
Jersey Business Limited

Report and financial
statements

31 December 2013

JERSEY BUSINESS LIMITED

Non-Executive Directors

Mr P Funk (Chairman) (appointed 6th February 2012)
Mr J Box (appointed 6th February 2012)
Mr J Filleul (appointed 6th February 2012)
Mrs W Lambert (appointed 1st April 2014)
Mr E Lincoln (appointed 6th February 2012)
Mr M Robins (appointed 6th February 2012) (Chairman of the Events & Communications Sub-Committee from 6th December 2012)
Mr B Sarre (appointed 6th February 2012) (Chairman of the Finance, Audit & Operations Sub-Committee from 6th December 2012)
Mr A Sugden (appointed 12th June 2013)

Executive Director

Mr A Cook (appointed 12th June 2013) (Chief Executive Office from 10th September 2012)

Independent auditors

Grant Thornton Limited
Chartered Accountants
Kensington Chambers
46/50 Kensington Place
St Helier
Jersey, JE1 1ET

Registered office

31 The Parade
St Helier
Jersey
JE2 3QQ

JERSEY BUSINESS LIMITED

Report of the Chairman

I am pleased to present our second Annual Report and Financial Statements for the year ending 31 December 2013.

I am confident that during the past year we made substantial progress in advancing our primary objective which is to support and encourage the growth of business enterprise in the Island. We have recruited an experienced and able staff of consultants, provided advisory services to a rapidly growing number of new and existing enterprises and assisted and co-ordinated various Government initiatives for the benefit of the economy. We were extremely pleased with the success of the Awards for Enterprise evening held last June as well as the other events we organised during the year.

We have been very encouraged by the renewed vigour we have seen in the Island's enterprise spirit particularly in the second half of 2013. New business enquiries and plans for expansion amongst the individuals and companies consulting with us increased substantially. The general consensus from our perspective is that the Island's economy, across most market sectors, is demonstrating welcome signs of a return to growth. The following report from Andy Cook, our Chief Executive Officer, will provide you with further details of our progress which I am sure you will read with interest.

Since our year ended, Andy Cook has decided to leave our company. Andy has provided excellent leadership for our organisation and the Board and I have accepted his resignation with regret. Our search for a new Chief Executive is in progress.

We are looking forward to 2014 and the continuing growth of our activities. I would like to thank our staff, my fellow board members and the Economic Development Department, our main stakeholder, for their collective hard work and contributions throughout 2013.

Peter C Funk
Chairman

20th May 2014

JERSEY BUSINESS LIMITED

Report of the Chief Executive Officer

Jersey Business commenced its activities of providing business advice and support on the 1st June 2012. The organisation receives the majority of its funding from the Economic Development Department of the States of Jersey on the basis of an initial three year Partnership Agreement from 1st January 2013.

The overarching aim of Jersey Business is:

To support the creation and development of enterprise for the social and economic benefit of Jersey.

To deliver its overarching aim, its strategic objectives are to:

- (A) Provide pre-start advice and support to those considering an enterprise.**
- (B) Aid the development of existing businesses.**
- (C) Support the removal of barriers to the development of economic activity.**
- (D) Stimulate and support the availability of funding for sustainable business activity.**
- (E) Promote the role of business in the Jersey economy and society overall.**

The Jersey Business Advisors

Following on from the initial team that was put in place during 2012, a permanent team of advisers was recruited in 2013 with the full team in place by the end of April. The team of Nick Steel; Alexia McClure; Daniel Ireland; June Stead and Wini Rice represent a wide range of commercial experiences that can satisfy the diverse demands that the organisation faces on a daily basis; add real value to client enquiries; and support the demand for Jersey Business's services by presenting a credible and trustworthy face to the service. Wini Rice left the organisation in November 2013 to return to Australia. Rosie Lempriere joined at that time and is a very welcomed addition to the team.

Support Activities

During 2013 Jersey Business continued to establish the foundations from which it delivers its service provision to achieve increased, focused support, both to start up and established organisations. As a result, there was a notable increase in the number of established businesses looking to develop and grow. The organisation has seen month on month increases in its activities.

For the 12 months ended 31st December 2013 Jersey Business conducted 1,286 client meetings in addition to dealing with 814 enquiries by telephone and email as set-out in the table below.

Type of contact	1 January to 31 December 2013	1 June to 31 December 2012
Phone enquiries	365	295
Email enquiries	449	334
	814	629
Drop in clients	373	192
Pre booked meetings	913	317
	1,286	509

The organisation is in the process of developing its database resources which will considerably improve activity reporting to include case load by Sector, Product and Services rendered.

Products and Services

On the 30th July 2013 the Board of Jersey Business approved the framework for the ongoing delivery of Products and Services and the process by which we will measure the value added to client activities. Clients are associated with a Program that allows Jersey Business to provide focused support to meet their needs at the various stages of the business life cycle.

These are Pre-start, Start up, Improve, Grow and Exit. In addition we recognise that some clients are not seeking to develop an ongoing relationship but require a one-off response to a specific issue.

JERSEY BUSINESS LIMITED

Report of the Chief Executive Officer (continued)

We also recognise that there are many factors that collectively lead to organisational success – some of which we can influence more readily than others. Accordingly, our strategy is to support the overall development of an organisation so that it is as well placed as it can be to achieve its goals.

To this end we have established a Business Health Check, based on the framework of a Balanced Scorecard, which considers the four key areas of Strategy, Finance, Operations and Customers. By evaluating each of these areas, relevant to the size and aspirations of the client, we can establish a SWOT analysis (Strength, Weaknesses, Opportunities and Threats) and a detailed Action/Development Plan that is unique to each client.

Awards for Enterprise

In addition to business advisory and support services, Jersey Business managed the delivery of the Jersey Enterprise Awards 2013. The Awards celebrate the success, hard work and enthusiasm of the Jersey business community and have evolved into the premier business event of the year. The Awards were launched in January 2013 and for the first time entries were made online attracting a record number of submissions. Entries to each Award were evaluated through a rigorous and transparent process which culminated in a gala presentation evening at Fort Regent in June. The event was a clear success and most importantly, upheld the high standards achieved in previous years. Jersey Business is pleased to continue to host the Awards in 2014 which are rebranded the "Awards for Enterprise".

Sector Support

In addition to client specific support services, Jersey Business actively seeks to support industry sectors where it has the potential to add value by the coordination or facilitation of resources, undertaking of specific reviews, or by actively promoting specific outcomes. This has included work with the Construction and Mari-culture sectors.

During 2013 Jersey Business supported EDD with the delivery of Global Entrepreneurship Week. In 2014 Jersey Business will take over responsibility for this important opportunity to engage and stimulate the entrepreneurial spirit within Jersey's student population.

Premises

From the commencement of 2013, following a major refurbishment program, Jersey Business has operated from its premises at 31 The Parade, St Helier. These premises are ideally located and offer excellent facilities for both client and staff alike. During the year, Jersey Business has also been able to accommodate Digital Jersey as a co-tenant during its first year of establishment. This has been beneficial for both organisations, and our mutual clients.

Branding and Communications

At the end of 2013 we carried out a review of our branding, online support services, and our communications plan for 2014. Modest changes to our branding were introduced, together with a substantial revamp of the Jersey Business website. These changes will support our offer of straight talking business support and set it out in a clear and uncluttered way. Greater use of video content will provide a route to deliver short messages in a clear and engaging manner. All online content for the Awards for Enterprise will be accessed from the Jersey Business website.

Key Performance Indicators (KPI's)

The primary goal for 2013 was to deliver the numerous actions required by any business in its first year, being to establish and embed the resources and services to support the achievement of our objectives and to create the solid framework from which to support on-island organisations. All material actions were achieved.

Going forward, our KPI's will focus on client outcomes and benefit and will support the principal objective of the Enterprise Action Plan 2014 in the creation of High Value Jobs.

Finance & Budget

The financial statements for the year ended 31st December 2013 are set out from page 10 to 15 of the report. Jersey Business received funding from the Economic Development Department of £615,000 and rental income from the sharing of premises of £15,384. Income from promotional activities of £149,020 arises from the sponsorship and ticket sales relating to the Enterprise Awards 2013. The total of all income for the year was £779,421 compared to £352,388 for 2012.

JERSEY BUSINESS LIMITED

Report of the Chief Executive Officer (continued)

Expenditure on staff costs of £332,445 was less than planned due to the latter than expected start of business advisers. This being a major driver of the year end surplus. Other items of expenditure were in line with expectations with the major items being £180,411 on promotional activities; the cost of property and infrastructure being £52,728; and marketing at £23,356. The total of all expenditure for the year was £689,042 compared to £254,280 for 2012. There were no material investments made in fixed assets.

At the yearend Jersey Business has a surplus of income over expenditure of £90,379 compared to £98,108 for 2012. It is not the intention of Jersey Business to create an excessive surplus within its operating budget. Accordingly, the surplus will be applied to its operating activities in 2014 with a reduced need for funding from the Economic Development Department in that year.

Looking Forward

Our Business Plan for 2014 seeks to develop client engagement through the provision of focused support. The key target that Jersey Business has been set by the Economic Development Department is to support the creation of jobs through the prosperity of on-island commerce, with particular focus on High Value Employment in economic terms. I am confident that Jersey Business is well placed to do this and will continue to provide excellent value for money for the contribution that it makes in supporting the economic welfare of Jersey.

Andy Cook, MloD, CMgr FCMI, ACIS, FInstLM
Chief Executive Officer

20th May 2014

JERSEY BUSINESS LIMITED

Directors' report

The Directors submit their report and the audited financial statements for the year ended 31 December 2013.

Incorporation and principle activities

Jersey Business Limited ("The Company") was incorporated on 30 November 2011.

The principal activity of the Company is the provision of advice and support to on-island businesses and enterprises and the promotion of Jersey businesses in general. The Company is a not-for-profit organisation.

Results

The results for the year are shown in the revenue and expenditure account on page 10. The Company has reported a surplus for the period of £90,379 (2012: £98,108). This was in excess of its 2013 budget. In the opinion of the Directors this brings accumulated reserves to a level commensurate with an organisation such as Jersey Business Limited.

Directors

The Directors of the Company who served during the period and up to the date of signing the financial statements are stated on page 1.

Independent Auditors

Grant Thornton Limited are appointed auditors of the Company and have indicated their willingness to continue in office.

Peter C Funk
Chairman

20th May 2014

JERSEY BUSINESS LIMITED

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and UK accounting standards.

Company law in Jersey requires the Directors to prepare financial statements for each accounting year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which are sufficient to show and explain the Company's transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

Independent auditors' report To the shareholders of Jersey Business Limited

We have audited the financial statements of Jersey Business Limited for the period ended 31 December 2013 which comprises the Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 6 the company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Chairman, Report of the Chief Executive Officer and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its net surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

**Independent auditors' report
To the shareholders of Jersey Business Limited - continued**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you, if in our opinion:

- the company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.



A R Langley

**For and on behalf of
Grant Thornton Limited
Chartered Accountants
St Helier, Jersey, Channel Islands
13 August 2014**

JERSEY BUSINESS LIMITED

Income and expenditure account

For the year ended 31 December 2013

	Note	2013		Period 30/11/2011 to 31/12/2012	
		£	£	£	£
Income					
States of Jersey Grant	2		615,000		352,279
Rental income			15,384		-
Interest income			17		109
Promotional activities			149,020		-
			<u>779,421</u>		<u>352,388</u>
Expenditure					
Non-executive Directors fees	3	36,996		48,163	
Staff costs		332,445		75,619	
		<u>369,441</u>		<u>123,782</u>	
Employment costs					
Legal and professional fees		3,572		52,556	
Training		4,639		275	
Information, communications & technology costs		15,196		7,189	
Insurance		3,577		3,002	
Property and infrastructure		52,728		16,717	
Marketing		23,356		29,730	
Equipment operating lease costs		3,024		2,057	
Depreciation	4	7,907		10,625	
Promotional activities		180,411		550	
Grants approved		7,166		-	
Audit fee		4,200		4,000	
Administrative expenses		13,825		3,797	
		<u>319,601</u>		<u>130,498</u>	
			689,042		254,280
Net surplus for the year			<u>£ 90,379</u>		<u>£ 98,108</u>

There are no other recognised gains or losses for the period except for those stated above.

The above results were derived from continuing operations.

JERSEY BUSINESS LIMITED

Balance Sheet

As at 31 December 2013

	Note	2013		2012	
		£	£	£	£
Fixed assets					
Tangible assets	4		42,378		57,146
Current assets					
Debtors and prepayments	5	23,811		15,285	
Bank balances		186,719		104,751	
		<u>210,530</u>		<u>120,036</u>	
Liabilities falling due within one year					
Creditors and accruals	6	<u>64,418</u>		<u>79,071</u>	
Net current assets			146,112		40,965
			<u>£ 188,490</u>		<u>£ 98,111</u>
Equity shareholders' funds					
Share capital	7		3		3
Revenue reserves			188,487		98,108
	8		<u>£ 188,490</u>		<u>£ 98,111</u>

The financial statements on pages 10 to 15 were approved and authorised for issue by the Board of Directors on 20th May 2014 and are signed on its behalf by:



Peter C Funk
Chairman

JERSEY BUSINESS LIMITED

Notes to the financial statements

For the year ended 31 December 2013

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the Company's financial statements.

Accounting convention

The financial statements have been prepared on the historical cost convention and in accordance with United Kingdom accounting standards.

States of Jersey Grant

Funding received from the States of Jersey is recognised in the revenue and expenditure account in the year to which the funding relates in accordance with Statement of Standard Accounting Practice 4 – Accounting for Government Grants. Therefore core funding for general activities is recognised in full for the financial year to which it relates with Grants that relate to additional designated project funding being recognised against the expenditure of the specific project. Any element of the designated funding which remains unspent at the year-end is treated as deferred income and carried forward and recognised in the revenue and expenditure account of the year to which it will relate.

Expenditure

Expenditure, including operating leases, is recognised in the revenue and expenditure account on an accruals basis.

Taxation

The Company has been granted charitable status under article 115(a) of the Income Tax (Jersey) Law 1961, as amended, by the Comptroller of Income Tax, and therefore is not liable for Jersey income tax.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. Website development costs are charged to the revenue and expenditure account as incurred.

Depreciation

Depreciation is charged so as to write off fixed assets over their useful lives. The rates at which depreciation is charged is set out below.

Leasehold improvements	- up to 9 years straight line
Computer equipment	- up to 3 years straight line
Fixtures and fittings	- 2 to 9 years straight line

Leases

Operating lease rentals are charged to the revenue and expenditure account in the relevant period on an accruals basis.

Cash flow statement

Under Financial Reporting Standard 1 Cash Flow Statements (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

JERSEY BUSINESS LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2013

2. States of Jersey Grant

	2013 £	2012 £
Core funding for the period	615,000	304,000
Additional funding for the period	-	48,279
	<u>£ 615,000</u>	<u>£ 352,279</u>

The States of Jersey Grant is financed via the Economic Development Department by way of core funding and by additional designated project related funding. Core funding is utilised for the general running of the Company and no element of it is allocated against any particular project. Additional designated project funding is allocated against specific and committed projects; unspent grant funding in relation to this is deferred to be recognised in a subsequent financial period. Additional funding in 2012 was received by way of the Economic Development Department making payment of expenses prior to the Company commencing trading.

3. Non-executive Directors' fees

	2013 £	2012 £
Mr P Funk (Chairman)	9,996	9,163
Mr J Box	5,400	7,800
Mr J Filleul	5,400	7,800
Mr E Lincoln	5,400	7,800
Mr M Robins	5,400	7,800
Mr B Sarre	5,400	7,800
	<u>£ 36,996</u>	<u>£ 48,163</u>

4. Tangible assets

	Leasehold improvements £	Computer equipment £	Fixtures & Fittings £	Total £
Cost				
At 31 December 2012	46,122	8,778	12,871	67,771
Adjustments	(5,624)	(2,749)	-	(8,373)
Additions	134	557	821	1,512
At 31 December 2013	<u>40,632</u>	<u>6,586</u>	<u>13,692</u>	<u>60,910</u>
Depreciation				
At 31 December 2012	(5,125)	(2,926)	(2,574)	(10,625)
Charge for the year	(3,890)	(1,279)	(2,738)	(7,907)
At 31 December 2013	<u>(9,015)</u>	<u>(4,205)</u>	<u>(5,312)</u>	<u>(18,532)</u>
Net book value at 31 December 2013	<u>31,617</u>	<u>2,381</u>	<u>8,380</u>	<u>42,378</u>
Net book value at 31 December 2012	<u>40,998</u>	<u>5,852</u>	<u>10,296</u>	<u>57,146</u>

Adjustments have been charged to the cost of Leasehold improvements and Computer equipment to reflect the actual costs paid in 2013 against the provision made at the commencement of the year.

JERSEY BUSINESS LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2013

5. Analysis of debtors and prepayments

	2013 £	2012 £
Debtors	14,843	6,599
Prepayments	8,968	8,686
Total Debtors and prepayments	<u>£ 23,811</u>	<u>£ 15,285</u>

6. Analysis of creditors and accruals

	2013 £	2012 £
Creditors	27,422	28,974
Accruals	36,996	50,097
Total creditors and accruals	<u>£ 64,418</u>	<u>£ 79,071</u>

7. Share capital

	2013	2012
Authorised: 10,000 Ordinary shares at £1 each	<u>10,000</u>	<u>10,000</u>
Issued: 3 Ordinary shares at £1 each	<u>£ 3</u>	<u>£ 3</u>

8. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Issuance of shares	-	3
Net surplus for the period	90,379	98,108
Shareholders' funds brought forward	98,111	-
Shareholders' funds carried forward	<u>£ 188,490</u>	<u>£ 98,111</u>

9. Commitments and contingencies

The Company is committed to making payments in the ensuing year in respect of operating leases as follows:

	2013 £	2012 £
Operating leases expiring within 1 year	-	7,403
Operating leases expiring within 5 years – annual cost	3,024	3,024
Operating leases expiring within 9 years – annual cost	25,262	25,262
	<u>£ 28,286</u>	<u>£ 35,689</u>

JERSEY BUSINESS LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2013

10. Ownership

The Company is wholly owned by a non-charitable purpose trust, The Jersey Business Trust. In the Directors opinion The Jersey Business Trust is the ultimate controlling party of the Company. Trustees of the Jersey Business Trust for the year were Julie Melia, Martin Holmes and Jason Laity. Julie Melia resigned as a Trustee on 8th January 2014 and James Filleul was appointed as a Trustee as of the same date.

11. Related parties

The principal transactions with related parties are the funding received from the States of Jersey, as outlined in note 2, and the fees paid to non-executive Directors within note 3. In addition, the total value of other transactions with related parties is set out below. Mr B Sarre is related to CBRE; Mr E Lincoln is related to Greenlight; and Mr M Robins is related to Webreality.

	2013	2012
	£	£
CBRE	9,206	1,712
Greenlight	8,400	252
Webreality	3,254	-
	<u>£ 22,841</u>	<u>£ 1,964</u>

At 31 December 2013, an amount of £1,541 has been prepaid to CBRE.