,339	27,265
Jersey Charity Awards	-	26,480
Development and restructuring	42,889	7,111
Grants	-	213,705
Total restricted funds	<u>69,228</u>	<u>274,561</u>
Total charitable activities	<u>1,291,683</u>	<u>1,328,212</u>

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. CHARITABLE ACTIVITIES (continued)

LIST OF GRANTS APPROVED

	2019	2018
	£	£
CHARITY		
Large grants		
Community Savings	50,000	-
Grace Trust Jersey	50,000	-
Jersey Marine Conservation	50,000	15,369
JSPCA	50,000	-
Maison des Landes Trust	50,000	-
National Trust for Jersey	50,000	-
NSPCC Jersey	50,000	-
Silkworth Lodge	50,000	30,000
Societe Jersiaise	50,000	-
No. 7 Overseas Air Squadron	46,376	-
Jersey Heritage Trust	32,987	29,877
Ordinary grants		
Autism Jersey	30,000	30,000
Caring Cooks of Jersey	30,000	30,000
Durrell	30,000	50,000
Friends of the Bridge	30,000	-
Headway Jersey	30,000	50,000
Jersey Child Care Trust	30,000	17,756
Love Matters	30,000	30,000
St John Ambulance	30,000	-
Youth Arts Jersey	29,784	29,784
Sanctuary Trust	28,770	-
Brighter Futures	26,600	30,000
Love Thy Neighbour	26,000	-
Abbeyfield	25,000	29,753
Mind Jersey	25,000	-
Jersey Recovery College	22,898	-
Every Child Our Future	22,000	22,000
Duke of Edinburgh Award Scheme	15,000	-
Jersey Mencap	14,095	7,000
Jersey Rescue Dogs	14,000	-
Jersey Biodiversity	13,740	-
Le Congres des Parlers Normands et Jersiaise	11,000	30,000
Arts in Health Care	10,500	-
Caesarea Association	9,967	-
Art in the Frame Foundation	9,884	-
Jersey Hospice Care	7,250	-
Age Concern	6,000	-
Jersey Disability Partnership	5,000	-
Pain Support Jersey	3,890	19,937
Small grants		
Eating Disorder Support Group	3,000	-
Triumph Over Phobia	2,000	2,000
Carried forward to next page	1,100,741	453,476

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

CHARITABLE ACTIVITIES (continued)	2019	2018
	£	£
Brought forward from previous page	1,100,741	453,476
Jersey Cheshire Home	-	50,000
Jersey Employment Trust	-	50,000
Les Amis	-	50,000
Oxygen Therapy	-	50,000
Family Nursing & Home Care	-	49,032
Aspire (Beresford St Kitchen)	-	30,000
Grace Trust	-	30,000
Jersey Council on Alcoholism	-	30,000
Jersey Youth Trust	-	30,000
Normandy Rescue	-	30,000
Oasis of Peace	-	29,626
Relate Jersey	-	27,810
Street Pastors	-	25,005
Music in Action	-	24,900
Lymphoedema Jersey	-	24,000
Jersey Eisteddfod	-	11,500
Gorey Youth Project	-	8,455
JCRAG	-	4,350
First Tower Community Association	-	3,400
Less: amounts released in the year	(25,283)	(42,788)
Total	<u>1,075,458</u>	<u>968,766</u>

All grants were for use in charitable purposes, as requested by the charities, and are listed in the category which applies in the current financial year.

Amounts released in the year represent sums previously approved as grants and expensed in current or previous years that either a) have not been claimed by the beneficiaries of those grants within two years of the approval of the grant (or the most recent payment under that grant, if later); or b) are no longer required by the beneficiary.

Large grants, defined by the Association as grants in excess of £30,000, are initially approved on a conditional basis and subsequent payment was or is subject to those conditions being met. Conditional grants are included in current liabilities provided there is a reasonable expectation that the conditions will be fulfilled.

5. GOVERNANCE COSTS	Restricted	Unrestricted	Total funds	2018
	£	£	£	£
Auditors' remuneration	-	3,990	3,990	3,650
Current year accrual	-	183	183	183
Underaccrual prior year	-	4,173	4,173	3,833
Support costs including member meetings	-	1,967	1,967	3,377
Legal fees	-	-	-	750
Total	<u>-</u>	<u>6,140</u>	<u>6,140</u>	<u>7,960</u>

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6. STAFF COSTS

The average monthly number of employees during the year was as follows:

	2019	2018
	No.	No.
	<u>1.5</u>	<u>1</u>

No employee received remuneration amounting to more than £60,000 in either year. None of the Officers received any remuneration for acting as Officers of the Association.

7. TAXATION

The Association of Jersey Charities is established for charitable purposes within the terms of Article 115(a) of the Income Tax (Jersey) Law 1961, with the result that its income, to the extent that it is applied for charitable purposes, is exempt from income tax.

8. FIXED ASSET INVESTMENTS

Market value	Cash	Fixed income	Equity	Total
	£	investments	investments	£
		£	£	
At 1 April 2018	75,757	1,460,033	1,087,001	2,622,791
Additions	(1,173,450)	1,089,614	83,836	-
Disposals	1,311,238	(1,238,821)	(72,417)	-
Investment income	88,581	-	-	88,581
Management fees	(25,923)	-	-	(25,923)
Interest received	130			130
Realised gain for the year	-	132,808	4,600	137,408
Movement in unrealised gain for the year	-	(26,198)	(36,410)	(62,608)
Transfer to current account	(70,020)	-	-	(70,020)
At 31 March 2019	<u>206,313</u>	<u>1,417,436</u>	<u>1,066,610</u>	<u>2,690,359</u>

At 31 March 2019, 90% of the investments were global investments, 8% were European investments and 2% were emerging market investments (2018: 88%, 10% and 2%).

9. DEBTORS

	2019	2018
	£	£
Prepayments	762	693
Total	<u>762</u>	<u>693</u>

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

10. CASH AT BANK AND IN HAND

	2019 £	2018 £
Current accounts	254,625	837,703
Money Market account	1,369,982	493,167
Petty cash	500	250
Total	1,625,107	1,331,120

11. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Charitable activity creditors	853,245	773,908
Accruals	6,737	6,650
Social Security and ITIS obligation	3,936	1,260
Total	863,918	781,818

All creditors are unsecured.

12. COMMITMENTS

The Association had no financial commitments at the year end (2018: £nil)

13. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in / out £	Gains / (Losses) £	Carried Forward £
Unrestricted funds	2,876,378	1,502,547	(1,228,595)		74,800	3,225,130
Restricted funds						
Anonymous donation - training	128,519	-	(26,339)	-	-	102,180
Lottery - Non-member grants	125,000	-	-	-	-	125,000
Lottery - training and development	42,889	-	(42,889)	-	-	-
	296,408	-	(69,228)	-	-	227,180
Total	3,172,786	1,502,547	(1,297,823)	-	74,800	3,452,310

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

13. STATEMENT OF FUNDS (continued)	2019	2018
	£	£
The Association's unrestricted funds are comprised of the following:		
Undistributable reserve - amortising in equal instalments over 20 years ending 2029	1,072,500	1,170,000
Development reserve	150,000	-
Revaluation reserve	(8,139)	54,410
Small grants reserve	92,500	-
Distributable reserves	<u>1,918,269</u>	<u>1,651,968</u>
	<u>3,225,130</u>	<u>2,876,378</u>

The development reserve represents funds set aside to cover the costs of the restructuring project approved by members in July 2018 together with the costs of a number of sector development initiatives. In the event that any of these projects do not proceed or are delivered under budget, the associated sums will be released to distributable reserves.

Creation of the small grants reserve was approved by members in July 2018 with the intention of encouraging smaller, volunteer led charities to apply for grants from non-lottery funds using a simplified process.

In accordance with the Association's stated reserves policy, it retains distributable reserves sufficient to cover the annual cost of grants approved so that in the event its main source of funding is withdrawn or curtailed, it will be able to continue its grant making activities while seeking an alternative source of funds. Based on this year's results, the sum required is £1.1million out of total distributable reserves of £1,918,269. In July 2018, members approved the creation of a three-year grant option where years 2 and 3 would be funded from such surplus, the purpose being to maximise distributions while ensuring prudent financial management.

Restricted funds

During the year ended 31 March 2010, an anonymous donation of £2,625,736 was received, upon which there were various restrictions:

- a) £320,000 was allocated for use in providing grants to sixteen specified charities. As at 31 March 2018 there was a balance of £196,343 to be distributed of which £76,793 has subsequently been claimed and paid out leaving £119,550 to be paid. That sum is included in current liabilities as of 31 March 2019. Since the year end, the Officers have been advised that £90,000 of approved funding is not required by the applicant and therefore this sum will be returned to the restricted reserve for distribution in the year ended 31 March 2020.
- b) £250,000 was allocated for use in providing training. £26,339 (2018: £27,265) was paid during the year ended 31 March 2019 leaving a balance of £102,180 (2018: £128,519) in restricted funds at 31 March 2019.
- c) The balance of the anonymous donation was allocated to unrestricted funds and, with the addition of gains to date, forms the entirety of the investment portfolio.
- d) There is an additional condition which states that the Officers are not allowed to expend more than 5% of the total capital each year and accordingly, the Committee makes an annual allocation of the amount available to it for distribution from the anonymous donation and the amount carried forward for distribution in subsequent years. As at 31 March 2019 the distributable element was £877,500 (2018: £780,000) and the non-distributable element was £1,072,500 (2018: £1,170,000). The amortisation amount for the current year of £97,500 was used to create the small grants reserve referred to above from which grants of £5,000 were allocated in the year.

Of the total 2016 lottery profits received in the year ended 31 March 2018, £125,000 was received on condition that it be used to make grants to organisations which are not members of the Association but which were charities by virtue of being granted tax exemptions by the Comptroller of Taxes. As at 31 March 2019, no eligible charity had applied for a grant from this fund. The Association intends to ask EDTSC to amend the terms of this restricted fund so that it may be used for grants to registered charities which were not members of the Association on 31 December 2018 when the transition provisions of the Charity (Jersey) Law ended. A further £50,000 of the 2016 lottery profits was restricted for use by the Association for development of the voluntary sector which includes the restructuring of the Association itself. That sum has been spent in full.

THE ASSOCIATION OF JERSEY CHARITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	2018 £
Fixed asset investments	-	2,690,359	2,690,359	2,622,791
Current assets	346,730	1,279,139	1,625,869	1,331,813
Creditors due within one year	(119,550)	(744,368)	(863,918)	(781,818)
Total	<u>227,180</u>	<u>3,225,130</u>	<u>3,452,310</u>	<u>3,172,786</u>

15. RELATED PARTY TRANSACTIONS

During the year ended 31 March 2018, Pinel Advocates received fees in respect of legal work undertaken on behalf of the Association for the benefit of members totalling £750. Andrew Pinel was the Deputy Chairman of the Association at the time and was and still is the managing partner of Pinel Advocates. There were no related party transactions in the year ended 31 March 2019.

16. CONTROLLING PARTY

In the opinion of the Committee there is no ultimate beneficial controller of the Association, which instead works for the benefit of its members directly and the charity sector indirectly.