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# **THE ASSOCIATION OF JERSEY CHARITIES**

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**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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## THE ASSOCIATION OF JERSEY CHARITIES

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE ASSOCIATION, ITS OFFICERS AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2020

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## THE ASSOCIATION OF JERSEY CHARITIES

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### REFERENCE AND ADMINISTRATIVE DETAILS OF THE ASSOCIATION, ITS OFFICERS AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2020

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#### COMMITTEE / OFFICERS

Elizabeth Le Poidevin, Chairman

Ivo Le Maistre-Smith, Deputy Chairman

Kirsty McGregor, Treasurer (appointed 26 September 2019)

Nichola Aldridge, Secretary (appointed 26 September 2019)

Marie du Feu, Officer

Simon Larbalestier, Officer

Peter Tabb, Officer (co-opted 11 February 2020)

Kevin Keen, Officer (co-opted 12 May 2020)

Jill Ryan, Officer (co-opted 24 June 2020)

Lynsey Mallinson, Officer (resigned 26 September 2019)

Peter Bourne, Officer (resigned 10 September 2019)

#### REGISTERED CHARITY STATUS

Registered with the Jersey Charity Commission, charity number 276

#### PATRON

His Excellency the Lieutenant-Governor of Jersey, Air Chief Marshal Sir Stephen Dalton GCB LLD(Hon) DSc(Hon) BSc FRAes CCMI

#### INDEPENDENT AUDITOR

Bracken Rothwell Limited, 2<sup>nd</sup> Floor, The Le Gallais Building, 54 Bath Street, St Helier JE1 1FW

#### BANKERS

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

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## THE ASSOCIATION OF JERSEY CHARITIES

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### REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

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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 2020.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **a) Constitution**

Originally founded in 1971, the Association was incorporated on 16th June 1995 under the "Loi (1862) sur les teneures en fidéicomis et l'incorporation d'associations".

Members approved changes to the Constitution at the Annual General Meeting in September 2019, which were sanctioned by the Royal Court of Jersey on 24 March 2020. There were no changes to the Objectives of the Association.

##### **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. All Officers act in a voluntary capacity and therefore receive no payment for their services.

##### **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 to supplement their skills. The Association does not 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 and, during the year just ended, employed a part-time Grants Officer and a part-time Projects Officer.

##### **e) Risk management**

The Officers have assessed the major risks to which the Association is exposed, in particular those related to the operations and finances of the Association, and are satisfied that adequate systems and procedures are in place to mitigate exposure to the major risks.

##### **f) Conflicts of interests**

The Officers of the Association may also serve as officers, volunteers or employees of member organisations. In such circumstances, the relevant Officer must disclose his or her conflict of interest at any meeting where matters concerning that other charity are discussed. If that other charity makes a grant application, the relevant Officer does not participate in that part of any meeting at which it is considered.

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## THE ASSOCIATION OF JERSEY CHARITIES

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### REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

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#### CHAIRMAN'S REPORT

The Association has had a successful year, despite not succeeding in the tender process for distribution of lottery profits. Dealing with the tender submission took time and expense, but gave your committee the opportunity to engage in collaborative talks with representatives from across the sector, including Sport, which is now a head of charity following enactment of the Charities (Jersey) Law 2014.

Achievements and activities in the year were numerous;

- ✓ Grants totalling over £940,000 were awarded,
- ✓ We trained over 200 people,
- ✓ We conducted a full operational review,
- ✓ We conducted a full risk management review,
- ✓ We participated in and presented a paper supporting a unified infrastructure to the joint Voluntary and Community Sector working group,
- ✓ We sourced and set up a new grants software program, and provided training for applicants,
- ✓ The Charity Awards were held in September 2019 with the Association donating prize money totalling £21,375,
- ✓ In November we held our Christmas Fair, giving members the opportunity to network, sell their wares and entertain visitors,
- ✓ In December the Association was awarded registered charity status with the Jersey Charity Commissioner, and
- ✓ In March changes to our Constitution were registered. Key changes open up membership to all charities registered in Jersey and allow the creation of a Grants subcommittee.

Our work during the year was aided by the services of our part time Grants Officer and Project Manager. Unfortunately, owing to loss of funding continued employment would not have been possible and both Charlotte Brambilla and Jill Ryan moved on to other positions and we send many thanks to both for their work. However, we are delighted that our Project Manager, Jill Ryan, is to join our committee as a volunteer.

Other work pursuing our objectives slowed during the year, owing to these priorities and commitments and working with limited resources, but it is back on the agenda in 2020. Most recently we have initiated a short survey to update our work to meet members' needs and issued a discussion paper on grants.

We cannot ignore the fact that Covid-19 has affected everyone and all organisations. Whilst the Association itself is relatively unscathed, the pandemic has forced us to reassess our priorities; we are meeting regularly with others of the Jersey Funders' Group to consider funding requests, and we are here to support our members in any way we can.

Your committee has seen some changes over the year, notably with the departure of long-standing committee member Lynsey Mallinson, and the arrival of a new treasurer, Kirsty McGregor, and a new secretary, Nichola Aldridge, at our Annual General Meeting, who replace Marie du Feu and Simon Larbalestier respectively, both of whom remain on the committee. More recently Peter Tabb and Kevin Keen have been co-opted to join us and Jill Ryan also, from June 2020.

My thanks go to our administrator, Lyn Wilton, and to all the members of the committee, who have worked through some extraordinary times.

Your committee reports as follows.

#### OBJECTIVES AND ACHIEVEMENTS

The objectives of the Association are;

1. To encourage and facilitate charitable work in Jersey.
2. To encourage co-operation and co-ordination of activities between Members and prospective Members, and discussion and exchange of ideas regarding service to the community.
3. To distribute to Members or any of them and funds available to the Association.
4. To develop and administer a programme of training and information to benefit its Members or any of them.
5. To assist and represent its Members or any of them.

The Committee would like to note performance in the following areas as they relate to activities that are key to the Association achieving its objectives.

#### a) Grants

During the year ended 31 March 2020 the Association approved grants to applicants totalling £942,836 (2019: £1,100,741), of which £578,721 was funded from profits from the 2018 Channel Islands lottery. During the year ended 31 March 2020 the Association received £1,000,000 out of total profits from the 2018 lottery to distribute, however the £1,000,000 was not received until received December 2019 so in the meantime the Association funded grants totalling £364,115 from its own reserves.

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## THE ASSOCIATION OF JERSEY CHARITIES

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### REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

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#### OBJECTIVES AND ACHIEVEMENTS (continued)

##### a) Grants (continued)

The cost of administering the Association's grants programme was £61,697 in the year ended 31 March 2020 which equated to just 4.5% of total lottery profits declared for 2018. However considerable investment has been made in software that will enable the Association to run its grants programme on a largely voluntary basis in the future, which will further reduce the Association's administration costs. The new software also streamlines the grant application process for applicants and all grant applications are now securely archived within the new online system.

Since the end of the financial year the Association has designated £100,000 of its own reserves to add to significant donations that have been received from various donations to support charities that require emergency funding during the Covid-19 crisis.

##### b) Training

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

During the year 22 training sessions were provided on subjects covering safeguarding, cyber security, suicide awareness, recruitment and retention of volunteers, good governance practices; and in more specialist areas such as dealing with the media, and alternative, effective management methods. The sessions attracted well over 200 participants, with a further 4 charities receiving one-on-one professional assistance with a charity management specialist. Apart from the charity governance training we use local professionals in their respective fields. Any charges are borne by the Association.

Covid-19 has put a stop to face-to face training at least for the time being, but our offering is being adapted so as to be available as distance learning.

Training was also provided on the Association's new grants administration software to ensure charity representatives were comfortable using the new programme.

The Association further supports the sector by way of website content which includes 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 including template constitutions which comply with the Charities (Jersey) Law 2014.

##### c) Sector Support

To encourage co-operation and co-ordination of activities of members, and the exchange of ideas, the Association continues to provide its popular e-mail news and exchange service, a quarterly newsletter and social media feeds on Twitter and Facebook. In addition, the Association pays for weekly advertising space in the Jersey Evening Post where members may promote their fundraising events; in light of restricted events during the current Covid-19 crisis this was successfully substituted for a charity supplement.

The Association seeks to continually review and improve its offer to local charitable organisations and represents its members in efforts to build trust and collaboration between the sector and the Government of Jersey. The Association was represented at the Government and Voluntary and Community Sector working group and produced and presented a paper - Improving Infrastructure Support for Voluntary, Community and Social Enterprise Groups in Jersey.

The Association successfully campaigned to get the eligibility requirements of the Government's co-funded payroll scheme amended to allow more charities to access financial support during the current Covid-19 crisis. The Association has recently established working groups covering Advocacy, Communications and Operations with the intention of further expanding its support for the sector.

The Association will continue to work with interested parties in the design and development of voluntary and community sector support services.

#### FINANCIAL REVIEW

##### a) Principal funding

Grant income from the Government of Jersey in respect of lottery profits decreased from £1,399,097 in the year ended 31 March 2019 to £1,000,000 in the year ended 31 March 2020 as a result of the Association only receiving 73% of the 2018 lottery profits.

During the year total incoming charitable resources have therefore reduced from £1,437,943 in the year ended 31 March 2019 to £1,141,864 in the year ended 31 March 2020. Grants approved were £942,836 for the year compared to £1,100,741 in the year to 31 March 2019. After deduction of grant funds released by applicants, net grants for the year were £840,366 (2019: £1,075,458). Of the total grants approved £364,115 (2019: £nil) were made from the Association's own reserves.

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## THE ASSOCIATION OF JERSEY CHARITIES

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### REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

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#### FINANCIAL REVIEW (continued)

##### b) Reserves policy

At 31 March 2020 the Association had total unrestricted funds of £2,781,241 (2019: £3,225,130). The table on page 18 provides an analysis of this figure.

The largest element is £975,000 (2019: £1,072,500) 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 ended 31 March 2019, 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 2020, this policy requires £900,000 to be held in reserves and the actual sum is £1,859,260.

Also in the year ended 31 March 2019 the Officers created a designated development reserve of £150,000 out of the 2017 lottery profits in order to complete certain sector initiatives including the restructuring of the Association. During the year ended 31 March 2020 expenditure against this reserve totalled £99,944 leaving a balance of £50,056. The £99,944 included £39,600 on new grants administration software, £21,375 of support towards the Jersey Charity Awards (prize money), and the remainder funded a temporary staff member and legal fees associated with amending the constitution of the Association. The new grants administration software, called SmartSimple, has replaced a paid member of staff, alleviated a significant amount of the administrative work for voluntary Committee members, streamlined the grants application and archiving process and will have a negligible annual cost going forward. Of the remaining £50,056 some funds will be used to fund a sector-wide salary survey along with any other development projects deemed necessary by the Committee, however 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.

The Committee is currently reviewing the reserves policy with a view to maintaining a prudent level of reserves for the foreseeable future while maximising sums available to members by way of grants. It is clear that the Association will have to start to draw on its reserves over the next year which will require a sale of some of its portfolio investments at a time of market volatility. It is scheduling a series of cash withdrawals in consultation with its professional advisers the first of which was made in May 2020. Once members have been consulted about the future grants programme, the reserves policy and withdrawal schedule will be adjusted accordingly.

##### c) Investment policy and performance

The Association has three distinct sources of funding of which profits from the Channel Islands Lottery have been the most significant to date. 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 £2,520,238. IAM Advisory have a continuing role in the oversight of investment performance.

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 Government, 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 however due to not receiving the £1,000,000 from the 2018 lottery profits until December 2019 this was not possible and there were lottery funds carried forward as at 31 March 2020 totalling £359,582 that will be used to fund the grant applications in June 2020 and subsequent quarters until fully distributed.

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.

Just prior to the financial year end the investment portfolio was significantly impacted by the impact of Covid-19 on worldwide markets and an unrealised loss on investments of £(224,218) was recorded in the accounts for the year ended 31 March 2020 (2019: unrealised gain of £74,800). At the time of writing the Association's portfolio has recovered in value however the Committee is acutely aware there is likely to be further volatility in the markets in relation to Covid-19 during the current year.

##### d) Accumulated fund

The accumulated fund totalled £3,332,554 at 31 March 2020 (2019: £3,452,310). Of this amount, there are restricted funds of £551,313 (2019: £227,180); leaving £2,781,241 (2019: £3,225,130) in unrestricted funds. Of this amount, £975,000 (2019: £1,072,500) relates to the element of the anonymous donation which is not currently distributable.

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THE ASSOCIATION OF JERSEY CHARITIES

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REPORT OF THE COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

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**STATEMENT OF THE COMMITTEE'S RESPONSIBILITIES**

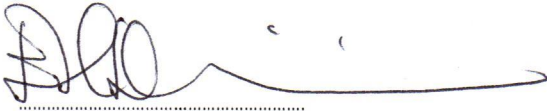
The Committee is responsible for preparing the Committee's report and the financial statements in accordance with the Constitution.

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 26 June 2020 and signed on their behalf by:



Elizabeth Le Poidevin, Chairman





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

### Auditor Authorisation

Bracken Rothwell Limited is authorised to act as auditor of The Association of Jersey Charities since it satisfies the requirements set out in Article 102(1)(c) of the Companies (Jersey) Law 1991.

### Opinion

We have audited the financial statements of the Association of Jersey Charities (the "Association") for the year ended 31 March 2020, which comprise the Statement of Financial Activities, Statement of Financial Position and the related notes 1 to 17 to the financial statements.

In our opinion, the accompanying financial statements:

- present a true and fair view of the financial position of the Association as at 31 March 2020, 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" ("SORP") 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.

### 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.



BRACKEN | ROTHWELL

CHARTERED ACCOUNTANTS

**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 and FRS 102 Section 1A and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Alistair Rothwell, FCA**

For and behalf of

**Bracken Rothwell Limited**

*2<sup>nd</sup> Floor, The Le Gallais Building*

*54 Bath Street, St Helier*

*Jersey, JE1 1FW*

Date: *26 June 2020*

**THE ASSOCIATION OF JERSEY CHARITIES**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	1,034,088	107,776	<b>1,141,864</b>	<i>1,437,943</i>
Investment income	3	-	54,229	<b>54,229</b>	<i>64,604</i>
<b>TOTAL INCOMING RESOURCES</b>		<b>1,034,088</b>	<b>162,005</b>	<b>1,196,093</b>	<i>1,502,547</i>
<b>RESOURCES EXPENDED</b>					
Charitable activities	4	(523,258)	(555,845)	<b>(1,079,103)</b>	<i>(1,291,683)</i>
Governance costs	5	-	(12,528)	<b>(12,528)</b>	<i>(6,140)</i>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(523,258)</b>	<b>(568,373)</b>	<b>(1,091,631)</b>	<i>(1,297,823)</i>
<b>NET RESOURCES EXPENDED BEFORE REVALUATIONS</b>		<b>510,830</b>	<b>(406,368)</b>	<b>104,462</b>	<i>204,724</i>
Realised and unrealised (losses) and gains on investments	8	-	(224,218)	<b>(224,218)</b>	<i>74,800</i>
<b>NET RESOURCES EXPENDED AFTER REVALUATIONS</b>		<b>510,830</b>	<b>(630,586)</b>	<b>(119,756)</b>	<b>279,524</b>
Transfers between funds	13	(186,697)	186,697	-	-
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>324,133</b>	<b>(443,889)</b>	<b>(119,756)</b>	<i>279,524</i>
<i>Total funds brought forward</i>		<i>227,180</i>	<i>3,225,130</i>	<b>3,452,310</b>	<i>3,172,786</i>
<b>TOTAL FUNDS AT 31 MARCH</b>		<b>551,313</b>	<b>2,781,241</b>	<b>3,332,554</b>	<b>3,452,310</b>

All movements in resources are derived from continuing activities.


The notes on pages 11 to 20 form part of these financial statements.

**THE ASSOCIATION OF JERSEY CHARITIES**


**STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020**

		£	2020 £	£	2019 £
<b>FIXED ASSETS</b>	<b>Notes</b>				
Investments	8		2,520,238		2,690,359
<b>CURRENT ASSETS</b>					
Debtors	9	7,072		762	
Cash at bank and in hand	10	1,465,860		1,625,107	
		1,472,932		1,625,869	
<b>CREDITORS: amounts falling due within one year</b>	11	(660,616)		(863,918)	
		(660,616)		(863,918)	
<b>NET CURRENT ASSETS</b>			812,316		761,951
<b>NET ASSETS</b>			<b>3,332,554</b>		<b>3,452,310</b>
<b>CHARITY FUNDS</b>					
Restricted funds	13		551,313		227,180
Unrestricted funds	13		2,781,241		3,225,130
<b>TOTAL FUNDS AT 31 MARCH</b>			<b>3,332,554</b>		<b>3,452,310</b>

The financial statements were approved by the Officers on 26 June 2020 and signed on their behalf by:



**Elizabeth Le Poidevin, Chairman**



**Kirsty McGregor, Treasurer**

The notes on pages 11 to 20 form part of these financial statements.

**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.

**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 2020 (2019: £nil).

**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.

**THE ASSOCIATION OF JERSEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**2. VOLUNTARY INCOME**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations (see note below)	34,088	103,156	<b>137,244</b>	33,851
Grant income – lottery profits	1,000,000	-	<b>1,000,000</b>	1,399,097
Subscriptions	-	4,620	<b>4,620</b>	4,995
<b>TOTAL VOLUNTARY INCOME</b>	<b>1,034,088</b>	<b>107,776</b>	<b>1,141,864</b>	<b>1,437,943</b>

**2.1. Grant receipts**

During the year the Association received grants of £1,000,000 (2019: £1,399,097) representing 73% (2019: 100%) of the Jersey portion of the profits from the Channel Islands Lottery in the year ended 31 December 2018.

The £1,000,000 was received on the basis that the Association would be an interim distributor until a decision was made on which organisation would distribute lottery profits and as a result the Service Level Agreement specified that the funds must be used in grants to all registered charities and members with any surplus being carried forward on the same basis. As a result, the £1,000,000 from the 2018 lottery profits has been classified as restricted funds. Lottery profits received in prior years came without these specific conditions and any surplus could form part of the Association's own reserves to be used in its grants programme and hence were unrestricted.

At the time of signing these financial statements, no decision has been taken on the allocation of the remaining 2018 profits of £374,112, or the 2019 profits of from the Channel Island Lottery which amounted to £1,388,268, however the Association does not expect to receive them for distribution.

**2.2. Donations received**

	2020 £	2019 £
Unrestricted:		
Anonymous	79,280	-
Parish of Grouville	9,000	9,000
Anonymous internet donations via Paypal	11,255	18,237
Proceeds from charities wound up	-	420
Other	3,621	6,194
Total unrestricted	<b>103,156</b>	<b>33,851</b>
Restricted:		
Anonymous	21,174	-
Grove Charitable Trust	6,420	-
Total restricted to specific grants	<b>27,594</b>	<b>-</b>
Ana Leaf Foundation and private donor	6,494	-
Total restricted to Jersey Charity Awards	<b>6,494</b>	<b>-</b>
Total restricted	<b>34,088</b>	<b>-</b>
<b>TOTAL DONATIONS RECEIVED</b>	<b>137,244</b>	<b>33,851</b>

**THE ASSOCIATION OF JERSEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**3. INVESTMENT INCOME**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Dividends	-	80,539	<b>80,539</b>	88,581
Interest	-	1,959	<b>1,959</b>	1,946
Portfolio management fees	-	(26,481)	<b>(26,481)</b>	(25,923)
Investment advisor fees	-	(1,788)	<b>(1,788)</b>	-
<b>BANK INTEREST AND DIVIDENDS NET OF CHARGES</b>	<b>-</b>	<b>54,229</b>	<b>54,229</b>	<b>64,604</b>

**4. CHARITABLE ACTIVITIES**

	2020 £	2019 £
Grants to institutions:		
Grants approved (see note below)	354,740	1,075,458
Internet donations paid	11,077	18,093
Total grants to institutions from unrestricted funds	365,817	1,093,551
Support costs:		
Staff costs	93,174	71,192
Telephone	1,016	1,090
IT and website costs	2,378	6,163
Insurance	2,460	2,150
Printing, postage and stationery	3,252	4,126
Miscellaneous expenses	2,741	3,679
Bank and internet donation charges	418	357
Total support costs	105,439	88,757
Sector development costs:		
Advertising member events	23,614	24,980
Jersey Charity Awards prize money	21,375	-
Grants administration software	39,600	-
Other	-	15,167
Total sector development costs	84,589	40,147
Total unrestricted funds	555,845	1,222,455
Restricted:		
Grants approved (see note below)	485,626	-
Donations paid	21,174	-
Training costs	9,964	26,339
Jersey Charity Awards running costs	6,494	-
Development and restructuring	-	42,889
Total restricted funds	523,258	69,228
<b>TOTAL CHARITABLE ACTIVITIES</b>	<b>1,079,103</b>	<b>1,291,683</b>

**THE ASSOCIATION OF JERSEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**4. CHARITABLE ACTIVITIES (continued)**

**List of grants approved**

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Total 2019 £
<b>Large grants:</b>				
Aspire Charitable Trust	50,000	-	50,000	-
NSPCC Jersey	-	50,000	50,000	50,000
Brightly	-	44,000	44,000	-
Jersey Heritage Trust	31,200	5,336	36,536	32,987
<b>Ordinary grants:</b>				
Arthouse Jersey		30,000	30,000	-
Autism Jersey	30,000	-	30,000	30,000
Community Savings	30,000	-	30,000	50,000
Durrell	30,000	-	30,000	-
Every Child Our Future	30,000	-	30,000	22,000
Headway Jersey	30,000	-	30,000	30,000
Jersey Alzheimer's Association	30,000	-	30,000	-
Jersey Battle of Flowers Association	30,000	-	30,000	-
Jersey Hospice Care	-	30,000	30,000	7,250
St John's Ambulance	30,000	-	30,000	30,000
Les Amis	10,000	19,995	29,995	-
Jersey Recovery College	29,970	-	29,970	22,898
Youth Arts Jersey	-	29,744	29,744	29,784
Music in Action	-	29,600	29,600	-
Sanctuary Trust	-	29,160	29,160	28,770
Jersey Employment Trust	28,875	-	28,875	-
Holidays for Heroes	28,000	-	28,000	-
Caring Cooks of Jersey	27,094	-	27,094	30,000
Silkworth Lodge	27,000	-	27,000	50,000
Jersey Child Care Trust	25,495	-	25,495	30,000
Brighter Futures	-	25,000	25,000	26,600
Jersey Cheshire Home	21,600	-	21,600	-
Jersey Marine Conservation	-	21,000	21,000	50,000
Jersey Action Against rape	-	20,000	20,000	-
Good Companions Club	16,487	-	16,487	-
St Johns School PTA	14,000	-	14,000	-
Grace Trust Jersey	-	12,780	12,780	50,000
Eating Disorder Support Group	11,000	-	11,000	3,000
Jersey Fire & Rescue Cadets	-	8,000	8,000	-
Move on Youth Project	7,000	-	7,000	-
Art in the Frame Foundation	6,000	-	6,000	9,884
La Pouquelaye Youth Project	5,000	-	5,000	-
<b>Small grants:</b>				
First Tower Community Association	-	4,000	4,000	-
Band of the Island of Jersey	-	3,000	3,000	-
Le Congres des Pariers Normands et Jersiaise	-	1,500	1,500	11,000
Jersey Foster Carers Association	-	1,000	1,000	-
JSPCA	-	-	-	50,000
Maison des Landes Trust	-	-	-	50,000
National Trust for Jersey	-	-	-	50,000
Societe Jersiaise	-	-	-	50,000
No. 7 Overseas Air Squadron	-	-	-	46,376
Durrell	-	-	-	30,000
Friends of the Bridge	-	-	-	30,000
Love Matters	-	-	-	30,000
Love Thy Neighbour	-	-	-	26,000
Abbeyfield	-	-	-	25,000
Mind Jersey	-	-	-	25,000
Carried forward to next page	578,721	364,115	942,836	1,006,549



**THE ASSOCIATION OF JERSEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**4. CHARITABLE ACTIVITIES (continued)**

**List of grants approved (continued)**

	Restricted 2020 £	Unrestricted 2020 £	Total 2020 £	Total 2019 £
Brought forward from previous page	578,721	364,115	942,836	1,006,549
Duke of Edinburgh Award Scheme	-	-	-	15,000
Jersey Mencap	-	-	-	14,095
Jersey Rescue Dogs	-	-	-	14,000
Jersey Biodiversity	-	-	-	13,740
Arts in Health Care	-	-	-	10,500
Caesarea Association	-	-	-	9,967
Age Concern	-	-	-	6,000
Jersey Disability Partnership	-	-	-	5,000
Pain Support Jersey	-	-	-	3,890
Triumph Over Phobia	-	-	-	2,000
Less: amounts released in the year	(93,095)	(9,375)	(102,470)	(25,283)
<b>TOTAL GRANTS APPROVED</b>	<b>485,626</b>	<b>354,740</b>	<b>840,366</b>	<b>1,075,458</b>

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.

Of the £942,836 awarded in the year £364,115 was funded by the Association's own reserves due to not receiving the £1,000,000 from the 2018 lottery profits until December 2019.

Due to the 2018 lottery profits being mandated for use in grants to all registered charities and members, with any surplus to be carried forward on the same terms rather than being allowed to form part of the Association's own reserves for use in its grants programme, the grants made from the £1,000,000 received in the year are classed as grants being made from restricted funds. Grants from restricted funds in the year include £30,000 awarded to non-members of the Association.

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. At the AGM in September 2019 members voted to suspend the large grants programme and reduce the maximum grant available to £30,000.

Conditional grants are included in current liabilities provided there is a reasonable expectation that the conditions will be fulfilled.

**5. GOVERNANCE COSTS**

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Auditors' remuneration	-	4,150	4,150	4,173
Support costs including member meetings	-	1,387	1,387	1,967
Legal fees	-	6,991	6,991	-
<b>TOTAL GOVERNANCE COSTS</b>	<b>-</b>	<b>12,528</b>	<b>12,528</b>	<b>6,140</b>

**THE ASSOCIATION OF JERSEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**6. STAFF COSTS**

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

<b>2020</b>	<b>2019</b>
<b>No</b>	<b>No</b>
2.0	1.5

No employee received remunerations 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**

<b>Market Value</b>	<b>Cash</b>	<b>Fixed income</b>	<b>Equity</b>	<b>Total</b>
	<b>£</b>	<b>investments</b>	<b>investments</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	206,313	983,987	1,500,059	<b>2,690,359</b>
Additions	(990,987)	818,402	172,585	-
Disposals	931,567	(602,347)	(329,220)	-
Investment income	80,539	-	-	80,539
Management fees	(26,481)	-	-	(26,481)
Interest income	39	-	-	39
Realised loss for the year	-	(34,867)	(11,474)	(46,341)
Movement in unrealised gains and losses for the year	-	(30,418)	(147,459)	(177,877)
Transfer to current account	-	-	-	-
<b>At 31 March 2020</b>	<b>200,990</b>	<b>1,134,757</b>	<b>1,184,491</b>	<b>2,520,238</b>

At 31 March 2020, 85% of the investments were global investments, 13% were European investments and 2% were emerging market investments (2019: 90%, 8% and 2%).

**9. DEBTORS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Prepayments	6,722	762
GST to be refunded	350	-
<b>TOTAL DEBTORS</b>	<b>7,072</b>	<b>762</b>

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**THE ASSOCIATION OF JERSEY CHARITIES**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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**10. CASH AT BANK AND IN HAND**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current accounts	404,498	254,625
Money Market account	1,060,862	1,369,982
Petty cash	500	500
<b>TOTAL CASH AT BANK AND IN HAND</b>	<b>1,465,860</b>	<b>1,625,107</b>

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Charitable activity creditors	637,391	853,245
Accruals	19,029	6,737
Social security and ITIS obligations	4,196	3,936
<b>TOTAL CREDITORS</b>	<b>660,616</b>	<b>863,918</b>

All creditors are unsecured.

**12. COMMITMENTS**

The Association had no financial commitments at the year end (2019: £nil).

**THE ASSOCIATION OF JERSEY CHARITIES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

**13. STATEMENT OF FUNDS**

	Brought forward £	Incoming resources £	Resources expended £	Transfers in / out £	Gains / (losses) £	Carried forward £
Unrestricted funds	3,225,130	162,005	(568,373)	186,697	(224,218)	2,781,241
Restricted funds						
Anonymous donation (training)	102,180	-	(9,964)	-	-	92,216
Anonymous donation (specified grants)	-	-	93,095	-	-	93,095
Anonymous donations (specified grants)	-	27,594	(21,174)	-	-	6,420
Ana Leaf (Jersey Charity Awards)	-	6,494	(6,494)	-	-	-
Lottery (non member grants)	125,000	-	-	(125,000)	-	-
Lottery (2018 grant)	-	1,000,000	(578,721)	(61,697)	-	359,582
	<u>227,180</u>	<u>1,034,088</u>	<u>(523,258)</u>	<u>(186,697)</u>	<u>-</u>	<u>551,313</u>
<b>TOTAL FUNDS</b>	<b><u>3,452,310</u></b>	<b><u>1,196,093</u></b>	<b><u>(1,091,631)</u></b>	<b><u>-</u></b>	<b><u>(224,218)</u></b>	<b><u>3,332,554</u></b>

The positive resource expended within the Anonymous Donation (specified grants) of £93,095 includes the release of previously allocated grants.

The transfer of £61,697 from the 2018 lottery profits to unrestricted funds is the cost of administering the grants programme during the year ended 31 March 2020.

**13.1. Unrestricted funds**

The Association's unrestricted funds are comprised of the following:

	2020 £	2019 £
Undistributable reserve – amortising in equal instalments over 20 years ending 2029	975,000	1,072,500
Development reserve	50,056	150,000
Revaluation reserve	(186,075)	(8,197)
Small grants reserve	83,000	92,500
Distributable reserves	1,859,260	1,918,327
<b>TOTAL UNRESTRICTED FUNDS</b>	<b><u>2,781,241</u></b>	<b><u>3,225,130</u></b>

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 year ended 31 March 2020 a total of £99,944 was expended from this reserve which included £39,600 on new grants administration software, £21,375 of support towards the Jersey Charity Awards (prize money), and the remainder funded a temporary staff member and legal fees associated with amending the constitution of the Association.

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.

# THE ASSOCIATION OF JERSEY CHARITIES

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 13. STATEMENT OF FUNDS (continued)

#### 13.1. Unrestricted funds (continued)

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 £0.9 million out of total distributable reserves of £1,859,260.

#### 13.2. 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 2020 there was a balance of £44,550 (2019: £119,550) to be paid out and included in current liabilities. During the year ended 31 March 2020 the Officers were advised that £93,095 of approved funding was not required by the applicant and therefore this sum has been returned to the restricted reserve for distribution in the year ended 31 March 2021.
- b) £250,000 was allocated for use in providing training. £9,964 (2019: £26,339) was paid during the year ended 31 March 2020 leaving a balance of £92,216 (2019: £102,180) in restricted funds at 31 March 2020.
- 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 2020 the distributable element was £975,000 (2019: £877,500) and the non-distributable element was £975,000 (2019: £1,072,500).

Of the total 2016 lottery profits received in the year ended 31 March 2018, £186,697 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 and the Association obtained permission from EDTSC to end the restriction on use of the funds and release them to the Association's general funds for use in its grants programme.

### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fixed asset investments	-	2,520,238	<b>2,520,238</b>	2,690,359
Current assets	963,580	509,352	<b>1,472,932</b>	1,625,869
Creditors: amounts falling due within one year	(412,267)	(248,349)	<b>(660,616)</b>	(863,918)
<b>TOTAL NET ASSETS</b>	<b>551,313</b>	<b>2,781,241</b>	<b>3,332,554</b>	3,452,310

### 15. RELATED PARTY TRANSACTIONS

There were no transactions with related parties in the year ended 31 March 2020 (2019: nil) and none of the Officers received payment for services during their period of office. Jill Ryan, who was co-opted as an Officer on 23 June 2020, was an employee of the Association from 1 January 2019 to 29 February 2020.

### 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.

**17. SUBSEQUENT EVENTS**

Without lottery profits it is clear that the Association will have to draw on its reserves which will require a sale of some of its portfolio investments at a time of market volatility. In order to fund grants for the current financial year the Association is scheduling a series of cash withdrawals in consultation with its professional advisers, the first of which was made in May 2020 for £100,000, after the value of the Association's portfolio had recovered to pre Covid-19 levels.

The Officers are acutely aware of the impact Covid-19 is having across the sector although the impact on the Association itself has been largely restricted to volatility of the value of the investment portfolio, the impact of which will not be known for some time yet. The Association and its Officers will continue to support the sector through this crisis; the Association has designated £100,000 of its own reserves for emergency funding, opened the small grants fund to all, and relaxed restrictions on grants previously awarded but not yet claimed to guarantee payment and increase the flow of funds to those that need them most. In addition, to speed up the availability of funds to charities the Association has moved from quarterly grants meetings to ad hoc meetings and weekly payments cycles.