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# Jersey Business Limited

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Report and financial  
statements

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31 December 2014

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# JERSEY BUSINESS LIMITED

## **Non-Executive Directors**

Mr P Funk (Chairman) (appointed 6<sup>th</sup> February 2012)  
Mrs W Lambert (Deputy Chair) (appointed 6<sup>th</sup> May 2014)  
Mr J Box (appointed 6<sup>th</sup> February 2012)  
Mr J Filleul (appointed 6<sup>th</sup> February 2012)  
Mr E Lincoln (appointed 6<sup>th</sup> February 2012)  
Mr M Robins (appointed 6<sup>th</sup> February 2012) (Chairman of the Events & Communications Sub-Committee from 6<sup>th</sup> December 2012)  
Mr B Sarre (appointed 6<sup>th</sup> February 2012) (Chairman of the Finance, Audit & Operations Sub-Committee from 6<sup>th</sup> December 2012)  
Mr A Sugden (appointed 7<sup>th</sup> June 2013)

## **Executive Director**

Mr G Smith (appointed 2<sup>nd</sup> January 2015)  
(Chief Executive Officer from 27<sup>th</sup> October 2014)

## **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 very pleased to present our Annual Report and audited Financial Statements for the year ended 31 December 2014.

Jersey Business was established by the States of Jersey in 2011 to promote and provide support to business enterprise in Jersey. We commenced operations in 2012 and I am pleased to report with confidence that we have successfully accomplished the transition from a start up to a fully functioning organisation in 2014. We have been completely staffed throughout the year and our consultants have provided advisory services to a markedly increased number of new and existing enterprises as demand for our services has grown. We have continued to work closely with Government and other organisations supported by the States on a wide range of initiatives to benefit the economy. Most importantly we can report that from our perspective the further growth of our economy has been very much in evidence throughout the year.

When I joined Jersey Business as Chairman in late 2011, I said I would see the company through its early years and then move on. During the year our board appointed Wendy Lambert as our Deputy Chair following an extensive and competitive recruitment process. Wendy and I have worked closely together and with our board and staff throughout the year. I will now stand down as planned and handover the Chair to Wendy at our forthcoming Annual General Meeting. I have absolute confidence that Wendy, our board and our team will carry on with our successful endeavours.

I am also pleased to report that Graeme Smith joined us in September as our Chief Executive. Graeme is well known to the business community having worked as a senior executive for 30+ years in the finance industry. Most recently he has been responsible for lending and business development with a major bank here in the Channel Islands. We are extremely pleased to have Graeme join us. His further report on our activities for the year follows.

As our organisation looks forward to 2015 we have a long range concern arising from the pressure we are experiencing on our funding from the States as Government seeks to reduce its overall spending. We are planning to continue the growth of our activities and the contribution we and other States funded but independent organisations make to the economy. But we can only do so with an adequate level of funding and we are working closely with the Economic Development Department to determine our funding and budgets beyond 2015 when our current three year partnership agreement ends.

Finally I would like to thank our staff, my fellow board members and the Economic Development Department, our main stakeholder, for their hard work and contributions throughout 2014. It has been a great pleasure to have worked with you.



**Peter C Funk**  
Chairman

**5<sup>th</sup> May 2015**

# JERSEY BUSINESS LIMITED

## Report of the Chief Executive Officer

Jersey Business Limited (JB) commenced its activities of providing advice and support to local businesses on the 1<sup>st</sup> June 2012. The organisation receives the majority of its funding by way of grant from the Economic Development Department (EDD) of the States of Jersey in accordance with the 2012-2015 Partnership Agreement dated 1<sup>st</sup> January 2013 as updated by an annual schedule.

The overarching aim of JB is:

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

To deliver JB's overarching aim, our strategic objectives are:

- (A) Customer Facing- Provide advice and support to new and established businesses
- (B) Research & Development- Support the creation of an enabling environment for enterprise
- (C) Co-ordination- Be the gateway to Jersey's business support
- (D) Communication- Celebrate and inspire the best of Jersey's enterprise

## 2014 Review

Since inception in 2012 JB has moved from a 'design, create and build' phase into an 'established and trusted adviser' phase that positions us well to deliver substantial and sustained improvements in the productivity of businesses in Jersey.

With the investment from the States we have been able to build a small yet highly skilled team of advisers that are well respected in the public and private sectors.

Key highlights are as follows:

- 548 client interactions with new and established businesses offering direct advice and support programmes
- 1,802 client related meetings
- Three key clients supported through the Jersey Innovation Fund (JIF) process with loan investments of £910,000 now agreed. Further 10 clients currently being supported with another 10 potential applications
- Supported 15 applications for Tourism Development Fund (TDF) and 10 companies to access Skills Accelerator
- 100 businesses applied for Jersey Business Enterprise Awards with gala night attended by nearly 700 guests
- Global Entrepreneurship week saw nearly 700 children from 7 schools working with our advisers and our partners
- Invested £37,908 on business support programmes and allocated £30,663 in grants with 12 clients to assist with new business initiatives
- External survey confirms Jersey Business is the 'go to first' place for business
- Revised website launched.

## 2015 Plans

Key deliverables to support Government strategic plans for 2015 are:

- Increase of 25% in the number of companies in our 'active' portfolio receiving on-going support
- Support 100 new businesses to set up
- Support 3 key businesses to export as part of new Export Program
- Support i) 25 potential applicants for JIF, ii) 20 TDF applications and iii) 15 Skills Accelerator.
- Delivery of Retail Development Plan
- Develop database of client financial information to track on-going value of JB interactions

## Finance

The financial statements for the year ended 31<sup>st</sup> December 2014 are set out in pages 9 to 14 of the report.

As intimated in our report for 2013, the surplus of £90,379 was in part applied to our operating activities for 2014 through a reduction in the previously agreed States core grant from £690,000 to £615,000. With total income of £820,098 and costs of £878,179, we saw a net deficit of £58,081 and a reduction in cash reserves to £130,409.

Total income included the reduced core grant of £615,000 plus an additional £18,028 of 'Top-Up' grants from EDD for specific programmes. The balance of income included £180,440 of revenue from ticket sales and sponsorship for the Awards for Enterprise, which broadly matched the costs for the event of £182,186.

Employment costs rose to £457,619 with a full 12 months staff costs at increased complement. We also saw some one-off recruitment costs which we do not expect to recur in 2015. Marketing costs rose to £50,898 but as this included specific web site development and media activities, we expect to see a material reduction in 2015.

## Looking Forward

Our Business Plan for 2015 seeks to articulate how we propose to continue to develop our service proposition whilst at the same time acknowledging the budgetary challenges that all States grant-funded bodies will be subject to. As such we expect to see a further deficit in 2015 and a reduction in our reserves as we endeavour to continue development of new programmes and service the growing client base we are developing. We will though look to lobby Government for additional funding by way of top up grants for what we see as key new initiatives to enable us to support Jersey businesses in delivering their true potential for economic growth.



**Graeme Smith**  
Chief Executive Officer

**5<sup>th</sup> May 2015**

# **JERSEY BUSINESS LIMITED**

## **Directors' report**

The Directors submit their report and the audited financial statements for the year ended 31 December 2014.

## **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 9. The Company has reported a deficit for the period of £58,081.

## **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

**5<sup>th</sup> May 2015**

# **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 year ended 31 December 2014 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 2014 and of its net deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- comply with the Companies (Jersey) Law 1991.



**Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies (Jersey) Law 1991 we are required to report to you, if in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not received proper returns adequate for our audit from branches not visited by us; or
- we have not obtained 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  
22 May 2015**

# JERSEY BUSINESS LIMITED

## Income and expenditure account

For the year ended 31 December 2014

	Note	£	2014 £	£	2013 £
<b>Income</b>					
States of Jersey Grant	2		633,028		615,000
Rental income			6,630		15,384
Interest income			-		17
Promotional activities	3		180,440		149,020
			<u>820,098</u>		<u>779,421</u>
<b>Expenditure</b>					
Non-executive Directors fees	4	43,365		36,996	
Staff costs		414,254		332,445	
			<u>457,619</u>	<u>369,481</u>	
Employment costs					
Legal and professional fees		22,875		3,572	
Training		3,696		4,639	
Information, communications & technology costs		11,787		15,196	
Insurance		2,370		3,577	
Property and infrastructure		44,318		52,728	
Marketing		50,898		23,356	
Equipment operating lease costs		3,024		3,024	
Depreciation	5	9,976		7,907	
Promotional events	6	220,094		180,411	
Grants approved		30,663		7,166	
Audit fee		4,500		4,200	
Administrative expenses		16,359		13,825	
		<u>420,560</u>		<u>319,601</u>	
			878,179		689,042
<b>Net surplus/(deficit) for the period</b>			<u>£ (58,081)</u>		<u>£ 90,379</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 2014

	Note	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		33,986		42,378
<b>Current assets</b>					
Debtors and prepayments	7	67,607		23,811	
Bank balances		117,121		186,719	
		<u>184,728</u>		<u>210,530</u>	
<b>Liabilities falling due within one year</b>					
Creditors and accruals	8	88,305		64,418	
		<u>88,305</u>		<u>64,418</u>	
<b>Net Current Assets</b>			96,423		146,112
			<u>£ 130,409</u>		<u>£ 188,490</u>
<b>Equity shareholders' funds</b>					
Share capital	9		3		3
Revenue reserves			130,406		188,487
	10		<u>£ 130,409</u>		<u>£ 188,490</u>

The financial statements on pages 9 to 13 were approved and authorised for issue by the Board of Directors on 5<sup>th</sup> May 2015 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 2014

### 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 2014

### 2. States of Jersey Grant

	2014 £	2013 £
Core funding for the period	615,000	615,000
Additional funding for the period	18,028	-
	<u>£ 633,028</u>	<u>£ 615,000</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.

### 3. Promotional Activities

	2014 £	2013 £
2014 Awards for Enterprise Sponsorship	180,440	149,020
	<u>£ 180,440</u>	<u>£ 149,020</u>

### 4. Non-executive Directors' fees

	2014 £	2013 £
Mr P Funk (Chairman)	10,200	9,996
Mrs W Lambert (Deputy Chairman)	5,625	-
Mr J Box	5,508	5,400
Mr J Filleul	5,508	5,400
Mr E Lincoln	5,508	5,400
Mr M Robins	5,508	5,400
Mr B Sarre	5,508	5,400
	<u>£ 43,365</u>	<u>£ 36,996</u>

### 5. Tangible assets

	Leasehold improvements £	Computer equipment £	Fixtures & Fittings £	Total £
<b>Cost</b>				
At 31 December 2013	40,632	6,586	13,692	60,910
Additions	-	1,584	-	1,584
Disposals	-	-	-	-
<b>At 31 December 2014</b>	<u>40,632</u>	<u>8,170</u>	<u>13,692</u>	<u>62,494</u>
<b>Depreciation</b>				
At 31 December 2013	(9,015)	(4,205)	(5,312)	(18,532)
Additions	(4,515)	(2,723)	(2,738)	(9,976)
Disposals	-	-	-	-
<b>At 31 December 2014</b>	<u>(13,530)</u>	<u>(6,928)</u>	<u>(8,050)</u>	<u>(28,508)</u>
<b>Net book value at 31 December 2014</b>	<u>27,102</u>	<u>1,242</u>	<u>5,642</u>	<u>33,986</u>
<b>Net book value at 31 December 2013</b>	<u>31,617</u>	<u>2,381</u>	<u>8,380</u>	<u>42,378</u>

# JERSEY BUSINESS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 December 2014

<b>6. Promotional Events</b>	<b>2014</b>	<b>2013</b>
	£	£
2014 Awards for Enterprise	182,186	179,546
Promotional Events	17,519	865
Enterprise Week	10,249	-
Global Entrepreneurship Week	10,140	-
	<u>£ 220,094</u>	<u>£ 180,411</u>
<b>7. Analysis of debtors and prepayments</b>	<b>2014</b>	<b>2013</b>
	£	£
Debtors	57,549	14,843
Prepayments	10,058	8,968
Total Debtors and prepayments	<u>£ 67,607</u>	<u>£ 23,811</u>
<b>8. Analysis of creditors and accruals</b>	<b>2014</b>	<b>2013</b>
	£	£
Creditors	69,627	27,422
Accruals	18,678	36,996
Total creditors and accruals	<u>£ 88,305</u>	<u>£ 64,418</u>
<b>9. Share capital</b>	<b>2014</b>	<b>2013</b>
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>
<b>10. Reconciliation of movement in shareholders' funds</b>	<b>2014</b>	<b>2013</b>
	£	£
Issuance of shares	-	-
Net surplus / (deficit) for the period	(58,081)	90,379
Shareholders' funds brought forward	188,490	98,111
Shareholders' funds carried forward	<u>£ 130,409</u>	<u>£ 188,490</u>

# JERSEY BUSINESS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 December 2014

### 11. Commitments and contingencies

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

	2014	2013
	£	£
Operating leases expiring within 1 year		-
Operating leases expiring within 5 years – annual cost	3,024	3,024
Operating leases expiring within 9 years – annual cost	25,946	25,262
	<u>£ 28,970</u>	<u>£ 28,286</u>

### 12. 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 Martin Holmes, Wendy Dorman and James Filleul. Julie Melia resigned as a Trustee on 8<sup>th</sup> January 2014 and James Filleul was appointed as a Trustee as of the same date. Jason Laity resigned as a Trustee on 13<sup>th</sup> June 2014 and Wendy Dorman was appointed as a Trustee as of the same date.

### 13. Related parties

The key 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 was as follows.

	2014	2013
	£	£
CBRE - Mr B Sarre (JBL Non-Executive Director, CBRE Director) - re property management for landlord	10,236	11,187
Greenlight - Mr E Lincoln (JBL Non-Executive Director, Greenlight Director)		
– re provision of Management services	1,500	8,400
– re 2014 Awards for Enterprise sponsorship	(12,000)	-
Webreality - Mr M Robins (JBL Non-Executive Director, Webreality Chief Executive)	-	3,254
Helier Consulting - Mr E Lincoln (JBL Non-Executive Director, Helier Consulting Director) - re Interim CEO Services	46,919	-