

ANNEX TO
FINANCIAL REPORT AND ACCOUNTS 2012





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1. Introduction to the Annex

The principal accounts document is the Financial Report and Accounts, which includes high level financial summaries and the Minister's and Treasurer's reports. The aim of the Financial Report and Accounts has been to produce a concise annual report which will appeal to the majority of users of the accounts.

This supplementary accounts document sets out more details about figures in the accounts, which should be read in conjunction with the Financial Report and Accounts.

The remainder of the Annex is divided as follows:

- Changes from the Original 2012 Business Plan;
- The Consolidated Fund, including Ministerial and Non-Ministerial Departments Pages, General Revenue Incomes and other items;
- Trading Operations;
- Special Funds named in the Public Finances (Jersey) Law 2005;
- Special Funds for Specific Purposes;
- Glossary of Terms;
- Grants made by the States of Jersey in 2012.

The Treasury and Resources Department hopes that readers will find the information in this annex of benefit and would encourage any queries in relation to the annex to be addressed to the relevant Department.

A copy of the 2012 Financial Report and Accounts can be found on the States of Jersey website (www.gov.je); alternatively a hard copy can be obtained from the States Book shop at the following address:

Morier House
St. Helier
Jersey
JE1 1DD

The Treasury and Resources Department thanks all departments for their co-operation in providing the information to allow this annex to be produced.

1.1 Explanation of the contents of Department/Fund Pages

The detailed information includes narrative information on the key financial results in a format that is comparable between Departments/Funds. However, some variation is necessary due to the differing nature of the entities. The table below shows which sections apply to each type of entity.

	Department	Trading Operation	Special Funds
Key Results	✓	✓	✓
Service Analysis	✓	✓/X	X
Staff FTE	✓	✓	✓
Financial Statements	✓	✓	✓
Trading Fund Balance	X	✓	X

Key Results

This section examines the highlights for the entity's performance. For Departments and Trading Operations this will normally consider performance against the Budget approved by the States, and changes from the previous year.

Special Funds may focus instead on the financial position at the end of the year and will also consider the performance of investments held in the Common Investment Fund (CIF).

Participants in the CIF recognise all income and gains on these investments as gains or losses on the units held, and so when considering the performance of these funds it is important to consider the performance of its investments in the CIF as well as the results in the Statement of Comprehensive Net Expenditure. Further information about how information is presented is given in the next section.

Service Analysis

This section looks at where the expenditure in a department/trading operation was spent (and income received), and what the key variances from budget and changes from the previous year were. Near-Cash and Non-Cash items are separately identified.

Staff Full Time Equivalent Employees

This considers how many Full Time Equivalent (FTE) employees the department/trading operation had at the end of the year. It also compares this to the position at the previous year end.

Financial Statements

These statements are similar to those included for the whole States of Jersey in the main accounts for individual entities, but are shown gross of internal charges to allow a proper comparison against budget. Non-cash items are shown separately in the Statements of Comprehensive Net Expenditure.

Trading Fund Balance

Under the Public Finances (Jersey) Law 2005, Trading Operations must maintain a Trading Fund that does not form part of the Consolidated Fund. The Fund balance for each operation is calculated on the same basis as the Consolidated Fund (see the Consolidated Fund section for details), and shown in this section.

1.2 Note on the performance of Investments held in the Common Investment Fund

During 2010 a Common Investment Fund was created to allow funds (both inside and outside of the States accounting boundary) to pool funds for investment purpose. The CIF is an administrative arrangement, not a separate fund, and provides a simple cost effective way of pooling funds for investment purposes. The aim of the CIF is to provide greater investment opportunities, economies of scale and minimise fees and costs.

In operation, participant funds buy "units" in various CIF pools. Each pool will then buy individual investments in line with agreed strategies. This means that individual participants do not own investments, but rather units in the relevant CIF pool. As a result, participants recognise gains or losses based on the units held rather than the underlying investments.

The amount of income, expenditure, gains and losses incurred in the CIF attributable to each participant is tracked, and the results included in the participants pages in the Annex. These amounts are equivalent to those that would have been included in the financial statements of the participant if they held the investments directly, and it is important to consider these results in conjunction with those in the Statement of Comprehensive Net Expenditure.

1.3 Effect of the move to IFRS

The move to IFRS has led to several changes in the Accounts, with one of the most noticeable being the changes in terminology used. Details of these changes are given in Section 6 of the main Accounts document.

In addition to changes in terminology, there have been some changes in how some items are accounted for. Note 3 of the main Accounts document gives detailed explanations of each of these changes for the States of Jersey as a whole, but the changes have affected the previous years' figures for department and fund pages.

Statement of Financial Position (previously the Balance Sheet)

Standard	Impact	Affected Pages
IAS 1	Current portion of Finance Lease Obligations now shown separately to other Payables	Other Consolidated Fund Items Jersey Airport
IAS 7	Classification of some investments as "Cash Equivalents"	General Revenue Income Currency Fund
IAS 16 IAS 38 IFRS 5	Fixed Assets now split into: Property, Plant and Equipment Intangible Assets Non-Current Assets held for Sale (Current Asset)	All Departments and Trading Operations holding Fixed Assets
IAS 32	Minor reclassifications of Financial Assets	Housing Transport and Technical Services

Statement of Comprehensive Net Expenditure (previously the Operating Cost Statement)

Standard	Impact	Affected Pages
IAS 32	Impairments of Financial Assets now shown separately to Other Operating Expenditure	Most Departments and Funds



Final Approved Budgets

Revenue Approvals

Whilst the following departmental pages compare actual results against budget at a detailed level, the States approve only the total departmental budget.

The final approved budget for each department may vary from that approved in the Annual Business Plan for several reasons, including additional budget allocations during the year, transfers between revenue and capital heads of expenditure and other transfers between departments (which are approved by formal Ministerial Decisions).

A summary is set out in the table overleaf:

Final Approved Budgets

Department	Original 2012 Business Plan £'000	Carry Forward from 2011 £'000	Allocation of Contingency £'000	Allocation of Additional Funding £'000	Transfers between capital and revenue £'000	Departmental Transfers £'000	Total 2012 Final Approved Budget £'000	Depreciation £'000	Total 2012 Final Approved Budget (Near Cash) £'000
Ministerial Departments									
Chief Minister	22,952	1,253	2,798	79	(412)	(4,060)	22,610	168	22,442
- Grant to the Overseas Aid Commission	8,881	4	1	-	-	-	8,886	-	8,886
Economic Development	15,902	1,198	1,366	141	-	(390)	18,217	4	18,213
Education, Sport and Culture	101,831	3,353	506	1,401	(510)	457	107,038	176	106,862
Department of the Environment	6,586	280	161	-	-	-	7,027	147	6,880
Health and Social Services	173,799	1,649	3,928	(40)	(447)	389	179,278	2,588	176,690
Home Affairs	48,584	1,454	341	-	(653)	11	49,737	593	49,144
Housing	(13,912)	1,380	(254)	-	-	97	(12,689)	10,646	(23,335)
Social Security	166,835	10,483	(5,193)	-	-	(802)	171,323	-	171,323
Transport and Technical Services	40,665	1,850	53	-	(165)	25	42,428	13,727	28,701
Treasury and Resources	36,662	1,487	4,031	984	(906)	4,228	46,486	11,890	34,596
- Contingency	19,811	16,484	(7,912)	-	-	-	28,383	-	28,383
Non Ministerial States Funded Bodies									
- Bailiffs Chamber	1,589	150	68	1	-	58	1,866	-	1,866
- Law Officers' Department	7,825	-	37	-	(40)	(87)	7,735	8	7,727
- Judicial Greffe	6,808	-	21	-	-	(157)	6,672	19	6,653
- Viscount's Department	1,475	100	9	-	(79)	-	1,505	19	1,486
- Official Analyst	652	-	4	-	(28)	-	628	46	582
- Office of the Lieutenant Governor	691	45	5	5	-	31	777	3	774
- Office of the Dean of Jersey	26	-	-	-	-	-	26	-	26
- Data Protection Commission	223	-	2	-	-	(25)	200	-	200
- Probation Department	1,986	20	14	-	-	225	2,245	25	2,220
- Comptroller and Auditor General	753	256	-	-	-	-	1,009	-	1,009
States Assembly and its services	5,296	-	14	-	-	-	5,310	16	5,294
Net Revenue Expenditure	655,920	41,446	-	2,571	(3,240)	-	696,697	40,075	656,622

Final Approved Budgets

Notes:

1. Carry forwards from 2011

Carry forwards from 2011 were approved by Ministerial Decision (MD-TR-2012-0019: "2011 Year End Carry Forwards"), which approved the carry forward of £27,821,737 of departmental underspends from 2011 to 2012, and the carry forward of £13,623,900 of unallocated contingency funding into 2012.

2. Additional Funding Approved in Year

The Public Finances Law allows the States Assembly to approve budgets in addition to those approved in the Annual Business Plan, under specific circumstances. These are:

- Article 11(8) allows the States to amend an expenditure approval on a proposition lodged by the Minister for Treasury and Resources on the grounds that there is an urgent need for expenditure and no expenditure approval is available.
- Article 16 allows the Minister for Treasury and Resources to approve an expenditure approval where a state of emergency has been declared or where the Minister is satisfied that there otherwise exists an immediate threat to the safety of all or any of the inhabitants of Jersey. In this case the Minister must lodge a proposition seeking expenditure approval.

In addition, amounts previously approved may be reallocated by the Treasury Minister under Article 15(1).

The approvals under which monies have been drawn down in 2012 are set out below.

	Economic Stimulus P55/2009 £'000	Other Approvals £'000	TOTAL £'000
Total Approval	44,000	-	44,000
Unallocated - 1 Jan 2012	2,323	5,190	7,513
Allocations 2012			
Ministerial Departments			
Chief Minister	-	79	79
- Grant to the Overseas Aid Commission	-	-	-
Economic Development	12	129	141
Education, Sport and Culture	1,371	30	1,401
Department of the Environment	-	-	-
Health and Social Services	-	(40)	(40)
Home Affairs	-	-	-
Housing	-	-	-
Social Security	-	-	-
Transport and Technical Services	-	-	-
Treasury and Resources	4	980	984
- Contingency	-	-	-
Non Ministerial States Funded Bodies			
- Bailiff's Chamber	-	1	1
- Law Officers' Department	-	-	-
- Judicial Greffe	-	-	-
- Viscount's Department	-	-	-
- Official Analyst	-	-	-
- Office of the Lieutenant Governor	-	5	5
- Office of the Dean of Jersey	-	-	-
- Data Protection Commission	-	-	-
- Probation Department	-	-	-
- Comptroller and Auditor General	-	-	-
States Assembly and its services	-	-	-
Total Allocations to Revenue	1,387	1,184	2,571
Allocations to Capital	(47)	250	203
Returns to Consolidated Fund	983	-	983
Remaining Unallocated Balance 31 Dec 2012	-	3,756	3,756

Final Approved Budgets

Notes:

3. Transfers between Capital and Revenue and Transfers between departments

From 2010, every effort has been made to prepare Business Plans to accurately estimate the split of Capital and Revenue budgets according to GAAP. However, where variations to these estimates occur in year, adjustments may still be required. Capital approvals in previous years were not necessarily fully GAAP compliant, and where these included approvals for revenue expenditure in 2012, budget adjustments have been required to bring the budget into line with accounting definitions.

These are approved by a Treasurer's Delegated Decision, and reported to the States as part of the "Budget Management Report". Transfers between departments are approved by formal Ministerial Decision.

Capital Approvals

The table below shows how total Capital Approvals within the Consolidated Fund have changed during 2012.

	£'000
Previous Approvals	71,551
2012 Approval	25,778
Revenue to Capital Transfers	3,240
Other Transfers	203
P.40/2012 Social Housing	27,100
Disposal Receipts Applied	4,233
Capital Grants Applied	75
2012 Capital Expenditure	(33,252)
Amounts Returned to Consolidated Fund	(11)
Unspent Capital Approvals Carried Forwards	98,917

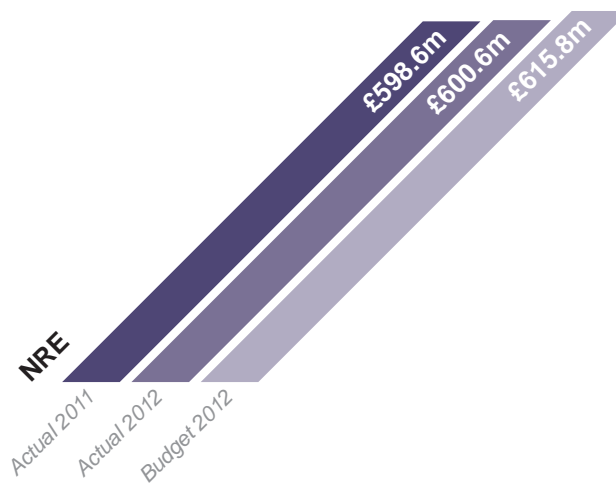
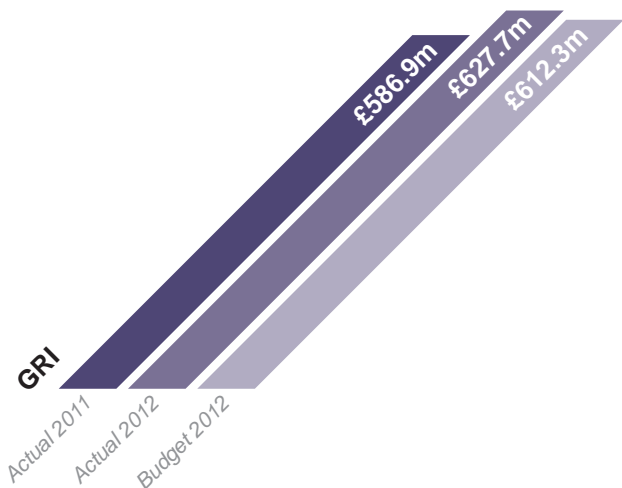


The Consolidated Fund

The fund through which the majority of the States' income and expenditure is managed.

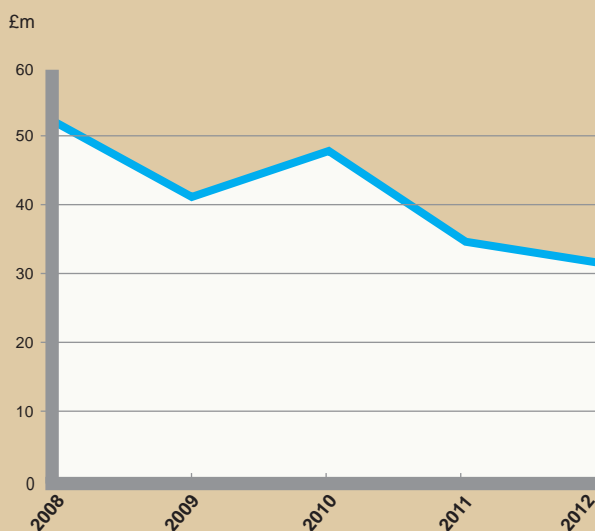
Net General Revenue Income £627.7m

Net Revenue Expenditure (Near Cash) £600.6m



Available Consolidated Fund Balance £31.2 m

Consolidated Fund Balance



Statement of Comprehensive Net Expenditure

	2011 Actual £'000	2012 Actual £'000
Revenue		
Taxation Revenue	477,056	513,542
Duties, Fees, Fines and Penalties	92,431	95,296
Sales of Goods and Services	106,413	112,595
Investment Income	17,507	22,644
Other Income	28,079	21,678
Total Revenue	721,486	765,755
Expenditure: Near Cash		
Social Benefit Payments	166,287	164,794
Staff Expenditure	330,250	333,361
Other Operating Expenditure	185,656	193,764
Grants and Subsidies Payments	38,432	35,227
Impairments of Financial Assets	1,893	4,353
Finance Costs	15,216	14,940
Foreign Exchange (Gain)/Loss	288	73
Total Expenditure: Near Cash	738,022	746,512
Net Revenue Expenditure/(Income): Near Cash	16,536	(19,243)
Non Cash Amounts		
Investment Income	(49)	(43)
Staff Expenditure	396	94
Depreciation and Amortisation	34,067	39,437
Impairments of Property, Plant and Equipment	8,276	(534)
Gain on Disposal of Non-Current Assets	(1,674)	(103)
Movement in Pension Liability	(4,654)	(50,844)
Total Non Cash Amounts	36,360	(11,993)
Net Revenue Expenditure/(Income)	52,896	(31,236)
Other Comprehensive (Income)/Expenditure		
Revaluation of Property, Plant and Equipment	(138,757)	(151,418)
(Gain)/Loss on Revaluation of Strategic Investments during the period	(72,400)	8,100
Reclassification adjustments for gains/losses included in Net operating costs	-	9,500
Loss/(Gain) on Revaluation of Other AFS Investments during the period	458	(73)
Reclassification adjustments for gains/losses included in Net operating costs	-	-
Actuarial Loss in respect of Defined Benefit Pension Schemes	92	452
Total Other Comprehensive Income	(210,607)	(133,439)
Total Comprehensive Income	(157,710)	(164,675)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,460,294	2,620,153	2,760,932
Intangible Assets	10,209	10,074	9,648
Loans & Advances	4,615	3,200	2,157
Strategic Investments	274,000	346,400	308,800
Other Available for Sale Investments	14,457	14,335	14,589
Investments held at Fair Value through Profit or Loss	110,081	138,453	195,798
Derivative Financial Instruments expiring after more than one year	-	201	230
Trade and Other Receivables	12	9	7
Total Non-Current Assets	2,873,668	3,132,825	3,292,161
Current Assets			
Non-Current Assets classified as held for sale	4,304	3,264	538
Inventories	4,304	5,314	5,216
Loans & Advances	987	1,474	993
Derivative Financial Instruments expiring within one year	-	98	263
Trade and Other receivables	98,967	102,942	101,478
Cash and Cash Equivalents	140,611	91,702	77,186
Total Current Assets	250,963	204,794	185,674
Total Assets	3,124,631	3,337,619	3,477,835
Current Liabilities			
Trade and Other Payables	116,226	119,795	131,454
Balance due to Other States Funds	48,065	50,641	60,846
Finance Lease Obligations	667	742	871
Provisions for liabilities and charges	4,448	100	1,327
Total Current Liabilities	169,406	171,278	194,498
Total Assets Less Current Liabilities	2,955,225	3,166,341	3,283,337
Non-Current Liabilities			
Finance Lease Obligations	8,271	7,528	6,658
Provisions for liabilities and charges	4,387	6,308	4,989
PECRS Pre-1987 Past Service Liability	246,317	229,998	228,396
Provision for JTSF Past Service Liability	114,000	135,100	97,747
Defined Benefit Pension Schemes Net Liability	11,152	11,493	9,282
Total Non-Current Liabilities	384,127	390,427	347,072
Assets Less Liabilities	2,571,098	2,775,914	2,936,265
Taxpayers' Equity			
Accumulated Revenue Reserves	2,163,156	2,160,841	2,196,021
Revaluation Reserve	202,661	338,914	485,067
Donated Asset Reserve	39,084	39,053	35,558
Capital Grant Reserve	261	227	267
Investment Reserve	165,936	236,879	219,352
Total Taxpayers' Equity	2,571,098	2,775,914	2,936,265

Consolidated Fund Balance

The Consolidated Fund balance is calculated in a way to represent funds available to be spent in future years, and therefore includes:

- Financial Assets (Advances and Investments held at Fair Value through Profit or Loss).
- Net Current Assets or Liabilities (adjusted for elements of Pension, Finance Lease, and other obligations, which will be included in future expenditure approvals).
- Provisions for liabilities and charges.

The Consolidated Fund excludes:

- Assets which can not be easily converted into cash (Property, Plant and Equipment, Intangible Assets and Strategic Investments).
- Other Long Term Liabilities – which will be settled from future expenditure approvals.

Available Consolidated Fund Balance

The balance calculated does not take into account withdrawals from the Consolidated Fund that have already been approved (and so are not available to spend). The balance must be adjusted for these to give the balance available, at the end of the year. With the move to three year planning under the MTFP, elements of this balance may be allocated by the States to fund expenditure in future years. For 2012, whilst £31 million was “available” at the year end the States have already approved the use of these funds over 2013-2015 in the MTFP 2013-2015.

Capital projects are approved on an allocation basis and so unspent amounts are removed. Similarly, amounts approved for specific purposes (e.g. through requests under Article 11(8) of the Public Finances (Jersey) Law 2005), but that have not yet been allocated to departments, and property receipts that will be used to purchase assets under Article 15(3) of the Law must be adjusted for. The States also approves expenditure each year to provide a suitable insurance provision. Finally, an adjustment must be made for amounts that will be included in a future revenue head of expenditure through the carry forward process.

Consolidated Fund Balance

	2011 Actual £'000	2012 Actual £'000
Available Non-Current Financial Assets	141,863	198,192
Net Current Assets	33,516	(8,824)
Less: NCA Held for Sale	(3,264)	(538)
Less: Non-Current Provisions	(6,308)	(4,989)
Add Back: Current Finance Lease Liabilities	742	871
Add back: Current Pension Liabilities	3,894	4,041
Add back: Accruals for untaken leave	2,778	2,872
Consolidated Fund Balance	173,221	191,625
Unspent Capital	(71,551)	(98,917)
Voted amounts to be allocated	(7,513)	(3,756)
Provision for Decommissioning	2,080	2,080
Insurance Provision	(7,615)	(7,762)
Departmental Carry forwards	(27,822)	(22,125)
Carry forward of Contingency	(13,624)	(29,985)
Available Consolidated Fund Balance	47,176	31,160

Reconciliation of movement in Available Consolidated Fund Balance

	2012 £'000
Opening Balance	47,176
Net General Revenue Income	627,733
Net Revenue Expenditure - Near Cash	(600,644)
Add Back: Carry Forwards from 2011	41,446
Add Back: Additional Allocations	2,571
Remove: Transfers between Capital and Revenue	(3,240)
Approvals Carried Forward:	
Departmental Carry forwards	(22,125)
Carry forward of Contingency	(29,985)
Capital Approval in the Year	(25,778)
2012/P40 Social Housing	(27,100)
JPH Receipts Applied	418
Transfer to JFM for Vehicle Purchases	(1,000)
Redemption of JT Preference Shares	20,000
Returns to the Consolidated Fund	994
Other Movements	694
Fund Movement	(16,016)
Closing Balance	31,160

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Policy projects spanning > year	975
Public Sector Reform > year	633
External Relations	102
Statistics re HES	188
Other Variances	396
Net Underspend	2,294

£974,970 underspend (there was only minor expenditure of £140) due to additional funding being allocated during the year for projects which would span more than one financial year, being the implementation of the Freedom of Information Act (£500,000), and the Vulnerable Adults and Children's Policy Groups and Protection Committees (£474,970).

£633,370 underspend due to the Department achieving planned savings in 2012 in order to fund the Public Sector Reform that was planned to span more than one year, and other funding pressures in 2013, as debated in the Medium Term Financial Plan (MTFP) process.

£102,387 underspend in External Relations due to the necessary postponement of major events, for example the Developing Countries Conference and scheduled visits to China and Washington. These are now due to take place in 2013.

£187,546 planned underspend in Statistics will provide funds to deliver the Household Expenditure Survey within the usual five year cycle.

£395,742 other variances are staff cost savings and vacancies across the Department, training initiatives within Human Resources being deferred, and lower than expected recruitment costs.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	26,101
PECRS	(4,082)
Staff	(861)
Staff VR paid in 2011	(550)
Other Variances	(100)
2012 NRE	20,508

£4,081,638 reduction relates to the transfer of PECRS to Treasury and Resources.

£861,459 reduction in staff costs due to vacancies and deferred recruitment.

£549,577 reduction due to fewer voluntary redundancies paid in 2011 (£605,619) than 2012 (£56,042).

£100,427 reduction due to other minor variances across the Department.

CHIEF MINISTER'S DEPARTMENT

Minister's Overview

The Chief Minister's Department provides administrative and executive support and advice on policy to the Chief Minister and Council of Ministers. The Department has managerial accountability for providing Information Services (IS) and Human Resources (HR) to other States Departments. The Department is also responsible for the Island's external relations, including our constitutional relationship with the United Kingdom.

In addition, the Chief Executive is Head of the Public Sector and, through the Corporate Management Board of departmental Chief Officers, co-ordinates the development and implementation of policy.

In order to deliver its objectives, the Department is arranged into sections dealing with domestic policy, IS and HR functions, External Relations and Law Drafting. For further detail, see Service Analysis.

The appointment of an Assistant Chief Minister with responsibility for External Relations has fostered increased recognition of Jersey's international identity and development of the Island's beneficial relations with other countries.

The main objectives for the Department in 2012 were based upon providing support and advice to the Chief Minister, direction and leadership to the public services, and the development and promotion of the Island's External Relations.

Minister's Overview

In furthering these aims, the Department's work in 2012 included:

Policy work focused on population issues, the Control of Housing and Work Law, preparation for implementing the Freedom of Information (Jersey) Law 2011, and developing a programme of Public Sector Reform. The Department consulted widely on these policy issues and continues to be committed to improving communication.

Funding was granted in the final quarter of 2012 for a three year period to develop the Vulnerable Adults Policy Group and Jersey Vulnerable Adults Protection Committee. Requests are therefore being made to carry forward the funding in respect of 2013 and beyond.

The Information Services area of the Department saw successful completion of two major projects. The new off-site Data Centre (in addition to the refurbished centre at Cyril le Marquand House) and the migration of 49 States sites from the traditional connectivity arrangements to a new managed Wide Area Network agreement, has achieved a resilient infrastructure for the States of Jersey. This adoption of a "cloud" based technical infrastructure will enable a further consolidation of business systems as part of the reform programme and has reduced the underlying cost of operations.

Future Developments

The Department will continue to lead a programme of Public Sector Reform, the implementation of Freedom of Information and the replacement of the States-wide telephony system.

The Department will also be responsible for The Control of Housing and Work Law and the draft register of Names and Addresses Law, both of which will be underpinned by new technological solutions.

In 2012 the Law Draftsman's Department took on additional resource to deliver the Comprehensive Spending Review (CSR). It will require further resource in 2013 to complete the legislation for CSR and to support additional initiatives to grow the economy and protect jobs. It proposes to create one additional post in order to be able to provide support on a permanent basis.

External Relations will take forward the establishment of a London Office to strengthen relations with the United Kingdom.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	22,952
Carry Forwards	1,253
Allocation of Contingency	2,798
Allocation of Additional Funding	79
Transfer to/from Capital	(412)
Departmental Transfers	(4,060)
Final Approved Budget	22,610

In 2012 adjustments to the original budget voted in the Business Plan totalling (£341,787) were made.

£1,252,677 was carried forward from 2011 to contribute to funding pressures in External Relations and Human Resources, the funding of additional law drafting work, completion of the Census, and other various funding pressures.

£2,798,390 was allocated from contingency for various initiatives; the management of the CSR programme and to develop the Public Sector Reform agenda (£1,823,280), to support both the implementation of the Freedom of Information (£500,000), the establishment of the Vulnerable Adults and Children's Policy Groups and Protection Committees (£475,110).

£78,900 additional budget to fund the Data Security Officer post.

£412,000 transfer to capital in respect of various projects, including, Migration Control, HR, and Taxes Online Payments.

£4,059,754 of Department transfers, the largest of which represents the PECRS transfer to Treasury and Resources.

Staff FTE

At the year end the department employed the equivalent of 200 full time employees. In 2011, there were 192 FTEs. This is an increase of 8 (4.4%) from 2011, and is due to an increase in HR and Law Draftsman posts, and net transfers relating to Customer Services Centre, Policy, and RUDL.

Detailed Financial Analysis Snapshot summary

Underspend **(10.2%)**
£2,294,015
 against Near Cash Final Approved Budget

Net Revenue
Expenditure **(21.4%)**
£20,507,918
 decrease on 2011

Service Analysis

Information Services **£9.8m**

There was a minor underspend (£82,695) mostly due to lower staff costs, and a reduction (£370,639) compared to 2011, mainly due to the closure of the Customer Services Centre.

Policy Unit **£2.7m**

Around £1 million of the £1,627,351 underspend relates to transfers from contingency during the year to fund planned expenditure over more than one year on the implementation of the Freedom of Information Law and the establishment of joint safeguarding arrangements for vulnerable adults and children. In addition, there was a deliberate policy to make savings in 2012 to fund known pressures in 2013 including the operational budget of the External Relations function and other commitments which are not recognised in the Medium Term Financial Plan until 2014.

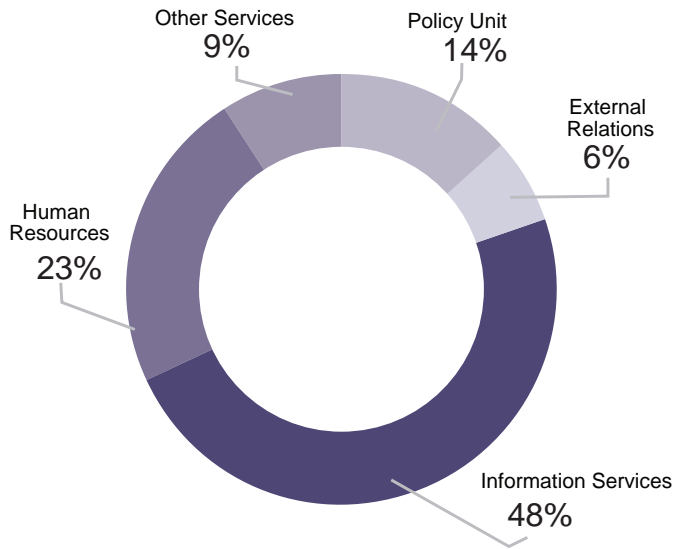
Human Resources **£4.6m**

The underspend (£380,320) was mainly due to the late commencement of projects relating to the public sector reform such as Workforce Modernisation, HR Fit for Purpose and Employee Relations which will continue into 2013.

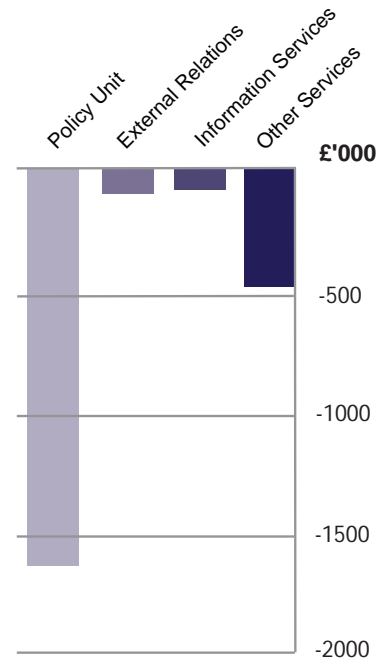
There was also a reduction in expenditure compared to 2011 (£4,531,033) mainly due to the transfer of pensions (£4,328,700) to the Treasury and Resources Department and various other minor variances.

External Relations **£1.3m**

The underspend is due to the planned postponement of major events including the Developing Countries Conference and long haul trips within External Relations, which are now scheduled for 2013.

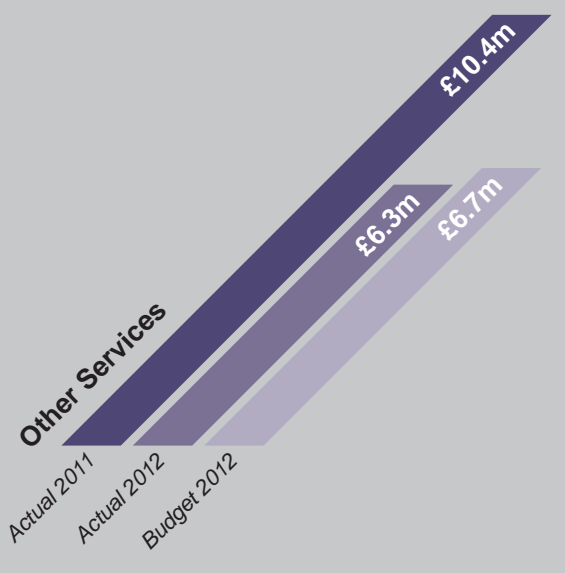
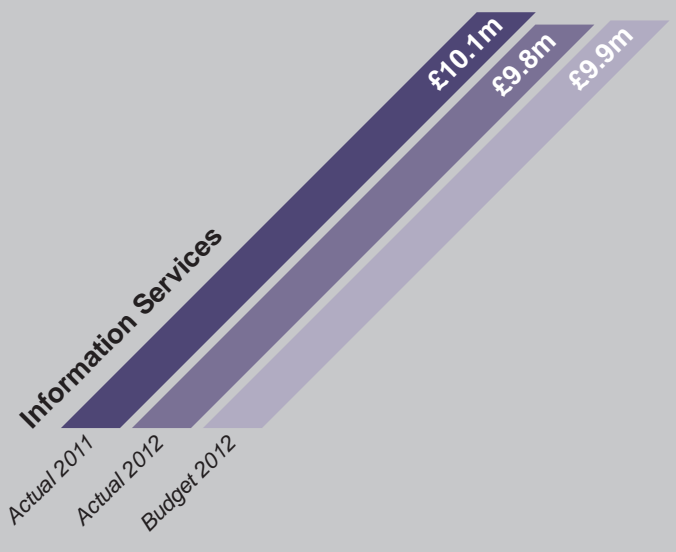
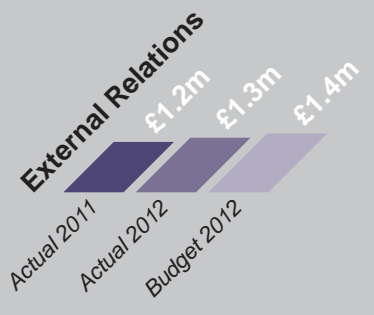
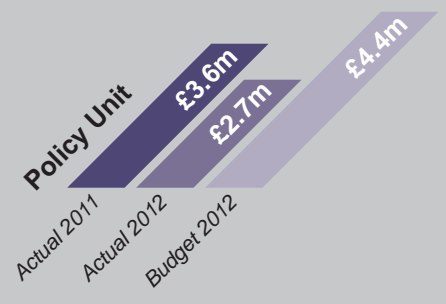


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

	2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
	1,375		1,375	2,373		2,373	1,859		1,859	1,119		1,119
	217		217	249		249	168		168	195		195
	310		310	700		700	483		483	681		681
	432		432	598		598	714		714	410		410
	418		418	420		420	318		318	314		314
	10		10	10		10	9		9	3		3
	2,762		2,762	4,350		4,350	3,551		3,551	2,722		2,722
	941		941	1,379		1,379	1,236		1,236	1,277		1,277
	848		848	1,116		1,116	841		841	979		979
	10,027	168	10,195	9,851	168	10,019	10,139	769	10,908	9,768	360	10,128
	8,206		8,206	4,959		4,959	9,110		9,110	4,579		4,579
				787		787	455		455	823		823
	22,784	168	22,952	22,442	168	22,610	25,332	769	26,101	20,148	360	20,508

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £1.6m

The largest income stream relates to recharges by Human Resources and Information Services to other Departments. In addition to this, income is received in respect of Registration and Inspection, the issue of Housing Consent fees, and recharges to the Airport in respect of the Director of Civil Aviation (DCA). The reduction in income compared to 2011 is due to a one off recharge to Guernsey for their proportion of the set up costs of the Brussels Office which is now funded by a grant payment.

Non Cash Expenditure £0.4m

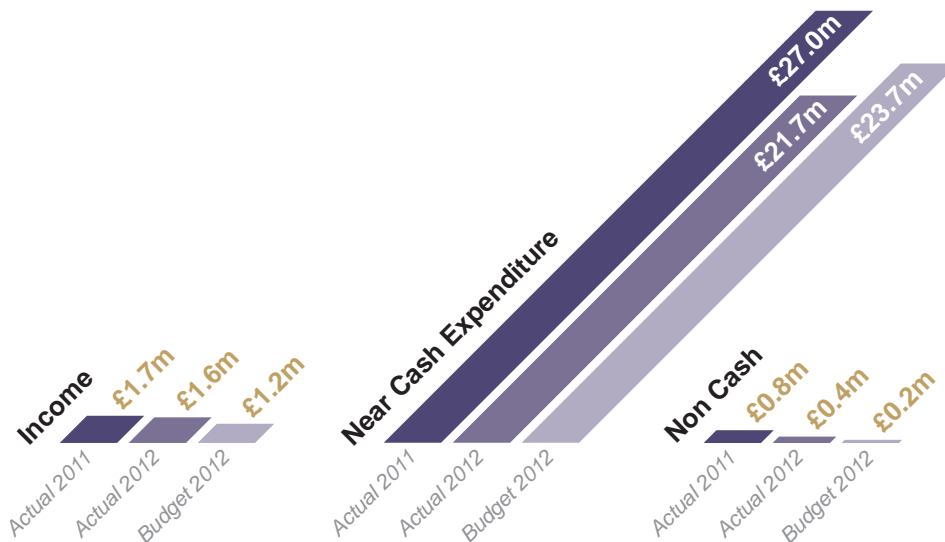
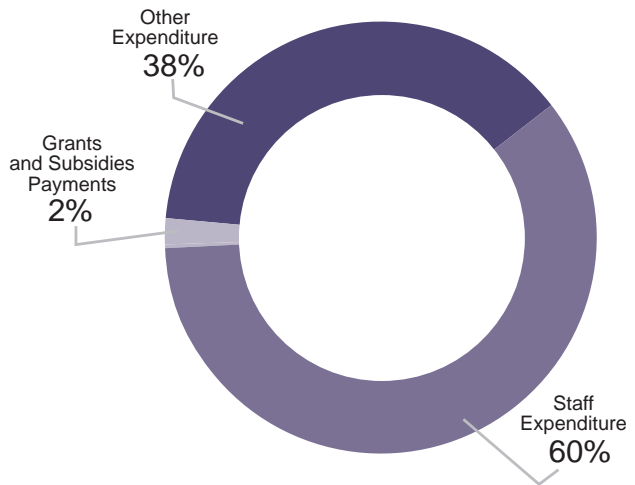
The variance against budget is due to the rapid completion of fixed assets, causing depreciation to be higher than anticipated. Depreciation has reduced by 50% between 2011 and 2012 due to assets depreciating over a short life of five years

Major Income Streams

	£'000
HR/IS support to Departments	1,040
Population Office Fees	197
Airport Payment for the DCA	148
Other	170
Total Income	1,555

Near Cash Expenditure £21.7m

Near Cash Expenditure Analysis



Staff Expenditure

The large reduction in expenditure (£1,845,589) compared to 2011 is mainly due to the transfer of pensions to the Treasury and Resources Department, and funding of voluntary redundancies in 2011.

The underspend against budget is mainly due to staff cost savings and vacancies across the Department, including the part year vacancy of the Chief Executive post.

Supplies and Services

This area had very little change in expenditure (£162,639) compared to 2011.

The underspend against budget (£385,029) is mainly due to the delay of some projects, for example the new States wide telephony system.

Finance Costs

The large reduction in expenditure (£3,641,345) compared to 2011 is due to the transfer of the Pre-1987 Debt to the Treasury and Resources Department.

Statement of Financial Position

Property, plant and equipment reduced mostly due to depreciation being charged in the year. Depreciation is high, as many of the fixed assets are IT assets that have a short useful economic life.

Both trade receivable and payables have reduced compared to 2011 following an active effort for more efficient debt management.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
212	231	Duties, Fees, Fines and Penalties	188	198
995	995	Sales of Goods and Services	1,394	1,355
5	5	Other Income	93	2
1,212	1,231	Total Revenue	1,675	1,555
		Expenditure: Near Cash		
		Social Benefit Payments		
13,089	14,632	Staff Expenditure	14,866	13,020
5,791	7,548	Supplies and Services	7,325	7,163
471	583	Administrative Expenditure	516	512
393	418	Premises and Maintenance	600	554
-	-	Other Operating Expenditure	9	3
442	492	Grants and Subsidies Payments	42	451
-	-	Impairments of Financial Assets	8	-
3,810	-	Finance Costs	3,641	-
23,996	23,673	Total Expenditure: Near Cash	27,007	21,703
22,784	22,442	Net Revenue Expenditure: Near Cash	25,332	20,148
		Non Cash Amounts		
168	168	Depreciation and Amortisation	769	360
168	168	Total Non Cash Amounts	769	360
22,952	22,610	Net Revenue Expenditure	26,101	20,508
22,952	22,610	Total Comprehensive Expenditure	26,101	20,508

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	979	797	363
Intangible Assets	1,336	1,114	2,082
Total Non-Current Assets	2,315	1,911	2,445
Current Assets			
Trade and Other receivables	422	341	267
Total Current Assets	422	341	267
Total Assets	2,737	2,252	2,712
Current Liabilities			
Trade and Other Payables	2,075	1,438	1,394
Provisions for liabilities and charges	779	-	30
Total Current Liabilities	2,854	1,438	1,424
Total Assets Less Current Liabilities	(117)	814	1,288
Assets Less Liabilities	(117)	814	1,288
Taxpayers' Equity			
Accumulated Revenue Reserves	(117)	814	1,288
Total Taxpayers' Equity	(117)	814	1,288

Key Results

Most of the expenditure in 2012 was by way of direct grants to 64 agencies, both large and small, with all grants based on the individual merits of projects covering clean water, health, sanitation, education, agriculture, livestock, and revolving credit schemes for small businesses.

The Commission received applications which totalled in excess of £10 million and had to reject many worthy projects due to its budget limits. The Commission also received additional funding enquiries from over 50 other agencies.

Requests for emergency funding of disasters throughout the year remained constant. The Commission allocated slightly less than its budget to this area allocating the remaining funding to grant relief projects. As for previous years the majority of funding allocated was in respect of natural disasters with £360,000 allocated to IDP (Internally Displaced People) response.

Community Work Projects were organised for Uganda, Bangladesh and Nepal involving 36 volunteers at a net cost inclusive of materials and equipment of £175,771.

A total of 15 applications were approved for grants made to local organisations which raise funds for aid projects overseas. All met the established criteria and were awarded matching pound for pound funding based on monies raised by the organisation itself.

Administration costs remained low at £98,499 compared to a final approved budget of £117,650.

Changes from Budget Voted in the Business Plan

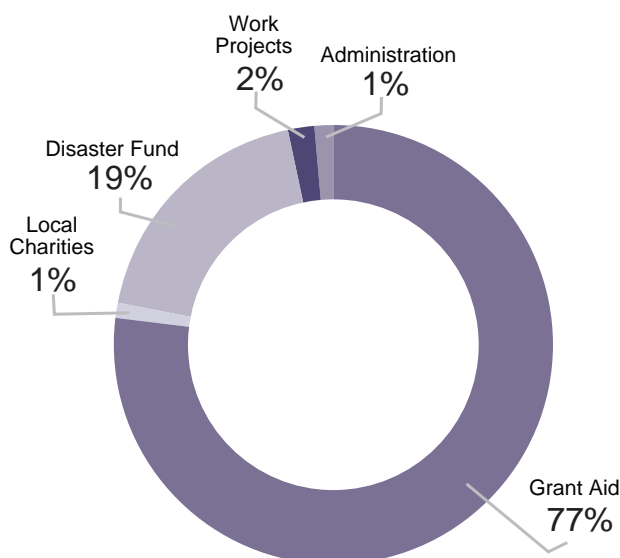
Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	8,881
Carry Forwards	4
Allocation of Contingency	1
Final Approved Budget	8,886

In 2012 adjustments to the original budget voted in the Business Plan totalling £4,202 were made. This amount represents the small underspend from the prior year that is normally granted as a matter of course.

Breakdown of Net Revenue Expenditure

	£'000
Grant Aid	6,851
Local Charities	100
Disaster Fund	1,652
Work Projects	176
Administration	99
Total	8,878

Net Revenue Expenditure by Service Analysis



Detailed Financial Analysis Snapshot summary

Underspend
£7,692 (0.1%)
 against Near Cash Final Approved Budget

Net Revenue Expenditure
£8,877,860
5.0%
 increase on 2011

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000		£'000	£'000
		Expenditure: Near Cash		
77	77	Staff Expenditure	74	82
18	18	Supplies and Services	11	12
22	22	Administrative Expenditure	7	5
8,764	8,769	Grants and Subsidies Payments	8,367	8,779
8,881	8,886	Total Expenditure: Near Cash	8,459	8,878
8,881	8,886	Net Revenue Expenditure: Near Cash	8,459	8,878
8,881	8,886	Net Revenue Expenditure	8,459	8,878
8,881	8,886	Total Comprehensive Expenditure	8,459	8,878

Statement of Financial Position

	2010 Actual	2011 Actual	2012 Actual
	£'000	£'000	£'000
Current Liabilities			
Trade and Other Payables	276	102	74
Total Current Liabilities	276	102	74
Total Assets Less Current Liabilities	(276)	(102)	(74)
Assets Less Liabilities	(276)	(102)	(74)
Taxpayers' Equity			
Accumulated Revenue Reserves	(276)	(102)	(74)
Total Taxpayers' Equity	(276)	(102)	(74)

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Policy & Regulation	1,183
Tourism Destination & Marketing	(448)
Skills	110
Other Variances	69
Net Underspend	914

Overall the department had a net underspend of £913,866 (5.0%) against Near Cash Final Approved Budget.

This was mostly due to the underspend in Policy and Regulation of £1,183,058 which resulted from higher than expected receipts from Ofcom, delays in the appointment of a Financial Services Ombudsman, slippage in the development of Intellectual Property regulations, and transfers between service areas which are discussed in more detail under the Service Analysis.

The overspend in Tourism, Destination and Marketing was mainly due to additional events and marketing activities as per the Service Analysis.

The underspend on Skills was due to the phasing out of the old Apprenticeship Scheme.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	18,266
Durrell Stimulus Grant	(1,122)
Policy & Regulation	1,119
Tourism Destination & Marketing	(838)
Other Variances	(127)
2012 NRE	17,298

The decrease in Net Revenue Expenditure (NRE) from 2011 to 2012 was £967,890 including depreciation.

This was mainly due to Fiscal Stimulus funding to assist Durrell (£1,121,898) with the development of a new visitor centre in 2011 and a grant to the Tourism Development Fund (£650,000) that did not receive funding in 2012.

Policy and Regulation had a net increase of £1,119,183 which was primarily as a result of an increase in the grant paid to Jersey Finance Limited (£1,157,898) as per Service Analysis discussed later.

ECONOMIC DEVELOPMENT DEPARTMENT

Minister's Overview

The Economic Development Department (EDD) is responsible for a broad portfolio of strategy, policy development, and delivery of a range of services. All of the work undertaken by EDD is consistent with the States Strategic Plan priority "Getting People into Work" and the objective of delivering sustainable economic growth, improving competitiveness, diversifying the local economy and creating employment.

In 2012, EDD made significant progress in the delivery of our objectives. Jersey Business was created, bringing together Jersey Enterprise and Jersey Business Venture into one organisation, at arms length from Government. The Board of Jersey Business consists of private sector entrepreneurs, capitalising on the wealth of expertise we have on the Island. The Inward Investment team from Jersey Enterprise has remained within EDD and was renamed "Locate Jersey". These changes emphasised the importance placed on diversifying and developing new high value businesses opportunities. In addition, Digital Jersey was established as a body to promote the development of Jersey as a leading e-commerce jurisdiction.

EDD has also undertaken substantial research and analysis to develop a strategic framework to address the economic challenges that lie ahead. The Economic Growth and Diversification Strategy (EGDS), approved by the States in July 2012, provides the framework for our activity in the years to come.

The organisational and strategic development of EDD has been achieved whilst delivering significant outputs across our areas of responsibility. Financial services legislation has been developed and progressed through the States, in particular in relation to the banking and funds sector; Intellectual Property legislation and regulations have been approved; and we have

Minister's Overview

continued to deliver and improve regulatory oversight across areas such as gambling, consumer protection and Competition Law. Furthermore, we have maintained our investment in the tourism sector and followed through with the implementation of the Rural Economy Strategy.

All of this has been achieved at the same time as meeting our CSR target of reducing the Department's budget by a further 5% in 2012.

Future Developments

Whilst EDD has been successful in reducing spend over the last three years, continuing economic uncertainty both locally and globally requires additional resources to be focused on economic development. The EGDS established four key aims:

- 1) To encourage innovation and improve Jersey's international competitiveness;
- 2) To grow and diversify the financial services sector, capacity and profitability;
- 3) To create new businesses and employment in high value sectors; and
- 4) To raise the productivity of the whole economy and reduce the reliance on inward migration.

After a thorough analysis of our work programme, it was clear that it would not be possible to achieve these aims without additional, targeted financial resources. These resources, approved in the Medium Term Financial Plan, will enable a significant step change in activity over 2013 and beyond. Additional funding will be allocated across a range of areas including: increasing the activity of Locate Jersey; added investment in the Skills agenda; and enhancement of our support for the growth and diversification of the finance sector, which plays such a critical role in our economy. At the same time, we will also continue our programme of organisational reform through the establishment of the Tourism Shadow Board in early 2013.

Therefore, with the additional allocation of resources and the certainty of our medium term budget, in 2013 we will be able to build on our achievements of 2012. It is critical that we capitalise on this additional investment in economic development to ensure that the EGDS can be delivered; and so that the Department can make a significant contribution towards one of the key priorities set out in the States Strategic Plan, namely – to get people into work.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	15,902
Carry Forwards	1,198
Allocation of Contingency	1,366
Allocation of Additional Funding	141
Departmental Transfers	(390)
Final Approved Budget	18,217

In 2012 adjustments to the original budget voted in the Business Plan totalling £2,314,924 were made. This amount includes funds carried forward from 2011 of £1,197,983 to contribute to funding pressures in Inward Investment and Diversification.

Of the £1,365,550 which was transferred from Contingency, £1,146,500 was allocated to the Finance Sector (see Policy and Regulation in the Service Analysis), £205,000 for the restructure of on Island business support and other minor transfers (£14,050).

Additional funding of £141,122 is largely made up of Fiscal Stimulus funding for Apprenticeship Schemes in States Departments (£102,072). The Departmental Transfer mostly relates to the move of Regulation of Undertakings to CMD (£373,300).

Staff FTE

At the year end the department employed the equivalent of 56.1 full time employees. This is an increase of 3.6 (6.0%) from 2011, and is due to vacancies at the end of 2012.

Detailed Financial Analysis Snapshot summary

Underspend
£913,866 (5.0%)

against Near Cash Final Approved Budget

Net Revenue
Expenditure
17,298,482 (5.2%)
decrease on 2011

Service Analysis

Tourism, Destination and Marketing **£6.4m**

The overspend of £447,938 is essentially due to additional events including the Diamond Jubilee and the Olympic Torch event and to restoring the Jersey International Air Display and the Battle of Flowers grants to the 2011 level of funding. Following the successful television advertising campaign in 2011, it was also decided to undertake additional marketing activity in 2012 (£275,070).

The decrease in expenditure compared to 2011 (£837,374) was primarily a result of extra funding in 2011 for the Tourism Development Fund (£650,000) and funds carried forward from 2010 (£500,000)

Rural Support **£2.0m**

The underspend of £92,641 and the decrease in expenditure compared to 2011 (£182,517) is due to the reduction in grants paid in line with the objectives of the Rural Economy Strategy.

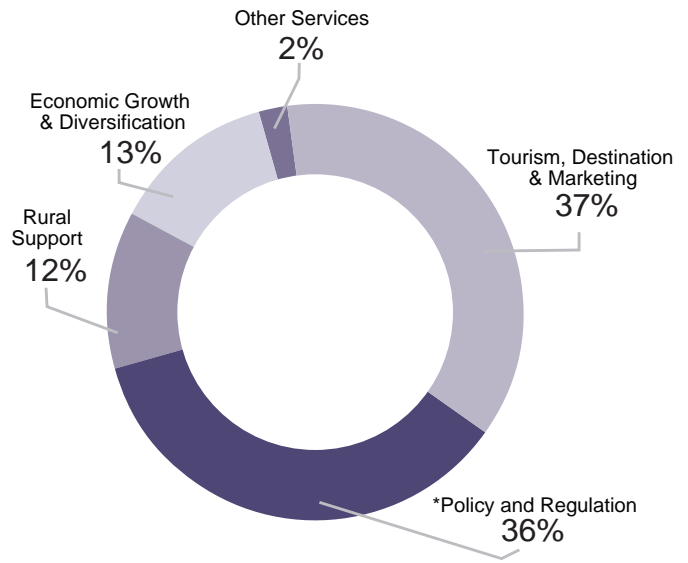
Policy and Regulation **£6.2m**

The underspend of £1,183,058 is a result of to the receipt of unexpected Ofcom income of £212,216, together with delays in the Financial Services Ombudsman (£65,000), Spectrum Policy development (£100,000) and IP development (£50,000), and transfers between service areas (£714,984) as per Near Cash Expenditure discussed later.

The increase in expenditure compared to 2011 (£1,147,768) was mainly due to an additional grant to Jersey Finance Limited (£1,157,898) including £990,000 for research into opportunities for Jersey as an International Finance Centre and a further £200,000 for Inward Investment.

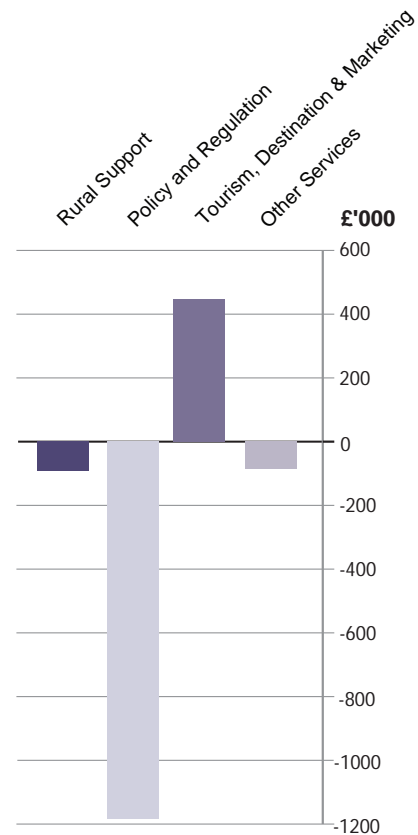
Economic Growth and Diversification and Skills **£2.7m**

The underspend of £86,106 and the decrease in expenditure compared to 2011 is mainly due to a reduction of Apprenticeship grants paid under the old scheme. A new programme will be launched in 2013.



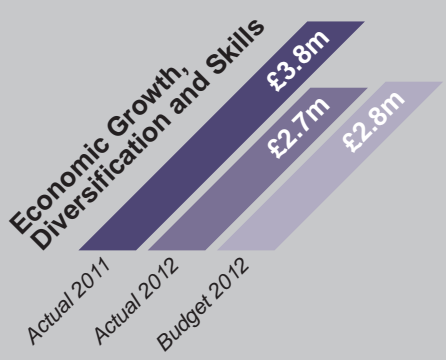
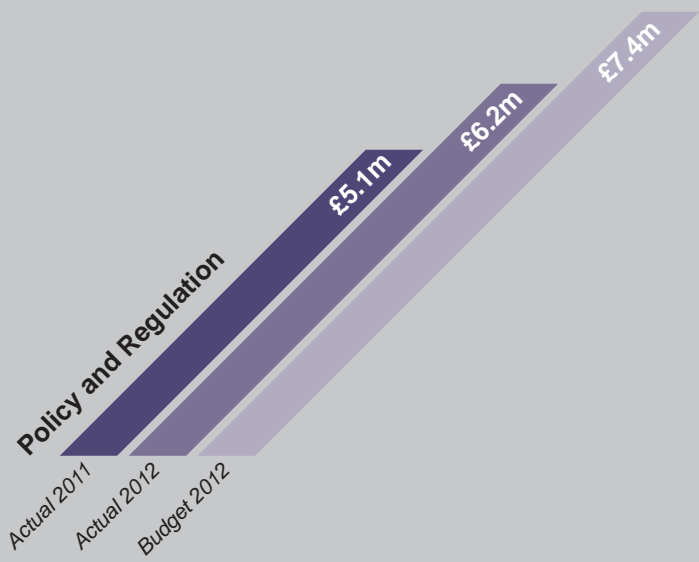
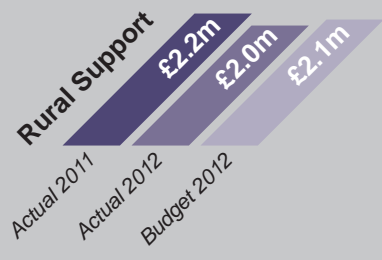
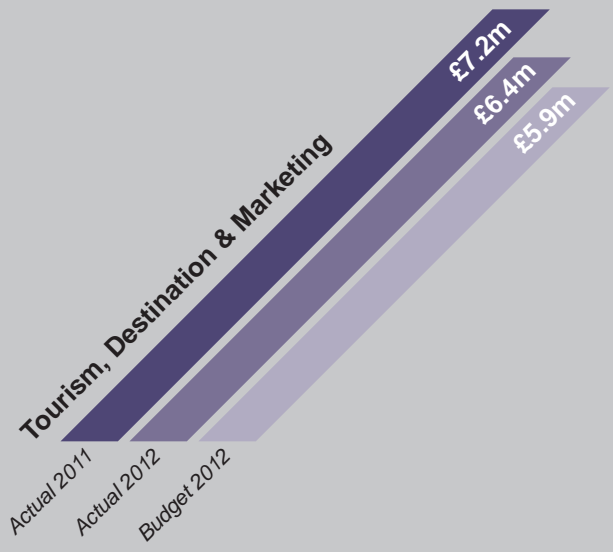
Net Revenue Expenditure by Service Analysis

Policy and Regulation includes 29% (£4.9m) Finance Sector expenditure



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

2012 Business Plan		2012 Final Approved Budget				2011 Actual			2012 Actual		
Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
851	-	851	1,050	-	1,050	685	-	685	765	-	765
1,030	-	1,030	1,180	-	1,180	1,256	5	1,261	1,488	-	1,488
1,881	-	1,881	2,230	-	2,230	1,941	5	1,946	2,253	-	2,253
1,374	-	1,374	1,373	-	1,373	3,919	-	3,919	1,118	-	1,118
3,530	-	3,530	3,522	-	3,522	1,520	-	1,520	4,077	-	4,077
571	-	571	570	-	570	640	-	640	740	-	740
125	-	125	125	-	125	169	-	169	99	-	99
323	-	323	317	-	317	294	-	294	320	-	320
-	-	-	-	-	-	650	-	650	-	-	-
5,923	-	5,923	5,907	-	5,907	7,192	-	7,192	6,354	-	6,354
303	-	303	303	-	303	300	-	300	303	-	303
537	4	541	534	4	538	534	3	537	545	4	549
3,210	-	3,210	4,658	-	4,658	3,784	-	3,784	4,931	-	4,931
39	-	39	39	-	39	119	-	119	39	-	39
446	-	446	109	-	109	265	-	265	106	-	106
332	-	332	332	-	332	452	-	452	382	-	382
661	-	661	1,439	-	1,439	(339)	-	(339)	(75)	-	(75)
5,528	4	5,532	7,414	4	7,418	5,115	3	5,118	6,231	4	6,235
968	-	968	968	-	968	965	-	965	952	-	952
770	-	770	770	-	770	764	-	764	732	-	732
274	-	274	271	-	271	439	-	439	310	-	310
133	-	133	132	-	132	59	5	64	55	(5)	50
2,145	-	2,145	2,141	-	2,141	2,227	5	2,232	2,049	(5)	2,044
421	-	421	521	-	521	656	-	656	412	-	412
421	-	421	521	-	521	656	-	656	412	-	412
-	-	-	-	-	-	1,122	-	1,122	-	-	-
15,898	4	15,902	18,213	4	18,217	18,253	13	18,266	17,299	(1)	17,298

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £2.1m

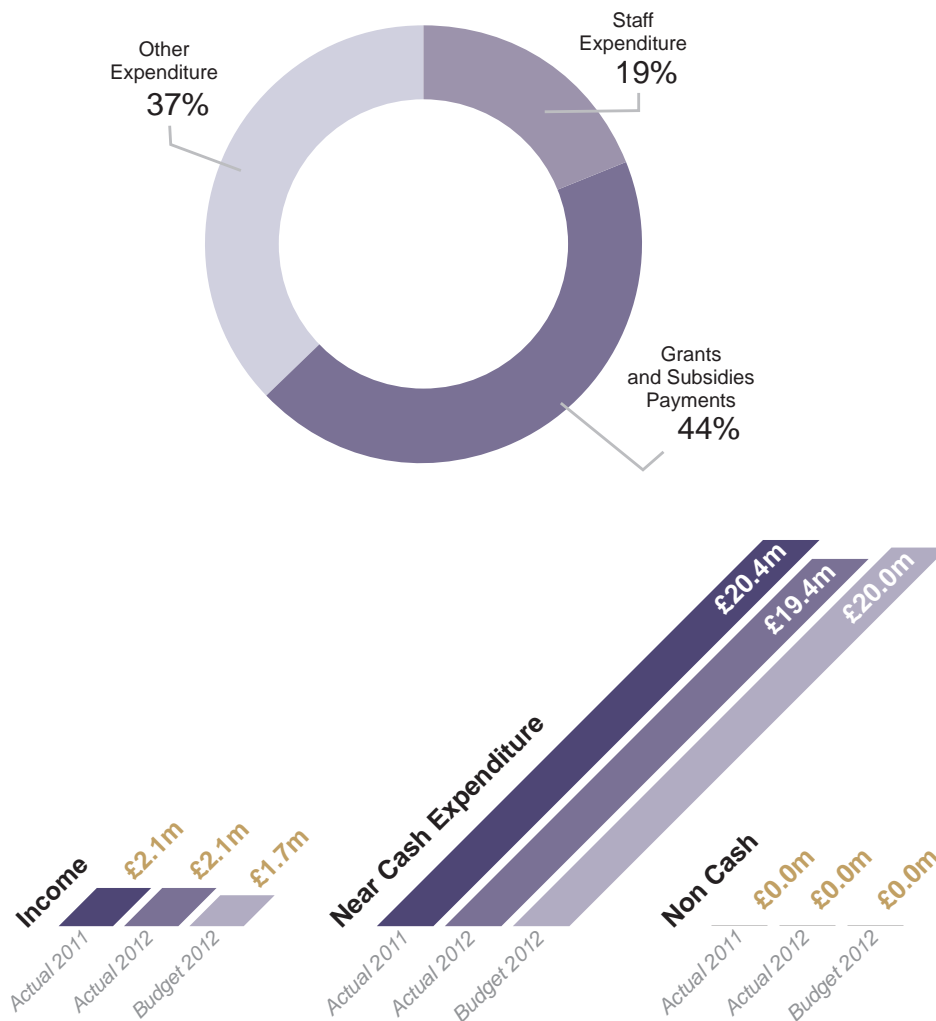
The increase on budget (£392,713) is mainly due to higher than expected income from Ofcom in respect of Wireless Telegraphy Licence fees (£212,216) which was not in the Business Plan and from lottery ticket sales in Trading Standards (£141,782).

Near Cash Expenditure £17.3m

Major Income Streams

	£'000
Duties, Fees, Fines and Penalties	873
Sales of Goods and Services	1,153
Investment Income	105
Total Income	2,131

Near Cash Expenditure Analysis



Grants and Subsidies

Grants were £643,443 over budget essentially as a result of additional grants funded by transfers from other EDD service areas to:

JFL - Inward Investment	£200,000
Jersey Hospitality Association	£66,000
Route Development	£74,528
Tourism events	£54,625
Canbedone Productions Ltd.	£150,000
Jersey Business Ltd.	£100,000

Staff Expenditure

Staff costs were £179,616 under budget due to vacancies in Tourism and Policy Development.

There was a reduction in staff expenditure from 2011 (£282,506) due to the transfer of staff from Regulation of Undertakings to Chief Minister's Department (£167,643) and vacancies during the year.

Other Expenditure

Other expenditure was £984,980 under budget which was mainly the 2011 Ofcom carry forward budget of £714,984. This was transferred to other areas (primarily Grants and Subsidies) in EDD due to reprioritisation during the year.

There were also underspends in the Renewable Energy budget due to delays in legal advice (£115,050) and slippage in other areas as discussed previously.

The reduction on 2011 (£394,661) is mainly due to £500,000 carry forward received for Tourism Marketing in 2011 and other minor variances including the purchase of lottery tickets in Trading Standards (£131,069) see Income.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
685	666	Duties, Fees, Fines and Penalties	359	873
926	926	Sales of Goods and Services	785	1,153
147	147	Other Income	959	105
1,758	1,739	Total Revenue	2,103	2,131
		Expenditure: Near Cash		
4,120	3,924	Staff Expenditure	4,027	3,744
6,191	7,109	Supplies and Services	6,904	6,542
314	300	Administrative Expenditure	293	308
606	587	Premises and Maintenance	387	336
177	177	Other Operating Expenditure	-	4
6,246	7,853	Grants and Subsidies Payments	8,744	8,496
2	2	Finance Costs	1	-
-	-	Contingency	-	-
17,656	19,952	Total Expenditure: Near Cash	20,356	19,430
15,898	18,213	Net Revenue Expenditure: Near Cash	18,253	17,299
		Non Cash Amounts		
4	4	Depreciation and Amortisation	13	4
-	-	Gain on Disposal of Non-Current Assets	-	(5)
4	4	Total Non Cash Amounts	13	(1)
15,902	18,217	Net Revenue Expenditure	18,266	17,298
15,902	18,217	Total Comprehensive Expenditure	18,266	17,298

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	23	10	6
Total Non-Current Assets	23	10	6
Current Assets			
Inventories	102	113	100
Trade and Other receivables	93	155	226
Cash and Cash Equivalents	3	4	3
Total Current Assets	198	272	329
Total Assets	221	282	335
Current Liabilities			
Trade and Other Payables	6,559	2,107	2,265
Total Current Liabilities	6,559	2,107	2,265
Total Assets Less Current Liabilities	(6,338)	(1,825)	(1,930)
Non-Current Liabilities			
Provisions for liabilities and charges	-	243	187
Total Non-Current Liabilities	-	243	187
Assets Less Liabilities	(6,338)	(2,068)	(2,117)
Taxpayers' Equity			
Accumulated Revenue Reserves	(6,338)	(2,068)	(2,117)
Total Taxpayers' Equity	(6,338)	(2,068)	(2,117)

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Schools and Colleges	
Non Fee Paying Provided	1,153
Fee Paying Provided	732
Culture and Lifelong Learning	
Further and Higher Education	1,373
Other Variances	375
Net Underspend	3,633

The underspend amounting to 3.4% of Final Approved Budget primarily reflects the arrangement for Delegated Financial Management that allows Non Fee Paying Provided Primary and Secondary schools to carry forward funds, to manage the differential between the academic and financial year. School funding is determined largely by pupil numbers which can fluctuate and have a significant impact on budgets. Allowing schools to carry forward underspends enables them to more effectively manage these changes over a longer period. For 2012 the Primary and Secondary schools underspend was £885,300. In addition underspends were reported in Pre-School Education £158,500, as a result of reduced pupil numbers accessing the Nursery Education Fund provided for private day nurseries, and Special Needs Education £211,400 due to a reduction in pupils at Mont-à-l'Abbé. The Jersey Music Service incurred an overspend of £103,700 due to delays in the introduction of fees which form part of the Department's CSR programme.

Fee Paying Provided schools comprise Victoria College, Victoria College Prep, Jersey College for Girls and Jersey College for Girls Prep. The same Delegated Financial Management principle applies to Fee Paying Provided schools, which together with prudent planning and spending provides the schools with the ability to manage minor school improvement works and minimise fee increases in future years.

Further and Higher Education savings reflect savings on university grants to students due to a year delay in the significant UK fee increases to September 2012. Whilst student numbers attending UK universities has remained constant at c.1,400 there has been a notable increase in the number of students (from 44 to 95) opting for the comparatively cheaper (fees capped at £4,500pa) alternative being offered by the University Centre at Highlands College. The underspend for the year will be used to meet increased tuition fees in 2013 avoiding the need for a growth bid in the MTFP.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	103,561
CSR savings	(1,456)
Ad hoc grants	(635)
Teachers terms and conditions	800
Pay award	706
Other Variances	383
2012 NRE	103,359

The decrease in spend from 2011 to 2012 of 0.2% was achieved through CSR savings, user pays initiatives and ad hoc grant reductions, partly offset by staff costs.

The CSR programme, produced savings of £1,456,000 as a result of grant reductions, including independent preparatory schools (St George's and St Michael's), procurement savings, additional sports income and the introduction of new fees for States nurseries to bring the public provision for nursery education in line with the private provision.

Ad hoc grants relate to one-off fiscal stimulus awards in 2011 to Beaulieu (£510,500) and the Glass Church (£125,000) for refurbishment of buildings.

Staff cost increases include £1,506,351 relating to revised terms and conditions for teachers and the 1% non consolidated pay award for 2012.

EDUCATION, SPORT AND CULTURE DEPARTMENT

Minister's Overview

During 2012 the Department continued to provide high quality services, ensuring they are efficient and providing the best value for money. In particular, there has been further development of our Professional Partner programme which, coupled with improved data management, will ensure Jersey has a more robust monitoring and reporting system for its schools.

There was an increase in the number of primary school students in 2012, which required the opening of two additional reception classes from September 2012. There was also an increase in special needs requirements, particularly to support students with English as an Additional Language.

Social inclusion and equal opportunity remain a high priority so that as many islanders as possible have access to learning, sport and cultural activities. A review of social inclusion was initiated in 2012 to ensure that we take account of best practice in other jurisdictions and continue to direct our resources according to the changing needs of our community.

Training and the acquisition of new skills continue to be important in Jersey as increasing numbers of people find themselves without a job. The department has ensured that Highlands is well placed to meet these needs through increased capacity, and in September we launched 'Trackers', a new, modern apprenticeship programme. The Advance to Work and Advance Plus schemes transferred to Social Security in September 2012.

Balancing the needs of students entering higher education with the funds available remains a challenge. We need to ensure that university options remain accessible at a time when UK universities are increasing their fees.

Minister's Overview

Sport has continued to grow throughout the year with an increase in both Active card memberships and visitors to the States sports centres. The Olympic Games in London 2012 gave an opportunity to showcase sport within the Island, culminating in the torch relay. The Department will work with the Island Games Committee to continue to plan for the 2015 NatWest Island Games in Jersey.

Future Developments

Jersey's Education Service is facing two considerable and relatively recent pressures that will impact on 2013 and beyond; the rise in unemployment and changing demographics.

The Department has received growth monies in 2013 to continue to provide the increased capacity at Highlands, expand the 14-16 vocational training provided and to continue participation on the 'Trackers' apprenticeship scheme.

Rising student numbers not only puts pressure on the free nursery education and primary education but also extends to special needs. It will also feed through to other sections of the Department, notably the Youth Service and sports facilities that will be used by the same growing pool of school children and their families. The challenge for ESC will be to maintain and improve existing standards despite demographic and financial pressures.

The other area of pressure, which lies beyond Jersey's direct control, is the radical overhaul of university funding in the UK. As new cohorts go to university over the next few years, the Island will feel the full financial impact of higher fees. To help meet this additional cost we have secured extra funding from the Medium Term Financial Plan for 2014 and 2015 but it will be an ongoing concern. It is recognised that Jersey graduates are vital for the future prosperity of the Island and wish to support continued equality of access for all.

Another significant project is the development of a new IT Skills Strategy to meet the needs of learners and the future needs of the economy. The Department has additional funding in 2013 to progress this important piece of work

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	101,831
Carry Forwards	3,353
Allocation of Contingency	506
Allocation of Additional Funding	1,401
Transfer to Capital	(510)
Departmental Transfers	457
Final Approved Budget	107,088

In 2012 adjustments to the original budget voted in the Business Plan totalling £5,207,430 were made. This amount represents £3,353,660 carried forward from the 2011 departmental underspend, allocations from the Central Contingency Fund of £706,350 for costs associated with the 1% non consolidated pay award for 2012 and £60,000 for Les Creux Bowls Club for the renovation of artificial greens. A transfer of £259,540 was made back to the Restructuring Provision for the realignment of insurance budgets (£234,060) as part of the CSR programme and initial procurement savings (£25,480).

Additional funding of £1,400,882 was transferred to the department, £30,000 to assist with travel costs associated with the 2013 Island Games in Bermuda and net fiscal stimulus funding of £1,370,882 to support the Advance to Work, Advance Plus, Careers strengthening and additional student numbers at Highlands College (to August 2012). The departmental transfer of £456,516 from Social Security represents further funding for additional students at Highlands College for the period September to December 2012.

Transfers from revenue to capital of £510,438 were made to comply with GAAP rules on capital expenditure covering the purchase of minibuses (£110,438) and Victoria College projects (£400,000).

Staff FTE

At the year end the department employed the equivalent of 1,531 full time employees. This is a net increase of 1 (0.1%) from 2011, and is due to additional teaching resources following the introduction of two new forms of Primary school entry in September 2012, an increase in Special Needs requirements for English as an Additional Language, the increase in students attending Highlands College and the new Trackers apprenticeship scheme less 18 posts transferred with Advance to Work and Advance Plus to the Social Security Department in September 2012.

Detailed Financial Analysis Snapshot summary

Underspend
£3,633,018 (3.4%)
 against Near Cash Final Approved Budget

Net Revenue
 Expenditure
£103,359,418 (0.2%)
 decrease on 2011

Service Analysis

Non Fee Paying Provided Schools

£60.4m

Non Fee Paying Provided or States schools comprise: 17 Nursery, 22 Primary, 5 Secondary and 3 Special Needs schools together with the Jersey Music service with a total annual near cash budget in 2012 of £61,591,100.

Whilst overall pupil numbers in States schools has remained constant at c.8,600, the increase from 2011 is primarily due to changes in teachers' terms and conditions, namely lunchtime supervision and planning, preparation and assessment time less nursery CSR savings.

This, together with annual pay awards, non staff inflation and an increase in Special Needs requirements resulted in a £592,600 or 1% increase in spend over 2011. As noted previously, there is a net underspend of £1,151,500 or 1.9% against Final Approved Budget primarily due to the Delegated Financial Management arrangements in place for schools.

Non Provided Schools

£4.8m

Non Provided or Private schools comprise: 4 Primary (5 in 2011) and 2 Secondary schools and are funded by way of grants and subsidies with an annual near cash budget in 2012 of £4,851,500.

Annual grant payments in 2012 to Beaulieu Convent, De La Salle and Convent FCJ were broadly in line with budget, with minor changes reflecting student numbers and the reduction in St Michael's school of £100,000, in line with the CSR phasing out of the grant by 2016.

The main reason for the decrease on 2011 spend of £1,370,600 were one off grant payments in 2011 to St George's school £705,379 (CSR) and Beaulieu Convent £510,500 (for a special needs centre).

Further and Higher Education £18.9m

Further and Higher Education comprise: Highlands College, Skills Board and the provision of Higher Education grants for students attending university with total annual near cash budgets in 2012 of £20,233,100.

As a result of the economic downturn Highlands College has experienced a significant increase in student numbers in 2012. The increase in spend over 2011 is matched by additional budget allocated to fund these students, initially from fiscal stimulus to August 2012 and latterly from Social Security to December 2012 taking total student numbers to 985. The total underspend for the year of £211,300 was mainly due to delays in implementing Skills Board initiatives.

The total cost of Higher Education depends not only on the number of students attending university but also which universities and courses are chosen, the level of UK fees attributed to those courses and parental income. The underspend on budget of £1,162,100 for the year resulted from more students selecting the university provision available within the Island and a combination of a delay in the significant UK university fee increases from September 2011 to September 2012 and negotiation of better Island rates.

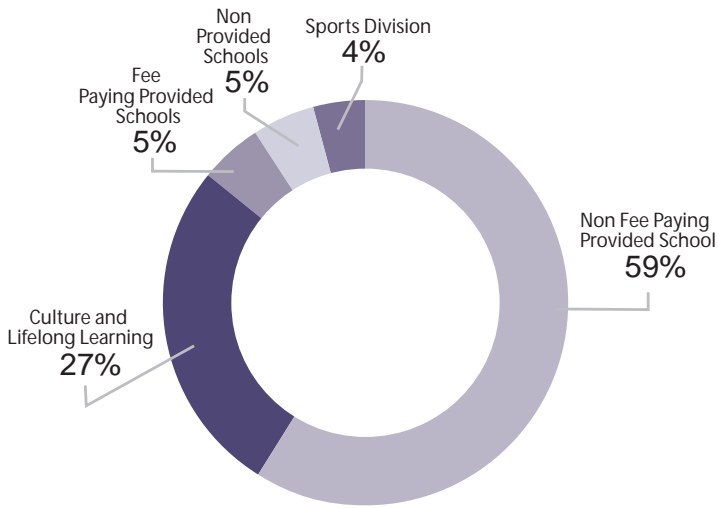
Sports Division

£4.2m

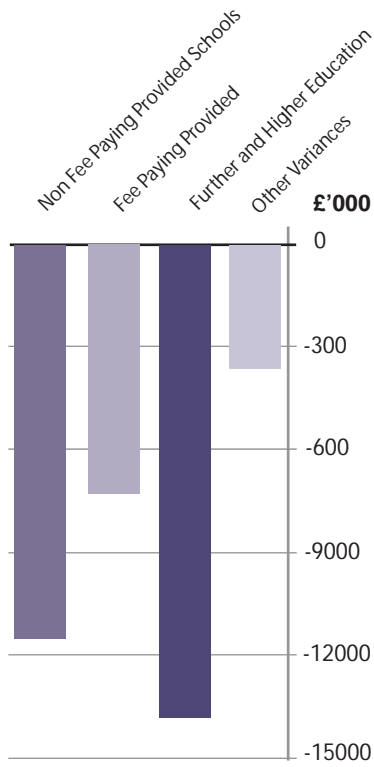
The Sports division comprises 3 main sports centres with a variety of sports facilities and playing fields spread throughout the Island. The division also has responsibility for sports development, grants, and community sports with a net annual near cash budget in 2012 of £4,273,900.

Spend for 2012 was £247,400 less than 2011 due to increased sports income, through a combination of increased participation and price rises.

In challenging economic times, Active Card income remains buoyant at £1,827,205 and the centres continue to attract in excess of 1.2 million visits per year.

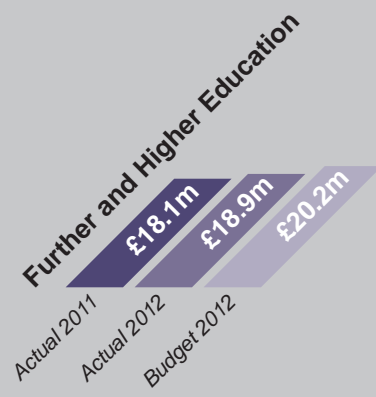
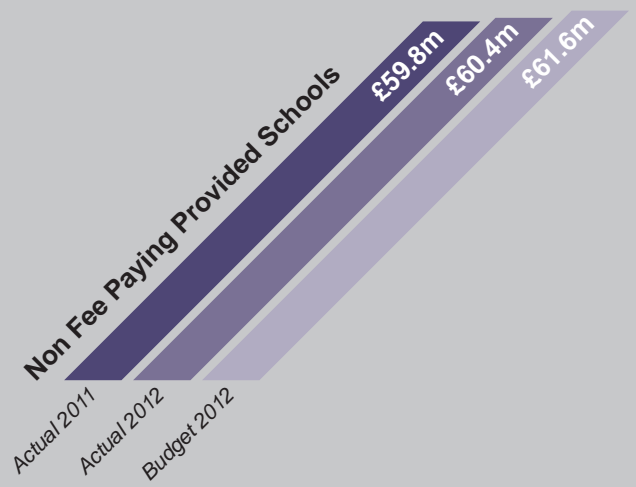


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
3,315	-	3,315	3,663	-	3,663	3,610	-	3,610	3,504	-	3,504
24,184	23	24,207	24,844	23	24,867	23,852	11	23,863	24,266	12	24,278
24,106	46	24,152	24,324	46	24,370	23,921	20	23,941	24,016	20	24,036
7,996	23	8,019	8,106	23	8,129	7,707	22	7,729	7,894	20	7,914
648	-	648	655	-	655	757	-	757	759	-	759
5,760	26	5,786	6,196	26	6,222	5,427	15	5,442	5,464	14	5,478
4,872	-	4,872	4,851	-	4,851	6,132	-	6,132	4,761	-	4,761
70,881	118	70,999	72,639	118	72,757	71,406	68	71,474	70,664	66	70,730
Schools and Colleges											
Non Fee Paying Provided Schools											
Pre-School Education											
Primary Education											
Secondary Education											
Special Educational Needs & Special Schools											
Jersey Music Service											
Fee Paying Provided Schools											
Non Provided Schools											
Schools and Colleges											
Culture and Lifelong Learning											
Further and Higher Education											
Further, Vocational and Tertiary Education											
Higher Education											
Youth, Careers and Child Care Support											
Youth Service											
Careers Jersey											
Child Care Support											
Culture, Heritage and Libraries											
Public Libraries											
Heritage (Grant to the JHT)											
Culture (Including the Grant to the JAT)											
Sports Division											
Sports Centres											
Playing Fields and Schools Sports											
Sport Development											
Grants and Advisory Council											
Playchemes and Outdoor Education											
Minor Capital Expenditure											
Sports Division											
Savings to be identified following major review											
101,655	176	101,831	106,862	176	107,038	103,434	127	103,561	103,229	130	103,359

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £18.4m

Fee Paying Provided Schools

Income compared to 2011 increased by £243,489 (2.7%) due to annual school fee increases at Victoria College, Victoria College Prep, Jersey College for Girls and Jersey College for Girls Prep and additional income from school lunches and facilities hire. Pupil numbers across all schools remained unchanged from 2011 at c.2,100.

Highlands College

Fees from courses exceeded budget by £64,354 (2.2%) mainly as a result of local degree courses which provided a more attractive option than UK universities for students, coupled with students staying for an additional year. Degrees proving particularly popular were in Financial Services, Childhood Studies and the London South Bank degree courses.

Sports Division

Sports income was up on 2011 by £91,212 (2.3%) due to a combination of Active Card membership receipts, hire of facilities and significant one off successes such as the Learn to Swim course at Les Quennevais.

Non Cash Expenditure £0.1 m

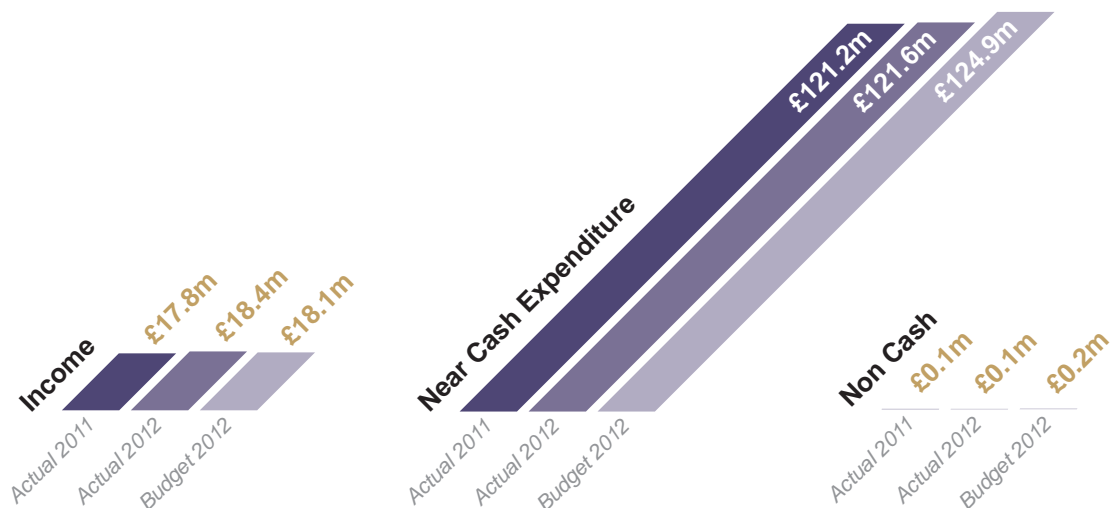
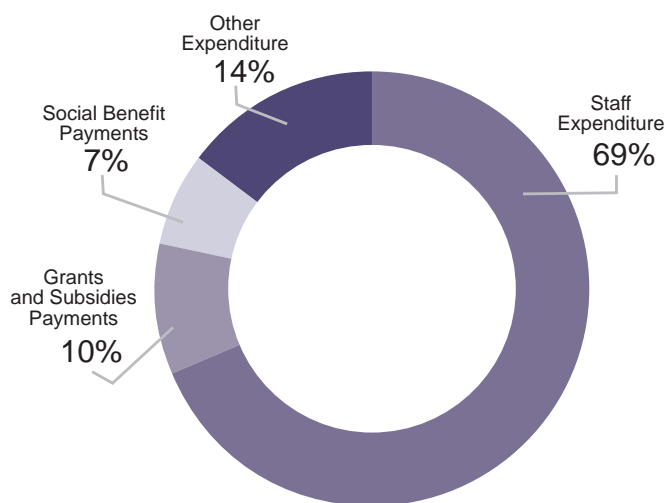
Non Cash Expenditure represents depreciation on property, plant and equipment together with small gains on the disposal of assets at the end of their useful lives.

Major Income Streams

	£'000
Fee Paying Provided Schools	9,239
Highlands College	2,960
Sports Division	4,026
Other	2,143
Total Income	18,368

Near Cash Expenditure £121.6m

Near Cash Expenditure Analysis



Staff Expenditure

Staff expenditure represents 68.7% of total expenditure. Cost increases over 2011 of £1,807,153 (2.2%) are due to the changes in teachers' terms and conditions (in relation to lunchtime supervision and planning, preparation and assessment time), the 1% non consolidated pay award, additional social security above the 2% cap and staff redundancies. The reduction against budget of £989,730 (1.2%) is due to a reduction in sickness and therefore supply teacher costs and timing on the recruitment of unfilled vacancies.

Grants and Subsidies Payments

Grant reductions over 2011 of £1,037,115 (8.0%) were achieved as a result of the phased removal of subsidies to independent preparatory schools, as part of the CSR programme, and the non recurrence of one off fiscal stimulus payments in 2011 to Beaulieu Convent and the Glass Church.

Social Benefit Payments

Payments comprise student grants for university tuition fees and maintenance to help towards living expenses, accommodation, travel, food and books. Funding is based on parental income and covers c.1,400 students. Costs for 2012 exceed 2011 by £399,029 (5.0%) due to higher fees being charged by UK universities from September 2012 but represent a saving on budget of £1,145,029 (12.0%) as, due to the one year delay, the full year impact of these increases has yet to be felt requiring the carry forward of the underspend to 2013.

Statement of Financial Position

Property, Plant and Equipment of £1,797,998 include Antiques and Works of Art £679,756, Transport (school minibuses) £430,816 and Assets under the course of Construction (central database and minor capital) £321,548.

Trade and other receivables are considerably lower than 2011 due to a significant reduction in the value of prepayments at the year end as a result of changes to payment dates of several large grants.

Trade and other payables increased by £1,120,642 as a result of accruals and an increase in the value of goods received prior to the end of the year.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
23	23	Duties, Fees, Fines and Penalties	23	21
17,803	17,723	Sales of Goods and Services	17,376	17,873
309	309	Other Income	376	474
18,135	18,055	Total Revenue	17,775	18,368
		Expenditure: Near Cash		
8,766	9,566	Social Benefit Payments	8,022	8,421
82,562	84,566	Staff Expenditure	81,769	83,576
8,806	10,497	Supplies and Services	9,550	9,001
757	1,093	Administrative Expenditure	1,212	1,085
6,958	6,844	Premises and Maintenance	7,538	7,352
75	75	Other Operating Expenditure	67	135
11,831	12,241	Grants and Subsidies Payments	13,032	11,995
19	19	Impairments of Financial Assets	(5)	7
16	16	Finance Costs	24	25
119,790	124,917	Total Expenditure: Near Cash	121,209	121,597
101,655	106,862	Net Revenue Expenditure: Near Cash	103,434	103,229
		Non Cash Amounts		
176	176	Depreciation and Amortisation	125	116
-	-	Loss on Disposal of Non-Current Assets	2	14
176	176	Total Non Cash Amounts	127	130
101,831	107,038	Net Revenue Expenditure	103,561	103,359
101,831	107,038	Total Comprehensive Expenditure	103,561	103,359

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,578	1,517	1,586
Intangible Assets	112	212	228
Total Non-Current Assets	1,690	1,729	1,814
Current Assets			
Trade and Other receivables	3,600	5,025	4,000
Cash and Cash Equivalents	50	55	56
Total Current Assets	3,650	5,080	4,056
Total Assets	5,340	6,809	5,870
Current Liabilities			
Trade and Other Payables	4,487	4,970	6,091
Provisions for liabilities and charges	204	-	-
Total Current Liabilities	4,691	4,970	6,091
Total Assets Less Current Liabilities	649	1,839	(221)
Taxpayers' Equity			
Accumulated Revenue Reserves	(128)	1,070	(1,003)
Donated Asset Reserve	777	769	782
Total Taxpayers' Equity	649	1,839	(221)

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Supplies and Services	451
Restructuring Provisions	164
Planning fee income	118
Staff savings	89
Building fee income	(153)
Other variances	(38)
Net Underspend	631

The majority of the departmental underspend against budget of £631,339 (9.2%) relates to general underspends in supplies and services of £450,566 and delays in restructuring projects under the Comprehensive Spending Review (£164,000), both of which have been requested as carry forwards to 2013. Although there has been an increase in Planning application fees of £117,598, there has been a larger reduction in building fees of £152,749. The reason for this is although planning applications may be submitted and approved, construction may not always occur straight away or may be abandoned in the current climate, therefore not leading to corresponding building applications. A reduction in staff costs of £88,933, due to delays in recruitment, and other variances make up the balance.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	6,738
CRS / CES grants	(305)
EES grants	(233)
Appeal costs	(169)
Planning fee income	310
Other Variances	3
2012 NRE	6,344

The decrease in Net Revenue Expenditure (NRE) from 2011 to 2012 was £395,038 (5.9%); the majority of the variance in grants and subsidies relates to the reduction in Energy Efficiency Scheme (EES) allocations in year of £232,785 and Countryside Renewal Scheme (CRS) / Countryside Enhancement Scheme (CES) grants of £304,795 due to introduction of new grant schemes in 2011 and cessation of old schemes during 2012; the majority of the variance in duties, fines, fees and penalties relates to additional planning fee income during 2011 of £310,156; appeal costs were £168,781 higher in 2011 than 2012.

DEPARTMENT OF THE ENVIRONMENT

Minister's Overview

The department has performed well during 2012, delivering a wide range of activities, controlling expenditure within agreed budgets, and meeting its Comprehensive Spending Review targets. This has been achieved with limited resources, during a time when the Island is experiencing significant social, economic and environmental challenges.

The department continues to provide grants to support energy efficiency assistance to segments of the community, charities and not-for-profit organisations. Grants are also offered for new initiatives to help Jersey's rural and marine economy in becoming more economically sustainable and to enable it to adapt to future challenges. These are important activities, helping the environment and economic diversity.

Investment in information technology resulted in the launch of the planning register on the States website, offering full online access to planning applications.

The department continues to explore new and more efficient and effective ways of working and delivering continued value for money.

Minister's Overview

Future Developments

The department will continue to protect and enhance the natural and built environment, including our sea, water, air, land and buildings, while supporting States of Jersey Strategic Plan priorities.

Following the Medium Term Financial Plan (MTFP) process, additional resources and funding have been agreed to support the department's environmental protection work. This will enable more scientific and environmental monitoring work to take place, particularly in the area of marine and water pollution. Additional funding has been approved to further protect and develop the Island's coastal paths and eco-systems.

There is a legal requirement to update the Island Plan every 10 years, with the next plan required in 2020. A more efficient and effective method has been chosen which seeks to undertake a continuous review of the plan commencing in 2014.

The development of an environmental policy regime for Jersey is a key policy that the department will progress with the States of Jersey during 2013.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	6,586
Carry forwards	280
Allocation of Contingency	161
Final Approved Budget	7,027

In 2012 adjustments to the original budget voted in the Business Plan totalling £441,298 (6.7%) were made. This amount includes a non-consolidated pay award of 1% of all salaries, totalling £57,790 for the Department. Carry forwards from 2011 included £146,608 for planning appeal costs, £30,000 for Masterplanning work, £40,000 for a Meteorological secondee to cover temporary staff vacancies, and restructuring monies totalling £64,000 for a filing review and IT enhancements which have not yet been utilised. Further restructuring monies were also allocated to the department to enable projects within Planning and Building totalling £140,000. Transfers out of the department included an adjustment for insurance allocation of £27,870 and procurement savings of £9,230.

Staff FTE

At the year end the department employed the equivalent of 105.3 full time employees. This is a decrease of 3 from 2011, and is due to natural turnover and unfilled vacancies during 2012.

Detailed Financial Analysis Snapshot summary

Underspend
£631,339 (9.2%)
against Near Cash Final Approved Budget

Net Revenue
Expenditure
£6,343,714 **(5.9%)**
decrease on 2011

Service Analysis

Planning and Building £1.3m

The Planning and Building section of the department focused on delivering a customer focused planning and building application process, whilst enforcing planning controls and compliance with building standards.

The increase in net expenditure from 2011 of £40,287 (3.2%) relates to a decrease in Planning fees received as there were some large applications submitted during 2011. This was offset in part but not completely by a decrease in staff costs within the Planning and Building section due to a vacancy which was not refilled in order to meet 2012 Comprehensive Spending Review targets.

The underspend from final approved budget of £315,563 (19.4%) relates to 2012 restructuring provisions and 2011 carry forwards which were not spent during 2012 but have been requested for 2013 when projects will be completed.

Environmental Management and Rural Economy £1.4m

The Environmental Management and Rural Economy section continued to support the rural economy and environment through the Rural Economy Strategy, Biodiversity Strategy and Countryside Enhancement Scheme (CES), formerly the Countryside Renewal Scheme (CRS).

There was a decrease in spend year on year of £226,858 (13.6%) due to the completion of the slurry storage projects on dairy farms in 2011 which were funded by the CRS. This was followed by a review and relaunch of the scheme, renamed the CES, in July 2012 which unfortunately reduced the timescale for applicants to complete their approved projects resulting in an underspend in 2012 from budget of £186,870 (11.5%).

Environmental Policy and Awareness £1.2m

Environmental Policy and Awareness deliver environmental policy and supporting environmental outreach campaigns including the Eco-Active Programme.

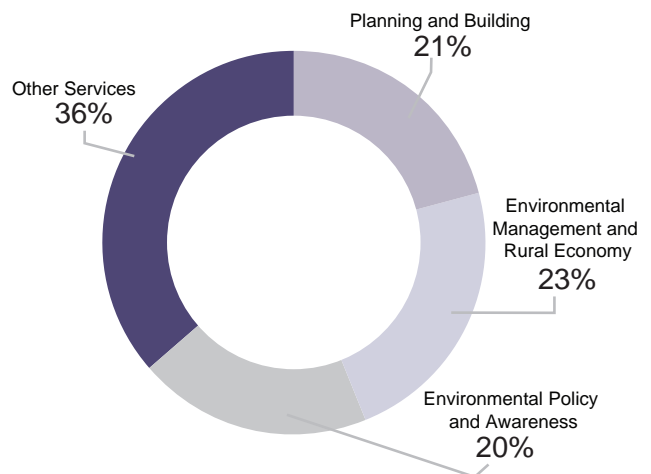
The Energy Efficiency Service (EES) continued to provide energy efficiency improvements to 'vulnerable households' in the form of direct grants and a 100% turnkey service for energy efficiency interventions such as loft insulation.

The number of eligible applicants to the scheme remain high and at the end of 2012 there was a 'waiting list' of eligible applicants carried into 2013. The reduction in spend from 2011 of £197,687 (13.8%) was due to it being the second year of the Community Buildings Scheme meaning a lower spend on projects which tend to require more expenditure in the early stages. This also resulted in an underspend from final approved budget of £31,086 (2.5%).

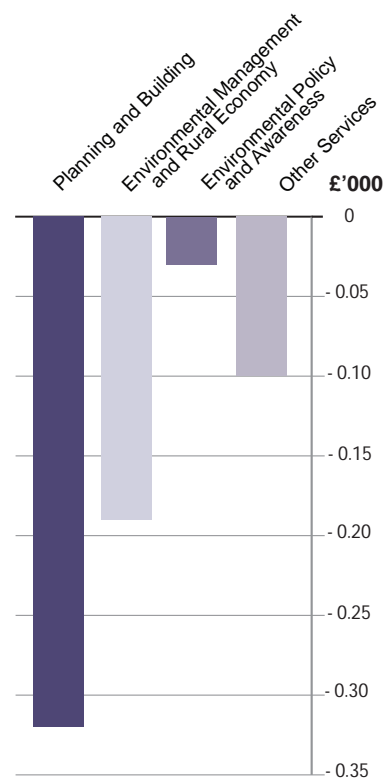
Other Services £2.3m

Expenditure on the other departmental service lines was broadly in line with 2011, with a decrease of £7,460 (0.3%).

There was an underspend against budget of £97,821 (4.2%) which relates to generally lower levels of overheads within the department's corporate functions which have sought to maximise efficiency in the use of departmental resources as well as delivering the Comprehensive Spending Review targets.

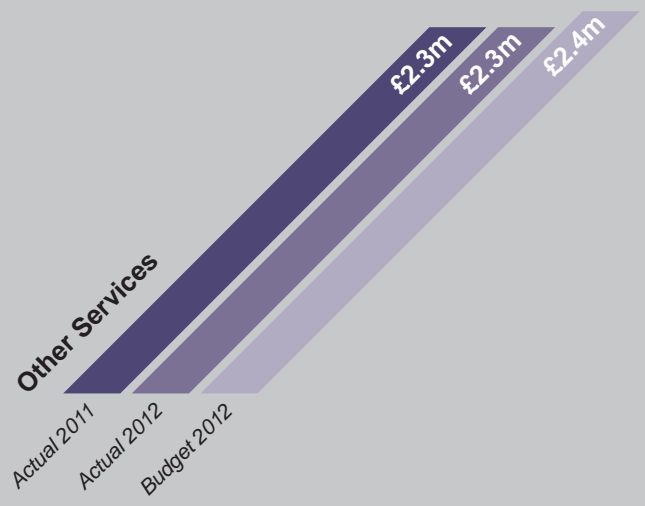
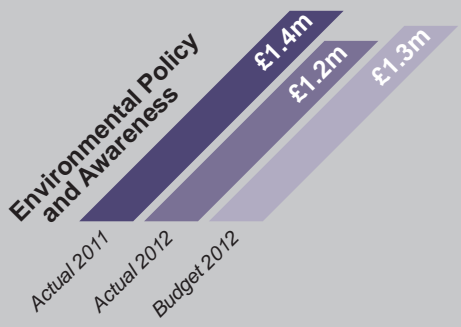
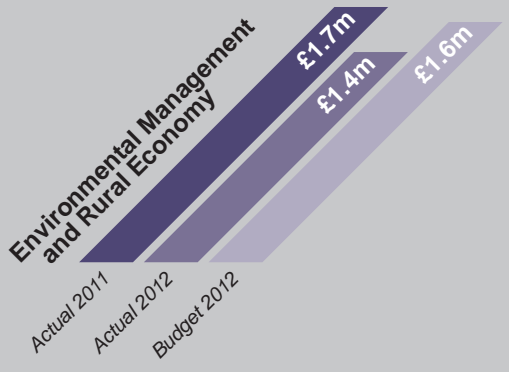
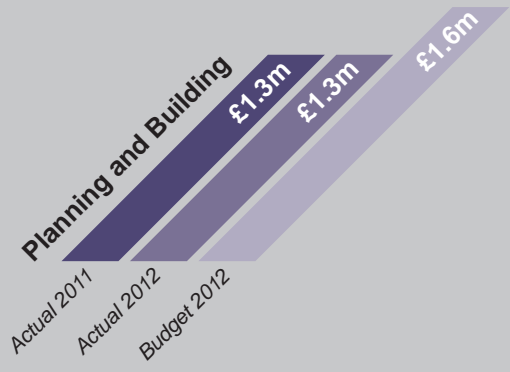


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

	2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
	326	-	326	466	-	466	308	-	308	382	-	382
	(26)	-	(26)	45	-	45	(5)	-	(5)	62	-	62
	1,001	19	1,020	1,120	19	1,139	971	20	991	871	19	890
	1,301	19	1,320	1,631	19	1,650	1,274	20	1,294	1,315	19	1,334
	1,599	-	1,599	1,626	-	1,626	1,667	-	1,667	1,440	-	1,440
	1,238	-	1,238	1,266	-	1,266	1,432	-	1,432	1,235	-	1,235
	916	-	916	935	-	935	886	-	886	928	-	928
	463	26	489	475	26	501	439	28	467	460	26	486
	658	101	759	675	101	776	706	49	755	625	49	674
	264	1	265	272	1	273	236	1	237	246	1	247
	5,138	128	5,266	5,249	128	5,377	5,366	78	5,444	4,934	76	5,010
	6,439	147	6,586	6,880	147	7,027	6,640	98	6,738	6,249	95	6,344

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £3.8m

Duties, Fees, Fines and Penalties

During 2011 planning application fees were a lot higher than usual due to some large applications causing a year on year variance of £316,552 (10.4%). In 2012, planning application fees were still higher than budgeted but this was offset by a reduction in building fees due to fluctuations in the construction industry and delays in granting waste licenses. The overall effect was a decrease against budget of £104,342 (3.7%).

Sales of Goods and Services

Income from sales of goods and services was broadly in line with the budget, with a variance of £4,114 (0.5%). The decrease in income from 2011 of £16,373 (2.1%) was due to sales of blue tongue vaccinations and a higher level of laboratory sampling work during 2011 than in 2012.

Other income

The increase in income on final approved budget £87,907 (51.6%) relates to a higher level of income from mapping license sales and also an unbudgeted drawdown of monies held on the balance sheet, with a corresponding expenditure from premises and maintenance to meet various planning obligations such as transport initiatives. This drawdown was lower in 2012, which led to the reduction in other income from 2011 of £14,315 (5.3%).

Non Cash Expenditure £0.1 m

Non cash expenses were lower than budgeted by £52,045 (35.4%) this was due to capital projects not being completed in year, leading to a lower depreciation charge.

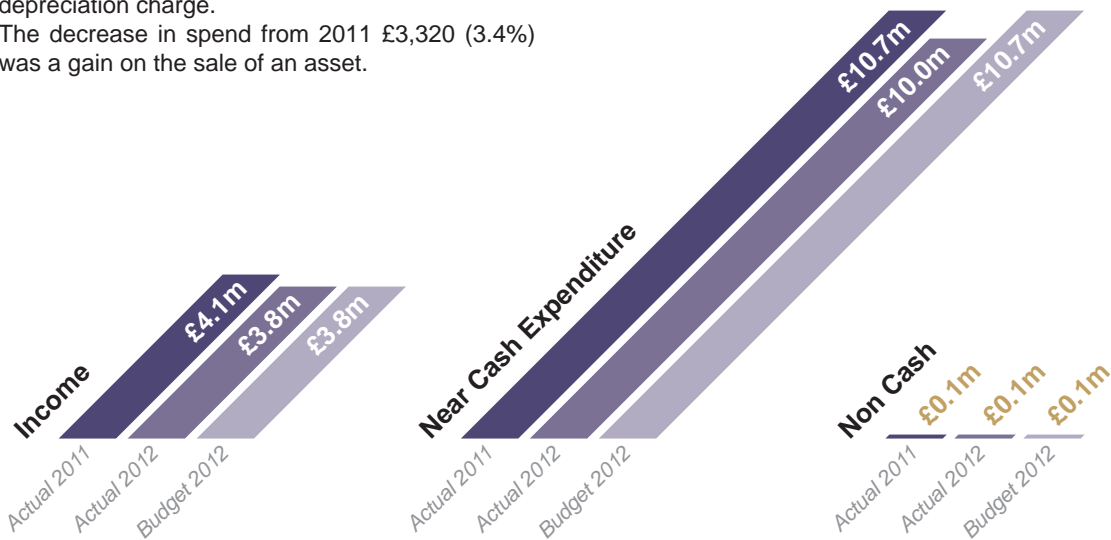
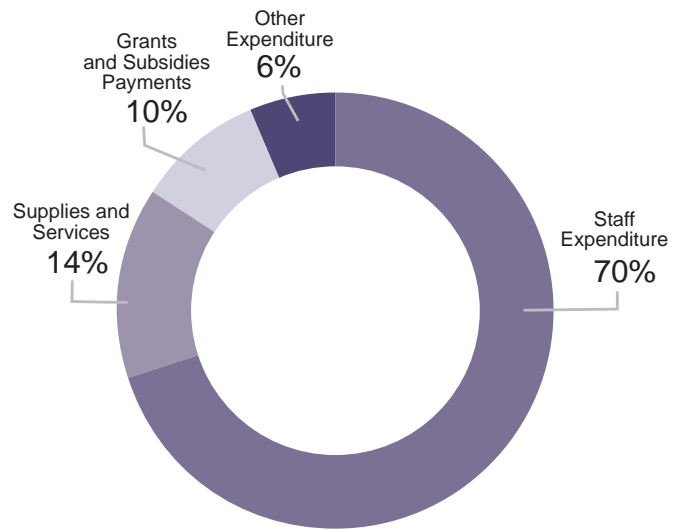
The decrease in spend from 2011 £3,320 (3.4%) was a gain on the sale of an asset.

Major Income Streams

	£'000
Duties, Fees, Fines and Penalties	2,741
Sales of Goods and Services	751
Other	258
Total Income	3,750

Near Cash Expenditure £10.0m

Near Cash Expenditure Analysis



Staff Expenditure

There was a decrease in spend on staff between 2011 and 2012 of £49,332 (0.7%) and an underspend on budget of £88,933 (1.3%) caused by delays in recruitment to vacancies.

Supplies and Services

There was an underspend on budget of £614,566 (30.2%) made up of general underspends across the department of £450,566 and restructuring allocations of £164,000 due to delays in projects to 2013; these amounts have therefore been requested as carry forwards to allow projects to be completed.

The increase in spend from 2011 of £40,923 (3.0%) was on consultants and hired services due to delays in recruitment during 2012.

Grants and Subsidies Payments

The underspend on budget of £78,637 (7.6%) and the decrease in spend from 2011 £534,686 (35.9%) was in part due to a reduction in Energy Efficiency Scheme allocations in year of £232,785 and CRS grants of £304,795 due to the effects of different parts of the two schemes starting and finishing.

Statement of Financial Position

There has been a reclassification of assets from Property, Plant and Equipment to Intangible Assets in year.

A provision of £40,000 has been made in 2012 relating to a planning appeal against the department. Trade and other payables includes income which has been deferred to match work completed on planning and building applications. This has shown a reduction on the prior year due to lower levels of applications submitted during 2012.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
2,846	2,846	Duties, Fees, Fines and Penalties	3,058	2,741
755	755	Sales of Goods and Services	767	751
170	170	Other Income	272	258
3,771	3,771	Total Revenue	4,097	3,750
		Expenditure: Near Cash		
7,037	7,095	Staff Expenditure	7,055	7,006
1,626	2,037	Supplies and Services	1,382	1,423
127	127	Administrative Expenditure	121	114
387	359	Premises and Maintenance	493	457
-	-	Other Operating Expenditure	197	44
1,033	1,033	Grants and Subsidies Payments	1,489	955
10,210	10,651	Total Expenditure: Near Cash	10,737	9,999
6,439	6,880	Net Revenue Expenditure: Near Cash	6,640	6,249
		Non Cash Amounts		
147	147	Depreciation and Amortisation	98	98
-	-	(Gain) on Disposal of Non-Current Assets	-	(3)
147	147	Total Non Cash Amounts	98	95
6,586	7,027	Net Revenue Expenditure	6,738	6,344

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	855	776	696
Intangible Assets	39	19	146
Assets Under Course of Construction	-	230	203
Total Non-Current Assets	894	1,025	1,045
Current Assets			
Trade and Other receivables	705	143	181
Total Current Assets	705	143	181
Total Assets	1,599	1,168	1,226
Current Liabilities			
Trade and Other Payables	4,241	4,392	3,762
Provisions for liabilities and charges	502	100	40
Total Current Liabilities	4,743	4,492	3,802
Total Assets Less Current Liabilities	(3,144)	(3,324)	(2,576)
Assets Less Liabilities	(3,144)	(3,324)	(2,576)
Taxpayers' Equity			
Accumulated Revenue Reserves	(3,144)	(3,324)	(2,576)
Total Taxpayers' Equity	(3,144)	(3,324)	(2,576)

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
White Paper implementation	507
Invest to Save schemes	412
Primary Care review	300
Net Underspend	1,219

Despite the significant financial challenges the Department has faced, the operational spend for 2012 is breakeven against budget. This position has been achieved through improved governance and robust financial management in the year.

The overall out-turn against budget for 2012 is a £1.2 million underspend which relates entirely to one off funding for specific issues. It is anticipated that this funding will be carried forward to fund those specific issues in 2013.

The non operational underspend comprises three main elements which are summarised in the key variances from budget table and described fully below.

At the end of June 2012 the Department was allocated additional non recurrent funding of £1.7 million to commence White Paper initiatives which will reform the delivery of Health and Social Services throughout the period of the MTFP. Funding received in 2012 was used for Children's respite services, End of Life services, Carer's support and Intermediate Care. An amount totalling £0.5 million remained unspent at the end of the year; this funding will need to be carried forward to continue pilot projects in 2013 until the full services described in the White Paper are implemented.

The phased implementation of CSR Invest to Save schemes have resulted in an underspend against budget of £0.4 million which will be required to be carried forward to complete these schemes in 2013.

One of the key enablers to the complex reform of Health and Social Care is the development of a new model of Primary Care. P.82/2012 identified that this work needed to be done, and the Social Security Department transferred £0.3 million in December 2012, to carry out this work in 2013. A request has been made to carry forward this funding.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	172,268
2011 Carry Forward	1,648
2012 Business Plan	5,616
2012 in year funding	2,612
2012 additional income	(2,312)
CSR Savings	(2,045)
Other Variances	273
2012 NRE	178,060

Net Revenue Expenditure (NRE) has increased by £5.8 million in 2012 compared to 2011. The main drivers being a non-recurrent carry forward from 2011, increased funding provided in the 2012 Business Plan and non-recurrent funding in 2012 to commence White Paper initiatives, and to fund Invest to Save schemes and the 2012 pay award. The Department received additional income from private patient activities, overseas visitors, charitable organisations and special funds. These increases were offset by £2.0 million of CSR savings.

The carry forward from 2011 funded Capital investment in endoscopy services, the CSR Programme Management Office, and additional equipment in the Hospital. In 2011, the life of Tamiflu drugs were extended by the manufacturer and resulted in a write back of inventories previously written off. As a result the department carried forward £0.5 million which has been utilised in a provision for the final write down of the same inventory in 2012, being the final winter that the drugs could be used.

The funding provided in the 2012 Business Plan was allocated to the Department's high cost pressures including UK specialist treatments, community off-island placements and drugs budgets. Funding was also allocated to developing services, in particular the bowel cancer screening programme, the Emergency Admissions Unit and the investment in nursing staff.

The Department received net additional funding of £3.8 million during the year. £2.6 million of this funding was spent during the year, including £1.2 million on service improvements under the white paper, £0.9 million on a non consolidated pay award and £1.0 million on invest to save schemes including the Programme Management Office, offset by a transfer of £0.4 million to Capital projects and an amount of £0.1 million with respect to central procurement savings. The £1.2 million underspend against budget has been requested as a carry forward for 2013 to complete projects started in 2012.

The Department successfully achieved its CSR target of £2.0 million for 2012.

Minister's Overview

The Department has faced a challenging year in 2012. An increase in off-island adult and children placements, acute treatments in UK Hospitals, drugs expenditure and the rising cost of medical insurance have all resulted in significant cost pressures in the year. Through improved planning, monitoring and forecasting the Department has managed these pressures ensuring that operational spend has been contained within budget. These pressures will undoubtedly continue into the future.

Whilst resources have been constrained, the Department has continued its investment in new services and treatments to improve the health care of islanders. During the year the first phase of the Intensive Care Unit was opened. This has provided a better level of care through modern facilities and an improved level of dignity for patients. A recent Picker survey showed a high level of patient satisfaction with many respondents concluding that the Hospital provided "a very good experience." Planning and preparation for the Bowel Screening programme for all islanders over 60 also commenced in 2012.

In the community the Department invested with the Education, Sport and Culture Department to improve Speech and Language services for young children. In December 2012, the Department's Help2Quit stop smoking service was moved to community pharmacies, helping islanders by having somewhere nearby to seek advice. The Public Health Department teamed up with the Parish of St Helier to launch a pink truck, providing important reminders about women's health.

The process of change in health and social care commenced over 2 years ago. It began with detailed analysis of the current state of the island's healthcare and through consultation resulted in the green paper about the possible solutions. Islanders, health and social care professionals, voluntary and community sector organisations and others were asked what needed to change. In October 2012, the States Assembly debated P82/2012, one of the most significant propositions ever considered by the Assembly. That proposition, underpinned by a White Paper, set out the case for fundamental change in the way we care for the health and wellbeing of Islanders. This was overwhelmingly supported by States Members and has implications for everyone in Jersey today and into the future.

In 2012 the Department received additional funding to commence the initiatives set out in the White Paper. This included investment in children's respite services, end of life services, carer's support and intermediate care. The initial impact of this investment has been very encouraging.

For the second consecutive year, the Department delivered its Comprehensive Spending Review (CSR) savings amounting £2.0 million, the target for 2013 is a

Minister's Overview

further £2.0 million. As we are now entering the third year of CSR, this task is considerable, and coupled with the service transformation work, will be a significant challenge.

The States agreement in November 2012 to the first MTFP provided the Department with a 3 year programme of funding from which the Department can now budget for the White Paper transition as well as providing for increases in existing activity and implementing new services and treatments up until the end of 2015. The Treasury, under P82/2012, are charged with bringing back a long term sustainable funding proposal to the States by September 2014.

Future Developments

In January 2013 the department received its first year of White Paper recurrent funding under the MTFP, enabling the implementation of the service changes outlined in the White Paper. It is planned that implementation will commence during 2013; in the interim the Department will continue the pilot schemes initiated in 2012.

The MTFP allocated £6.0 million to the department in 2013 for the re-provision of adults' and children's care homes. Within the Hospital an amount of £3.9 million will fund the continued upgrade of Theatres with additional amounts set aside with respect to the feasibility study of the new Hospital.

Included in P82/2012 is the proposal to develop a new model of Primary Care (including General Medical Practitioners, Dentists, high street Optometrists and Pharmacists). This work will commence during 2013. In addition, particular attention within P82/2012 is towards the vision for services for children with the aim to improve outcomes for children measured in terms of their health, social wellbeing and educational attainment. One of the development needs is that of children's respite services with the overall aim to enable children and their families to gain early access to the right support and enable those families to stay together for longer.

2013 represents the final year of targets under the Comprehensive Spending Review. Savings and efficiencies are now firmly embedded in the Department with the introduction of LEAN methodology in 2012. The implementation of demonstrator projects in 2013 will ensure that the Department places patient care and safety at the heart of delivering efficient and effective services.

The Department, in consultation with its Clinicians, is developing an Acute Services Strategy. This will set out the plans for development of acute hospital services over the coming years, taking account of changing demographics, demand and expected changes in treatments, NICE (National Institute for Health and Clinical Excellence) guideline and clinical standards. Business cases will be developed over 2013 and 2014 for consideration in the next MTFP.

Staff FTE

At the year end the Department employed the equivalent of 2,333 full time equivalent employees. This is an increase of 23 (0.1%) from 2011. The majority of this increase is due to nursing posts.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	173,799
Carry Forwards	1,649
Allocation of Contingency	3,928
Allocation of Additional Funding	(40)
Transfer to/from Capital	(447)
Departmental Transfers	389
Final Approved Budget	179,278

This Department's baseline budget for 2012 was £173.8 million as described in the 2012 Business Plan.

The original budget voted in the Business Plan was increased by £5.5 million during the year. The main reasons for this increase are the non-recurrent carry forward of £1.6 million from 2011 (detailed previously) and an allocation of £3.9 million from the States central contingency during the year as detailed below.

Contingency allocations comprised £1.7 million for White Paper initiatives (outlined above), £0.9 million for the 1% non-consolidated pay award paid in 2012, and £1.4 million from the restructuring fund for specific CSR invest to save initiatives. These funding allocations were offset by a reduction in budget of £0.1 million with respect to central procurement savings removed from the Department's budget.

The net transfer to Capital comprises the investment in bowel cancer screening equipment and the development of IT systems.

Departmental transfers of £0.4 million comprise a number of small transfers from other departments. The largest of these being the transfer of £0.3 million from the Social Security Department to fund work to be done in 2013 to develop a new model of Primary Care.

Detailed Financial Analysis Snapshot summary

Underspend
£1,218,626 (0.7%)
 against Near Cash Final Approved Budget

Net Revenue
 Expenditure
£178,060,437
3.4%
 increase on 2011

Service Analysis

Hospital Services **£107.6m**

During the year Hospital services net expenditure has increased by £2.3 million and including direct and indirect costs was £0.4 million under spent against budget.

The net underspend against budget of £0.4 million is largely the result of an underspend on invest to save CSR schemes, for example energy saving schemes, including work on the boilers. These have been proposed for carry forward into 2013.

The 2012 Business Plan provided funding for a key number of areas within Hospital services, in particular the investment in nursing, the growth in activity of acute UK specialist treatments, drugs inflation and usage, and the increasing cost of hospital supplies.

Key reasons for the increase in spend in 2012 from 2011 of £2.3 million include the increased activity and incidence of high cost patients requiring acute UK specialist treatments. This is reflected in the increase in expenditure on Tertiary care from 2011. The increased usage of high cost drugs and implementation of new drug treatments under NICE guidance led to an increase in expenditure from 2011 of £0.7 million and is reflected in both the increase in expenditure on day stay and outpatient services and clinical support services. Expenditure on medical staffing increased by £0.5 million and the cost of medical malpractice insurance also increased by £0.6 million in 2012. A large proportion of this is reflected in the increase in women and children services and unscheduled and emergency care services from 2011. This spend is offset against increased income generation largely from private patient services and is reflected in the reduction in net expenditure of Hospital Inpatient services and Theatre services.

The additional increased expenditure in Clinical Support services reflects the write down of Tamiflu stock in 2012. This has contributed to an increase in Hospital services spend of £1.3 million in 2012 compared to 2011.

Public Health Services **£2.5m**

Public Health services net expenditure has reduced by £0.04 million on 2011 and was £0.5 million under spent against budget.

The Business Plan for 2012 provided funding for the planning and preparation to introduce the Bowel Cancer screening programme. This spend is shown against Theatre services in the Hospital where it was incurred. This together with the pro-active management of vacancies and re-organisation of the Department, accounts for the majority of the underspend.

Community & Social Services **£65.4m**

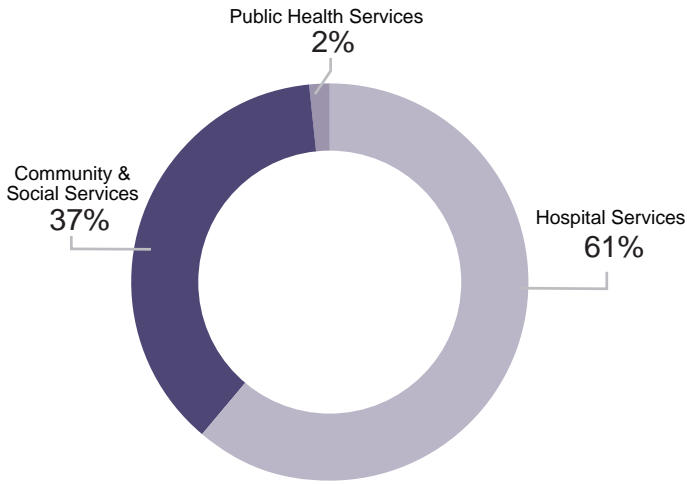
Community and Social Services net expenditure has increased by £3.1 million compared to 2011. The break even position against budget is the result of an operational over spend offset by the proposed carry forward relating to the underspend on 2012 White Paper initiatives.

The Business Plan for 2012 allocated additional funding in particular for the forecast increase in high cost off-island community placements.

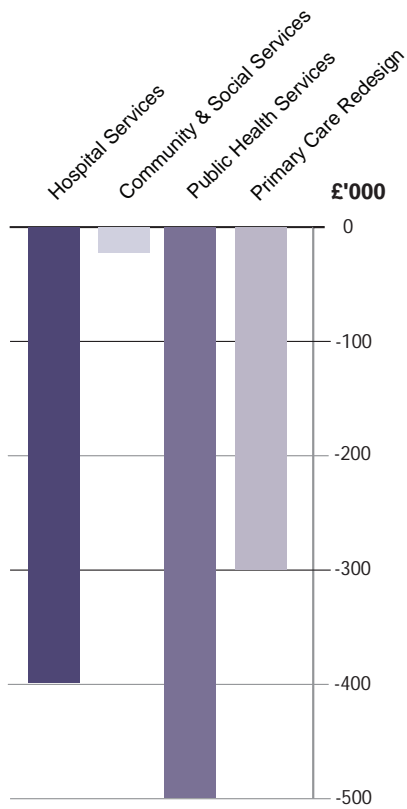
Actual spend for 2012 increased by £3.1 million over 2011 and is partially the result of the full year impact of UK placements in Adult Mental Health and Children's services, which led to an increase in expenditure of approximately £1.5 million. The expenditure on White Paper pilot projects increased expenditure in Older Peoples, Adults and Children's Services by £0.6 million from 2011. Community services experienced additional pressures relating to care packages in adults, older people and special needs services which increased expenditure in 2012 from 2011. These increases were offset by additional income derived from activity increases in elderly long term care.

Primary Care Redesign **£0.0m**

The underspend against budget relates to the transfer from Social Security in December 2012 to fund work to be done in 2013 to develop a new model of Primary Care.

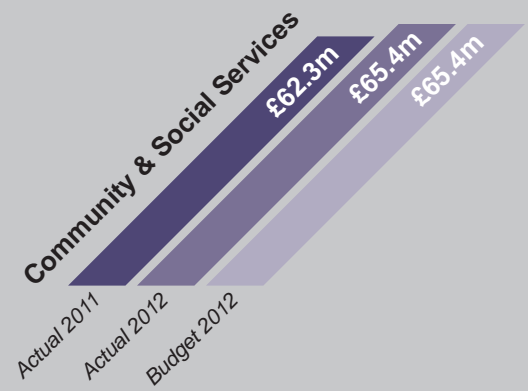
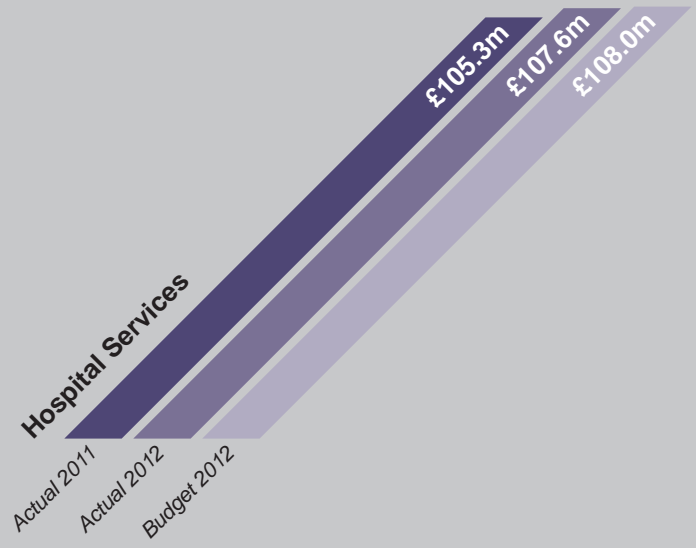


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
3,636	24	3,660	2,947	24	2,971	2,486	5	2,491	2,448	14	2,462
26,612	156	26,768	27,083	156	27,239	25,984	117	26,101	24,722	185	24,907
14,913	323	15,236	15,199	323	15,522	15,370	307	15,677	14,858	344	15,202
10,078	110	10,188	10,270	110	10,380	10,139	105	10,244	10,407	98	10,505
6,451	54	6,505	6,568	54	6,622	6,357	14	6,371	6,684	21	6,705
15,274	117	15,391	15,551	117	15,668	14,546	96	14,642	15,061	133	15,194
8,265	-	8,265	8,265	-	8,265	9,645	-	9,645	10,574	-	10,574
19,823	1,428	21,251	20,730	1,428	22,158	18,755	1,169	19,924	20,975	1,332	22,307
4,273	213	4,486	4,343	213	4,556	4,528	209	4,737	4,330	228	4,558
105,689	2,401	108,090	108,009	2,401	110,410	105,324	2,017	107,341	107,611	2,341	109,952
16,298	51	16,349	18,094	51	18,145	16,400	41	16,441	17,551	75	17,626
24,468	54	24,522	25,400	54	25,454	25,037	31	25,068	26,230	78	26,308
14,421	35	14,456	14,872	35	14,907	14,265	21	14,286	14,951	50	15,001
6,700	23	6,723	7,068	23	7,091	6,625	16	6,641	6,681	30	6,711
61,887	163	62,050	65,434	163	65,597	62,327	109	62,436	65,413	233	65,646
-	-	-	300	-	300	-	-	-	-	-	-
171,212	2,588	173,800	176,690	2,588	179,278	170,137	2,131	172,268	175,472	2,588	178,060

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

2. The final approved budget reflects the allocation of the income from the Health Insurance Fund (HIF) in accordance with audit of the HIF transfer by Treasury.

Financial Statements

Income £24.9m

Total income received in 2012 has increased by £2.3 million from 2011 and is £3.0 million over recovered against budget.

Work undertaken in the year to ensure full cost recovery for private patient activity has resulted in an increase in income of £1.4 million from 2011. Additionally £0.6 million related to increased demand for both private and GP referred clinical support tests, together with increased numbers of overseas patients and activity increases in elderly long term care. Other charitable and special fund income contribute to the majority of the remaining increases from 2011.

Non Cash Expenditure £2.6m

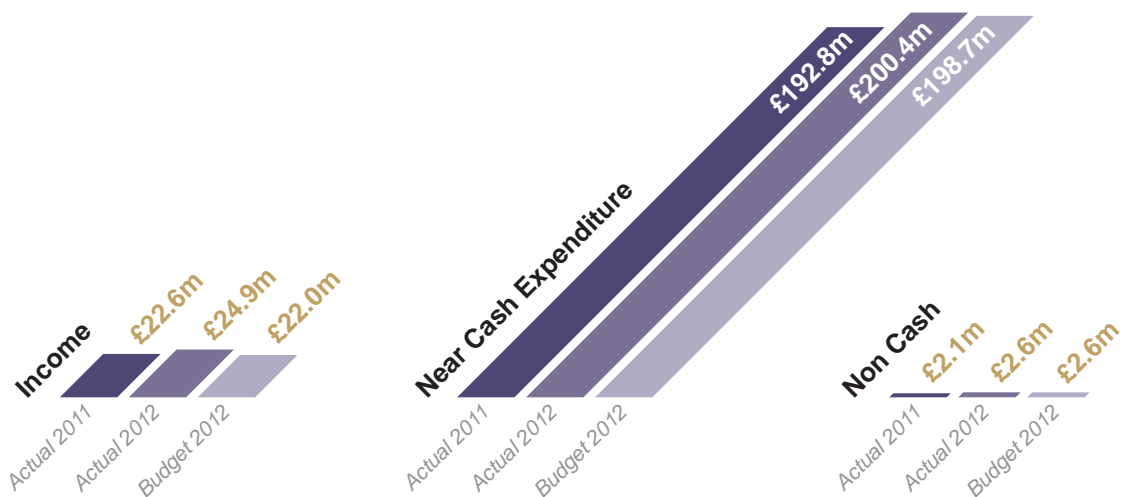
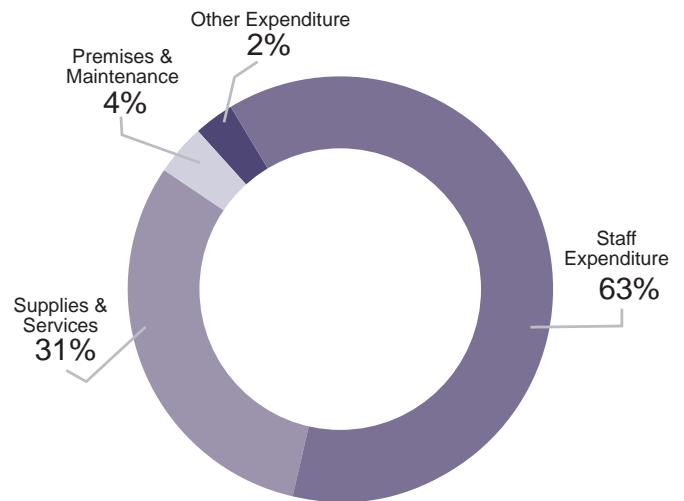
The increase in non cash expenditure from the prior year is the direct result of a full year charge on the integrated care record system that was fully capitalised at the end of 2011.

Major Income Streams

	£'000
Income from services	17,150
HIF income	6,131
Other income	1,665
Total Income	24,946

Near Cash Expenditure £200.4m

Near Cash Expenditure Analysis



Staff Expenditure **£126.3m**

Total staff costs have increased by £2.2 million during 2012. The main contributors to the increase are the investment in medical staffing including junior, middle grade and consultants, increasing staff spend by £0.6 million; the 2012 pay award of £0.9 million; the investment in White Paper service initiatives of £0.4 million and the full year funding of the CSR Programme Management Office of £0.3 million.

The underspend against budget represents less than 1.5% of the staff budget. A routine level of underspend against budget is planned and expected reflecting the routine turnover of staff. In addition, proactive management of non front-line vacancies is one aspect of managing financial pressures and balancing operational budgets. The non operational underspend of £1.2 million includes a significant element of staff budget which is also reflected in the overall underspend against staff budgets.

Supplies and Services **£61.1m**

Expenditure on supplies and services increased by £4.2 million compared to 2011 and was £2.9 million over spent against budget.

The full year effect of increased activity in Community in UK Adult Mental Health and Children's Services placements, have increased spend in supplies and services by approximately £1.5 million in the year. Activity and incidences of high cost specialist UK treatments have also increased spend by £1.0 million in 2012. Drugs spend has increased by £0.8 million, as a result of usage caused by the introduction of new drugs recommended by NICE. The uplift in medical insurance premiums, amounted to a £0.5 million increase in expenditure in 2012. £0.4 million was reallocated from grants to supplies and services to reflect new service contracts with a number of voluntary and charitable sector organisations.

Other Expenditure **£13.0m**

The increased expenditure from 2011 of £1.3 million largely reflects the write down of Tamiflu stock in 2012 that had been written back in 2011 due to an extension by the manufacturer of the expiration date. The net effect of this stock movement is a £1.3 million increase in expenditure from the prior year.

The reallocation of contracted services from grants has resulted in an underspend against budget within grants of £0.4 million in 2012, as described in Supplies and Services. This trend will continue as the department develops its service contracts with voluntary and charitable sector organisations.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000		£'000	£'000
		Revenue		
4	4	Duties, Fees, Fines and Penalties	4	4
15,450	15,450	Sales of Goods and Services	15,380	17,150
6,518	6,518	Other Income	7,235	7,792
21,972	21,972	Total Revenue	22,619	24,946
		Expenditure: Near Cash		
1,099	1,099	Social Benefit Payments	984	964
126,934	127,995	Staff Expenditure	124,108	126,275
54,183	58,187	Supplies and Services	56,940	61,136
1,079	1,079	Administrative Expenditure	1,175	1,258
7,159	7,572	Premises and Maintenance	7,470	7,995
2	2	Other Operating Expenditure	(489)	878
2,686	2,686	Grants and Subsidies Payments	2,407	1,839
10	10	Impairments of Financial Assets	125	30
32	32	Finance Costs	36	43
193,184	198,662	Total Expenditure: Near Cash	192,756	200,418
171,212	176,690	Net Revenue Expenditure: Near Cash	170,137	175,472
		Non Cash Amounts		
2,588	2,588	Depreciation and Amortisation	2,113	2,573
-	-	Loss on Disposal of Non-Current Assets	18	15
2,588	2,588	Total Non Cash Amounts	2,131	2,588
173,800	179,278	Net Revenue Expenditure	172,268	178,060
173,800	179,278	Total Comprehensive Expenditure	172,268	178,060

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	8,907	8,304	8,084
Intangible Assets	3,654	4,137	3,480
Loans & Advances	500	-	-
Total Non-Current Assets	13,061	12,441	11,564
Current Assets			
Inventories	3,577	4,463	4,023
Loans & Advances	-	500	-
Trade and Other receivables	3,918	4,054	4,978
Cash and Cash Equivalents	10	10	11
Total Current Assets	7,505	9,027	9,012
Total Assets	20,566	21,468	20,576
Current Liabilities			
Trade and Other Payables	8,218	8,185	11,056
Provisions for liabilities and charges	1,668	-	-
Total Current Liabilities	9,886	8,185	11,056
Total Assets Less Current Liabilities	10,680	13,283	9,520
Non-Current Liabilities			
Provisions for liabilities and charges	218	150	333
Total Non-Current Liabilities	218	150	333
Assets Less Liabilities	10,462	13,133	9,187
Taxpayers' Equity			
Accumulated Revenue Reserves	10,284	12,972	9,015
Donated Asset Reserve	178	161	172
Total Taxpayers' Equity	10,462	13,133	9,187

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Response and Reassurance Policing	1,026
Residential Accommodation	415
Police Authority	100
Other Variances	440
Net Underspend	1,981

The underspend of £1,980,815 against the Near Cash Final Approved Budget is in line with in year forecasts.

The underspend relating to the States of Jersey Police Response and Reassurance Policing includes funds carried forward from 2011 which are required for carry forward to 2013 to support slippage in the delivery of CSR savings.

The underspend relating to Residential Accommodation at the Prison is partially offset by overspends on Prisoner Activity and Operations and Administration; this reflects the operational requirements of the Prison.

The establishment of a Police Authority has been delayed to 2013.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	48,249
TETRA	(946)
UK Defence	385
Other Variances	100
2012 NRE	47,788

The Department's Net Revenue Expenditure reduced by £461,028 between 2011 and 2012.

Revenue costs relating to the replacement of the Terrestrial Trunked Radio (TETRA) project were reduced in 2012 as the project was completed and is now fully operational.

UK Defence costs increased in 2012 compared to 2011 as the Department benefited from a reduced net charge in 2011 from the Ministry of Defence as a result of an adjustment for returned equipment.

HOME AFFAIRS DEPARTMENT

Minister's Overview

2012 was a very good year for the Home Affairs Department. Despite the need to find CSR savings of £1.1 million, all the various Services were able to continue to deliver high quality front-line services.

The States of Jersey Police saw a further 4% drop in crime levels. The Prison Service saw an average drop of around 25 in prisoner numbers. The Fire and Rescue Service performed particularly well in dealing with the Gasworks fire. The levels of youth crime continued to fall dramatically.

Some of the CSR savings projected have been difficult to deliver in their original form but in some cases alternative savings have been made instead. In other cases savings have been made earlier thus enabling a substantial underspend to be established in 2012 which will need to be carried forward to 2013 as a buffer against delays in the delivery of the full CSR savings.

2012 saw the appointment of a second accounting officer for the Home Affairs Department. Following issues highlighted by the Historical Child Abuse Enquiry conducted by the States of Jersey Police, discussions were undertaken with the Treasurer of the States on how to improve the level of assurance the Chief Officer, Home Affairs was able to give relating to the States of Jersey Police expenditure given that he is the Accounting Officer for the Home Affairs Department but has no line management responsibility or operational control over the States of Jersey Police. The Treasurer of the States and Minister for Treasury and Resources subsequently agreed that the Chief Officer, States of Jersey Police should be appointed as an accounting officer with effect from 1 January 2012. The Department's net revenue expenditure was allocated between accounting officers by Ministerial Decision at the start of 2012.

Minister's Overview

The Department has taken important new legislation through the States successfully that will pave the way for revenue savings to be made or income to be generated. The Repatriation of Prisoners (Jersey) Law 2012 will enable foreign prisoners to be returned to their home jurisdictions at an earlier stage in their sentences. The Fire and Rescue Service (Jersey) Law 2011 and the associated Fire Precautions subordinate legislation will mean that the Service can increase fees and income through training programmes.

Future Developments

In 2013 the Department will continue to deliver the 2011-2013 programme of CSR savings. The overall savings programme will continue to be tightly managed to ensure that the Department achieves the savings for 2013 and beyond. I remain confident that the public will not suffer any significant reductions in service provision, particularly amongst our uniformed, front-line services.

The States of Jersey Police Force Law, which contains provision for a Police Authority, was registered in October 2012 and will be brought into force in 2013. Funding has been included in the Department's net revenue expenditure for this new provision.

There have been delays in the extension of the Council of Europe Convention on the Transfer of Sentenced Persons to Jersey and the introduction of unrestricted transfers of prisoners to the UK which will impact on the delivery of CSR savings in 2013.

Staff FTE

At the year end the Department employed the equivalent of 640 full time employees. This is a decrease of 2 (0.3%) from 2011, and is due to the delivery of CSR savings.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	48,584
Carry Forwards	1,454
Allocation of Contingency	341
Allocation of Additional Funding	-
Transfer to/from Capital	(653)
Departmental Transfers	11
Final Approved Budget	49,737

In 2012 adjustments to the original budget voted in the Business Plan totalling £1,152,751 were made. This amount represents:

- carry forward of unspent funds from 2011 to support service delivery in 2012 and 2013 (£1,453,535);
- net transfers from contingency funds for the costs associated with the 2012 non-consolidated pay award, backfilling staff costs relating to the Criminal Justice Review and VR costs as part of the CSR process and CSR procurement savings (£341,460);
- net transfers to capital to properly reflect revenue and capital expenditure (£652,992);
- transfer of staff costs from the Treasury and Resources Department due to a change in accountability (£10,748).

Detailed Financial Analysis Snapshot summary

Underspend
£1,980,815 (4.0%)
 against Near Cash Final Approved Budget

Net Revenue
 Expenditure
£47,788,325 (1.0%)
 decrease on 2011

Service Analysis

States of Jersey Police **£23.4m**

The underspend against budget is mainly due to the carry forward funding from 2011 required for carry forward to 2013, staff vacancies and savings in advance of CSR proposals.

The decrease in expenditure from 2011 is due to the reduction in income received. In 2011 £404,000 was received from the Criminal Offences Confiscation Fund (COCF), and a reduction in staff costs mainly associated with Police operations.

Fire and Rescue Service **£5.1 m**

The underspend against budget is mainly due to income received over the budgeted amount, in particular for fire safety training, petroleum licences, and staff vacancies.

The increase in expenditure from 2011 is due to the purchase of specialist equipment and building repairs and maintenance.

Customs and Immigration Service **£5.5m**

The underspend against budget is mainly due to income received over the budgeted amount for immigration fees and legalisation of document fees, due to an increase in the level of fees to align them with UK fee rates. The income budgets for 2013 have been adjusted accordingly.

The increase in expenditure from 2011 is less than 0.7%.

Jersey Prison Service **£10.9m**

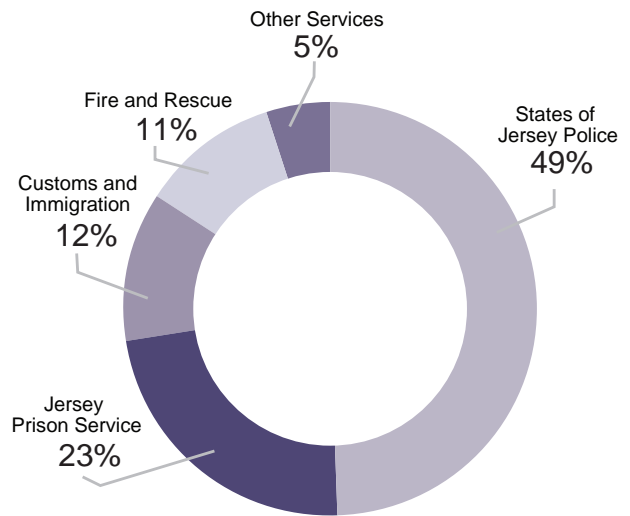
The underspend against budget is mainly due to non-staff costs as budget holders delayed expenditure in order to manage priorities in 2012 and the allocation of Home Affairs overhead costs.

The increase in expenditure from 2011 is mainly due to staff costs as the States Employment Board (SEB) approved the move to a new pay spine for Prison Officers in 2011, which included a pay award in 2012 outside the offer made to other pay groups in 2012.

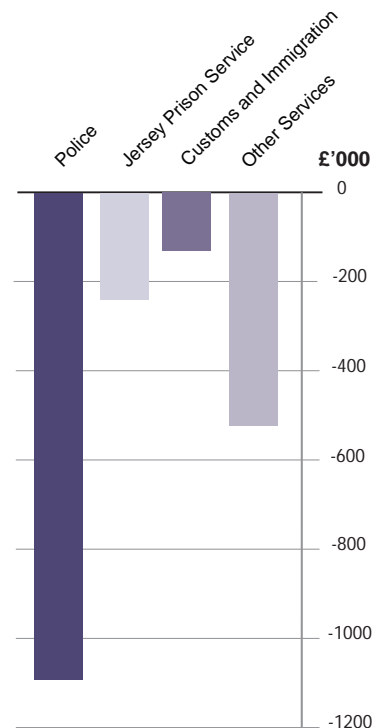
Other Services **£2.3m**

Other services include the Jersey Field Squadron, Building a Safer Society and the Superintendent Registrar.

The increase in expenditure from 2011 is mainly due to the Jersey Field Squadron UK Defence costs, as detailed in the performance against near cash approved budget section.

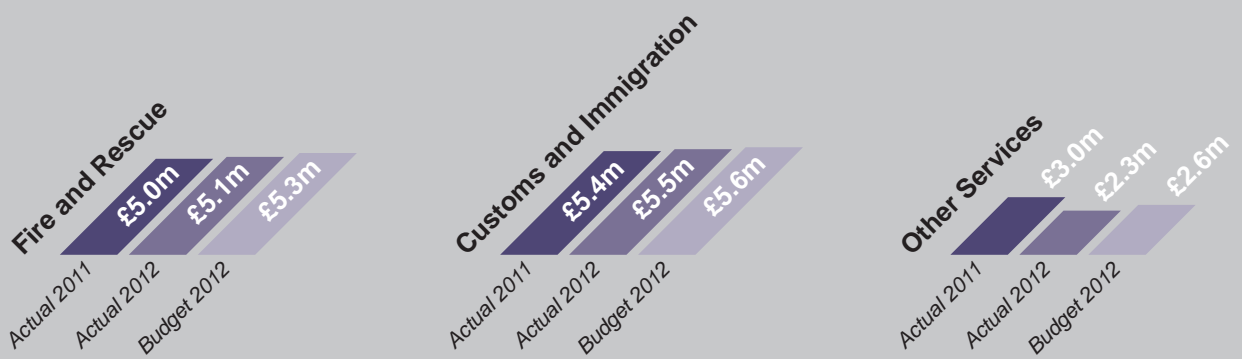
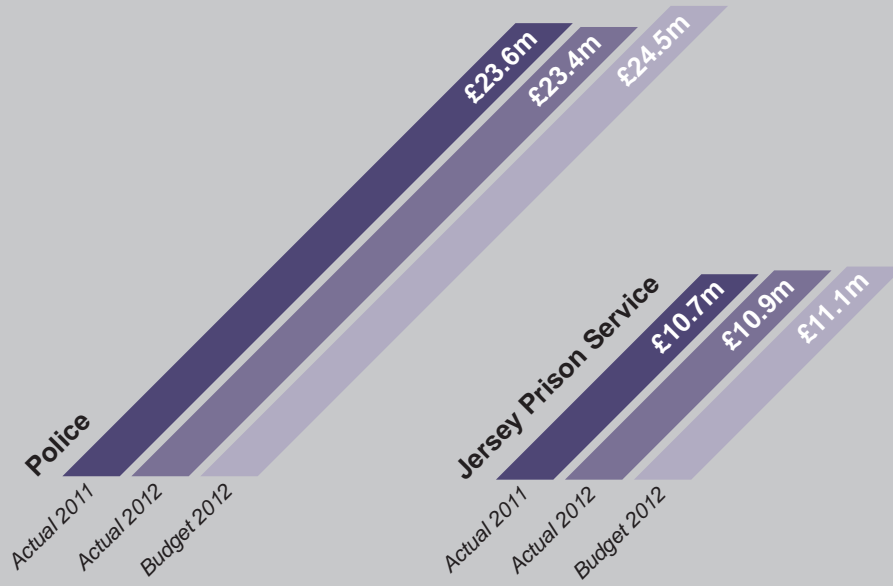


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

	2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
	77	-	77	77	-	77	73	-	73	72	-	72
	17	-	17	17	-	17	17	-	17	18	-	18
	100	-	100	100	-	100	44	-	44	-	-	-
	125	-	125	125	-	125	136	-	136	79	-	79
	300	-	300	344	-	344	256	-	256	334	-	334
	100	-	100	100	-	100	-	-	-	-	-	-
	-	-	-	92	-	92	1,218	-	1,218	92	-	92
	67	-	67	71	-	71	-	-	-	72	-	72
	168	-	168	169	-	169	151	-	151	142	-	142
	954	-	954	1,095	-	1,095	1,895	-	1,895	809	-	809
	11,412	121	11,533	11,623	121	11,744	11,367	116	11,483	10,597	148	10,745
	4,332	-	4,332	4,456	-	4,456	4,357	2	4,359	4,288	16	4,304
	1,412	-	1,412	1,453	-	1,453	1,336	-	1,336	1,317	-	1,317
	1,787	-	1,787	1,822	-	1,822	1,754	-	1,754	1,964	-	1,964
	1,590	-	1,590	1,624	-	1,624	1,548	-	1,548	1,807	-	1,807
	1,846	-	1,846	1,884	-	1,884	1,688	-	1,688	1,941	-	1,941
	1,571	-	1,571	1,619	-	1,619	1,501	-	1,501	1,476	-	1,476
	23,950	121	24,071	24,481	121	24,602	23,551	118	23,669	23,390	164	23,554
	4,331	212	4,543	4,644	212	4,856	4,370	218	4,588	4,480	224	4,704
	409	-	409	387	-	387	374	-	374	395	-	395
	247	-	247	223	-	223	219	-	219	227	-	227
	4,987	212	5,199	5,254	212	5,466	4,963	218	5,181	5,102	224	5,326
	1,071	-	1,071	1,061	-	1,061	990	-	990	1,075	-	1,075
	4,525	142	4,667	4,432	142	4,574	4,452	113	4,565	4,430	172	4,602
	115	-	115	119	-	119	4	-	4	(23)	-	(23)
	5,711	142	5,853	5,612	142	5,754	5,446	113	5,559	5,482	172	5,654
	8,062	103	8,165	8,109	103	8,212	6,935	97	7,032	7,694	55	7,749
	1,118	-	1,118	1,126	-	1,126	1,221	-	1,221	1,272	-	1,272
	1,698	-	1,698	1,899	-	1,899	2,550	-	2,550	1,929	-	1,929
	10,878	103	10,981	11,134	103	11,237	10,706	97	10,803	10,895	55	10,950
	1,068	13	1,081	1,072	13	1,085	665	13	678	1,055	8	1,063
	-	-	-	-	-	-	40	-	40	-	-	-
	9	2	11	9	2	11	10	2	12	5	2	7
	1,077	15	1,092	1,081	15	1,096	715	15	730	1,060	10	1,070
	434	-	434	487	-	487	412	-	412	425	-	425
	47,991	593	48,584	49,144	593	49,737	47,688	561	48,249	47,163	625	47,788

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £2.2m

Duties, Fees, Fines and Penalties include passport fees, immigration fees and legalisation of document fees, all of which are linked to UK fee levels.

The decrease in income from 2011 is due to non-recurring income received in 2011, namely a grant from the COCF (£404,000) and an adjustment from the Ministry of Defence as detailed earlier.

Non Cash Expenditure £0.6m

There is no significant budget variance or change since 2011 for depreciation charges.

Capital grant amortisation in 2012 was at the same level as in 2011.

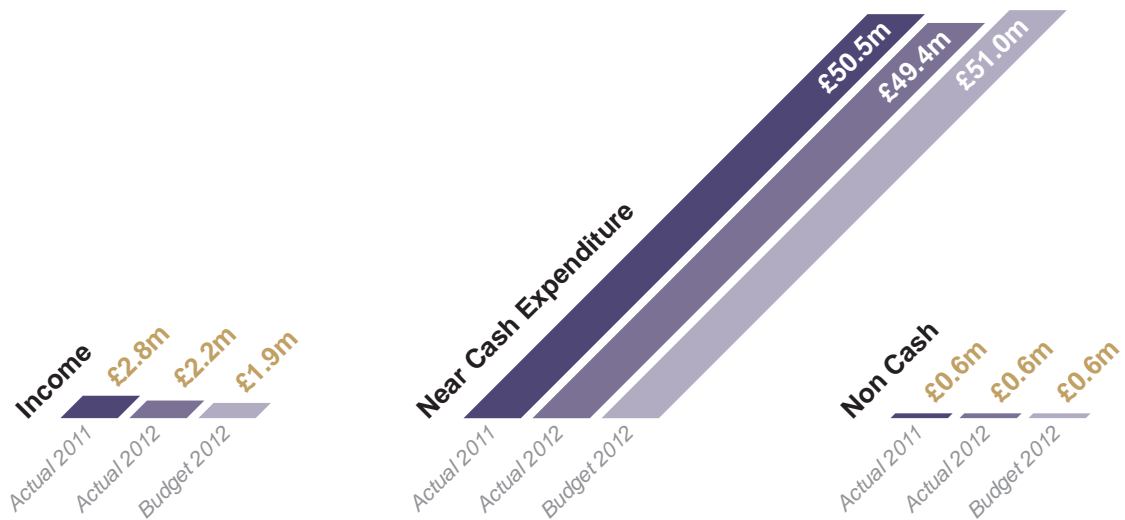
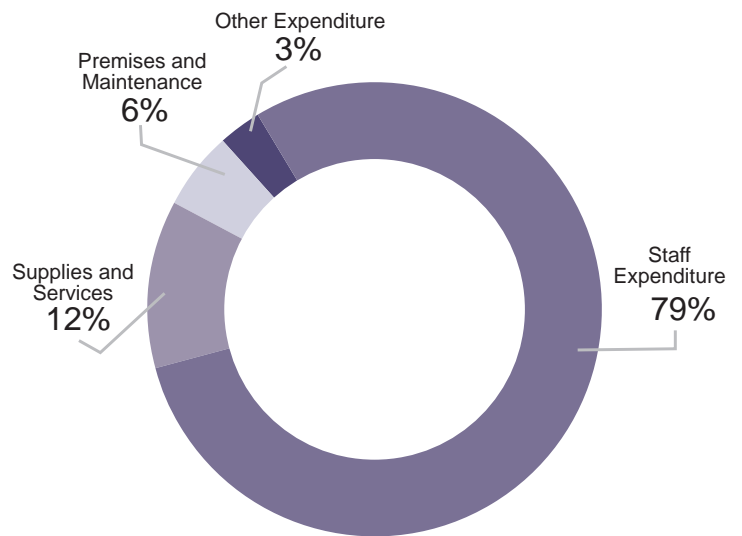
A small net gain on the disposal of non-current assets was the result of vehicle disposals by the States of Jersey Police.

Major Income Streams

	£'000
Duties, Fees, Fines and Penalties	1,273
Sale of goods and services	795
Other	176
Total Income	2,244

Near Cash Expenditure £49.4m

Near Cash Expenditure Analysis



Staff Expenditure

Expenditure on staff costs was 83% of the Department's net near cash expenditure in 2012 compared with 82% in 2011.

The underspend against the final approved budget is mainly due to funds carried forward from 2011 required for 2013 and staff vacancies. After internal budget movements the underspend against budget is £1.7 million.

The increase in expenditure from 2011 is less than 0.1%.

Supplies and Services

Expenditure on supplies and services was 12% of the Department's net near cash expenditure in 2012 compared with 14% in 2011.

The overspend against the final approved budget is mainly due to expenditure on hired services and specialist equipment purchases exceeding the budgeted amounts which has been managed by utilising underspends in other areas.

The decrease in expenditure from 2011 is mainly due to the reduced expenditure on the TETRA replacement project as it was completed in 2012.

Premises and Maintenance

Expenditure on premises and maintenance was 6% of the Department's net near cash expenditure in 2012 and 2011. Expenditure in 2012 did not vary significantly from the final approved budget or 2011 expenditure level.

Other Comprehensive Income

No other comprehensive income was received in 2012.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
1,103	1,103	Duties, Fees, Fines and Penalties	1,198	1,273
661	661	Sales of Goods and Services	861	795
32	127	Other Income	749	176
1,796	1,891	Total Revenue	2,808	2,244
		Expenditure: Near Cash		
39,935	41,198	Staff Expenditure	39,278	39,297
5,169	5,167	Supplies and Services	6,941	5,858
1,353	1,308	Administrative Expenditure	1,087	847
2,889	2,831	Premises and Maintenance	2,817	2,875
299	343	Other Operating Expenditure	235	341
132	178	Grants and Subsidies Payments	125	173
10	10	Finance Costs	13	16
49,787	51,035	Total Expenditure: Near Cash	50,496	49,407
47,991	49,144	Net Revenue Expenditure: Near Cash	47,688	47,163
		Non Cash Amounts		
593	593	Depreciation and Amortisation	593	686
-	-	Impairments of Property, Plant and Equipment	-	-
-	-	Impairments of Financial Assets	-	-
-	-	Capital Grant Amortisation	(34)	(34)
-	-	Loss/(Gain) on Disposal of Non-Current Assets	2	(27)
593	593	Total Non Cash Amounts	561	625
48,584	49,737	Net Revenue Expenditure	48,249	47,788
48,584	49,737	Total Comprehensive Expenditure	48,249	47,788

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	2,284	4,236	3,789
Intangible Assets	676	539	619
Total Non-Current Assets	2,960	4,775	4,408
Current Assets			
Inventories	-	-	55
Trade and Other receivables	193	317	346
Cash and Cash Equivalents	6	5	2
Total Current Assets	199	322	403
Total Assets	3,159	5,097	4,811
Current Liabilities			
Trade and Other Payables	3,445	3,809	3,676
Total Current Liabilities	3,445	3,809	3,676
Total Assets Less Current Liabilities	(286)	1,288	1,135
Assets Less Liabilities	(286)	1,288	1,135
Taxpayers' Equity			
Accumulated Revenue Reserves	(547)	1,061	868
Capital Grant Reserve	261	227	267
Total Taxpayers' Equity	(286)	1,288	1,135

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Planned Maintenance	768
Voids Refurbishment	151
Operations	139
Other Variances	(18)
Net Underspend	1,040

The Department's under spend has arisen mainly in the area of Planned Maintenance (PM). Various projects, including the second phase of works to the tower blocks at Le Marais, have been rescheduled to take place in 2013. In addition, the Department maintains a contingency to cover unforeseeable maintenance expenditure which was not called upon in 2012.

Savings proposed as part of the Comprehensive Spending Review (CSR) are now being seen in void refurbishment expenditure earlier than envisaged. In order to achieve a faster re-letting time on void properties, and reduce costs of non-essential refurbishment, allowances are offered to ingoing tenants to cover some costs of decoration. In addition kitchen and bathroom replacement is now carried out as part of a dedicated programme, rather than as a property becomes vacant.

The Operations service area includes the fuel cost of communal heating provision for customers' homes. In 2012 the final stage of transferring communal oil and gas heating systems to electric direct supply units was achieved. The under spend in this area is predominantly caused by savings on utility costs in the course of this programme. Additional revenue was generated from parking income as part of further CSR proposals.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	(5,351)
Lower depreciation/impairment costs	(9,165)
Net Increase in Revenues	(1,846)
Lower spend in Planned Maintenance	(445)
Other Variances	(601)
2012 NRI	(17,408)

In 2012 charges for depreciation fell by £407,000 following impairment of assets at the end of 2011. Previously recognised impairments were reversed as part of the valuation process resulting in a net gain in impairment charges as at 31st December 2012 of £2.8 million compared to a 2011 cost of £5.9million. The increase in the value of the stock was driven predominantly by upwards movement in rental charges.

The upwards movement in rental charges also contributed to an increase in rental income of £2.1million (5.9%) above the 2011 total, being a combination of an index linked uplift across the stock, incremental increases as properties are re-let as well as increased unit numbers following the completion of 60 new units at Le Squez. This overall increase in revenues was offset by the lost income from cessation of charges to customers for the communal heating systems.

In 2012 spend in the Planned Maintenance service area was £445,000 lower than 2011. This is principally due to £723,000 of spend on PM in 2011 being funded from the Fiscal Stimulus Programme. Thus there was a net increase of £278,000 recurring spend in Planned Maintenance in 2012 as the Department continues its commitment to reducing the backlog of maintenance expenditure.

HOUSING DEPARTMENT

Minister's Overview

A key focus for 2012 has been the continued development of the Housing Transformation Programme which seeks to implement a significant change to the way social housing operates and is governed in Jersey. In 2012 a White Paper "Achieving Decent Homes - an affordable housing framework for the future" was issued for consultation and responses have been considered in the development of the Report and Proposition to be lodged in the spring of 2013.

In 2012 Phases 2a and 2b of the Le Squez redevelopment project were completed delivering 60 new units of accommodation. A programme of refurbishments at Clos Gosset, Pomme D'or Farm and Jardins des Carreaux, including the replacement of windows, roofs and additional insulation have been in progress throughout the year, improving the lives of the Department's customers and bringing these units up to the Decent Homes Standard. Work has now started on the refurbishment of the tower block at La Collette which is expected to be completed by the end of 2013. In addition to ongoing refurbishment and developments through the capital programme the Department has continued to deliver a substantial Planned Maintenance programme in 2012.

Additional funding of £27.1million was secured in May 2012 following a Report and Proposition brought by the Minister for Treasury and Resources. This will support the delivery of over 100 new homes and refurbishment of 2 estates.

The Department continued its focus on reducing current tenant arrears in 2012 bringing the value of arrears as a percentage of gross rental income and charges down from 1.68% to 1.34% (from £646,000 to £540,000). This reduction has been achieved through a combination of supportive engagement with customers and enforcement of the Department's arrears policy.

Minister's Overview

Future Developments

The Housing Transformation Programme is at the forefront of the Department's current strategic ambition and a Report and Proposition will be lodged for debate in the Spring of 2013. The proposal will contain four key elements required to achieve transformation of social housing in Jersey. These elements are:

- The establishment of a Strategic Housing Unit that would recommend a joined-up island-wide housing strategy;
- The creation of an independent regulator to ensure that the stock is improved, that social housing providers have high standards and that social housing is financially sustainable in the future;
- The establishment of a wholly States-owned Housing Association to deliver decent homes with commercial efficiency and enhanced tenant focus; and
- The return of social housing rentals to Fair Rent Level (90% of market value) to make the whole sector financially viable.

The proposition will cover how these changes are achieved and set out a long term funding strategy for the much needed major capital investment to improve not only the condition, but availability, of social housing in Jersey. It is anticipated that borrowing of up to £200million will be required to deliver the programme over a 10 year timescale during which all social housing will be brought up to the Decent Homes Standard.

If approved the new housing association will be established by July 2014.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	(13,912)
Carry Forwards	1,380
Allocation of Contingency	(254)
Departmental Transfers	97
Final Approved Budget	(12,689)

In 2012 adjustments to the original budget voted in the Business Plan totalling £1,222,725 were made.

A carry forward of under spend from 2011 of £1.38 million was allocated to Planned Maintenance Projects. £20,600 was allocated from the Central Reserves to cover the cost of the 1% non-consolidated pay award and a transfer out of £275,000 for central procurement savings was made to Treasury & Resources. A £49,600 transfer was received from the Economic Development Department following their relocation from Jubilee Wharf and £47,600 was received in relation to the return of the Customer Services Centre staff from the Chief Minister's Department.

Staff FTE

At the year end the department employed the equivalent of 39.0 full time employees. This is a decrease of 2 (3.3%) from 2011, and is due to 6 posts being vacated, 1 post being filled and 3 posts being transferred from another department.

Detailed Financial Analysis Snapshot summary

Underspend
£1,039,897 (4.5%)
 against Near Cash Final Approved Budget

Net Revenue Income
£17,408,180 **225.3%**
 increase on 2011

Service Analysis

Rent and Fee Collection **£37.7m**

(Net Income)

In 2012 rental charges for social housing exceeded 2011 by £2.1 million (5.9%) to achieve a gross income of £38.2 million and overachieved on the target rental for the year by £137,000. The year on year increase arises partly from rental receipts generated by the new units at Le Squez and the decision to refurbish and re-let, rather than demolish, the existing units at Le Squez until the redevelopment programme reaches that part of the estate. In addition to the annual index-linked rental uplifts of 2.5% in October 2011 and 3.5% in October 2012 the Department continues to reassess the appropriate levels of rent charged on units when they are available for re-letting, thus increasing the yield from its asset base.

Tenant Services **£1.5m**

(Net Expenditure)

Tenant Services covers the front line areas of the Department's operations including the Customer Service Centre, Allocations, Affordable Housing Gateway and Assisted (now "Independent") Living Teams. In 2012 the Customer Services Team returned from the Contact Centre at Cyril Le Marquand House and now delivers a service dedicated to the Department's customers. This transfer increased the year on year staff costs and combined with other organisational changes within the Department, year on year costs increased by £127,000.

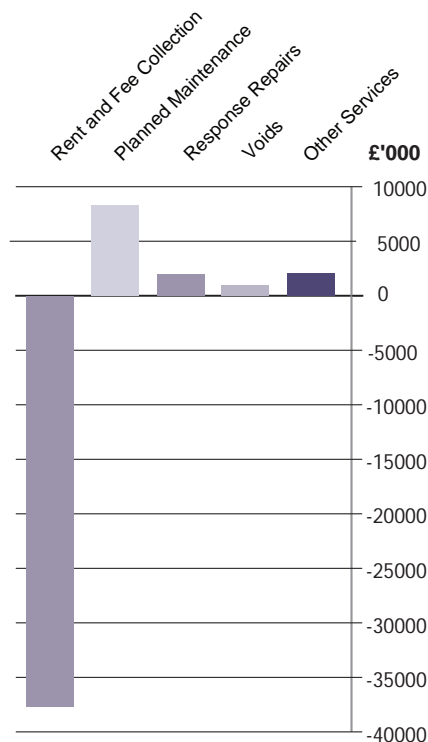
The under spend in Assisted Living relates to the CSR savings achieved in not recruiting to a post vacated in the year.

Estate Services **£11.7m**

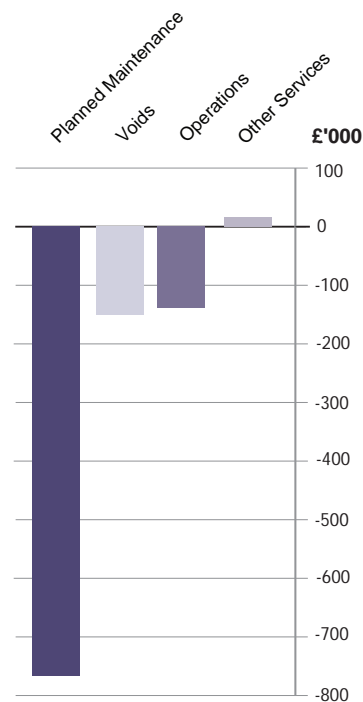
(Net Expenditure)

As a result of the cessation of the Fiscal Stimulus programme (£723,000 in 2011) overall spend on Planned Maintenance (PM) fell by £445,000 in 2012. The recurring spend in PM actually increased by £278,000, further contributing to the reduction of the Department's backlog of maintenance. The Department maintains a contingency fund within its maintenance budget to cover any unforeseeable expenditure. This unused contingency, coupled with the decision to reschedule some programmed works to 2013 has resulted in an under spend of £768,000.

Savings were achieved as expected in areas of Response Repair costs as a result of fewer repairs necessary to heating systems following the heating replacement programme. Responsive Building Repair costs were higher than the final approved budget as a result of a number of (extra-ordinary) high cost building repair items.

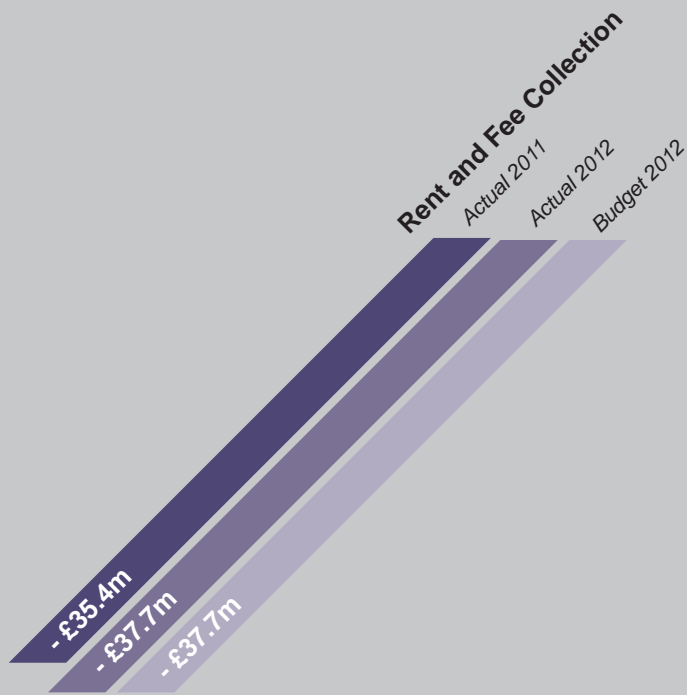


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

2012 Business Plan				2012 Final Approved Budget				2011 Actual				2012 Actual			
Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000	
14	-	14		14	-	14	Strategic Housing Unit	31	-	31		38	-	38	
13	-	13		13	-	13	Regulatory Functions	59	-	59		30	-	30	
Landlord Services															
7,752	10,646	18,398	19,703	9,057	10,646	19,703	Estate Services	8,734	16,109	24,843	8,289	7,007	15,296		
2,040	-	2,040	2,057	2,057	-	2,057	Planned Maintenance	1,953	-	1,953	1,967	-	1,967		
911	-	911	637	637	-	637	Response Repairs	822	-	822	498	-	498		
1,135	-	1,135	1,141	1,141	-	1,141	Operations	978	-	978	990	-	990		
510	-	510	576	576	-	576	Tenant Services	583	-	583	565	-	565		
836	-	836	881	881	-	881	Assisted Living	781	-	781	908	-	908		
(37,769)	-	(37,769)	(37,711)	(37,711)	-	(37,711)	Tenant Liaison	(35,416)	15	(35,401)	(37,660)	(40)	(37,700)		
(24,585)	10,646	(13,939)	(12,716)	(23,362)	10,646	(12,716)	Finance Services	(21,565)	16,124	(5,441)	(24,443)	6,967	(17,476)		
(24,558)	10,646	(13,912)	(12,689)	(23,335)	10,646	(12,689)	Rent and Fee Collection	(21,475)	16,124	(5,351)	(24,375)	6,967	(17,408)		
Net Revenue Income															
(24,558) 10,646 (13,912) (12,689) (23,335) 10,646 (12,689) (21,475) 16,124 (5,351) (24,375) 6,967 (17,408)															

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £41.0m

Income for the Department increased overall by £1.9 million in 2012. The increase is a result of rental income which is combined with increased income from additional parking permits issued (£29,000), increased water charges following increases made by Jersey Water (£40,000), and increases in non-recurring recoverable costs (£111,000).

These increases are offset by a reduction in income from oil and gas heating charges which, following implementation of the heating replacement programme, are (with the exception of 4 properties) no longer received. In 2011 there were a small number of licence agreements entered into with the JEC for the location of substations generating one off receipts which has not been replicated in 2012.

Near Cash Expenditure £16.6m

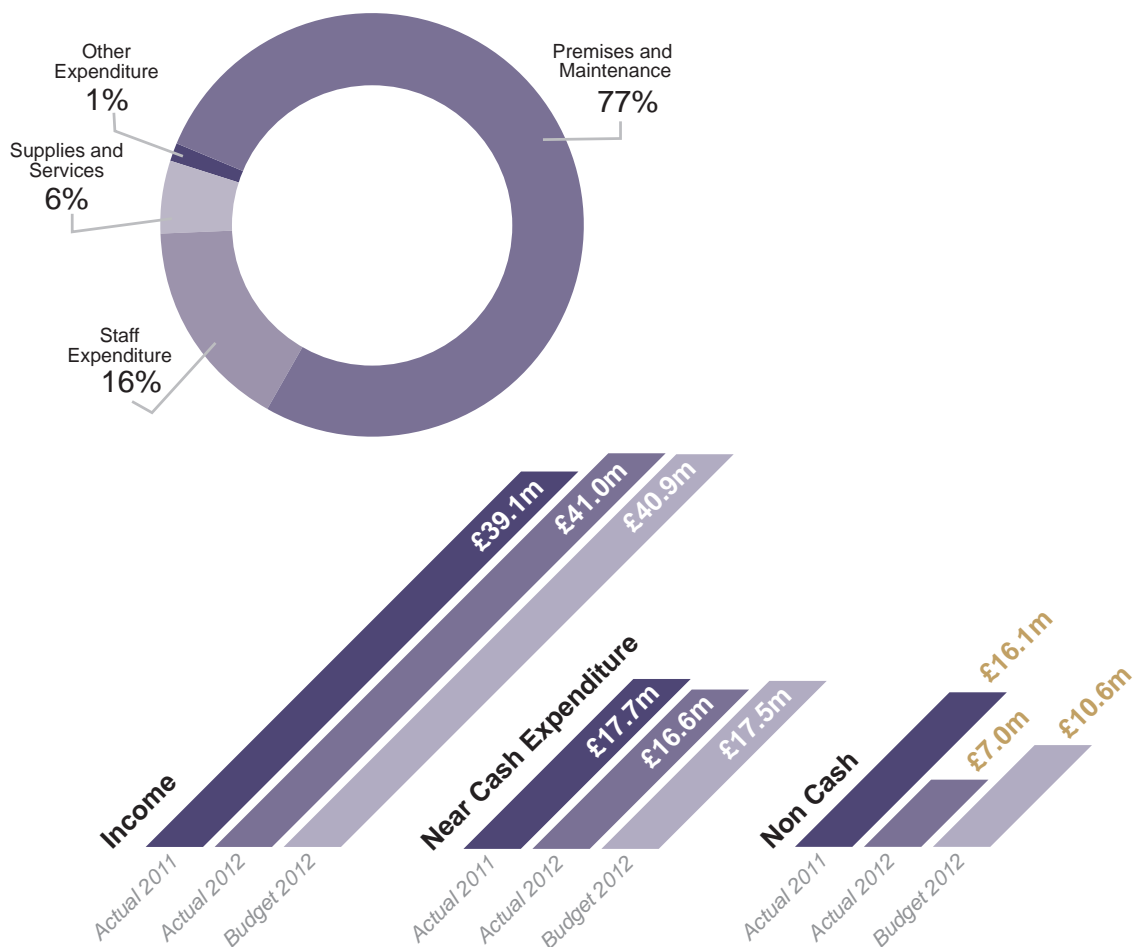
Major Income Streams

	£'000
Social Housing Rentals	38,219
Recharges to Customers	1,720
Paid Parking	359
Other	676
Total Income	40,974

Non Cash Expenditure £7.0m

Costs for depreciation in 2012 fell against 2011 by £407,000 principally due to the impairment at the end of 2011 of the cost of newly created or refurbished homes resulting in a lower Net Book Value against which depreciation was charged in 2012. As a result of the revaluation of the Department's property portfolio at the end of 2012 a number of previous impairments were reversed resulting in a net gain of £2.8 million in impairment charges.

Near Cash Expenditure Analysis



Premises and Maintenance

Costs fell by £1.1 million from 2011 and accounted for 77% of the Department's near cash spend in 2012. This reduction was driven by the majority of the heating and roof replacement programmes being completed in earlier years and funding from Fiscal Stimulus no longer being available. In addition the cost of repairs to heating systems, purchasing heating fuel and insurance costs (as a result of a corporate saving) fell significantly in 2012.

Staff Expenditure

Staff costs rose by £226,000 (9.2%) in 2012 following the appointment to a vacant post and the return of the Customer Services Team to the Department. Net savings against Final Approved Budget of £31,000 are as a result of unfilled vacant posts, notwithstanding that additional costs were incurred in the course of the Housing Transformation Programme which required the secondment of resources to support its implementation.

Supplies and Services

Costs of Supplies and Services fell by £111,000 from 2011. This arose principally due to the reduction of costs in the Housing Transformation Programme. A switch from external consultancy services to the use of internal resources to deliver elements of the programme contributed to significant savings. These reductions were offset by increases in costs in Marketing (for sales) and Surveyor's Fees in relation to the analysis of future developments of the Department's stock.

Other Comprehensive Income £65.2m

A revaluation of the portfolio at the end of 2012 resulted in an unrealised net gain of £65million. This represents upwards revaluations of £66.5 million and reversal of previous impairments of £1.4 million. A revaluation of the Housing Bonds (deferred payment scheme) has resulted in a further gain of £68,000.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
40,815	40,815	Sales of Goods and Services	38,983	40,709
55	55	Other Income	145	265
40,870	40,870	Total Revenue	39,128	40,974
		Expenditure: Near Cash		
2,645	2,713	Staff Expenditure	2,456	2,682
628	628	Supplies and Services	1,032	921
62	61	Administrative Expenditure	63	74
12,831	13,987	Premises and Maintenance	13,943	12,803
62	11	Other Operating Expenditure	23	2
15	15	Grants and Subsidies Payments	24	2
-	51	Impairments of Financial Assets	111	114
69	69	Finance Costs	1	1
16,312	17,535	Total Expenditure: Near Cash	17,653	16,599
(24,558)	(23,335)	Net Revenue Income: Near Cash	(21,475)	(24,375)
		Non Cash Amounts		
-	-	Gain on Disposal of Investments	(16)	(8)
10,646	10,646	Depreciation and Amortisation	10,194	9,786
-	-	Impairments of Property, Plant and Equipment	5,915	(2,811)
-	-	Impairments of Financial Assets	31	-
10,646	10,646	Total Non Cash Amounts	16,124	6,967
(13,912)	(12,689)	Net Revenue Income	(5,351)	(17,408)
		Other Comprehensive (Income)/Expenditure		
-	-	Revaluation of Property, Plant and Equipment	335	(65,110)
-	-	Loss/(Gain) on Revaluation of Other AFS Investments	755	(68)
-	-	Total Other Comprehensive Expenditure/(Income)	1,090	(65,178)
(13,912)	(12,689)	Total Comprehensive Income	(4,261)	(82,586)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	534,300	528,494	595,749
Other Available for Sale Investments	14,456	14,038	14,287
Total Non-Current Assets	548,756	542,532	610,036
Current Assets			
Non-Current Assets classified as held for sale	3,967	2,478	-
Trade and Other receivables	1,678	1,479	1,627
Total Current Assets	5,645	3,957	1,627
Total Assets	554,401	546,489	611,663
Current Liabilities			
Trade and Other Payables	3,847	3,499	3,892
Total Current Liabilities	3,847	3,499	3,892
Total Assets Less Current Liabilities	550,554	542,990	607,771
Assets Less Liabilities	550,554	542,990	607,771
Taxpayers' Equity			
Accumulated Revenue Reserves	502,824	498,543	500,532
Revaluation Reserve	47,730	45,202	107,927
Investment Reserve	-	(755)	(688)
Total Taxpayers' Equity	550,554	542,990	607,771

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Income Support	1,808
Contingency	1,129
Employment Services	1,094
Other Variances	531
	4,562
Medical Benefit recharge	2,354
Net Underspend	6,916

Underspend arose in the following areas; Income Support £1,808,183, of which £1,009,355 was in respect of Residential Care through lower numbers; movements between cost categories and more income collected than forecast and £784,101 in Weekly Benefit through claimant numbers being lower than forecast in the first seven months of the year; Contingency £1,128,800 held against variations in benefit spend which was not required; Employment Services £1,093,820 as a result of a lower take up from employers of the employment grant; other variances totalling £531,820.

The net underspend for the year was £6,916,482 after a £2,353,859 adjustment for prior years' Medical Benefit which had been incorrectly charged to Income Support Weekly Benefit instead of the Health Insurance Fund.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	164,433
States Contribution	(4,198)
Income Support	3,863
Employment Services	1,892
Other Variances	770
	166,760
Medical Benefit recharge	(2,354)
2012 NRE	164,406

Compensating movements resulted in a small reduction in Net Revenue Expenditure (NRE) of £26,266. The 2012 forecast for the States Contribution had been £68,437,152 but P110/2011 set the level at £61,150,000, the Social Security Fund to raise the equivalent income by a 2.0% extra contribution. This resulted in a reduction of £4,198,408 in States Contribution when compared with 2011. Income Support spend rose by £3,862,616 because of increases in numbers of claimants and the benefit uprating. £1,891,977 more was invested in Employment Services through Back to Work and other employment initiatives, extra funding having been received from 2011 Carry Forward monies. Other variances of £770,372 included Invalid Care Allowance through an increase in claimant numbers and Food Costs Bonus which included the additional award of a Cold Weather Bonus. £2,353,859 was recharged to the Health Insurance Fund in respect of Medical Benefit incorrectly charged to Income Support in previous years.

SOCIAL SECURITY DEPARTMENT

Minister's Overview

The deteriorating economic situation, its likely effect on employment and consequences for Income Support prompted the Department to increase its budget for 2012 through the Carry Forward process to £171,322,831 from the original Business Plan figure of £166,834,600. Actual expenditure in 2012 was £164,406,349 compared with £164,432,615 in 2011. Income Support increased by £3,862,616 compared with 2011 because of the economic situation and spend on Employment Services rose by £1,891,977 all of which increase related to the Back to Work programme. These increases were offset by the fall in the States Contribution to the Social Security Fund of £4,198,408 .

The States Strategic Plan published in 2012 stated that "Our most urgent priority is to get unemployed Islanders working, keep people in work and create new employment opportunities and jobs through sustainable economic growth". The Social Security Department plays a key role in assisting unemployed Islanders to return to employment. In 2012 a wide range of projects were undertaken to support jobseekers and the individual teams involved with Back to Work activities were incorporated into a single structure within Social Security. In addition to increasing the practical support available to jobseekers, the Department also provided additional advisors to assist unemployed and other low income claimants apply for Income Support. At the beginning of 2012 a new contribution rate of 2.0% above the standard earnings limit was introduced for employers and the self-employed.

Minister's Overview

The additional income to the Social Security Fund from these contributions is being used to reduce the level of the States grant needed to supplement the contribution records of lower and middle earners. Changes to legislation in 2012 were agreed to reduce future tax funded expenditure in two areas: some income support components in respect of a second adult in an Income Support household will no longer be paid until they achieve five years residence; and Invalid Care Allowance will be replaced by Home Carer's Allowance which will be funded from the Social Security Fund.

Future Developments

It is inevitable that the high unemployment figures will continue to dominate departmental activity in 2013. Both long-term and short-term projects will be set up to assist islanders seeking employment in a variety of sectors. Grants will also be available to employers, to offset some of the costs of taking on staff who have previously been unemployed. Further changes will be required to the Income Support scheme, to meet a savings target of an additional £3,000,000 in 2014. At the same time, the department is preparing for changes in the provision of social housing through the Housing Transformation Programme, which will require amendments to Income Support budgets and legislation. During 2013 the Department will be preparing for the introduction of a discrimination law and will also be working towards the establishment of a new ring fenced fund to provide a long-term-care benefit. The new fund will be based on contributions from local residents and will help to meet the increasing cost of long-term care over future years.

These pages report only on the Tax funded activities of the Social Security Department. The activities of the Social Security Fund and the Health Insurance Fund are reported independently in audited accounts published by the Minister.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	166,835
Carry Forwards	10,483
Allocation of Additional Funding	(5,193)
Departmental Transfers	(802)
Final Approved Budget	171,323

In 2012, adjustments to the original budget voted in the Business Plan totalling £4,488,231 were made. This amount represents an increase in funding of £10,482,953 as part of the 2011 Year End Departmental Revenue Carry Forwards approved by the Minister for Treasury and Resources £5,200,000 of which was later returned to Central Reserves as a result of funding being approved by the States within the MTFP and a slower than expected take up of Back to Work initiatives. The initial request for this funding had been made in late 2011 at a time of uncertainty regarding future funding streams for Back to Work projects and the economic outlook. £31,124 contingency funding to meet the costs associated with the 2012 Pay Award was also received and £24,330 was added to the Restructuring provision for the realignment of the Department's insurance budget having also been allocated from the Contingency Fund.

Offset against these additional funds, a total of £801,516 was transferred to other Departments. These included £456,516 to Education, Sport and Culture to meet the cost of additional Highland students; £45,000 to the Judicial Greffe in respect of Employment Tribunal costs over and above those already transferred in 2011; £300,000 to Health and Social Services to develop a new model of Primary Care.

Staff FTE

At the year end the department employed the equivalent of 184 full time employees. This is an increase of 49 (36.3%) from 2011, and is due to the transfer of 25 FTE from Education, Sport and Culture following the transfer of Advance to Work and Advance Plus to the Department, as well as additional staff recruited during the year to strengthen the Back to Work, Workzone and Income Support teams as a result of the continued economic uncertainty.

Detailed Financial Analysis Snapshot summary

Underspend
£6,916,482 (4.0%)
 against Near Cash Final Approved Budget

Net Revenue Expenditure £164,406,349	minor reduction on 2011
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Service Analysis

States Contribution **£61.2m**

The States Contribution to the Social Security Fund (also known as Supplementation), which protects pension and benefit entitlement for those who earn between the lower earnings threshold and the earnings limit, amounted to £61,150,000 and was as budgeted. This figure was set for 2012 and subsequent years are governed by a formula which brings certainty to the States Contribution for 2012 and over the period of the MTFP. This is at a lower level than previously budgeted, with the Social Security Fund raising equivalent income by an extra contribution of 2.0%

Employment Services **£5.4m**

The increase in spend of £1,891,977 (54.5%) from 2011 was as a result of the transfer of Advance to Work and Advance Plus schemes from Education, Sport and Culture and additional monies awarded to the Department through the Carry Forward process to fund Back to Work initiatives to reduce unemployment by giving practical assistance to job seekers, employment grants to employers and other incentives to reduce unemployment.

The underspend against budget of £1,093,820 was as a result of the slow take up of the employer training grants under the Back to Work initiatives.

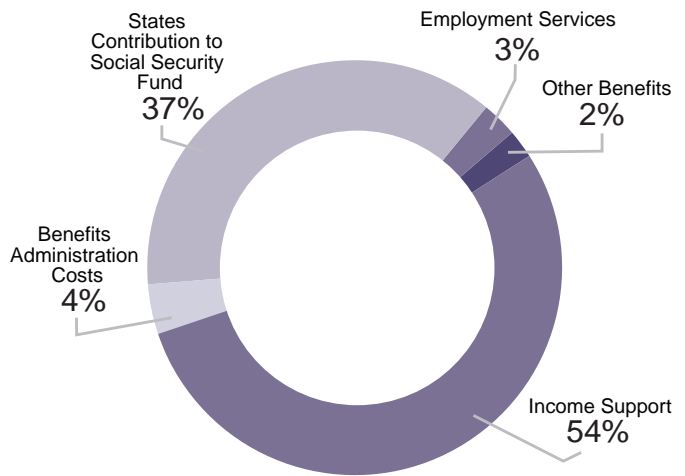
The grants awarded to Jersey Employment Trust (JET) continued in 2012 and, as with 2011, included amounts to provide employment opportunities for specific projects run by Jersey Mencap, Autism Jersey and MIND Jersey. In all, JET and the three charities received £1,768,038 during the year.

Income Support – Weekly Benefit **£71.3m**

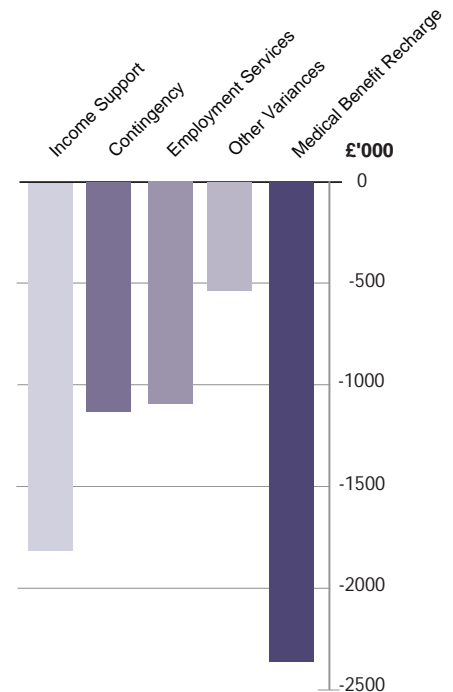
Expenditure on Income Support Weekly Benefit totalled £71,348,399 compared with £66,939,832 in 2011 and £72,132,500 budgeted. Weekly Benefit spend was greater than 2011 by £4,408,567 despite CSR savings of £1,256,000. Claimant numbers were greater than 2011 throughout the year and significantly so in the second half of the year, the levels of employment and underemployment having their effect and also the consequences of the removal of Low Value Consignment Relief (LVCR) on the fulfilment industry. Total claimant numbers increased by 310 (4.8%) to 6,780 at the end of the year. Claimant numbers were however, running behind budget for the first 8 months but ended the year 53 greater than budget.

Income Support – Residential Care **£16.7m**

Expenditure was in line with that of 2011 but was under budget by £1,009,355. The majority of this underspend accumulated in the first 7 months of the year when claimant numbers were lower than budgeted. Total claimant numbers ended the year close to budget. The mix in category of residents continued to change and more income was collected than forecast.

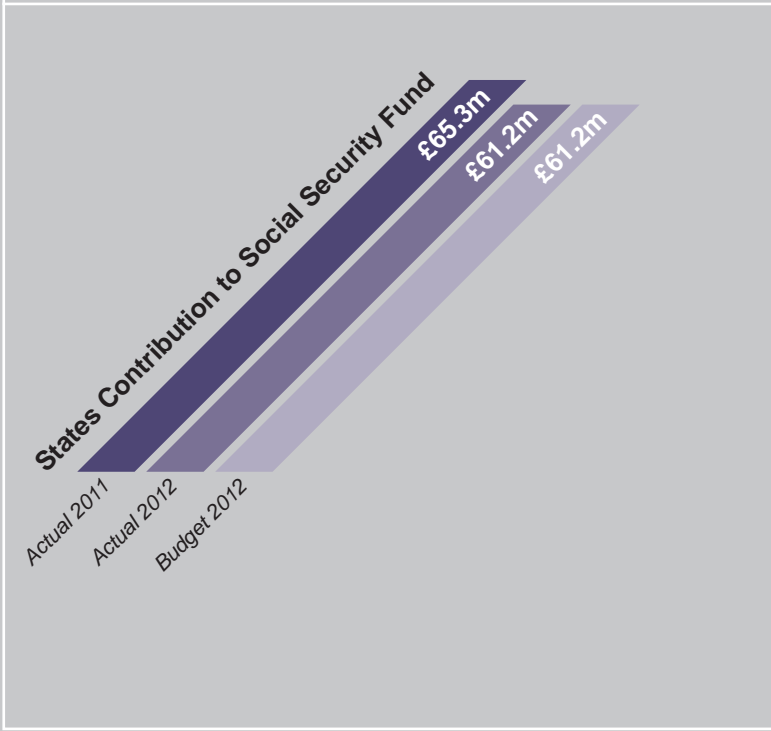
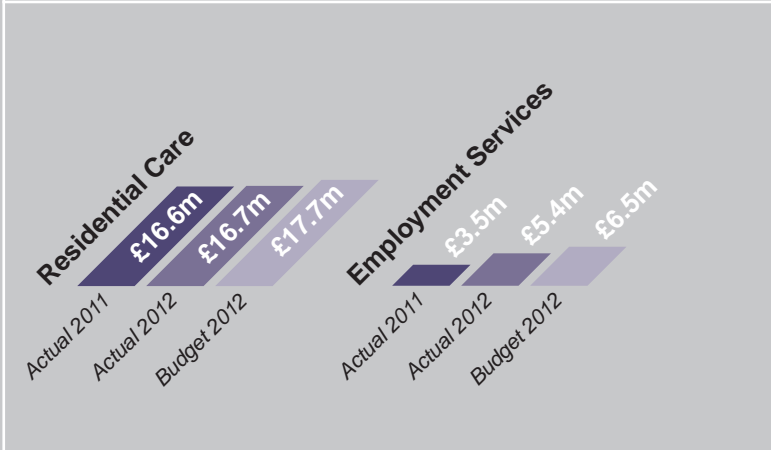
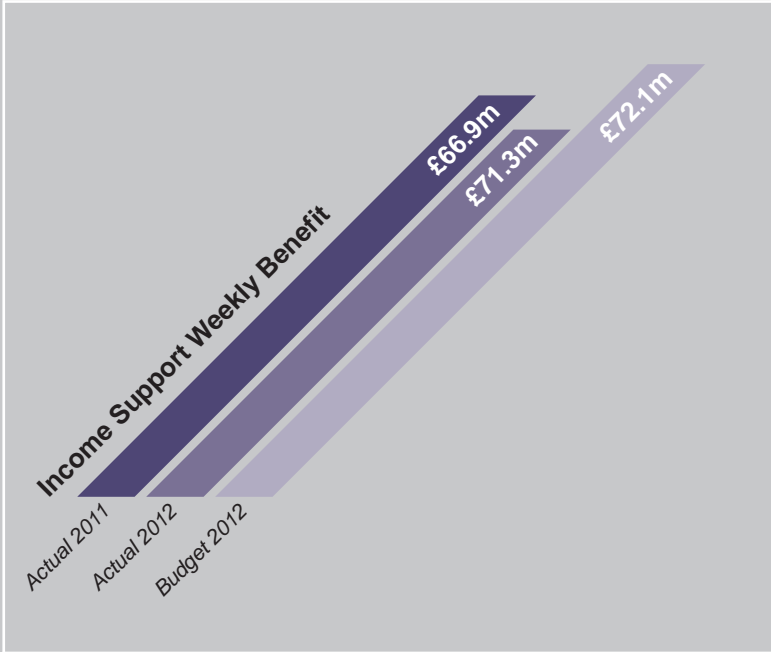


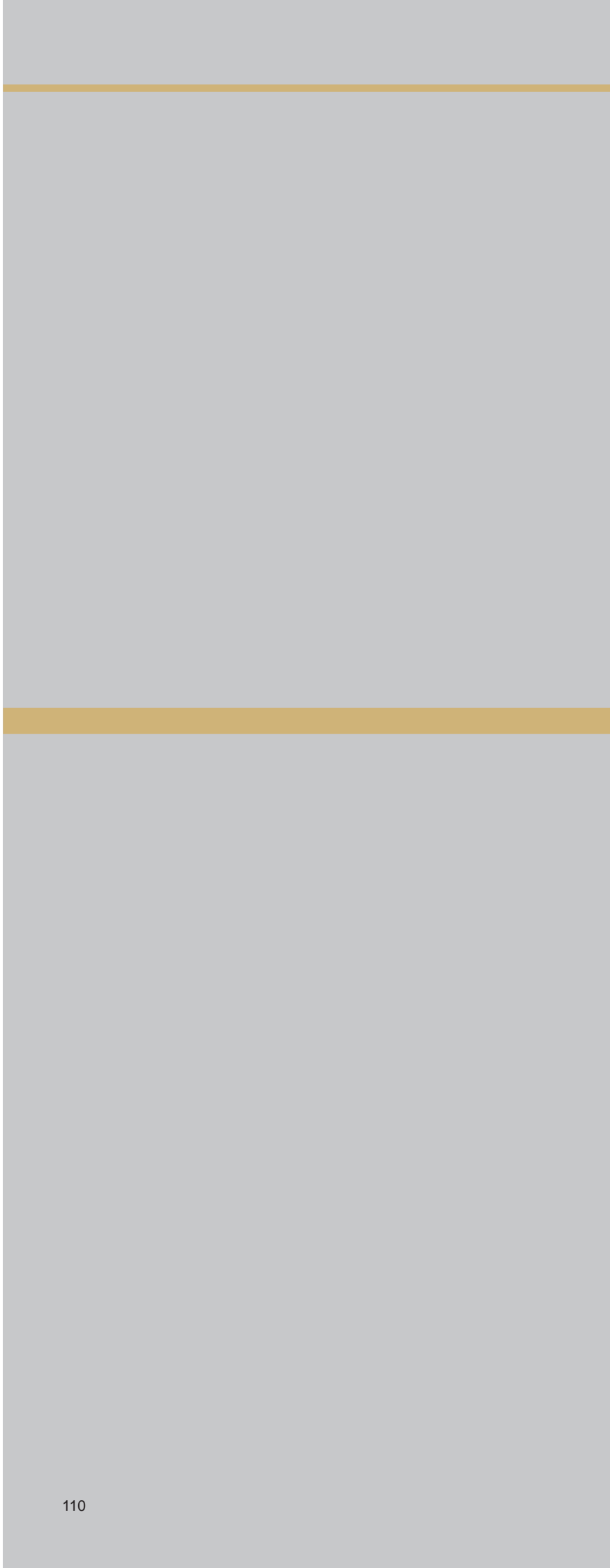
Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview





Net Expenditure - Service Analysis

	2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
	61,150	-	61,150	61,150	-	61,150	65,348	-	65,348	61,150	-	61,150
	71,955	-	71,955	72,133	-	72,133	66,940	-	66,940	71,349	-	71,349
	-	-	-	-	-	-	-	-	-	(2,354)	-	(2,354)
	1,350	-	1,350	1,350	-	1,350	1,430	-	1,430	1,530	-	1,530
	17,704	-	17,704	17,704	-	17,704	16,613	-	16,613	16,694	-	16,694
	650	-	650	650	-	650	345	-	345	562	-	562
	1,166	-	1,166	1,166	-	1,166	2,004	-	2,004	1,060	-	1,060
	92,825	-	92,825	93,003	-	93,003	87,332	-	87,332	88,841	-	88,841
	540	-	540	542	-	542	464	-	464	495	-	495
	3,095	-	3,095	6,461	-	6,461	3,475	-	3,475	5,367	-	5,367
	5,055	-	5,055	5,107	-	5,107	4,601	-	4,601	5,451	-	5,451
	6,697	-	6,697	7,587	-	7,587	6,420	-	6,420	6,531	-	6,531
	1,129	-	1,129	1,129	-	1,129	-	-	-	-	-	-
	(3,656)	-	(3,656)	(3,656)	-	(3,656)	(3,207)	-	(3,207)	(3,429)	-	(3,429)
	166,835	-	166,835	171,323	-	171,323	164,433	-	164,433	164,406	-	164,406

Financial Statements

Income £3.5m

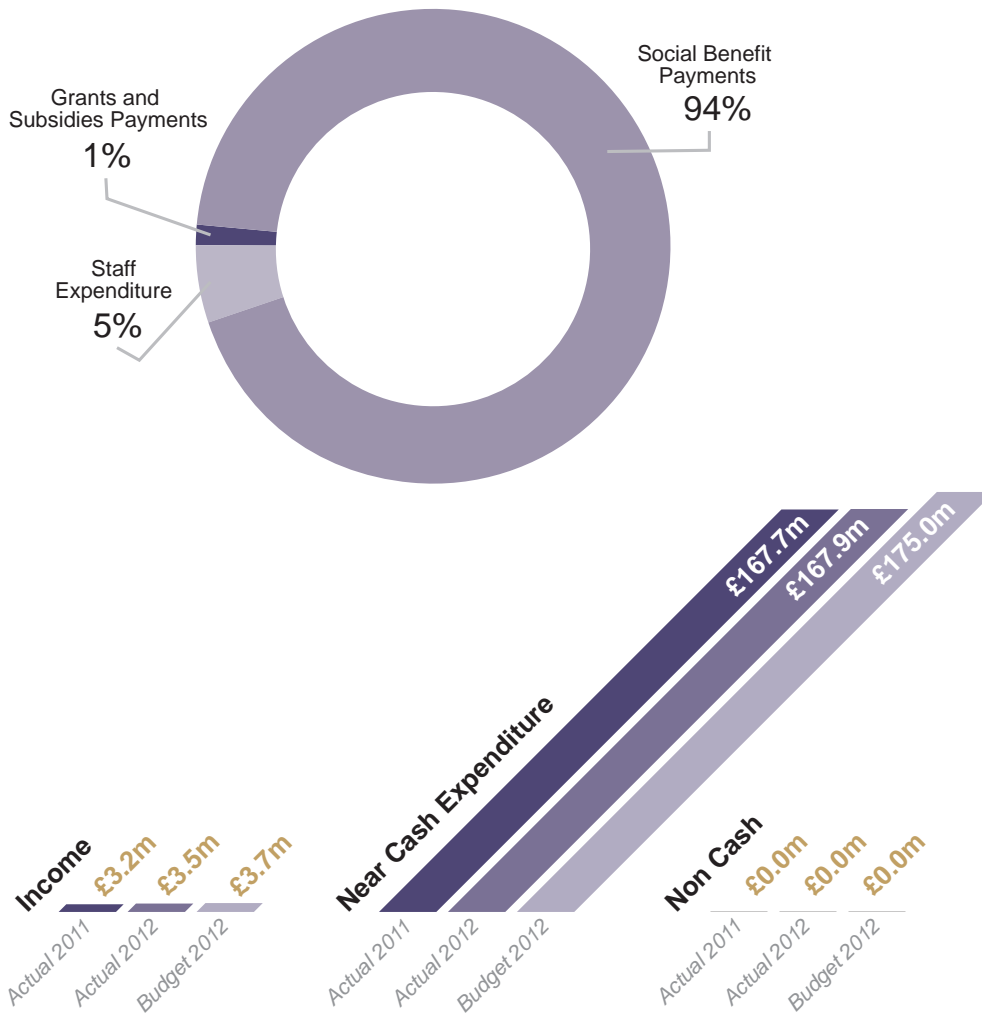
Income represents the charge made to the Funds in respect of staff employed by the States to administer the Funds. The increase in income is due to higher costs recharged to the Funds as a result of increased staffing numbers and costs. A small amount of other income is received for services to external organisations including Agency fees.

Major Income Streams

	£'000
Staff Costs charged to Funds	3,429
Other Services and Revenue	47
Total Income	3,476

Near Cash Expenditure £167.9m

Near Cash Expenditure Analysis



Social Benefit Expenditure **£157.8 m**

Social Benefit payments amounted to £157,762,272 and represent 94.0% of the Department's total expenditure. Of this £61,150,000 was in respect of States Contribution to the Social Security Fund. £91,194,817 on Income Support and £5,417,428 on Other Social Benefits including Christmas Bonus, Food Costs Bonus and Invalid Care Allowance.

Staff Expenditure **£8.6m**

Staff costs in total amounted to £8,587,099 but £3,429,476 of this was recharged to the Social Security Fund and Health Insurance Fund. Costs of staff directly associated with the Tax Funded Unit totalled £5,157,623 and represented 3.1% of expenditure. Net staff costs were more than 2011 by £1,485,378 due to additional staff recruited during the year to strengthen the Back to Work, Workzone and Income Support teams and the transfer of Advance to Work and Advance Plus from Education, Sport and Culture staff. Staff costs ended the year under budget by £683,415.

Grants and Subsidies Payments **£2.3m**

Grants and Subsidies payments totalled £2,284,445 for the year, an increase of £49,531 on 2011 due to an inflationary uplift. The largest grant was to Jersey Employment Trust (JET) to support those with disabilities and learning difficulties in gaining work, which accounted for £1,476,163 (65%) of total spend. Further grants were made to Charitable organisations to support the work of JET and also to Jersey Advisory and Conciliation Service (JACS) who provide a free employment relations service.

Other Costs **£0.8m**

Other costs are net of a £2,353,859 recharge to the Health Insurance Fund of Medical Benefit incorrectly charged to Income Support in prior years. The largest other cost is Supplies and Services at £1,056,663 which was underspent by £1,405,036 due to the slow take up of employment initiatives.

Statement of Financial Position

Debtors consist of benefits prepaid and recoverable and have increased by £924,252 reflecting the increase in Residential Care benefits recoverable which totalled £2,343,027 at the year end.

Creditors reduced by £238,535 largely due to the reduction in Residential Care sums due at the year end.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
3,656	3,684	Sales of Goods and Services	3,244	3,476
3,656	3,684	Total Revenue	3,244	3,476
159,030	159,307	Expenditure: Near Cash	157,281	157,762
-	-	Social Benefit Payments	-	(2,354)
6,695	9,271	Medical Benefit Recharge	6,879	8,587
777	2,462	Staff Expenditure	701	1,057
183	186	Supplies and Services	99	197
137	112	Administrative Expenditure	124	140
200	123	Premises and Maintenance	310	131
2,330	2,330	Other Operating Expenditure	2,235	2,285
-	77	Grants and Subsidies Payments	32	67
10	10	Impairments of Financial Assets	16	10
1,129	1,129	Finance Costs	-	-
Contingency				
170,491	175,007	Total Expenditure: Near Cash	167,677	167,882
166,835	171,323	Net Revenue Expenditure: Near Cash	164,433	164,406
166,835	171,323	Net Revenue Expenditure	164,433	164,406
166,835	171,323	Total Comprehensive Expenditure	164,433	164,406

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Current Assets			
Trade and Other receivables	6,290	7,094	8,018
Total Current Assets	6,290	7,094	8,018
Total Assets	6,290	7,094	8,018
Current Liabilities			
Trade and Other Payables	2,285	1,228	989
Total Current Liabilities	2,285	1,228	989
Total Assets Less Current Liabilities	4,005	5,866	7,029
Assets Less Liabilities	4,005	5,866	7,029
Taxpayers' Equity			
Accumulated Revenue Reserves	4,005	5,866	7,029
Total Taxpayers' Equity	4,005	5,866	7,029

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Asbestos disposal	1,234
Liquid waste strategy	382
Other	216
Net Underspend	1,832

Overall the Department had an underspend against budget of £1,832,415 (6.4%) primarily due to further timing delays on two major Waste Management projects, carried forward from 2011. The Department has requested these monies, £1,616,700, to be carried forward into 2013 to enable completion.

Further key variances include shortfalls on income from tipping fees and electricity generated by the EfW as a result of reductions in waste received by the Department for disposal. This was more than offset by savings against staff costs.

A small balance remaining in respect of an energy audit, funded from the restructuring provision, has been requested for carry forward in the sum of £13,260.

The Department maintains a small contingency budget for such eventualities and unfunded spending pressures. During the year allocations were made to offset the reduction in income, funding for the bus and waste metals contract tender processes and other smaller projects. The balance of the underspend (£202,440) has been requested to be carried forward for such purposes in 2013.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	35,647
Increased infrastructure maintenance	366
Impairment of assets	8,108
Depreciation	5,731
Full year EfW	(498)
Harbours loan repayment	450
Additional staff costs	425
Other	130
2012 NRE	50,359

The Department increased Net Revenue Expenditure by £14,712,069 (41.3%) over 2011 mainly as a result of Non-Cash costs, including impairment of assets and additional depreciation due to infrastructure works completed in the year and the full year effect of capitalisation of the EfW plant. These costs account for £13,838,674 (38.8%) of the total increase.

Additional income from a full year of operation of the new EfW and savings resulting from not running the old EfW plant were offset by increases in staff costs across the Department, partly as a result of the non-consolidated pay award and partly due to recruitment to vacant posts during 2012.

2011 saw the final year of the loan repayment from Jersey Harbours, which had been treated as income in the accounts of TTS in prior years.

TRANSPORT AND TECHNICAL SERVICES DEPARTMENT

Minister's Overview

Transport and Technical Services (TTS) is charged with managing a substantial part of the Island's infrastructure. This responsibility is undertaken giving consideration to our three key aims, namely:

- Continue and enhance the sustainability and environmental focus of TTS
- Act as responsible custodian of the infrastructure
- Keep safety at the forefront of what we do

Much of this work is funded through the Infrastructure Rolling Vote, and as projects are completed these are reflected in the depreciation charge in the revenue account of the department.

Funding for the Liquid Waste Strategy and treatment and disposal of legacy asbestos waste was allocated to the Department from 2011 carry forwards, whilst progress has been made on the Liquid Waste Strategy much is still to be finalised and it is hoped that this will be completed in 2013. Planning approval for the burial of legacy asbestos waste (or a suitable alternative treatment method) is still awaited and as a result the Department requests that the balance of the funding allocated in 2012 be made available in 2013 in order to fund this essential high priority work.

Ongoing maintenance and running of the Island's Solid and Liquid Waste operations comprise the bulk of the Department's revenue funding and are reflected in the Operational Services: Waste expenditure lines. Whilst these appear underspent, it is important to note that the funding identified above is included within the budget for these areas and after removing these unspent items, operational pressures such as a reduction in income from inert waste disposal charges (due to a downturn in the construction industry) and challenging CSR targets continue to place pressure on resources.

Minister's Overview

Significant rainfall at the end of 2012 placed considerable pressure on the liquid waste infrastructure and staff worked tirelessly to ensure that the integrity of the system was not compromised. The enthusiasm and commitment of the staff involved is a credit to the department and the Island. Work will continue in 2013 to upgrade and replace equipment in the Island's pumping stations and identify areas subject to surface water ingress.

Future Developments

2013 will be an important year for TTS. There are some big changes which will bring improvements for Jersey.

The New Year has brought two new strategic partners in helping deliver services to the Island; the new bus operator, CT Plus (Jersey) Ltd and the new scrap yard operator Hunts (Jersey) Ltd. Both companies have a strong customer service ethos which will help provide improved services at reduced cost.

The risk of flooding in the Beresford Street area of town will be minimised once the major drainage project that was started at the end of 2012 is completed in December of 2013. This will be a huge improvement for those town premises that have been affected by the flooding in the past.

In recent years TTS has received a steady stream of funding which has allowed some greatly needed major road resurfacing and reconstruction projects to be undertaken. This programme is continuing in 2013 and includes La Route de La Hougue Bie, Esplanade / Gloucester Street, Rue à Don and Rouge Bouillon.

A lot of work was undertaken in 2012 to find the most suitable long term methods for management of the disposal of Jersey's asbestos and ash wastes. Methodologies should be finalised in early 2013 and funding from 2012 will be requested for carry forward to enable this change. Additional funding was also allocated in the 2013-2015 Medium Term Financial Plan to manage the ash waste produced as a by-product of the Energy from Waste (EfW) process.

Income streams from Waste Management continue to reduce as a result of the downturn in the construction industry and improved recycling by the public. Whilst increased recycling is welcomed, the Department must strive to improve efficiency and value for money in order to ensure that it remains able to provide the necessary services the Island demands at a price that is affordable and represents value for money.

Staff FTE

At the year end the department employed the equivalent of 461.3 full time employees. This is in line with 2011.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	40,665
Carry Forwards	1,850
Allocation of Contingency	53
Allocation of Additional Funding	-
Transfer to Capital	(165)
Departmental Transfers	25
Final Approved Budget	42,428

In 2012 adjustments to the original budget voted in the Business Plan totalling £1,762,402 were made. Budgets for disposal of legacy asbestos waste (£1,236,749), the development of the liquid waste strategy (£536,000), an energy audit (£25,076) and additional road patching (£52,092) were carried forward from 2011.

Budget reductions included net transfers of £140,675 in respect of transfers from revenue to capital to reclassify certain types of capital spend. In addition, a planning obligation in relation to a development in St Clement resulted in a transfer of £25,000 from revenue to capital in respect of additional capacity at Le Dicq pumping station, which was offset by an increase in the revenue income budget.

Additional contingency funding of £155,550 was received for the 1% non-consolidated pay award, and a transfer of £102,390 from TTS to central contingencies was made in respect of procurement savings, including insurance recharges.

The closure of the customer services centre at Cyril Le Marquand House in 2012 resulted in a departmental transfer to TTS of £25,000 in respect of budgets transferred for this project in prior years.

**Detailed Financial Analysis
Snapshot summary**

Underspend
£1,832,415 (6.4%)
against Near Cash Final Approved Budget

Net Revenue
Expenditure
£50,358,801 **41.3%**
increase on 2011

Service Analysis

Operational Services: Waste £13.8m

Liquid Waste

The underspend of £555,831 against budget relates to the delay of the liquid waste strategy, and a reduction against the planned maintenance schedule due to delays in the installation of replacement pumps and control panels in the Island's pumping stations.

The increase of £336,015 on 2011 is principally due to increased premises costs.

Solid Waste

The underspend of £629,230 relates to a delay in legacy asbestos disposal, offset by reductions in income from inert waste disposal.

The increase of £146,477 on 2011 is principally due to revenue costs associated with decommissioning the old Bellozanne EfW plant and increased spend on recycling initiatives, such as plasterboard trials and education and awareness campaigns.

Engineering & Highways £4.0m

The underspend of £291,863 against budget is a result of staff savings and recharges to capital projects in the Engineering division, in excess of the cost of additional works on road patching and repairs compared to 2011.

Operational Services: Municipals £3.8m

Cleaning

The underspend of £233,116 against budget mainly relates to cleaning recharges greater than budgeted and cost savings targeted as part of the CSR process.

The increase of £76,539 on 2011 is due to increases in staff costs as a result of the pay award and recruitment to vacant posts within the section.

Parks and Gardens

A small saving of £7,058 against budget was achieved as a result of savings associated with CSR proposals such as closure of the nursery operation, and review of equipment purchase and lease charges.

The small saving of £50,597 on 2011 costs mainly relate to staff cost increases and additional operational spend related to the Millennium Town Park.

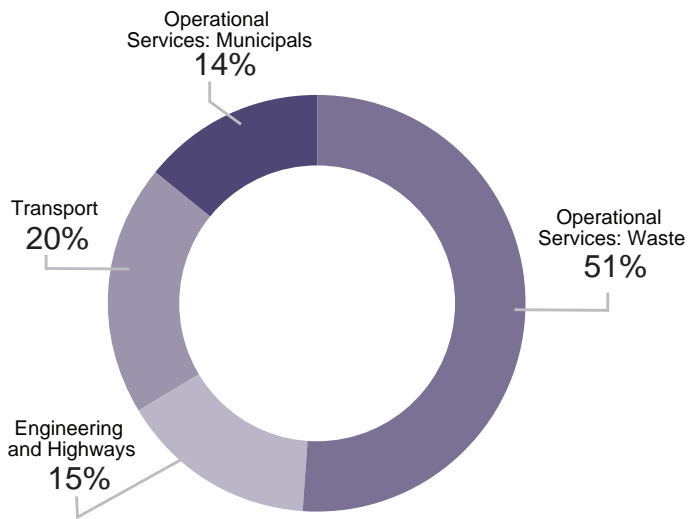
Jersey Harbours

The underspend relates to savings on staff costs, due to two secondments and a reduction in seasonal staff.

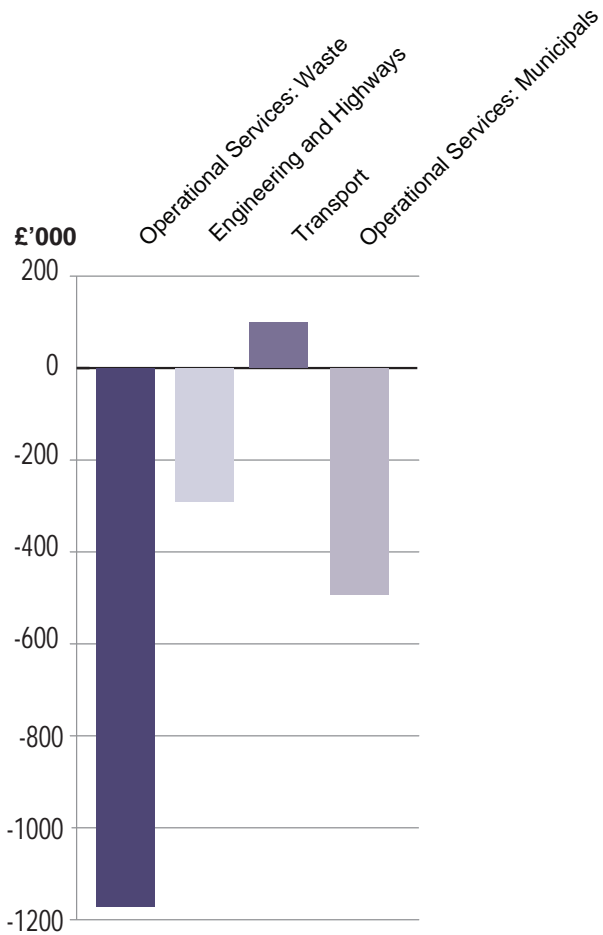
The increase of £249,833 on 2011 is a result of the final loan repayment made by Jersey Harbours in 2011 which was recorded as income for TTS.

Transport £5.3m

This overspend of £98,960 against budget and £282,038 compared to 2011 is the result of transport initiatives in the year and project costs. In addition, income from new vehicle registrations decreased compared to prior year and budget.

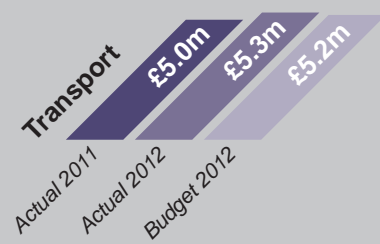
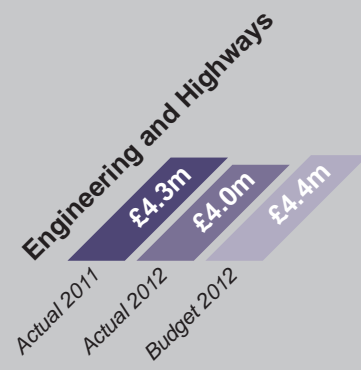
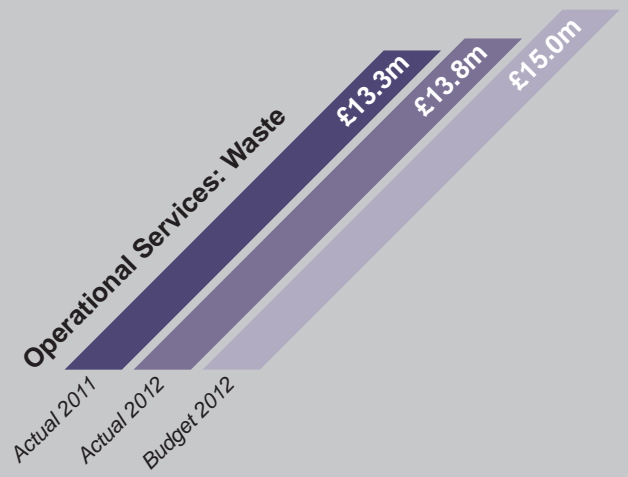


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

	2012 Business Plan				2012 Final Approved Budget				2011 Actual				2012 Actual			
	Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000	
	7,953	4,072	12,025		7,449	3,965	11,414		6,544	2,896	9,440		6,881	13,055	19,936	
	5,254	5,377	10,631		7,520	5,475	12,995		6,770	3,863	10,633		6,917	6,791	13,708	
	13,207	9,449	22,656		14,969	9,440	24,409		13,314	6,759	20,073		13,798	19,846	33,644	
	1,876	-	1,876		1,894	4	1,898		1,582	-	1,582		1,659	-	1,659	
	2,389	37	2,426		2,367	41	2,408		2,310	30	2,340		2,360	37	2,397	
	(60)	-	(60)		(82)	-	(82)		(514)	-	(514)		(265)	-	(265)	
	4,205	37	4,242		4,179	45	4,224		3,378	30	3,408		3,754	37	3,791	
	4,265	4,156	8,421		4,381	4,156	8,537		4,305	2,801	7,106		4,046	3,533	7,579	
	5,261	85	5,346		5,171	86	5,257		4,988	72	5,060		5,270	75	5,345	
	26,938	13,727	40,665		28,700	13,727	42,427		25,985	9,662	35,647		26,868	23,491	50,359	

1. Service Analysis figures have been restated to match the analysis used in the MTFP 2013-2015, including the move of Jersey Harbours from Waste to Municipals

The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £19.7m

- The increase in income from 2011 is due to:
- increased bus income
 - full year income from the Energy from Waste plant operations
- offset by:
- the absence of the Harbours capital loan repayment in 2011
- The surplus on budget is attributable to:
- increased bus income
 - increased recharges to other areas of TTS, States departments and capital schemes
- offset by:
- tipping fees significantly less than budget due to the downturn in the construction industry; and
 - electricity sales from the EfW less than budget

Non Cash Expenditure £23.5m

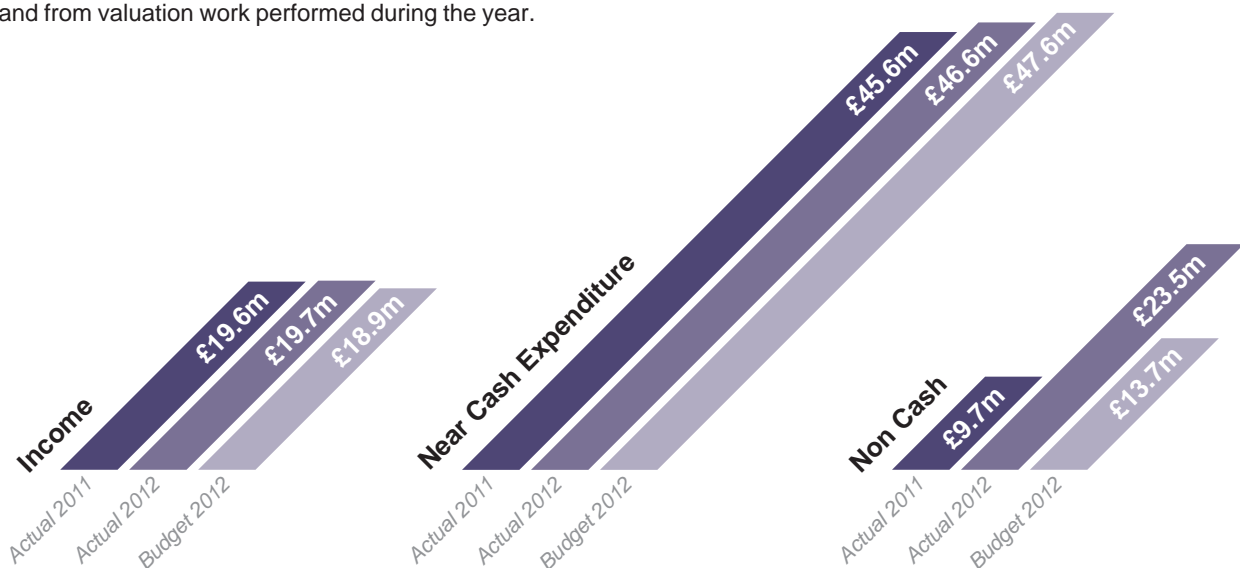
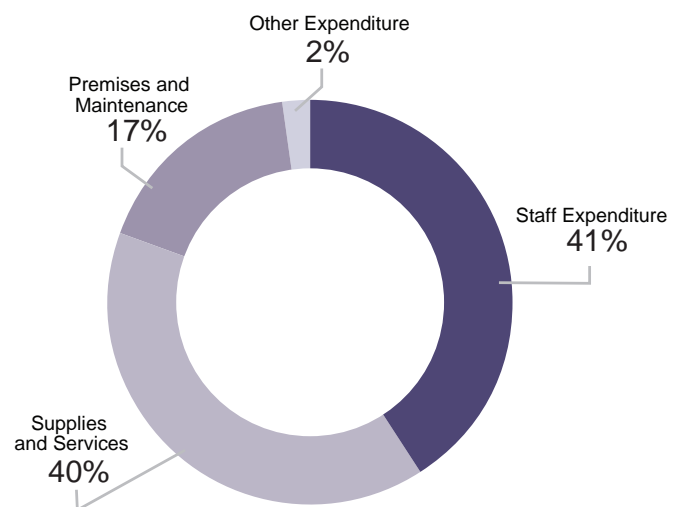
Additional depreciation in respect of the full year effect of capitalisation of the Energy from Waste plant and finalisation of infrastructure projects such as resurfacing Avenue de la Reine Elizabeth II contributed to the increased depreciation charge of £5.7 million. Such infrastructure maintenance projects are immediately depreciated in full when complete. Impairments of £8.8 million were reflected in the accounts for the year, relating to the error on the remaining useful life of the Sewage Treatment Works, identified during the asset valuation process, and from valuation work performed during the year.

Major Income Streams

	£'000
Recharge Income	10,011
Bus Income	3,636
Sale of Electricity	1,670
Tipping Fees	1,114
Other	3,262
Total Income	19,693

Near Cash Expenditure £46.6m

Near Cash Expenditure Analysis



Staff Expenditure

Increased costs of staff compared to 2011 relate to the 1% non consolidated pay award, paid at the end of 2012 and vacancies being filled during the year following restructuring of several areas of the department. Staff expenditure still remained below budget as a result of some vacancies being maintained in support of CSR initiatives.

Supplies and Services

The carry forward in respect of treatment and disposal of asbestos waste increased the budget for supplies and services by £1.25 million. Although the budget was underspent in total, the additional spend of approximately £260,000 compared to budget excluding the asbestos carry forward represents increased use of external suppliers for some areas of the Department's work, such as waste disposal, specialist contractors and advisors.

Premises and Maintenance

Premises and maintenance spend was slightly over budget as a result of additional rechargeable works that are also included within the increased income for the Department.

Other Comprehensive Income £44.9m

During the year revaluations were carried out on Infrastructure Assets, comprising Highways, Drainage and Sea Defences. Impairments to asset values, totalling £44,881,896, were booked to the revaluation reserve where this was appropriate, and are shown in the Other Comprehensive Income.

Statement of Financial Position

The change in the classification of "provisions for liabilities and charges" relates to the project to demolish the old Energy from Waste plant at Bellozanne, which commenced in November 2012. Until this time, the sum of £2.08 million had been held as a long term provision against demolition costs, once the demolition contract was signed this was moved to current liabilities. The remaining provision relates to the long term costs of demolishing the new Energy from Waste plant once it reaches the end of its useful life. An outline estimate for such costs was received by TTS in September 2012.

The reduction in the net asset value relates to annual depreciation charges, and impairments in line with the revaluation exercise undertaken in 2012, together with the correction of the remaining useful lives of certain assets brought onto the balance sheet in 2009 and identified during the revaluation.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
851	851	Duties, Fees, Fines and Penalties	844	835
17,664	17,664	Sales of Goods and Services	17,695	18,414
1	1	Investment Income	2	2
346	371	Other Income	1,025	442
18,862	18,887	Total Revenue	19,566	19,693
		Expenditure: Near Cash		
19,584	19,764	Staff Expenditure	18,624	19,049
17,665	19,465	Supplies and Services	17,642	18,495
275	275	Administrative Expenditure	268	273
8,150	7,956	Premises and Maintenance	8,123	8,046
78	79	Other Operating Expenditure	796	610
32	32	Grants and Subsidies Payments	49	-
1	1	Impairments of Financial Assets	14	49
15	15	Finance Costs	35	39
45,800	47,587	Total Expenditure: Near Cash	45,551	46,561
26,938	28,700	Net Revenue Expenditure: Near Cash	25,985	26,868
		Non Cash Amounts		
13,727	13,727	Depreciation and Amortisation	8,989	14,720
-	-	Impairments of Property, Plant and Equipment	662	8,770
-	-	Loss on Disposal of Non-Current Assets	11	1
13,727	13,727	Total Non Cash Amounts	9,662	23,491
40,665	42,427	Net Revenue Expenditure	35,647	50,359
		Other Comprehensive (Income)/Expenditure		
-	-	Revaluation of Property, Plant and Equipment	(137,356)	44,882
-	-	Total Other Comprehensive (Income)/Expenditure	(137,356)	44,882
40,665	42,427	Total Comprehensive Expenditure/(Income)	(101,709)	95,241

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	888,469	1,037,554	979,129
Intangible Assets	451	537	696
Trade and Other Receivables	12	9	7
Total Non-Current Assets	888,932	1,038,100	979,832
Current Assets			
Inventories	579	728	1,017
Trade and Other receivables	1,446	1,043	945
Cash and Cash Equivalents	1	1	1
Total Current Assets	2,026	1,772	1,963
Total Assets	890,958	1,039,872	981,795
Current Liabilities			
Trade and Other Payables	7,721	9,740	9,233
Provisions for liabilities and charges	724		1,287
Total Current Liabilities	8,445	9,740	10,520
Total Assets Less Current Liabilities	882,513	1,030,132	971,275
Non-Current Liabilities			
Provisions for liabilities and charges	2,080	4,160	2,080
Total Non-Current Liabilities	2,080	4,160	2,080
Assets Less Liabilities	880,433	1,025,972	969,195
Taxpayers' Equity			
Accumulated Revenue Reserves	798,860	807,043	795,148
Revaluation Reserve	81,573	218,929	174,047
Total Taxpayers' Equity	880,433	1,025,972	969,195

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Jersey Property Holdings	1,584
Corporate Procurement	1,539
Taxes	903
Other Variances	367
Net Underspend	4,393

The Treasury and Resources Department comprises the Departmental operational functions and non-Departmental Central Allocations. Central Allocations are available to all Departments within the States of Jersey and are released by the Council of Ministers as required. The unspent balance at the end of 2012 was £28,382,690.

The Treasury and Resources Department underspent by £4.4 million in 2012. £2.4 million related to additional non-recurring allocations made in advance for the full cost of projects which are planned to take place over a number of years. These include Procure to Pay and the Taxes Transformation Programme.

Jersey Property Holdings (JPH) was underspent by £1,584,306, and the majority of this underspend is due to a delay in 3 backlog maintenance projects that were not complete at the year end or were deferred for operational reasons to 2013. In addition there were staff vacancies arising from an organisational restructure.

The £1,538,584 underspend within Corporate Procurement has arisen primarily as a result of additional funding being allocated in advance during 2012 to provide for a project to introduce a web-based 'Procure to Pay' system over the next three years.

The £902,750 underspend in the Taxes Office is due to an early draw down from the restructuring provision for the Taxes Transformation Programme which is planned to continue across the financial year end. There has also been some delay in this project due to the deferred recruitment of several staff positions and to slippage in the office relocation project.

The £367,637 underspend shown as other variances includes £225,780 of funds ring fenced from the PECRS Pre-1987 Debt Repayment budget to provide a reserve for volatile costs in future years.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	37,115
Pensions	4,230
Insurances and Fees	1,181
Jersey Property Holdings	(8,816)
Other Variances	870
2012 NRE	34,580

The PECRS Pre-1987 Debt Repayment budget and the Pre-1967 Pension payments were transferred from the Chief Minister's Department in 2012, and had total expenditure of £4,230,273.

The net cost of Insurance and Fees increased by £1,181,351. There was a saving in the insurance premia of £711,000 arising from the re-tendering of insurance services. The legal fees and expenses incurred by the Historic Child Abuse Enquiry were charged against the Insurance Fund as agreed by the Council of Ministers.

The decrease in expenditure of £8,814,972 in Jersey Property Holdings relates to a reversal of fixed asset impairments from previous years as part of the 2012 revaluation of assets as well as the non-recurrence in 2012 of a Fiscal Stimulus grant of £1,646,553 paid to Jersey Hospice in 2011.

Other variances represent small reductions in spend within the Procurement team and the Taxes office due to slippage in ongoing projects offset by an increase in expenditure within the Treasury due to additional projects undertaken.

TREASURY AND RESOURCES DEPARTMENT

Minister's Overview

The Treasury and Resources Department has made significant progress in 2012 towards its objectives of improving longer term financial planning and securing a financially sustainable future.

The Department has continued to improve its revenue forecasting in 2012 to support the development of fiscal policies for the current period of economic downturn and beyond. The EU Code Group confirmed that Jersey's zero/ten Tax regime is Code compliant. The tax system was strengthened with new anti-avoidance rules being approved by the States.

The Department's achievements for 2012 include:

- Approval by the States of the first Medium Term Financial Plan 2013 to 2015.
- Development of the first twenty-five year Long Term Capital Plan.
- Securing excellent returns on States' investments and shareholdings. Investment returns to the Common Investment Fund for the States added £132.5 million to the total value of the Fund (which benefitted the States by £63.1 million, the Social Security Reserve by £59.1 million and a number of participating Trusts and Charities by £10.3 million).
- Good progress has been made on the Taxes Transformation Programme, including the introduction of online filing for business tax payers.
- Effective management of reserves and contingencies to support other Ministers' and Parishes' objectives including the release of £27 million for affordable housing schemes and other fiscal stimulus programmes.
- Jersey Property Holdings (JPH) has progressed a significant programme of backlog maintenance to improve States buildings. A five-yearly full valuation of fixed assets has been completed and is reflected in the 2012 accounts.

Minister's Overview

- Comprehensive Spending Review projects in Treasury and Resources have generated savings of £800,000 a year on insurance alone as well as supporting the successful re-tendering of major contracts in many Departments. Procurement projects initiated in 2012 will deliver £3.2 million of recurring CSR savings across the States in future years.
- The Pensions Technical Working Group has been established which began the redesign of the Public Employees Contributory Retirement Scheme (PECRS) to place it on a sustainable footing for the next twenty years.
- Successful oversight of States owned and partly owned utilities and companies including improving the management, governance and performance of SOJDC.

Future Developments

The Department will continue to work collaboratively across the States to identify risks and issues and address urgent pressures as they arise. Fiscal policy will remain focused on protecting jobs and promoting the economy.

In addition to business as usual, the Department will focus on developments in 2013 set out below.

- Progressing the project to update, modernise and put the States pension schemes on a sustainable footing.
- Monitoring the delivery of the Medium Term Financial Plan and Comprehensive Spending Review. Producing a Long Term Revenue Plan and continuing to monitor Fiscal Strategy, where necessary recommending adjustments and working on options for delivering savings in future years.
- Continuing the roll-out of the Procurement Transformation Plan, including the introduction of an improved 'Procure to Pay' system.
- Supporting all States' Departments to review and update their Business Continuity plans.
- Strengthening the regulatory framework through a programme of revisions to the Finance Law, Financial Directions and other operating procedures.
- JPH will deliver a number of capital projects as agreed in the Capital Plan, including the relocation of the Police Station and the office rationalisation strategy. JPH will continue to progress the backlog maintenance programme.
- The Taxes Office will continue to implement the multi-year Taxes Transformation Programme; activities planned for 2013 include launching online payments for individuals in early 2013, streamlining internal data-sharing, and completing plans for implementing the Long Term Care charge.

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	56,473
Carry Forwards	17,971
Allocation of Contingency	(3,881)
Allocation of Additional Funding	984
Transfer to/from Capital	(906)
Departmental Transfers	4,228
Final Approved Budget	74,869

Staff FTE

At the year end the department employed the equivalent of 235 full time employees. This is an increase of 11.0 (4.9%) from 2011, and is due to transfer of PECRS from Chief Ministers Department and a combination of new posts and vacancies over 2011 year end recruited to in 2012 and a reduction in posts from transfers and CSR savings producing a net increase of 7 FTE's.

Changes from Budget Voted in the Business Plan

In 2012 adjustments to the original budget voted in the Business Plan totalling £18,395,389 were made. £17,971,648 was carried forward from 2011-£16,483,817 in Central Allocations and £1,487,831 for Departmental expenditure. The Departmental carry forwards were primarily to continue projects which spanned the year end, such as the Taxes Transformation Programme, Procure to Pay and the Pensions Review project. Carry forwards were also applied to backlog maintenance projects at JPH and to increase the PECRS Pre-1987 Debt Repayment budget

A net transfer of £3,881,244 was made from Contingency during 2012. A total of £7,911,927 was transferred out of Contingency to Departments. This included £4,030,683 which was allocated to the Treasury and Resources Departmental budget for projects including Procurement Transformation Programme, Taxes Transformation Programme, LVCR legal fees, costs incurred in respect of the Historic Child Abuse Enquiry, Invest to Save Energy project, and funding for the non-consolidated pay award.

Allocations of Additional Funding of £983,630 were processed for projects within the Department including the Historic Child Abuse Enquiry, the Pensions Review Project and the Hospital pre-feasibility project.

£906,294 was transferred from revenue to capital for various projects within Jersey Property Holdings and Taxes in order to ensure correct accounting treatment under IFRS.

The main departmental transfer occurring in 2012 was the transfer of Pensions from the Chief Minister's Department.

Detailed Financial Analysis Snapshot summary

Underspend
£4,393,178 (12.7%)
against Near Cash Final Approved Budget

Net Revenue
Expenditure
£34,580,572 (5.5%)
decrease on 2011

Service Analysis

Jersey Property Holdings **£7.8m**

Overall Near Cash Net Revenue Expenditure was £2.45 million lower than in 2011. There was additional expenditure on building maintenance of £582,000, but this was offset by a reduction in costs compared with 2011 in two main areas. Staff Costs were lower by £1.33 million in 2012 due to non-recurring restructuring costs in 2011 and vacancies during as a result of the restructuring process. There was also a reduction in Grants payments of £1.72 million due to the completion in 2011 of a Fiscal Stimulus funded project to modernise and expand inpatient facilities at Jersey Hospice.

States Treasury **£6.9m**

Spending on the Treasury Service area increased by £1,372,026 between 2011 and 2012 and closed the year £24,355 underspent.

The additional expenditure arose primarily from the requirement to fund the legal costs associated with the court action on Low Value Consignment Relief for which additional monies were allocated from Contingency. This increase also reflects the pensions review project, and the reduced level of staff vacancies in 2012, and increased spend on minor projects arising in year.

Taxes **£5.9m**

The £902,750 underspend within Taxes is primarily due to an underspend on the Taxes Transformation Programme. This arose from a combination of the early draw down from the Restructuring Provision and changes in the project plan as a result of a new workstream - the introduction of a Long Term Care charge. This has resulted in an extended planning period which has deferred IS related expenditure associated with initiatives planned in 2012.

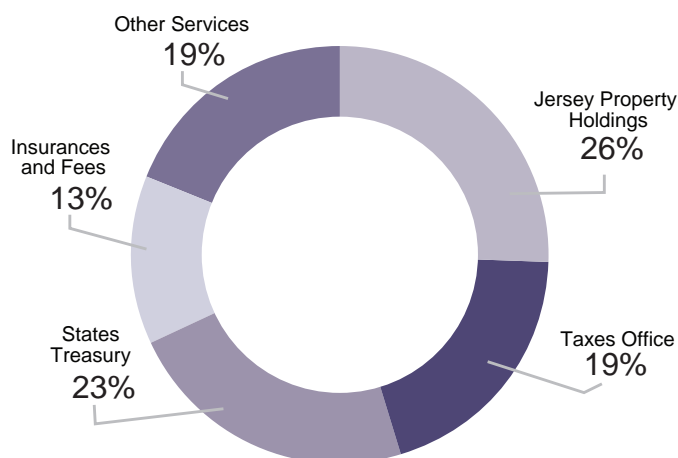
2012 near cash expenditure is broadly in-line with 2011.

Other Services **£9.6m**

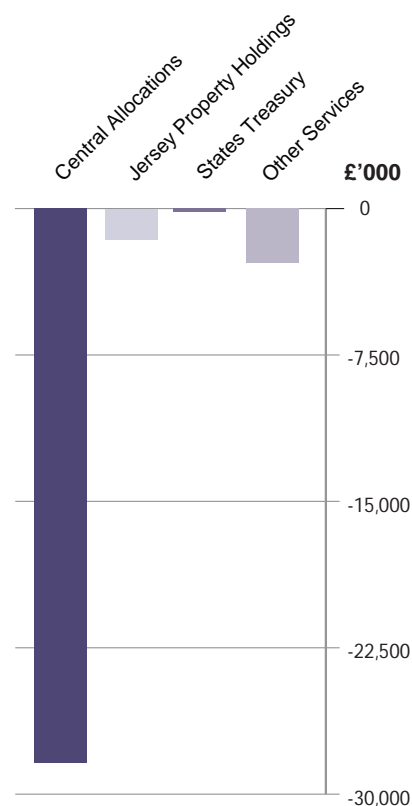
Other services include Corporate Procurement, Insurances and Fees and Pensions (Pre-1987 Debt repayment and Pre-1967 Pension Payments).

£711,000 was saved on insurance premia by individual States Departments in this service area through new contract terms. Additional expenditure was incurred in 2012 on the cost of negotiating the new insurance contract and on fees and expenses in relation to the Historic Child Abuse Enquiry for which additional funding was made available. This has resulted in an overall underspend of £50,000.

The PECRS Pre-1987 Debt Repayment budget and the Pre-1967 Pension payments budget were transferred from the Chief Minister's Department in 2012 in the amount of ££4,328,700.

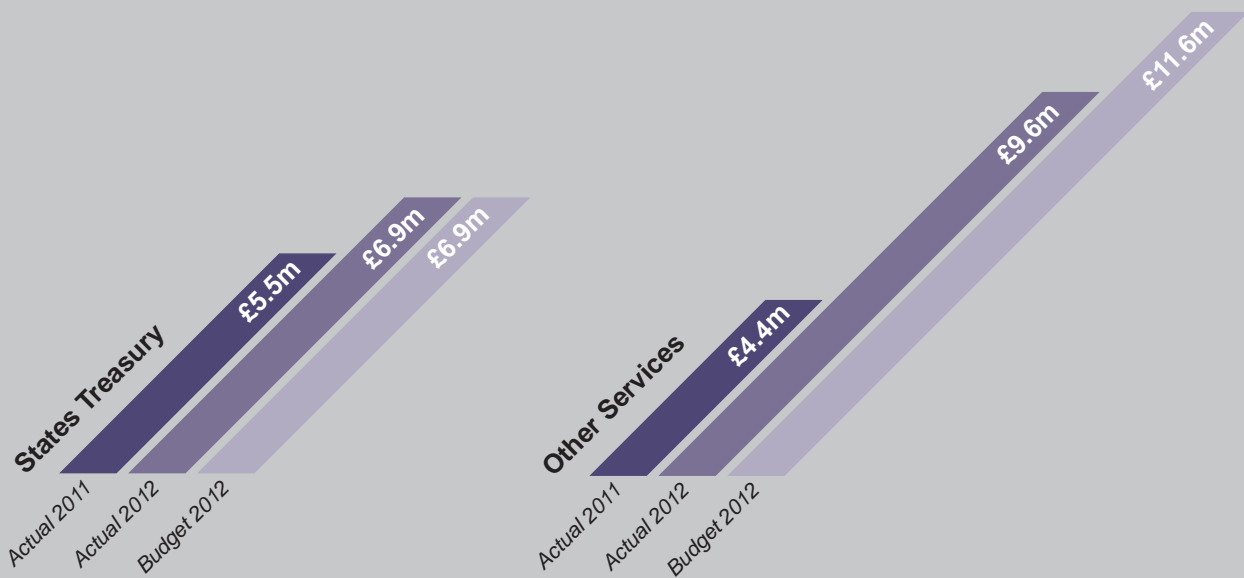
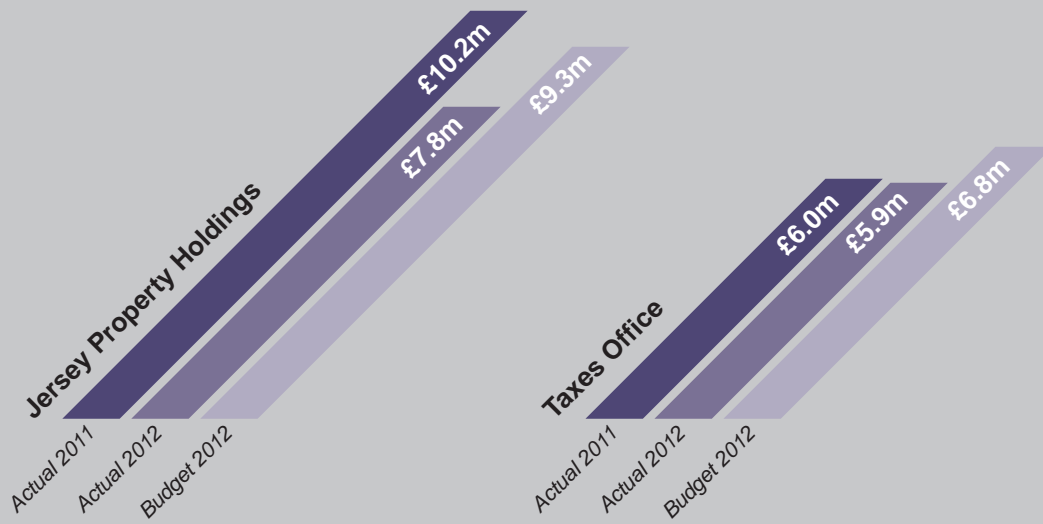


Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

2012 Business Plan				2012 Final Approved Budget				2011 Actual				2012 Actual			
Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000		Near Cash £'000	Non Cash £'000	Total £'000	
5,998	-	5,998		6,895	-	6,895	Departmental	5,499	-	5,499		6,871	-	6,871	
6,258	1,091	7,349		6,828	1,091	7,919	States Treasury	5,988	926	6,914		5,926	674	6,600	
9,317	10,799	20,116		9,338	10,799	20,137	Taxes Office	10,199	10,074	20,273		7,754	3,703	11,457	
490	-	490		3,051	-	3,051	Jersey Property Holdings	1,700	-	1,700		1,512	-	1,512	
2,709	-	2,709		3,960	-	3,960	Corporate Procurement	2,729	-	2,729		3,910	-	3,910	
-	-	-		4,005	-	4,005	Insurances and Fees	-	-	-		3,779	-	3,779	
-	-	-		519	-	519	Pensions	-	-	-		451	-	451	
							Pre 1987 Debt repayment								
							Pre 1967 Pension Payments								
24,772	11,890	36,662		34,596	11,890	46,486	Departmental	26,115	11,000	37,115		30,203	4,377	34,580	
12,485	-	12,485		26,246	-	26,246	Central Allocations	-	-	-		-	-	-	
10,000	-	10,000		2,137	-	2,137	Provision for Central Reserves	-	-	-		-	-	-	
7,326	-	7,326		28,383	-	28,383	Restructuring Provision	-	-	-		-	-	-	
							Central Pay Provision								
							Central Allocations								
							Corporate Savings								
(3,000)	-	(3,000)		-	-	-	Procurement Savings	-	-	-		-	-	-	
(7,000)	-	(7,000)		-	-	-	Terms and Conditions Savings	-	-	-		-	-	-	
(10,000)	-	(10,000)		-	-	-	Corporate Savings	-	-	-		-	-	-	
44,583	11,890	56,473		62,979	11,890	74,869	Net Revenue Expenditure	26,115	11,000	37,115		30,203	4,377	34,580	

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £9.4m

The majority of the Department's income in 2012, £6,466,247, was received by Jersey Property Holdings in respect of external leases and internal recharges for rent and facilities management. Jersey Property Holdings has a favourable income variance of £515,311 against the final approved budget in respect of unbudgeted recharges to Departments for work undertaken at their request. This is offset by a matching increase in cost of works which is reflected as unbudgeted expenditure.

An exercise was undertaken in 2012 to realign Insurance recharges with departmental costs which resulted in additional income of £1,019,697. Departmental budgets were adjusted to match and the net impact on the States of Jersey was an overall saving of £711,000 in the Department's expenditure budgets as described in the commentary on the Service Analysis.

There has been an increase of £869,352 in the recharges Treasury and Taxes make to Funds and other Departments in line with costs incurred.

Non Cash Expenditure £4.4m

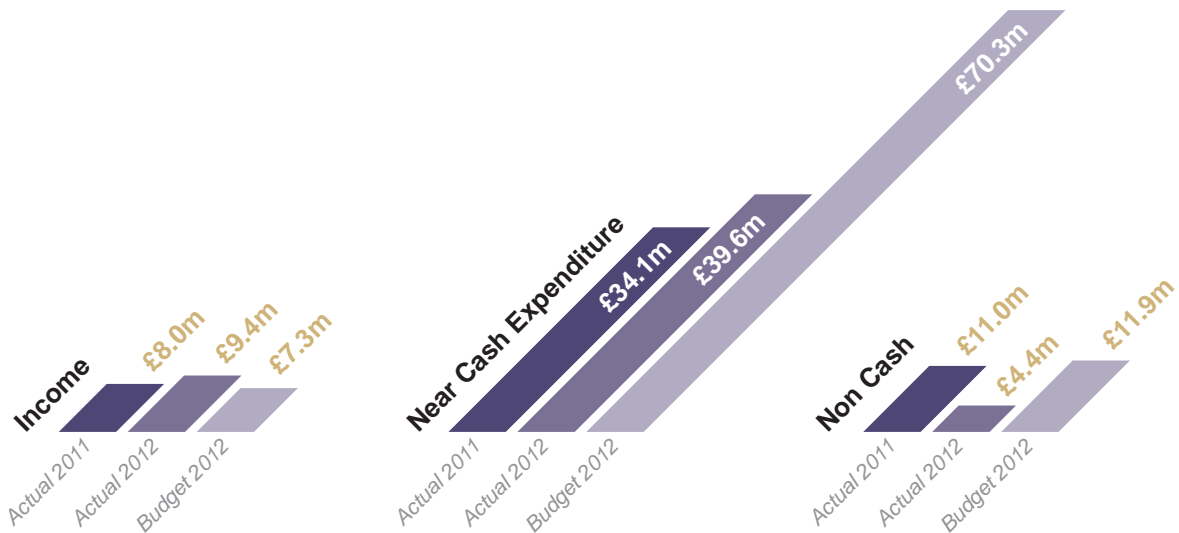
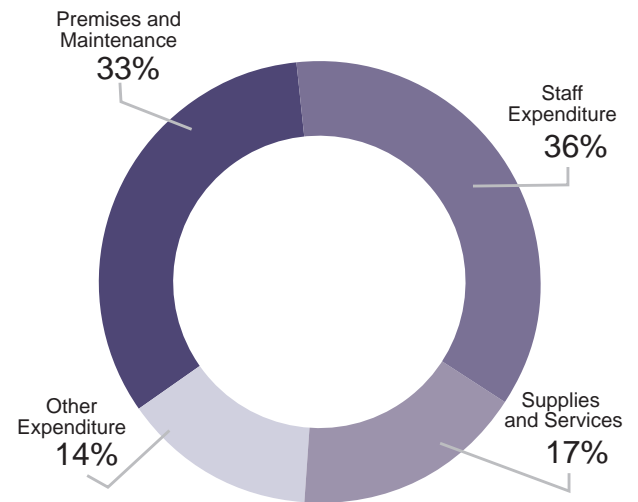
The States of Jersey Property portfolio has been re-valued in 2012 by the Valuation Office. As a result, the reversal of impairments in prior years has caused the reduction in near cash expenditure between 2011 and 2012.

Major Income Streams

	£'000
Property rentals and facilities charges	6,466
Recharges to Funds	1,099
Insurance Recharges	1,020
Other	843
Total Income	9,428

Near Cash Expenditure £39.6m

Near Cash Expenditure Analysis



Supplies and Services

The increase in expenditure between 2012 and 2011 mainly relates to one-off legal fees paid in respect of Low Value Consignment Relief and the Historic Child Abuse Enquiry.

Grants and Subsidies Payments

The decrease in expenditure between 2012 and 2011 is mainly due to a fiscal stimulus grant in the amount of £1,646,553 paid to Jersey Hospice for building works completed in 2011.

Finance Costs

The increase in expenditure between 2012 and 2011 is due to the transfer of Pre-87 Debt Pensions budget from the Chief Minister's Department in the amount of £3,810,100.

Statement of Financial Position

The States of Jersey property portfolio has been revalued as at 31st December 2012 by the Valuation Office in line with the States revaluation cycle. Property held on the Jersey Property Holdings balance sheet has been revalued to £1.16 billion - an increase in value from 31st December 2011 of £140 million. The total book value of Property, Plant and Equipment also includes £8.7m of Assets Under the Course of Construction, a reduction of £8.6m compared to 2011.

£20 million of the movement relates to capitalised additions and improvements to the portfolio. Of the £120 million revaluation uplift, £101 million is within the Education estate, which represents some 50% of the overall property portfolio by size. This uplift reflects the increasing cost of providing a modern equivalent asset that complies with education guidelines and local planning and bye-law requirements. The remaining £19 million relates to a slight upwards revaluation of 2% across the portfolio.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
6,609	6,654	Sales of Goods and Services	7,049	8,650
10	-	Investment Income	-	-
130	652	Other Income	947	778
6,749	7,306	Total Revenue	7,996	9,428
		Expenditure: Near Cash		
13,994	15,370	Staff Expenditure	15,758	14,429
3,226	6,578	Supplies and Services	3,888	6,888
374	772	Administrative Expenditure	401	339
13,780	14,829	Premises and Maintenance	11,562	12,924
117	328	Other Operating Expenditure	664	1,100
-	66	Grants and Subsidies Payments	1,787	96
-	(76)	Impairments of Financial Assets	23	37
30	4,035	Finance Costs	28	3,818
19,811	28,383	Contingency	-	-
51,332	70,285	Total Expenditure: Near Cash	34,111	39,631
44,583	62,979	Net Revenue Expenditure: Near Cash	26,115	30,203
		Non Cash Amounts		
11,890	11,890	Depreciation and Amortisation	11,042	10,969
-	-	Impairments of Property, Plant and Equipment	1,667	(6,492)
-	-	Gain on Disposal of Non-Current Assets	(1,709)	(100)
11,890	11,890	Total Non Cash Amounts	11,000	4,377
56,473	74,869	Net Revenue Expenditure	37,115	34,580
		Other Comprehensive Income		
-	-	Revaluation of Property, Plant and Equipment	(1,736)	(131,191)
-	-	Gain on Revaluation of Other AFS Investments	(298)	(5)
-	-	Total Other Comprehensive Income	(2,034)	(131,196)
56,473	74,869	Total Comprehensive Expenditure/(Income)	35,081	(96,616)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	1,022,651	1,038,108	1,170,242
Intangible Assets	3,690	3,237	2,987
Other Available for Sale Investments	-	298	303
Total Non-Current Assets	1,026,341	1,041,643	1,173,532
Current Assets			
Non-Current Assets classified as held for sale	2,127	786	538
Trade and Other receivables	798	1,395	989
Cash and Cash Equivalents	280	106	124
Total Current Assets	3,205	2,287	1,651
Total Assets	1,029,546	1,043,930	1,175,183
Current Liabilities			
Trade and Other Payables	5,431	7,400	9,446
Provisions for liabilities and charges	315	-	-
Total Current Liabilities	5,746	7,400	9,446
Total Assets Less Current liabilities	1,023,800	1,036,530	1,165,737
Non-Current Liabilities			
Provisions for liabilities and charges	885	247	106
Total Non-Current Liabilities	885	247	106
Assets Less Liabilities	1,022,915	1,036,283	1,165,631
Taxpayers' Equity			
Accumulated Revenue Reserves	911,428	923,080	927,631
Revaluation Reserve	73,359	74,783	203,093
Donated Asset Reserve	38,128	38,122	34,604
Investment Reserve	-	298	303
Total Taxpayers' Equity	1,022,915	1,036,283	1,165,631

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Staff Costs	837
Court and Case Costs	475
Comptroller and Auditor General	450
Judicial Greffe	412
Other Variances	61
Net Over/Underspend	2,235

Overall, the Non-Ministerial departments were underspent against a final approved near cash budget by £2,235,362.

Staff Costs were underspent by £836,512 mostly due to vacant posts in the Law Officers Department (£457,448), Probation and Aftercare Service (£219,228), Judicial Greffe (£156,603) and minor variances across the other departments.

Court and Case Costs were underspent by £474,774. Due to the volatile nature of expenditure it is difficult to predict costs accurately in advance, and for this purpose, the Smoothing Reserve exists.

The Comptroller and Auditor General was underspent by £450,173, as following the resignation of the former C&AG in June 2012, any planned reviews were delayed until a new appointment was made.

Judicial Greffe Department was underspent by £412,321 due to an overachievement of income in respect of an increase in stamp duty.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	18,935
Court and Case costs	1,337
Law Officers' Department	276
Data Protection	(105)
Other Variances	(20)
2012 NRE	20,423

There was an increase compared to 2011 in Court and Case Costs NRE of £1,336,886. Gross expenditure actually decreased by £538,831 in 2012, but in 2011 was offset by additional income in respect of recovered costs (£2,389,404).

There was an increase compared to 2011 in the Law Officers' Department NRE of £276,111 mostly due to posts that were vacant in 2011 subsequently being filled during 2012.

There was a decrease compared to 2011 in Data Protection NRE of £105,422 following the introduction of co-operative working with the States of Guernsey, the Department now recharge 50% of the Commissioner's salary, 20% of the Deputy Commissioner's salary and travel costs to the States of Guernsey.

NON-MINISTERIAL DEPARTMENTS

Overview

The Non-Ministerial Departments are necessarily independent of, or peripheral to, executive government. These include the Departments of the Judiciary as well as the Departments of the Official Analyst, The Office of the Lieutenant Governor, Probation and Aftercare Service and the Data Protection Commissioner. Nonetheless, all these Departments pay strict heed to the Financial Directions, and, subject to proportionality, are adherent to the business planning and performance management regimes established by the States.

Celebrations took place throughout 2012 to mark Her Majesty the Queen's Diamond Jubilee that involved a significant amount of planning by the Bailiff's Chambers and the Office of the Lieutenant Governor, especially relating to the Royal visit by the Prince of Wales and the Duchess of Cornwall. Many other celebrations were organised, including a special church service, a concert at Fort Regent, a firework display, a cavalcade of classic vehicles, a race meeting, and a food festival.

2012 saw the first full year of Jersey and Guernsey sharing a data protection commissioner, and resulted in an improving service and achieving savings and efficiencies for both Islands.

The Judiciary Departments saw increased Court and Case Costs due to three major cases taking place in 2012, and an active year supporting departments with their legal requirements.

Overview

Future Developments

The 350th anniversary of the gifting of the Royal Mace by King Charles II to the Island will take place in 2013 and the cost of celebrations is likely to create funding pressures for the Bailiff's Chambers.

Jersey will be hosting the Commonwealth Magistrates and Judges' Association Council Meeting and Conference in 2013, which is likely to create funding pressures for the Viscount's Department/Judicial Greffe.

The Freedom of Information (Jersey) Law 2011 is likely to create a need for increased resources from 2013 for some of the Non-Ministerial Departments, in particular Data Protection.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	22,028
Carry Forwards	571
Allocation of Contingency	160
Allocation of Additional Funding	6
Transfer to/from Capital	(147)
Departmental Transfers	45
Final Approved Budget	22,663

In 2012 adjustments to the original budget voted in the Business Plan totalling £636,278 were made. This amount represents £570,548 of carry forwards, in order to address pressures in 2012. £160,340 allocated from Contingency in respect of 2012 pay awards (£94,880), the Queen's Diamond Jubilee Celebrations (£60,000), procurement savings and insurance realignment (£5,460). £6,250 allocated as Additional Funding, being a grant to the Army Cadet Force (£5,000), and a transfer in respect of States Medals (£1,250). £145,860 revenue to capital transfers and £45,000 departmental transfers, due to from Social Security to Judicial Greffe in respect of the Employment Tribunal.

Staff FTE

At the year end the departments employed the equivalent of 182.34 full time employees. This is an increase of 9 (5.2%) from 2011, and is due to a reduction in vacant posts (4) and an increase in actual posts (5), mostly in Law Officers' Department, in order to decrease the hiring (and therefore costs) of external resources.

Detailed Financial Analysis Snapshot summary

Underspend
£2,235,362 (9.9%)
 against Near Cash Final Approved Budget

Net Revenue
 Expenditure
£20,422,361 **7.9%**
 increase on 2011

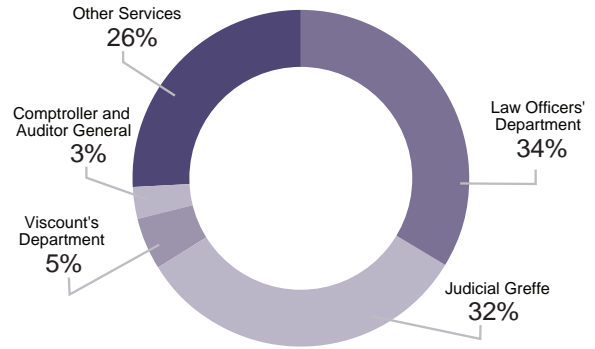
Service Analysis

Law Officers' Department **£6.9m**

Court and Case Costs actual gross expenditure in 2012 decreased by £1,607,810 (46.5%) compared to 2011. However, NRE shows an increase of £781,594 (74.9%) from 2011 due to the receipt of Recovered Costs and income in 2011. At the year end the Department had an underspend in this area compared to the final approved near cash budget of £303,477.

Law Officers' General – underspend against the final approved near cash budget was £573,310 (10.2%) due to vacant posts, which have now been filled (£457,448), and various minor underspends across the department.

Actual NRE increased by £276,037 (5.8%) compared to 2011 mostly due to posts that were vacant in 2011 subsequently being filled during 2012.



Net Revenue Expenditure by Service Analysis

Judicial Greffe **£6.6m**

Near cash expenditure was close to budget.

Comptroller & Auditor General **£0.6m**

The underspend (£449,173) occurred following the resignation in June 2012 of the Comptroller and Auditor General, as any planned reviews have been delayed until a new appointment is made.

Viscount Department **£1.0m**

Court and Case Costs – NRE in 2012 decreased by £43,126 compared to 2011. At the year end the Department had an underspend against the final approved near cash budget of £414,737 due to the volatile nature of expenditure.

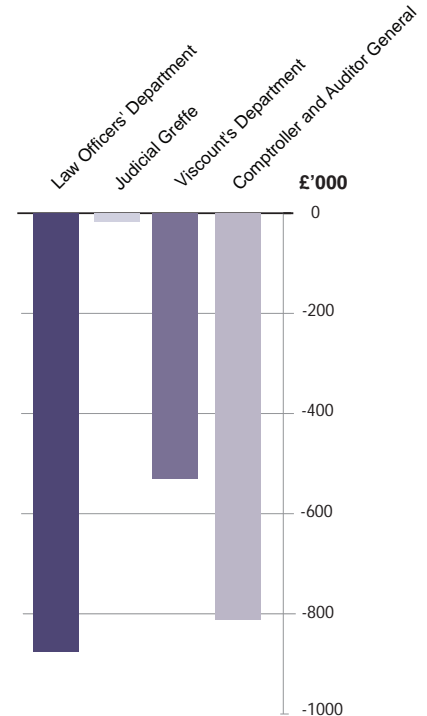
Duties of the Viscount – actual NRE in 2012 decreased by £278,701 (24.6%) compared to 2011 mostly due to increased income (£173,787), vacant posts (£30,917) and various small other minor decreases across the Department.

The underspend against the final approved near cash budget of £115,173 (11.9%) is mostly due to an overachievement of Curatorship Commissions (£11,856), savings on stationery and computer maintenance (£56,325) and various other minor underspends.

Other Services **£5.2m**

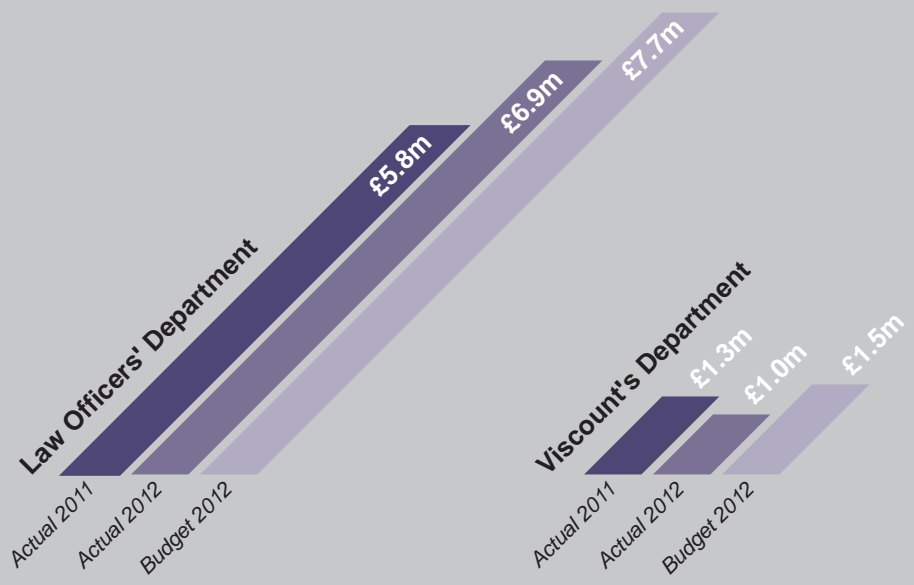
The Probation and Aftercare Service's underspend against the final approved near cash budget was £175,781 due to various savings across the Department (£117,190) and an underspend on Court and Case Costs (£58,591).

The remaining Non-Ministerial Departments had underspends against final approved near cash budgets of £185,305 in total.



Underspend Breakdown

Service Analysis Overview



Net Expenditure - Service Analysis

	2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
	1,056	-	1,056	1,120	-	1,120	1,061	-	1,061	1,094	-	1,094
	140	-	140	295	-	295	292	-	292	361	-	361
	393	-	393	451	-	451	136	-	136	358	-	358
	1,589	-	1,589	1,866	-	1,866	1,489	-	1,489	1,813	-	1,813
	1,949	-	1,949	1,949	-	1,949	1,679	-	1,679	1,868	-	1,868
	1,795	-	1,795	1,817	-	1,817	1,406	-	1,406	1,496	-	1,496
	439	-	439	439	-	439	432	-	432	464	-	464
	394	-	394	394	-	394	324	-	324	336	-	336
	389	-	389	389	-	389	333	-	333	290	-	290
	481	-	481	481	-	481	453	-	453	448	-	448
	130	-	130	130	-	130	121	-	121	124	-	124
	2,240	8	2,248	2,128	8	2,136	1,045	-	1,045	1,825	-	1,825
	7,817	8	7,825	7,727	8	7,735	5,793	-	5,793	6,851	-	6,851
	1,882	19	1,901	1,943	19	1,962	1,772	20	1,792	1,553	19	1,572
	982	-	982	987	-	987	950	-	950	964	-	964
	3,925	-	3,925	3,723	-	3,723	3,753	-	3,753	4,118	-	4,118
	6,789	19	6,808	6,653	19	6,672	6,475	20	6,495	6,635	19	6,654
	919	19	938	949	19	968	1,113	20	1,133	834	20	854
	537	-	537	537	-	537	165	-	165	122	-	122
	1,456	19	1,475	1,486	19	1,505	1,278	20	1,298	956	20	976
	606	46	652	582	46	628	544	44	588	573	44	617
	688	3	691	743	3	746	711	4	715	682	4	686
	-	-	-	31	-	31	28	-	28	30	-	30
	688	3	691	774	3	777	739	4	743	712	4	716
	26	-	26	26	-	26	24	-	24	25	-	25
	223	-	223	200	-	200	246	-	246	141	-	141
	299	18	317	299	7	306	174	2	176	181	2	183
	1,662	7	1,669	1,696	18	1,714	1,365	25	1,390	1,696	25	1,721
	-	-	-	225	-	225	-	-	-	166	-	166
	1,961	25	1,986	2,220	25	2,245	1,539	27	1,566	2,043	27	2,070
	753	-	753	1,009	-	1,009	693	-	693	560	-	560
	21,908	120	22,028	22,543	120	22,663	18,820	115	18,935	20,309	114	20,423

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £2.9m

Recovered costs of £895,416 mostly due to Blamped income and recharges to other departments. Income of £506,000 (against budget of £2 million) was requested from the Criminal Offences Confiscation Fund (COCF) due to three major cases occurring in 2012.

Enforcement fines were received by the Viscount Department. Recharges mostly between Probation and Home Affairs Department relating to staff and Data Protection recharging States of Guernsey for 50% of the commissioner's costs.

Stamp Duty (listed under 'Other Income') overachieved £266,268 against budget due to an increase in fees, which was offset by £218,000 reduction in Judicial Greffe's cash limit.

Non Cash Expenditure £0.1 m

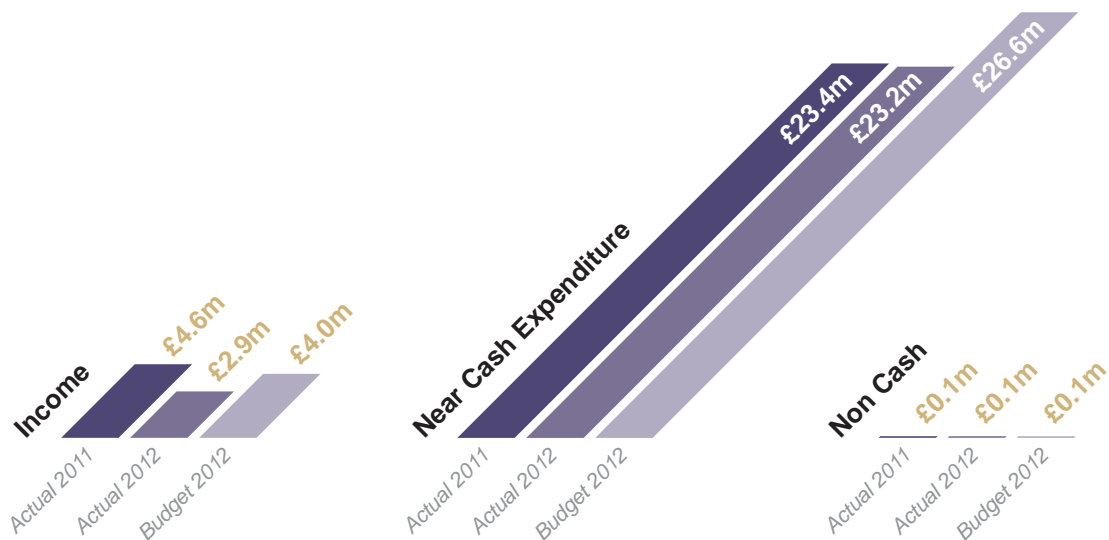
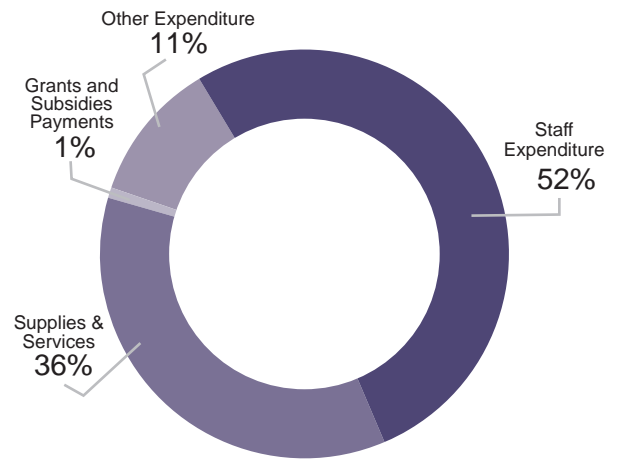
Non Cash Expenditure was in line with budget.

Major Income Streams

	£'000
Recovered Court and Case Costs	895
Duties, Fines, Fees and Penalties	739
Sale of Goods and Services	615
Other	669
Total Income	2,918

Near Cash Expenditure £23.2m

Near Cash Expenditure Analysis



Staff Expenditure

Were underspent compared to budget (£877,379) due to vacant posts mostly in Law Officers' Department, Probation and Aftercare Service and Judicial Greffe. The increase in expenditure is due to vacant posts filled during the year (£222,113) and the pay award (£94,880).

Supplies and Services

Were underspent compared to budget (£2,691,457), due to Court and Case Costs (£2,053,542), less work than planned undertaken by the Comptroller and Auditor General (£462,087) and various other underspends across the departments. The decrease in spend (£865,022) compared to 2011 is due to less spend within this area on Court and Case Costs (£559,920), only 6 months of expenditure by the Comptroller and Auditor General (£151,518) and various other reductions across the departments.

Administrative Expenses

Were overspent compared to budget (£157,895) due to increased costs within this area on Court and Case Costs (£179,384), offset by various net underspends across the departments. Expenditure increased (£370,878) compared to 2011 mostly due to an increase in spend in the Bailiff's Chambers caused by the cost of the Queen's Diamond Jubilee celebrations (£270,337), additional spend within this area on Court and Case Costs (£69,293) and other increases across the departments.

Statement of Financial Position

The consolidated Statement of Financial Position shows an increase of £24,673 (4.1%) in Trade and Other Receivables mostly due to an increase in prepayments in Judicial Greffe, and various other small variances across the other departments, and a decrease in Trade and Other Payables of £220,868 mostly due to the timing of invoice payments in the Law Officers' Department.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
675	675	Duties, Fees, Fines and Penalties	564	814
630	630	Sales of Goods and Services	828	615
1	1	Investment Income	1	1
2,716	2,716	Other Income	3,200	1,488
4,022	4,022	Total Revenue	4,593	2,918
		Expenditure: Near Cash		
12,963	13,108	Staff Expenditure	11,913	12,231
10,779	10,975	Supplies and Services	9,149	8,284
410	645	Administrative Expenditure	432	803
1,663	1,718	Premises and Maintenance	1,688	1,683
86	85	Other Operating Expenditure	92	62
18	23	Grants and Subsidies Payments	130	157
11	11	Finance Costs	9	7
25,930	26,565	Total Expenditure: Near Cash	23,413	23,227
21,908	22,543	Net Revenue Expenditure: Near Cash	18,820	20,309
		Non Cash Amounts		
120	120	Depreciation and Amortisation	115	114
120	120	Total Non Cash Amounts	115	114
22,028	22,663	Net Revenue Expenditure	18,935	20,423
22,028	22,663	Total Comprehensive Expenditure	18,935	20,423

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	223	192	194
Intangible Assets	250	203	298
Total Non-Current Assets	473	395	492
Current Assets			
Inventories	46	11	20
Trade and Other receivables	812	600	626
Cash and Cash Equivalents	2	2	2
Total Current Assets	860	613	648
Total Assets	1,333	1,008	1,140
Current Liabilities			
Trade and Other Payables	1,909	1,792	1,572
Provisions for liabilities and charges	255	-	-
Total Current Liabilities	2,164	1,792	1,572
Total Assets Less Current Liabilities	(831)	(784)	(432)
Assets Less Liabilities	(831)	(784)	(432)
Taxpayers' Equity			
Accumulated Revenue Reserves	(831)	(784)	(432)
Total Taxpayers' Equity	(831)	(784)	(432)

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Scrutiny	283
Electoral Commission	109
Members Remuneration	37
Other Variances	70
Net Underspend	499

Overall, the Department was underspent against a final approved cash budget by £499,270.

Scrutiny were £283,112 underspent against near cash final approved budget mostly due to less work than budgeted being undertaken by the panels (£136,799) and staff savings within the area (£146,313).

The Electoral Commission's work on the reform of the States Assembly was underspent (£108,825) compared to a final approved cash budget due to the work spanning more than one year. A referendum is due to take place in the first half of 2013.

Members' Remuneration was underspent (£36,212) against final approved near cash budget as not all 51 members claim their full entitlement to remuneration and expenses.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	4,803
Staff Costs	(51)
Supplies and Services	97
Other Variances	(44)
2012 NRE	4,805

Overall Net Revenue (NRE) increased from 2011 by only £1,038. However, this small increase was created by a number of large variances consisting of, a reduction in payments to Members (£148,037), reduced expenditure in Privileges and Procedures (£61,764) due to 2011 being exceptionally high as a result of the election, and Staff costs (£50,998) mostly due to staff savings within Scrutiny. These reductions were offset by an increase in Supplies and Services (£137,020) mostly due to an increase in work undertaken by Scrutiny from the previous year, expenditure on the Electoral Commission (£91,205) that did not exist in 2011 and various other minor increases across the Department (£31,536).

STATES ASSEMBLY

Overview

In the 2011-2014 Assembly, elected voting members comprise of ten Senators (elected on an island-wide basis), twenty-nine Deputies (elected to represent single - or multi-member constituencies), and twelve Connétables (head of each Parish, who are members of the States by virtue of their office). Under current proposals, from the 2014 elections, the number of Senators will be reduced to eight.

The Clerk of the Assembly is known as the Greffier of the States.

Future Developments

At the 2012 year end the final reports of the Electoral Commission and of the Privileges and Procedures Committee machinery of government sub-committee are still awaited. The outcome of the work of these two bodies could impact on the budget of the States Assembly from 2014 if, for example, there are recommendations to reduce the number of States members or to restructure the machinery of government in relation to scrutiny at the time of the next elections in October 2014.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	5,296
Allocation of Contingency	14
Final Approved Budget	5,310

In 2012 adjustments to the original budget voted in the Business Plan totalling £13,680 were made. This amount represents £11,900 additional budget received by the Department to cover the 1% Non-Consolidated pay award and £1,780 received in respect of the realignment of the insurance premiums.

Staff FTE

At the year end the department employed the equivalent of 26.5 full time employees, a small increase from 2011.

Detailed Financial Analysis Snapshot summary

Underspend
£499,270 (9.4%)
against Near Cash Final Approved Budget

Net Revenue Expenditure £4,803,940	minor increase on 2011
--	---------------------------

Service Analysis

States Assembly £1.4m

States Assembly was £179,946 underspent against final approved near cash budget mostly due to an underspend within the Electoral Commission (£180,795) due to the work on the reform of the States Assembly spanning more than one financial year, as the referendum is due to take place in 2013, general savings on property maintenance (£48,670) in order to upgrade the audio systems in the States Chamber in 2013, and other minor variances across the Department (£22,451).

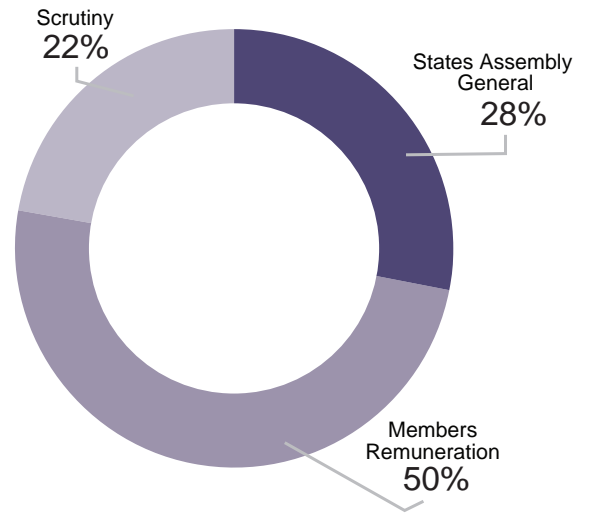
There was an increase of £61,085 within States Assembly compared to the prior year mostly due to expenditure on the Electoral Commission (£91,205) that did not exist in 2011, offset by minor variances across the section (£30,120).

Scrutiny £1.1m

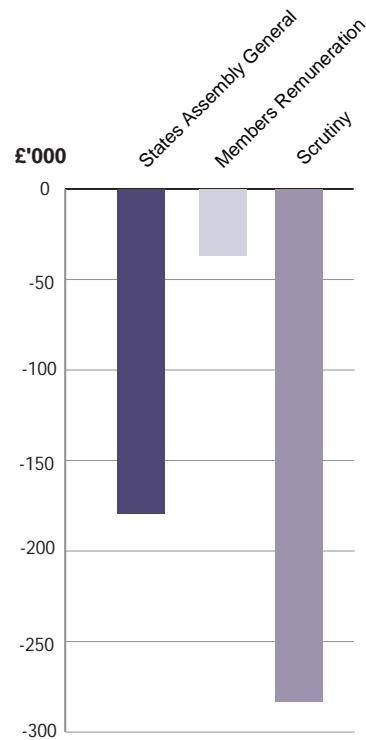
Scrutiny were £283,112 underspent against near cash final approved budget mostly due to less work than budgeted being undertaken by the panels (£136,799) and staff savings within the area (£146,313).

Members' Remuneration £2.4m

Members' Remuneration was underspent (£36,512) against final approved near cash budget as not all 51 members claim their full entitlement to remuneration and expenses. Expenditure decreased in 2012 (£148,037) due to the number of members reducing from 53 to 51, and a number of one-off payments made in 2011 to members who retired from the States and to those who were not re-elected.

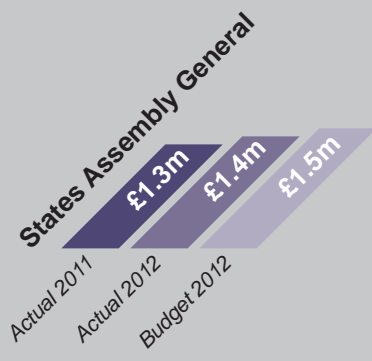
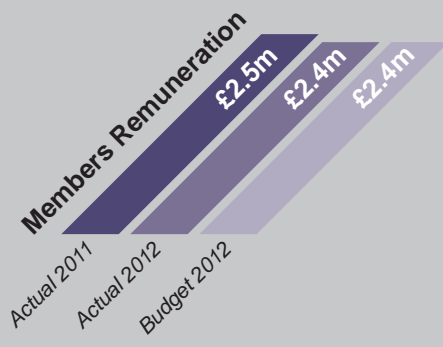
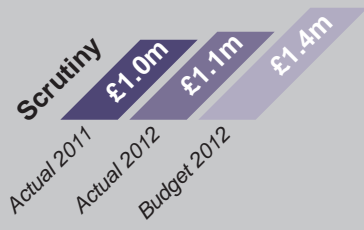


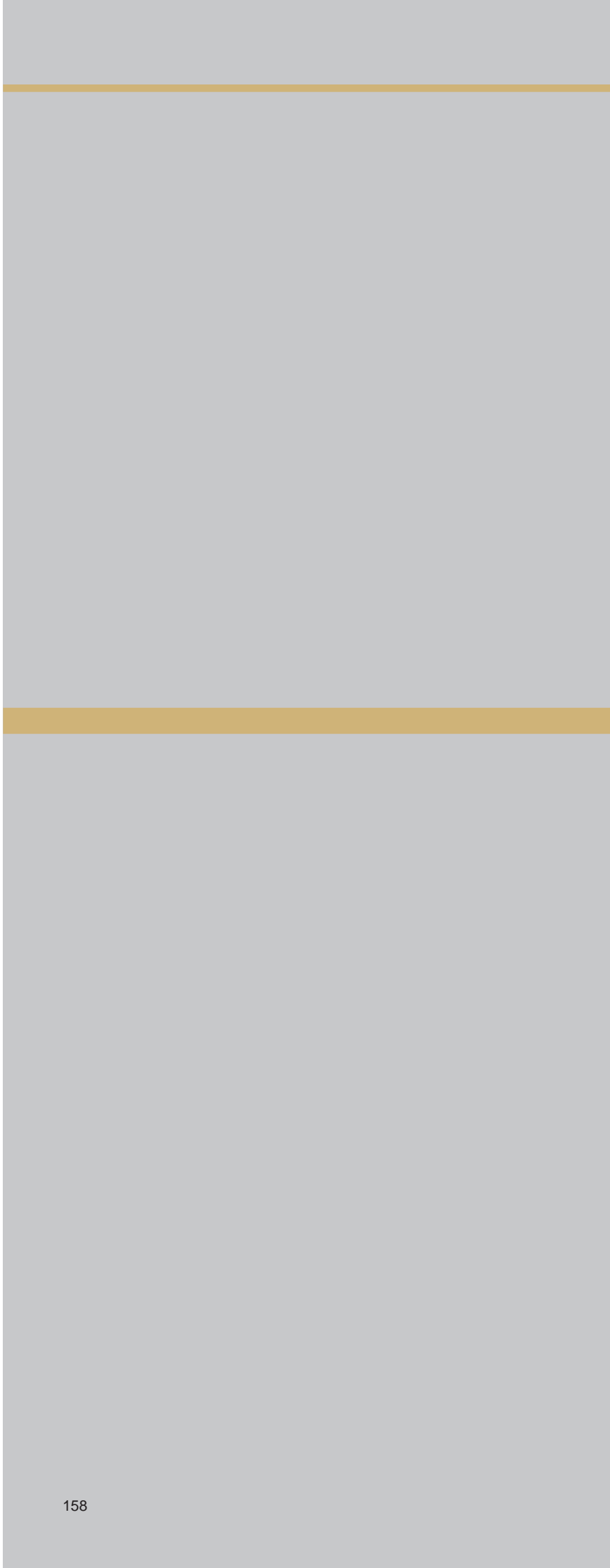
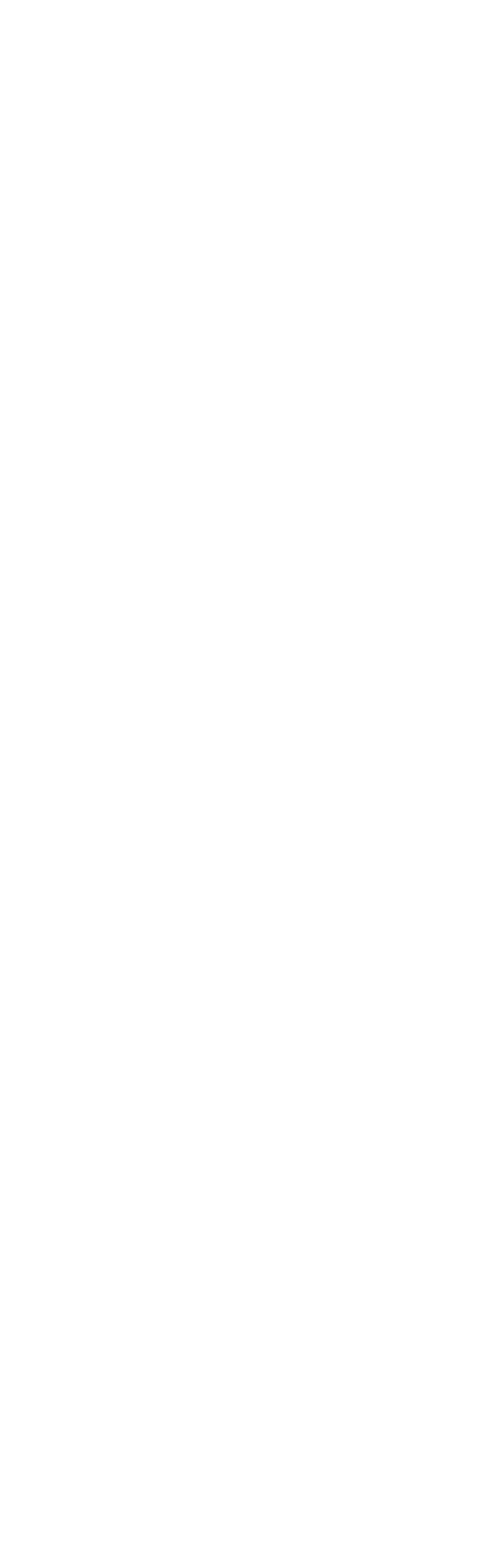
Net Revenue Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview





Net Expenditure - Service Analysis

	2012 Business Plan			2012 Final Approved Budget			2011 Actual			2012 Actual		
	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
	52	-	52	52	-	52	51	-	51	51	-	51
	85	-	85	85	-	85	80	-	80	83	-	83
	170	-	170	168	-	168	167	-	167	165	-	165
	17	-	17	17	-	17	17	-	17	17	-	17
	337	-	337	359	-	359	313	-	313	334	-	334
	655	16	671	652	16	668	663	16	679	613	10	623
	200	-	200	200	-	200	-	-	-	91	-	91
	1,516	16	1,532	1,533	16	1,549	1,291	16	1,307	1,354	10	1,364
	1,358	-	1,358	1,355	-	1,355	979	-	979	1,072	-	1,072
	2,406	-	2,406	2,406	-	2,406	2,517	-	2,517	2,369	-	2,369
	5,280	16	5,296	5,294	16	5,310	4,787	16	4,803	4,795	10	4,805

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income **£0.1m**

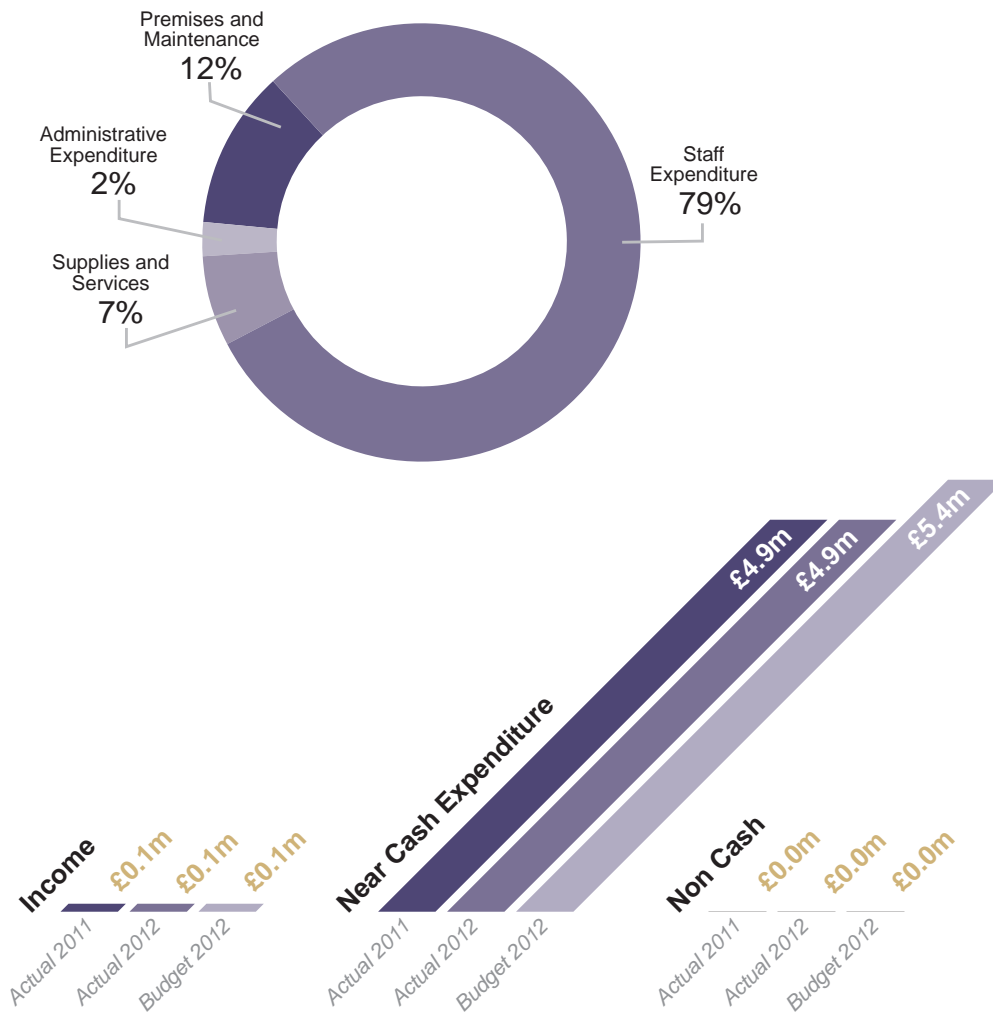
The income for the Department remains fairly static each year as it consists mostly of recharges to other departments.

Near Cash Expenditure **£4.9m**

Major Income Streams

	£'000
Recharges	64
Photocopy Services	35
Other	6
Total Income	105

Near Cash Expenditure Analysis



Staff Expenditure

The underspend against budget (£99,804) was due to staff savings, mostly in Scrutiny. Expenditure in 2012 reduced (£50,998) from 2011, mostly due to the number of members reducing from 53 to 51, and a number of one-off payments made in 2011 to members who retired from the States and to those who were not re-elected.

Supplies and Services

The underspend against budget (£137,426) was mostly due to less work being undertaken by Scrutiny than budgeted. Expenditure increased (£42,148) in 2012 compared to 2011, mainly due to an increase in work undertaken by Scrutiny, albeit still under budget.

Administrative Expenses

The underspend against budget (£224,626) was partly due to the work undertaken by the Electoral Commission spanning more than one financial year and various other underspends across the Department. There was only a minor decrease (£1,351) in expenditure compared to 2011.

Premises and Maintenance

The net underspend against budget (£20,416) was due to various minor over and underspends across the Department. Expenditure increased (£31,102) in 2012 compared to 2011, mainly due to increases in rent and facilities management (£12,100), electricity (£11,412) and various other minor variances.

Statement of Financial Position

Property, plant and equipment reduced by £9,530 (90%) due to depreciation being charged in the year. Depreciation is high, as the fixed assets are colour printers which have a useful economic life of only five years.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000		£'000	£'000
88	88	Revenue		
		Sales of Goods and Services	91	105
88	88	Total Revenue	91	105
		Expenditure: Near Cash		
3,968	3,980	Staff Expenditure	3,931	3,880
474	474	Supplies and Services	294	337
344	345	Administrative Expenditure	121	120
582	583	Premises and Maintenance	532	563
5,368	5,382	Total Expenditure: Near Cash	4,878	4,900
5,280	5,294	Net Revenue Expenditure: Near Cash	4,787	4,795
		Non Cash Amounts		
16	16	Depreciation and Amortisation	16	10
16	16	Total Non Cash Amounts	16	10
5,296	5,310	Net Revenue Expenditure	4,803	4,805
5,296	5,310	Total Comprehensive Expenditure	4,803	4,805

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	27	10	1
Total Non-Current Assets	27	10	1
Current Assets			
Trade and Other receivables	3	1	3
Total Current Assets	3	1	3
Total Assets	30	11	4
Current Liabilities			
Trade and Other Payables	60	48	94
Total Current Liabilities	60	48	94
Total Assets Less Current Liabilities	(30)	(37)	(90)
Assets Less Liabilities	(30)	(37)	(90)
Taxpayers' Equity			
Accumulated Revenue Reserves	(30)	(37)	(90)
Total Taxpayers' Equity	(30)	(37)	(90)

Key Results

Performance against Near Cash Final Approved Budget

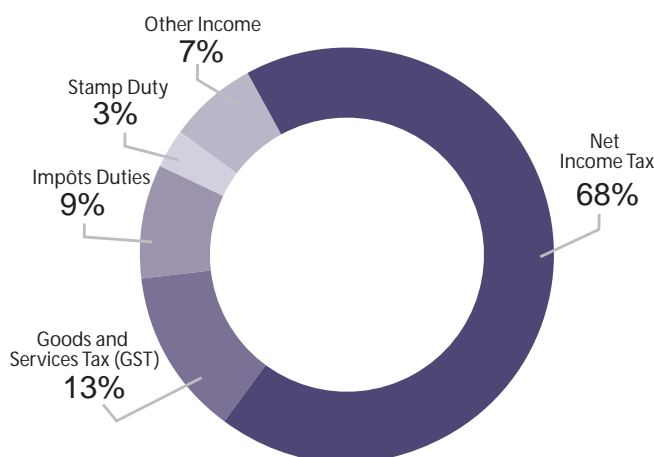
Key Variances from Budget	£'000
2012 Budget GRI	612,343
Net Income Tax	14,460
Other Income	4,344
Stamp Duty	(2,857)
Other Variances	(557)
2012 GRI	627,733

Net Income Tax is £14.5 million or 3.5% higher than the 2012 budget and £0.5 million higher than the most recent forecast included in the 2013 Budget Statement. This was primarily due to an increased tax yield relating to individuals, arising from a larger than expected impact of the 20 means 20 regime, and lower mortgage interest relief due to continuing low interest rates. A revised forecasting model with more detailed yield is now being use, which is expected to improve the quality of forecasting going forward. Other factors affecting the variance are an increase in tax from the finance sector, and lower than predicted write-offs.

Other Income is £4.3 million or 16.3% higher than budgeted primarily as a result of an additional Jersey Post dividend of £4.2 million. This was agreed with Jersey Post after the budget was agreed but was included in the latest forecast in the 2013 Budget Statement.

A slower than expected economic recovery resulted in significantly lower volume and value of Stamp Duty transactions than forecast culminating in £2.9 million less Stamp Duty than budgeted. Stamp Duty income is particularly sensitive to small volume but high value property transactions and these have been less frequent during 2012 than in previous years. The fall in Stamp Duty on property transactions has been partially offset by Probate duty where a small number of high value estates have been subject to Probate in 2012. 2012 is the last year where large estates will yield significant duty as the States agreed a cap of £100,000 on probate in the 2013 Budget to attract greater investment in the Island in the future.

Net Revenue Expenditure by Service Analysis



Performance compared to 2011

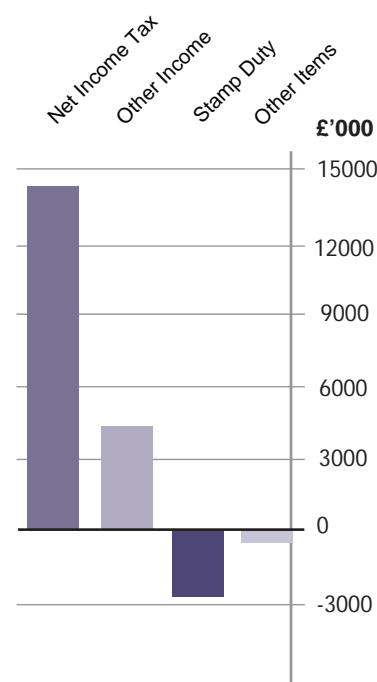
Key Variances from 2011	£'000
2011 GRI	586,919
Net Income Tax	21,143
GST	13,262
Other Income	4,268
Other Variances	2,141
2012 GRI	627,733

Net Income Tax is £21.1 million more than 2011 primarily as a result of a £17.2 million increase in Personal Income Tax. This has increased largely as a result of an increase in taxable income, together with an increase in yield due to the final year's impact of the withdrawal of reliefs through 20 means 20. There has also been an increase in tax from the finance sector.

Goods and Services Tax is £13.3 million higher than 2011 mainly as a result of the part year impact of the rate increase from 3% to 5% in 2011.

Other Income has increased by £4.3 million since 2011 largely due to the £4.2 million of additional Jersey Post dividend paid in 2012. This was identified in the MTFP and 2013 Budget Statement.

Service Analysis



Variance Breakdown

Net Expenditure - Service Analysis

2012			2011	2012		
Budget £'000	Updated Forecast Nov 2012 £'000		Actual £'000	Income £'000	Expenditure £'000	Actual £'000
		Income Tax				
340,000	356,000	Individuals	334,074	353,993	(2,872)	351,121
76,000	74,000	Companies	75,243	79,489	(150)	79,339
416,000	430,000	Net Income Tax	409,317	433,482	(3,022)	430,460
80,047	77,700	Goods and Services Tax (GST)	66,297	80,060	(501)	79,559
		Impôts Duties				
4,162	4,066	Spirits	4,018	4,091	-	4,091
6,923	6,809	Wines	6,465	6,783	-	6,783
914	948	Cider	917	927	-	927
5,530	5,549	Beer	5,378	5,047	-	5,047
13,609	12,642	Tobacco	12,479	15,825	-	15,825
21,952	20,014	Motor Fuel	20,866	20,396	-	20,396
150	150	Goods Imported	148	328	-	328
1,260	939	Vehicle Emissions Duty	894	839	-	839
54,500	51,117	Impôts Duties	51,165	54,236	-	54,236
		Stamp Duty				
22,429	21,435	Stamp Duty	21,147	19,473	-	19,473
1,600	1,434	Land Transactions Tax	1,420	1,699	-	1,699
24,029	22,869	Stamp Duty	22,567	21,172	-	21,172
11,185	11,330	Island Rate	10,915	11,480	(100)	11,380
		Other Income				
3,960	4,060	Net Investment Income	3,031	4,842	(676)	4,166
13,417	19,075	Dividends and Returns	14,448	18,442	-	18,442
3,700	3,700	Annual Return Fees via the Jersey Financial Services Commission	3,710	3,685	-	3,685
2,511	1,652	Returns from States Trading Operations	2,455	1,671	-	1,671
1,500	1,500	EUSD Retention Tax	1,436	1,468	(4)	1,464
1,000	1,071	Income Tax Penalties	1,071	1,476	(441)	1,035
494	527	Miscellaneous Income	507	463	-	463
26,582	31,585	Other Income	26,658	32,047	(1,121)	30,926
612,343	624,601	Net General Revenue Income	586,919	632,477	(4,744)	627,733

Detailed Financial Analysis
Snapshot summary

£15,389,956

2.5%

more than the Budget

Net General
Revenue Income
£627,733,256

7.0%

increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual £'000	2012 Actual £'000
Revenue		
Taxation Revenue	477,056	513,542
Duties, Fees, Fines and Penalties	86,192	88,538
Investment Income	17,193	22,258
Other Income	8,921	8,139
Total Revenue	589,362	632,477
Expenditure: Near Cash		
Other Operating Expenditure	64	65
Impairments of Financial Assets	1,583	4,050
Finance Costs	508	556
Foreign Exchange Loss	288	73
Total Expenditure: Near Cash	2,443	4,744
Net Revenue Income	586,919	627,733
Other Comprehensive Income		
Gain/(Loss) on Revaluation of Strategic Investments	72,400	(8,100)
Reclassification adjustments for gains/losses	-	(9,500)
Total Other Comprehensive Income/(Expenditure)	72,400	(17,600)
Total Comprehensive Income	659,319	610,133

Performance of CIF Investments

The Consolidated Fund only participates in the Long Term Cash CIF Pool.

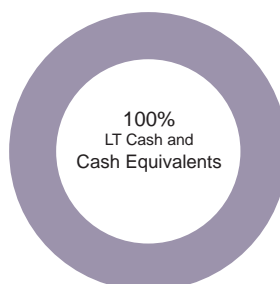
The CIF recognises income, expenditure and gains/losses on Investments within the pool which is reflected in the value of pools units. The Fund recognises the gains or losses on these units as investment income.

The table below shows the share of transactions in the CIF attributable to Fund.

CIF Amounts Attributable to the Consolidated Fund

	2011 £'000	2012 £'000
Income	1,704	2,512
Expenditure	(149)	(157)
Gains on Investments	217	555
Total Gains recognised	1,772	2,910

CIF Holding by Pool



Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Loans & Advances	4,115	3,200	2,157
Strategic Investments	274,000	346,400	308,800
Investments held at Fair Value through SoNCE	110,081	138,453	195,798
Total Non-Current Assets	388,196	488,053	506,755
Current Assets			
Loans & Advances	987	974	993
Trade and Other receivables	72,180	74,602	75,080
Cash and Cash Equivalents	140,257	91,516	76,987
Total Current Assets	213,424	167,092	153,060
Total Assets	601,620	655,145	659,815
Current Liabilities			
Trade and Other Payables	58,009	63,215	69,962
Total Current Liabilities	58,009	63,215	69,962
Total Assets Less Current Liabilities	543,611	591,930	589,853
Assets Less Liabilities	543,611	591,930	589,853
Taxpayers' Equity			
Accumulated Revenue Reserves	377,675	354,593	370,116
Investment Reserve	165,936	237,337	219,737
Total Taxpayers' Equity	543,611	591,930	589,853

Other Consolidated Fund Items

The statements below relate to Consolidated Fund items not recorded in other pages in this Annex.

These are assets, liabilities, income and expenditure that fall outside of the scope of the budget approval process, for example Defined Benefit scheme pension liabilities, past service liabilities, finance lease liabilities and consolidation adjustments such as amounts due from other funds.

Statement of Comprehensive Net Expenditure

	2011 Actual £'000	2012 Actual £'000
Revenue		
Sales of Goods and Services	1,959	1,552
Investment Income	310	384
Other Income	4,158	1,757
Total Revenue	6,427	3,693
Expenditure: Near Cash		
Staff Expenditure	(93)	(402)
Other Operating Expenditure	860	1,611
Finance Costs	10,903	10,425
Movement in Pension Liability	(4,654)	(50,844)
Total Expenditure	7,016	(39,210)
Net Revenue Expenditure/(Income)	589	(42,903)
Other Comprehensive Income		
Actuarial Loss in respect of Defined Benefit Pension Schemes	92	452
Total Other Comprehensive Expenditure	92	452
Total Comprehensive Expenditure/(Income)	681	(42,451)

Statement of Financial Position

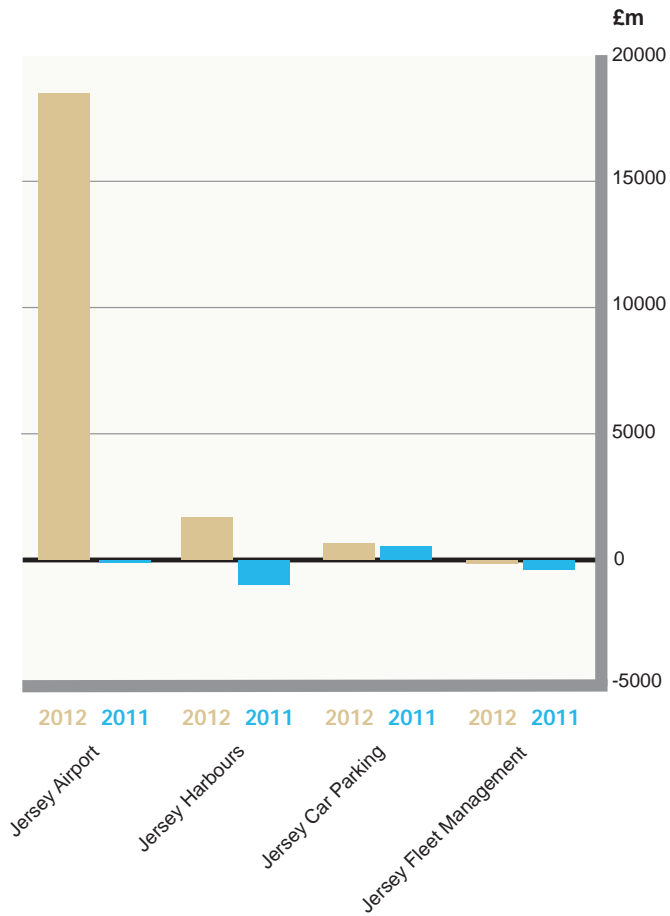
	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Derivative Financial Instruments expiring after more than one year	-	201	230
Total Non-Current Assets	-	201	230
Current Assets			
Derivative Financial Instruments expiring within one year	-	98	263
Trade and Other receivables	6,828	6,693	4,194
Total Current Assets	6,828	6,791	4,457
Total Assets	6,828	6,992	4,687
Current Liabilities			
Balance due to other States Funds	48,065	50,641	60,846
Trade and Other Payables	7,664	7,868	7,948
Finance Lease Obligations	667	742	870
Total Current Liabilities	56,396	59,251	69,664
Total Assets Less Current Liabilities	(49,568)	(52,259)	(64,977)
Non-Current Liabilities			
Finance Lease Obligations	8,271	7,528	6,658
Provisions for liabilities and charges	1,205	1,508	2,254
PECRS Pre-1987 Past Service Liability	246,317	229,998	228,396
Provision for JTSF Past Service Liability	114,000	135,100	97,747
Defined Benefit Pension Schemes Net Liability	11,152	11,493	9,282
Total Non-Current Liabilities	380,945	385,627	344,337
Assets Less Liabilities	(430,513)	(437,886)	(409,314)
Taxpayers' Equity			
Accumulated Revenue Reserves	(430,513)	(437,886)	(409,314)
Total Taxpayers' Equity	(430,513)	(437,886)	(409,314)

Trading Operations

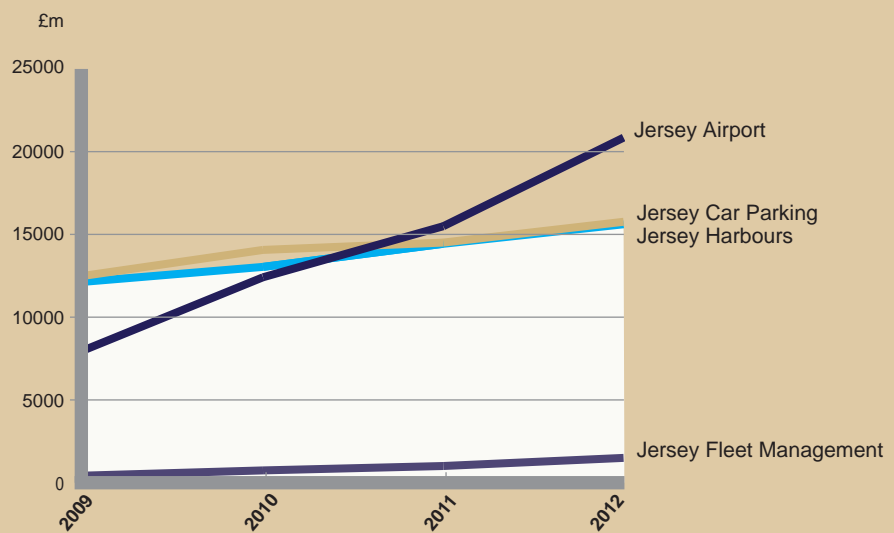
Distinct Areas of Operation designated as Trading Operations by the States

Key Results

Net Revenue Expenditure **£20.7m**



Trading Fund Balances **£53.7m**



Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Increase in revenue	1,034
Staff Savings	170
Premises and Maintenance	(555)
Supplies and Services	1206
Other Variances	182
Net Underspend	2,037

In 2012, there was an increase in income against budget due to receipts from commercial agreements, which included monies received from Channel Island Control Zone, retail concessions and property rentals, all exceeding expectation. In addition, Communication Services' accounts benefitted from income relating to two major projects being completed in 2012.

Jersey Airport also experienced savings against budgeted staff costs following integration with Jersey Harbours and complete restructure of management across the department.

Other savings against budget were achieved in Supplies and Services due to work undertaken on removing the top two floors of the 1937 Arrivals building being originally budgeted from Supplies and Services but paid from Premises and Maintenance codes during the course of the project. This was therefore offset by an overspend in Premises & Maintenance.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI: Near Cash	(6,467)
Increase in revenue	(824)
Staff Costs	(891)
Projects	962
Other Variances	(364)
2012 NRI: Near Cash	(7,584)

Improvement in income during 2012 was as a result of an increase in Aeronautical tariffs negating the effect of a fall in passengers. Increased income from the CICZ and continued improvement on returns from concessionaires following the redevelopment of the airside retail facilities in 2010 also contributed to increased revenue.

Staff costs decreased considerably when compared to 2011 due to restructuring in operational and corporate service departments. There was also exceptional 'one off' staff costs incurred in 2011 which have not been repeated in 2012.

2012 also saw an increase in revenue costs associated with specific projects. In particular significant costs associated with removing the top two floors of the 1937 Arrivals Building caused both Premises and Maintenance and Supplies and Services costs to rise in 2012. Savings on maintenance on Jersey Airport buildings and equipment helped to compensate for this temporary increase in costs.

JERSEY AIRPORT AND JERSEY HARBOURS

Minister's Overview

The 2012 Financial Report for Jersey Airport and Jersey Harbours reflects a year of challenges and significant change for the departments.

In September 2011, the Minister for Economic Development advised the States that a Business Case was to be prepared for the incorporation of the Harbours and Airport Trading Operations. The first step to achieving this has been the integration of Jersey Airport and Jersey Harbours into a single entity, the Ports of Jersey. This process has been completed in 2012 with the successful implementation of a new Ports Executive Team, Senior Management structure, and amalgamated corporate services functions. The financial and operational efficiencies derived from this are already being felt, with savings against budgeted corporate overheads in both departments. The integration strongly positions the Ports of Jersey as it moves toward incorporation, with a target date of completion of 1st January 2015.

Jersey Airport and Jersey Harbours have experienced a particularly challenging trading environment in 2012. In both businesses the continuing effect of a difficult economic environment has given rise to a decline in passenger and freight numbers with an inevitable impact on income collected from Harbour and Aviation Dues. Other industry specific factors such as the impact on freight imports/exports following changes to UK LVCR legislation, and a fall in tourism during the Diamond Jubilee celebrations and Olympics have all had an effect on the 2012 accounts.

However it is important to note Airport and Harbours have controlled their 2012 costs compared to both budget and 2011 Actuals. This is particularly encouraging when taking account of significant exceptional items such as the project to remove the top two floors of the Airport 1937 arrivals building and the dredging works undertaken in St Aubins' Harbour inflating the 2012 cost base in both businesses.

Minister's Overview

Future Developments

With the integration of the two departments completed, the Ports of Jersey's focus for 2013 will be positioning the Harbours and Airport towards incorporation. To this end a project manager has been appointed, critical work streams identified, and third party stakeholders engaged to ensure the target incorporation date of 1st January 2015 is achieved.

As in 2012, it is expected that the trading environment in 2013 will remain challenging. The Ports of Jersey commercial team will continue to engage and work with maritime and aviation business partners to ensure the Ports develop, grow and supplement its current products and continue to 'delight customers' with the service provided.

There will also be a range of capital projects initiated in 2013 in line with the Ports of Jersey capital replacement programme. This will see the replacement of the West Ro-Ro ramp, re-configuration of commercial port areas, and replacement of airport navigational equipment completed during the next financial year.

Above all, Airport and Harbours staff will continue to ensure that the Island's gateways remain open, safe and secure and continue to serve the island in their role as vital strategic assets.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	716
Transfer to/from Capital	1,513
Final Approved Budget	2,229

In 2012 adjustments to the original budget voted in the Business Plan totalling £1,512,546 were made. This amount represents four transfers from capital to revenue expenditure to ensure best accounting practice was followed.

The majority of the transfer related to the removal of the top two floors of the Arrivals Building which was £1,049,100.

Staff FTE

At the year end the department employed the equivalent of 173.6 full time employees. This is a decrease of 5.7 (3.1%) from 2011, and is due to the restructure on Air Traffic Services, and Air Traffic Engineering during the year and the complete restructure of department's corporate services.

Detailed Financial Analysis Snapshot summary

Underspend
£2,037,004 (36.7%)
 against Near Cash Final Approved Budget

Near Cash Net
 Revenue Income
£7,584,458 **17.3%**
 increase on 2011

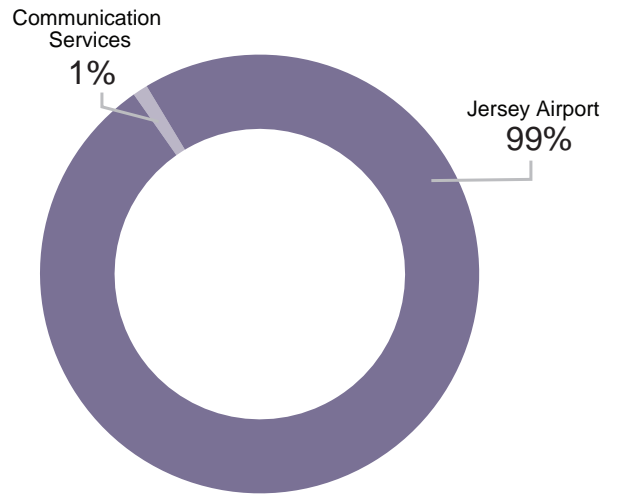
Service Analysis

Jersey Airport **£7.5m**

Jersey Airport's 2012 Net Revenue Income represented a £1,109,812 (17%) increase over 2011. As explained above, the increase was due to a combination of improved aeronautical and concession revenues, combined with the operational savings on the maintenance of equipment and property assets.

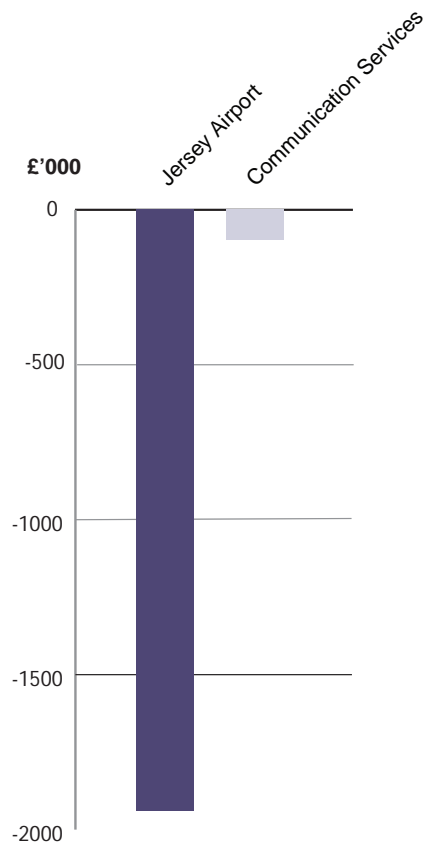
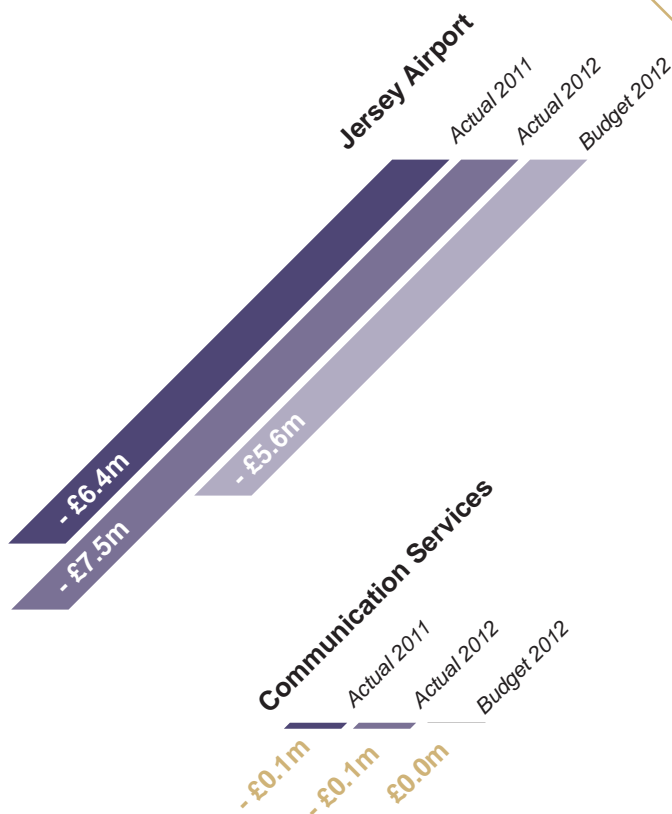
Communication Services **£0.07m**

Communication Services continues to provide radio communication goods and services to other States departments and external customers. Net Revenue Income also experience a small increase in 2012 due to maintaining the local internal and external customer base and completing two major projects which generated additional revenue for the department.



Net Revenue Expenditure by Service Analysis

Service Analysis Overview



Underspend Breakdown

Net Expenditure - Service Analysis

2012 Business Plan		2012 Final Approved Budget				2011 Actual			2012 Actual		
Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000	Near Cash £'000	Non Cash £'000	Total £'000
(7,644)	8,419	775	(5,579)	7,720	2,141	(6,409)	6,323	(86)	(7,519)	25,946	18,427
(110)	51	(59)	32	56	88	(58)	50	(8)	(65)	131	66
(7,754)	8,470	716	(5,547)	7,776	2,229	(6,467)	6,373	(94)	(7,584)	26,077	18,493
						Jersey Airport Communication Services					
						Net Revenue Expenditure					

1. The 2012 Business Plan included budgets for "Non Cash" amounts such as depreciation, impairments and capital grant amortisation. However, the approval in the Business Plan excluded these amounts, and departments are held accountable against the "Near Cash" approval. The amounts in the service analysis above include both Non Cash and Near Cash amounts, to best represent the cost of providing each service. Non Cash amounts are then removed to allow comparison to the approvals.

Financial Statements

Income £28.8m

Income was £1,033,531 better than budgeted and £823,806 higher than 2011.

Variance to budget was due to receipts from commercial agreements, including monies received from CICZ, retail concessions and property rentals, all exceeding expectation.

Year on year variances are predominantly due to a £501,840 improvement in aeronautical income following an increase applied to passenger dues.

As above concession and rental income increased by £119,859 and CICZ income was £234,329 higher in 2012 following the renegotiation and hedging of the agreement.

Non Cash Expenditure £26.1m Other Comprehensive Income £21.7m

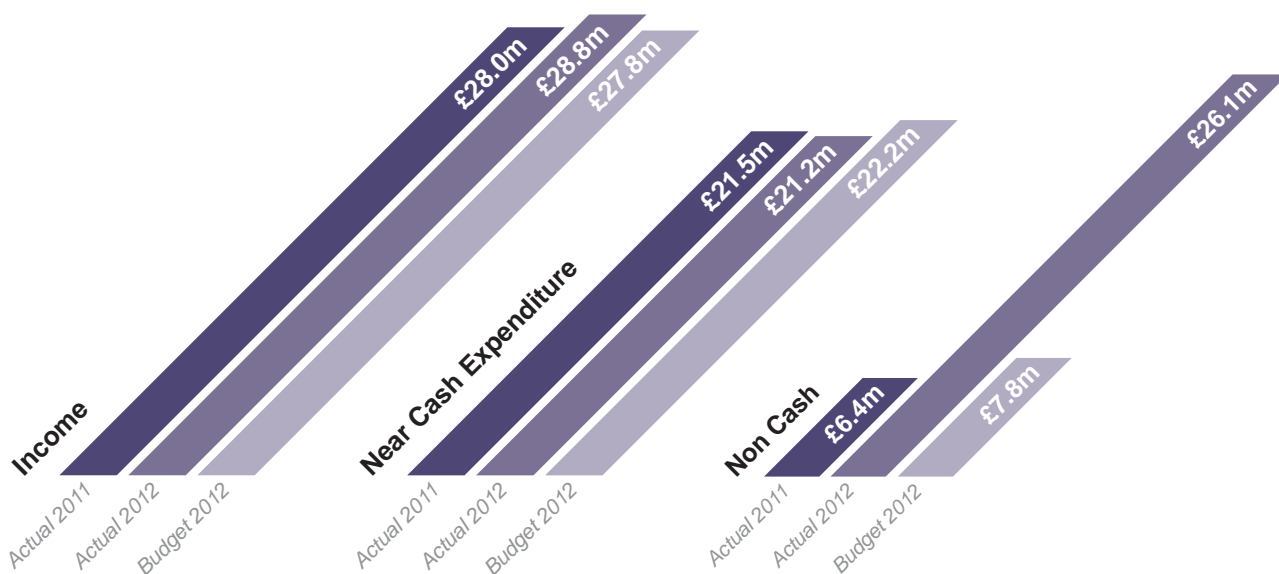
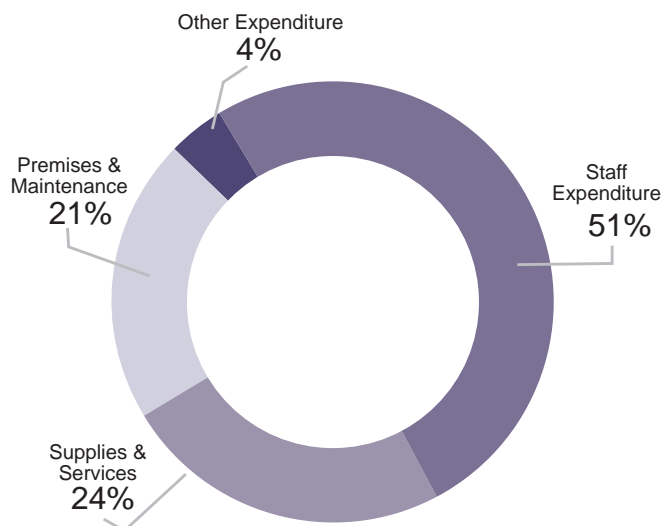
As part of the 2012 Year End, a revaluation of Jersey Airport Assets was performed. A shift in the valuation basis and assumptions resulted in impairment of value of certain assets of £19,670,207, with a corresponding revaluation increase of other assets of £21,683,116. The changes to the value of these assets are also reflected in the Statement of Financial Position.

Major Income Streams

	£'000
Aeronautical Income	13,682
CICZ Income	6,388
Concessions & Rentals	5,321
Other	3,406
Total Income	28,797

Near Cash Expenditure £21.2m

Near Cash Expenditure Analysis



Staff Expenditure

Staff costs £169,745 less than budget and £890,966 less than 2011.

Savings were experienced in Air Traffic Engineering, Air Traffic Services and Corporate services following a fundamental review and continued restructuring of the departments. There were also some restructuring costs in 2011 which were not repeated in 2012 contributing to the reduction in staff costs year in year.

Premises and Maintenance

Premises and Maintenance Costs £555,854 over budget and £399,473 more than in 2011.

The variance to budget is due to the work performed on the top two floors of the arrivals hall building being originally budgeted in Supplies and Services but paid out of Premises and Maintenance, offset by savings on the maintenance of building and airfield equipment.

Supplies and Services

Supplies and Services £1,206,425 less than budget but £225,065 higher than in 2011.

Variance to budget is due to costs associated with Arrivals Top Two Floors project originally budgeted as Supplies and Services but funded from Premises and Maintenance budgets and other savings related to a range of other operational activities.

The year on year increase was due to a number of 'one off' costs being transferred to revenue accounts from capital projects, offset by a reduction in specialist services used by Air Traffic Services.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
6	6	Duties, Fees, Fines and Penalties	5	2
26,504	26,504	Sales of Goods and Services	27,609	28,540
83	83	Investment Income	114	144
1,170	1,170	Other Income	245	111
27,763	27,763	Total Revenue	27,973	28,797
		Expenditure: Near Cash		
11,016	11,016	Staff Expenditure	11,737	10,846
4,753	6,256	Supplies and Services	4,825	5,050
175	184	Administrative Expenditure	236	220
3,851	3,852	Premises and Maintenance	4,008	4,407
400	396	Other Operating Expenditure	55	180
-	4	Impairments of Financial Assets	-	(1)
508	508	Finance Costs	645	511
20,703	22,216	Total Expenditure: Near Cash	21,506	21,213
(7,060)	(5,547)	Net Revenue Income: Near Cash	(6,467)	(7,584)
		Non Cash Amounts		
7,470	7,470	Depreciation and Amortisation	7,083	7,113
1,000	1,000	Impairments of Property, Plant and Equipment	-	19,670
(694)	(694)	Capital Grant Amortisation	(694)	(694)
-	-	Gain on Disposal of Non-Current Assets	(16)	(12)
7,776	7,776	Total Non Cash Amounts	6,373	26,077
716	2,229	Net Revenue Expenditure/(Income)	(94)	18,493
		Other Comprehensive Income		
-	-	Revaluation of Property, Plant and Equipment	-	(21,683)
-	-	Total Other Comprehensive Income	-	(21,683)
716	2,229	Total Comprehensive Expenditure/(Income)	(94)	(3,190)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	139,176	138,048	132,859
Total Non-Current Assets	139,176	138,048	132,859
Current Assets			
Inventories	256	346	350
Trade and Other receivables	6,467	2,065	2,193
Balance due from the Consolidated Fund	12,571	15,083	19,997
Cash and Cash Equivalents	43	10	25
Total Current Assets	19,337	17,504	22,565
Total Assets	158,513	155,552	155,424
Current Liabilities			
Trade and Other Payables	2,172	2,010	1,720
Finance Lease Obligations	2,194	2,333	1,094
Total Current Liabilities	4,366	4,343	2,814
Total Assets Less Current Liabilities	154,147	151,209	152,610
Non-Current Liabilities			
Finance Lease Obligations	5,791	3,458	2,364
Provisions for liabilities and charges	5	-	-
Total Non-Current Liabilities	5,796	3,458	2,364
Assets Less Liabilities	148,351	147,751	150,246
Taxpayers' Equity			
Accumulated Revenue Reserves	120,571	120,666	102,173
Revaluation Reserve	6,845	6,844	28,526
Capital Grant Reserve	20,935	20,241	19,547
Total Taxpayers' Equity	148,351	147,751	150,246

Trading Fund Balance as at 31 December 2012

Balance Brought forward	15,494
Net Revenue Income - Near Cash	7,584
Capital Expenditure	101
Other Balance Sheet Movements	(2,333)
Trading Fund Balance 31 December 2012	20,846
Comprising:	
Net Current Assets	19,752
Less: NCA Held for Sale	-
Add Back: Finance Lease Current Liabilities	1,094
Trading Fund Balance 31 December 2012	20,846
Less: Unspent Capital Approvals	(16,462)
Available Trading Fund Balance 31 December 2012	4,384

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Premises & Maintenance	551
Staff Expenditure	204
Supplies & Services	175
Income	(136)
Other Variances	(7)
Net Over/Underspend	787

Premises & Maintenance costs below budget following lower than expected engineering costs and the postponement of projects relating to both port property and infrastructure.

Staff expenditure less than budgeted following integration with Jersey Airport and complete restructure of management across the department.

Supplies and Services underspent due to budget allocated to integration costs not utilised.

Income from Sales of Goods and Services less than budgeted due to a reduction in freight and passenger dues collected by the Ports of Jersey reflecting the difficult trading conditions in 2012.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	(3,305)
Income	427
Supplies & Services	485
Premises & Maintenance	(776)
Other Variances	(58)
2012 NRI	(3,227)

A reduction in 2012 Ports of Jersey income reflecting a decline in commercial passenger numbers and freight imported to the island was marginally offset by market increase to property income and additional revenue from increasing Marine Leisure tariffs.

Increase in cost of Supplies and Services due to St Aubin's dredging project completed during 2012.

Lower Premises and Maintenance cost reflect decrease in engineering costs relating to commercial port property/ infrastructure and the reduction of service charges payable to Transport & Technical Services.

Changes from Budget Voted in the Business Plan

Reconciliation of 2012 Business Plan to Final Approved Budget	£'000
Business Plan 2012	270
Allocation of Additional Funding	650
Final Approved Budget	920

In 2012 adjustments to the original budget voted in the Business Plan totalling £650,000 were made. This amount represents additional budget approved to conduct dredging works required at St Aubin's Harbour.

Staff FTE

At the year end the department employed the equivalent of 66.6 full time employees. This is an increase of 3.8 (6.1%) from 2011, and is due to a revised corporate services structure being introduced during the year.

Detailed Financial Analysis Snapshot summary

Underspend
£786,864 (32.2%)

against Near Cash Final Approved Budget

Near Cash Net
Revenue Income
£3,226,865 **(2.4%)**
decrease on 2011

Service Analysis

Ports of Jersey (£2.1 m)

Port of Jersey generated a Net Revenue Income of £598,668 greater than budgeted for in 2012.

Despite reduced passenger and freight volumes impacting on income streams, significant savings in Premises and Maintenance costs and corporate savings as a result of integration resulted in the reported favourable variance against budget.

In contrast the year on year Port of Jersey Net Revenue income is £368,909 lower in 2012 than 2011.

2012 Income has decreased by £590,672 reflecting the decrease in passenger and freight volumes. Again, the loss of income is compensated by a reduction in Premises and Maintenance and corporate services costs compared to 2011.

Jersey Coastguard £0.1 m

Jersey Coastguard's Net Revenue Expenditure ended the year with a £356,910 adverse variance against budget in 2012.

This was a consequence of a fall in freight Harbour Dues income allocation from the Ports of Jersey without an associated reduction in the cost of providing a coastguard service when compared to budget.

Year on year the net expenditure of the Coastguard service has increased by £80,555 due to a reduction in income.

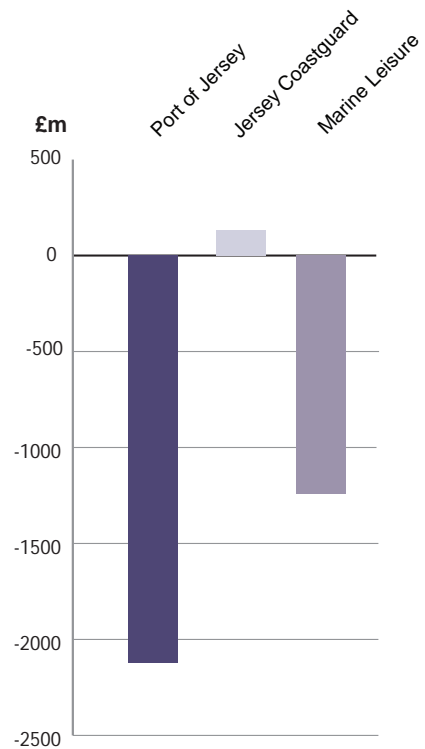
Marine Leisure (£1.2 m)

Marine Leisure £545,107 favourable variance against budget in 2012.

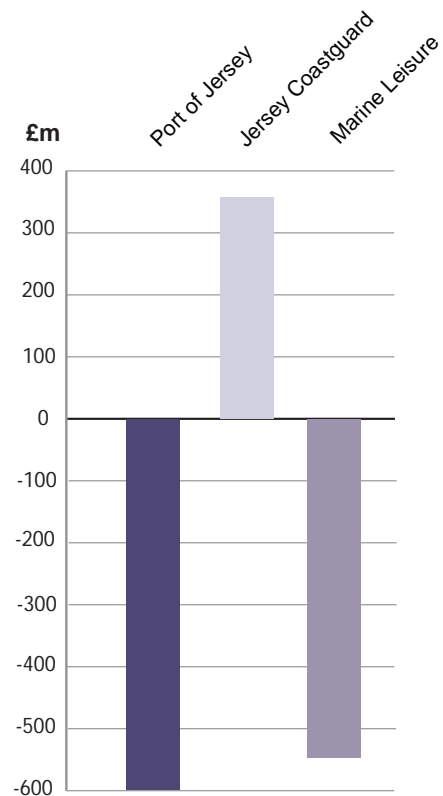
Income exceeded budget by £265,642 as a result of more efficient use of available resources and lower than anticipated voids. General savings relating to budgeted cost of utilities and maintenance account for the remainder of the variance.

Year on Year Marine Leisure generated a net surplus £371,500 higher in 2012 than in 2011.

The increase in the surplus was due to a combination of higher income following increases to Marine Leisure Tariffs taking effect and a reduction of costs relating to corporate service overheads.

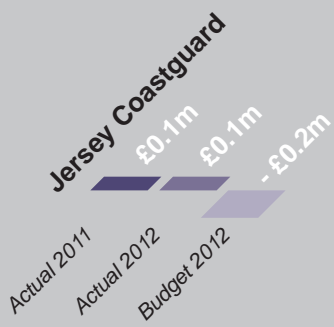
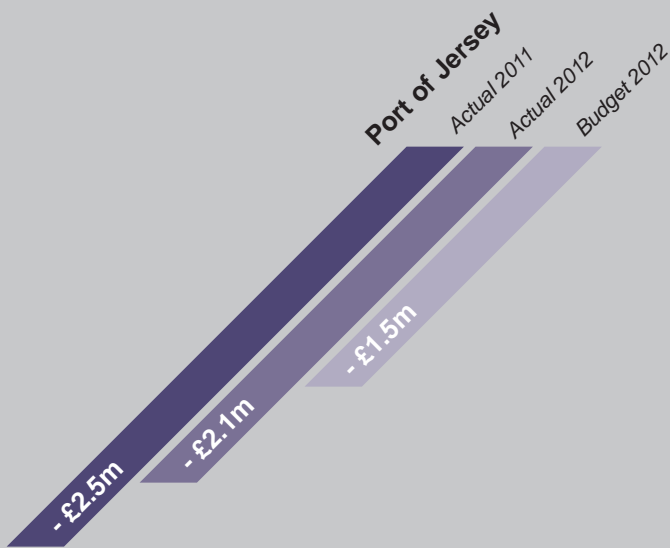
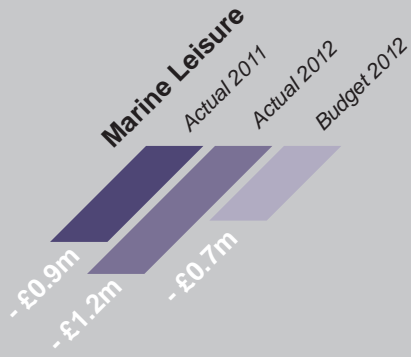


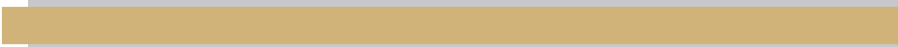
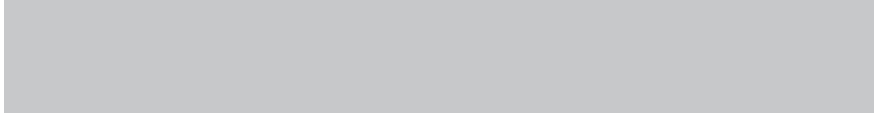
Near Cash Net Revenue (Income)/Expenditure by Service Analysis



Underspend Breakdown

Service Analysis Overview





Financial Statements

Income £14.4m

Income £135,676 below final approved budget in 2012.

Main budget shortfall is due to a variance against Harbour Dues income as a consequence of lower than anticipated passenger and freight volumes. Loss of income is compensated by better than budgeted property and Marine Leisure income due to lower than anticipated voids.

Year on year income fell by £426,244 due to lower than anticipated passenger and freight volumes offset by Retail Price Index increases in rental agreements and the effect of tariff increases.

Non Cash Expenditure £4.9m Other Comprehensive Income £129.8m

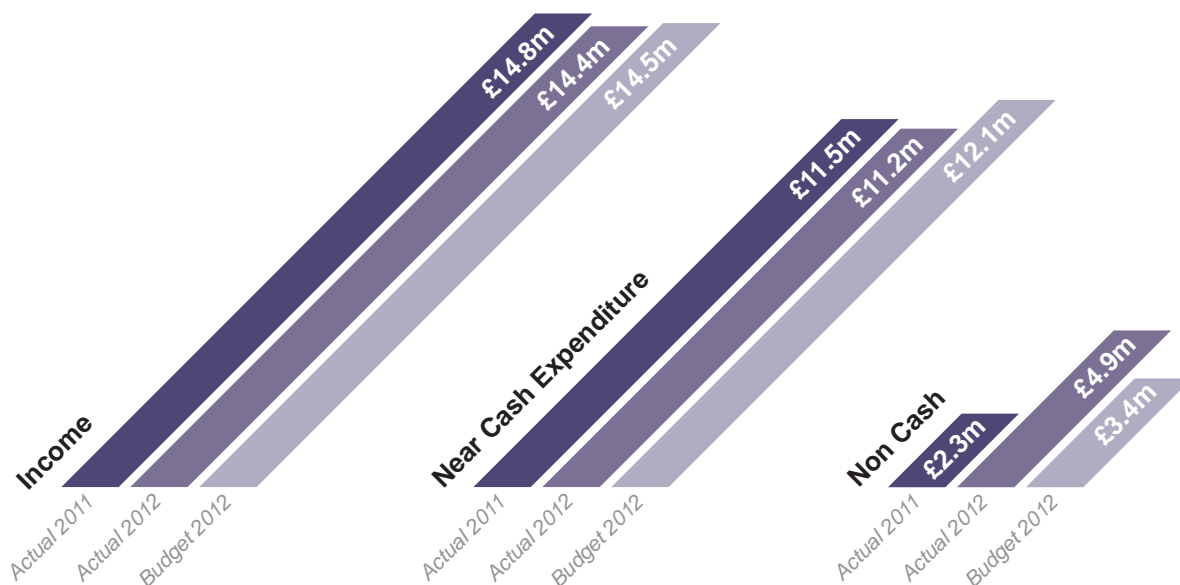
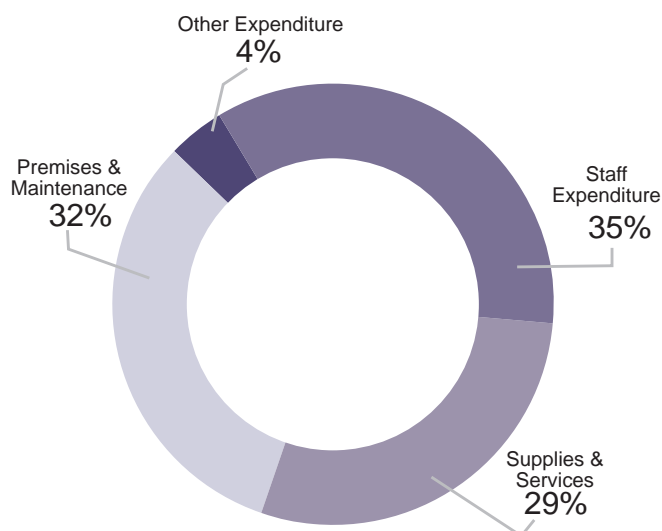
As part of the 2012 Year End, a revaluation of Jersey Harbours Assets was performed. A shift in the valuation basis and assumptions resulted in impairment of value of certain assets of £2,334,798, with a corresponding revaluation increase of other assets of £129,837,258. The changes to the value of these assets are also reflected in the Statement of Financial Position.

Major Income Streams

	£'000
Harbour Dues	7,101
Marina / Mooring Income	3,241
Property Rentals	2,456
Other Income	1,596
Total Income	14,394

Near Cash Expenditure £11.2m

Near Cash Expenditure Analysis



Staff Expenditure

Staff Costs in 2012 were £204,075 below budget but £21,043 higher than in 2011.

The increase in year on year cost is due to a 1% pay award. Costs were less than budgeted due to management of vacancies and delays in recruitment as a result of the integration of Airport and Harbours and continued restructuring.

Premises and Maintenance

Premises and maintenance costs were £549,663 below budget and £775,789 less than 2011.

Savings against budget and 2011 actual were particularly prevalent on the maintenance of buildings and commercial port assets. The year on year reduction in cost was also supplemented in reduction of charges in relation to engineering costs.

Supplies and Services

Supplies and services were £174,514 below budget but £484,481 higher than in 2011.

The favourable variance against budget is due to professional services expected to be used in order to facilitate integration not being utilised. The increase in costs in this area when compared to 2011 is a consequence of the St Aubin's Harbour dredging works.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000		£'000	£'000
5	5	Revenue		
14,384	14,384	Duties, Fees, Fines and Penalties	44	25
83	83	Sales of Goods and Services	14,552	14,176
58	58	Investment Income	123	131
		Other Income	102	62
14,530	14,530	Total Revenue	14,821	14,394
		Social Benefit Payments		
4,120	4,120	Staff Expenditure	3,895	3,916
2,737	3,385	Supplies and Services	2,725	3,210
109	108	Administrative Expenditure	121	82
4,128	4,129	Premises and Maintenance	4,354	3,578
-	2	Other Operating Expenditure	26	13
21	21	Grants and Subsidies Payments	8	8
52	52	Impairments of Financial Assets	125	177
73	73	Finance Costs	62	65
200	200	Financial Return	200	118
11,440	12,090	Total Expenditure: Near Cash	11,516	11,167
(3,090)	(2,440)	Net Revenue Income Near Cash	(3,305)	(3,227)
		Non Cash Amounts		
3,360	3,360	Depreciation and Amortisation	2,496	2,584
-	-	Impairments of Property, Plant and Equipment	-	2,334
-	-	Capital Grant Amortisation	(150)	-
3,360	3,360	Total Non Cash Amounts	2,346	4,918
270	920	Net Revenue Expenditure/(Income)	(959)	1,691
		Other Comprehensive Income		
-	-	Revaluation of Property, Plant and Equipment	-	(129,837)
-	-	Total Other Comprehensive Income	-	(129,837)
270	920	Total Comprehensive Expenditure/(Income)	(959)	(128,146)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	93,585	93,967	220,872
Intangible Assets	86	70	55
Total Non-Current Assets	93,671	94,037	220,927
Current Assets			
Trade and Other receivables	1,093	1,124	1,307
Balance due from the Consolidated Fund	14,637	14,630	15,779
Cash and Cash Equivalents	61	-	76
Total Current Assets	15,791	15,754	17,162
Total Assets	109,462	109,791	238,089
Current Liabilities			
Trade and Other Payables	1,728	1,248	1,401
Total Current Liabilities	1,728	1,248	1,401
Total Assets Less Current Liabilities	107,734	108,543	236,688
Assets Less Liabilities	107,734	108,543	236,688
Taxpayers' Equity			
Accumulated Revenue Reserves	104,997	105,956	104,264
Revaluation Reserve	2,587	2,587	132,424
Capital Grant Reserve	150	-	-
Total Taxpayers' Equity	107,734	108,543	236,688

Trading Fund Balance as at 31 December 2012

	2012 £'000
Balance Brought forward	14,506
Net Revenue Income - Near Cash	3,227
Capital Expenditure	(1,971)
Trading Fund Balance 31 December 2012	15,762
Comprising:	
Net Current Assets	15,762
Less: NCA Held for Sale	-
Add Back: Finance Lease Current Liabilities	-
Trading Fund Balance 31 December 2012	15,762
Less: Unspent Capital Approvals	(12,479)
Available Trading Fund Balance 31 December 2012	3,283

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Overachievement of Income	73
Staff costs	48
Premises costs and maintenance	144
Other Variances	(1)
Net Underspend	264

Overall the Trading Fund had an underspend against budget of £263,824.

The Automatic Number Plate Recognition (ANPR) trial at Sand Street car park and increased compliance with parking regulations resulted in a small reduction in budgeted fine income in 2012. However, increases were noted in receipts from parking charges partly due to the increase in parking charges of 3.9% from February 2012 in line with the RPI(Y) increase as at September 2011.

Unfilled vacant posts resulted in a small saving in staffing expenditure of £47,808 and premises savings of £144,025 resulted mainly from increased electrical efficiency measures and additional maintenance undertaken in 2011.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRE	539
Reduction in fine income	101
Rental of Esplanade Car Park	759
Reduced Finance Return	(703)
Other Variances	(57)
2012 NRE	639

As noted, there was a reduction in budgeted fine income as a result of the introduction of the ANPR trial at Sand Street car park. In addition, fewer parking fines were issued in other car parks as a result of increased compliance with parking regulations. Total fine income therefore reduced compared to 2011 by £100,487.

The Esplanade car park was transferred to the States of Jersey Development Company in 2012 and the rental of this area increased premises expenditure compared to 2011 by £759,000, whilst reducing the financial return to the States by the same amount, after allowing for inflation increases on the 2011 return.

JERSEY CAR PARKING

Minister's Overview

Jersey Car Parking is responsible for the provision and policing of the Island's public parking areas. During 2012 this has included consideration of proposed development schemes that will impact on available parking in the future, as well as the continued move towards a more efficient charging mechanism.

During the year spaces were lost at the Ann Court site, due to work on the Phillips Street shaft, to prevent future flooding in town. Compensatory spaces were made available nearby.

It is a key objective that parking be self-funding, with parking charges being sufficient to cover the maintenance and future provision of public parking facilities.

Developments for 2012 included the return of the Esplanade car park to the States of Jersey Development Company, for potential future development, as well as the commencement, in November, of a year long automated charging mechanism trial in Sand Street Car Park.

An amendment to the Sustainable Transport Policy (P104/2010) by the Connétable of St Helier required the Department to examine the possibility of additional shopper car parking spaces at Snow Hill car park. Work continued on this project during 2012 and is due for publication in early 2013.

Minister's Overview

Future Developments

The trial of the Automatic Number Plate Recognition system (ANPR) at Sand Street will continue in 2013 with additional refinements and assessment of the success and popularity of the system will formulate a strategy for future charging mechanisms throughout the Jersey Car Parking multi-storey estate.

Consideration of additional parking requirements in the North of St Helier will continue – proposals currently include a bi-level public car park below ground on the site of Ann Court and consideration of additional parking areas within the ring-road area.

Proposals for development of additional car parking at Snow Hill will be published and funding options considered.

The above schemes will require significant funding from the car parks trading fund and consideration will have to be given to the costs and benefits of complex schemes such as these, which place a significant premium on the value of such spaces.

Staff FTE

At the year end the section employed the equivalent of 20 full time employees. This is an decrease of 1 (4.8%) from 2011, and is due to the retirement of a member of staff.

Detailed Financial Analysis Snapshot summary

Underspend
£263,824 (25.3%)

against Near Cash Final Approved Budget

Net Revenue
Expenditure
£638,747

18.5%
increase on 2011

Financial Statements

Income £6.4m

The main income stream for the trading fund is from parking charges of £5,654,835, made up of sales of parking cards (paycards and UniTickets) £4,519,087, season tickets £839,361, parking and site rental £295,692, and other sundry items £695, with Parking fines being the next principal income stream £566,135. Car parking charges increased on 1 February 2012 in line with the September 2011 RPI(Y) index of 3.9%.

Increased compliance with parking regulations and the cessation of “overstay” fines at Sand Street as a result of the escalating charging structure reduced fine income in 2012 by £100,487 compared to 2011.

Non Cash Expenditure £1.9m

There was no significant variance from budget or prior year.

Other Comprehensive Income £0.5m

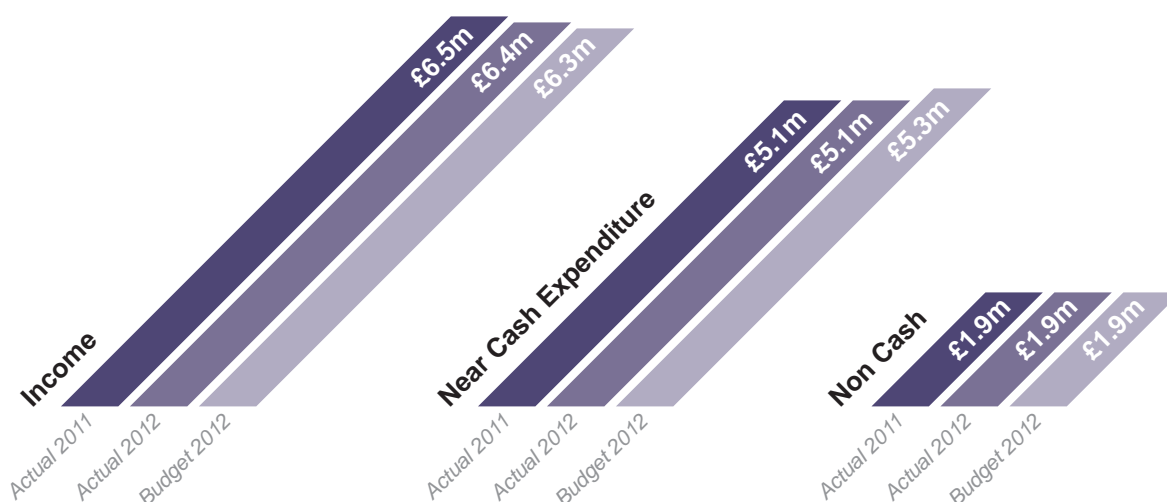
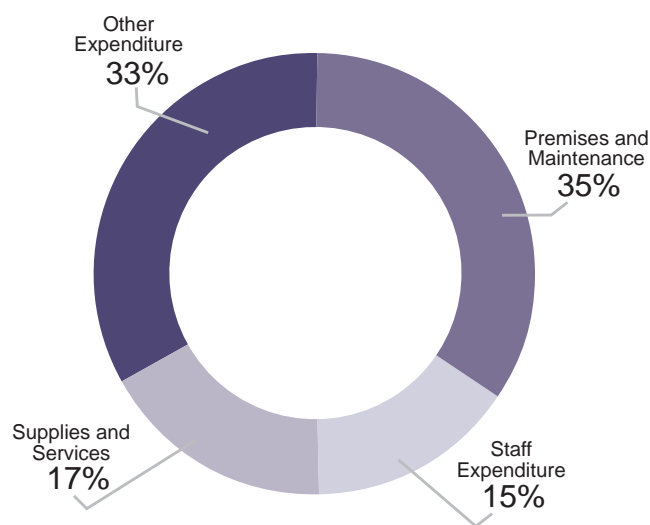
During the year the car parks were revalued, resulting in a revaluation gain of £486,542.

Major Income Streams

	£'000
Parking charges	5,655
Fines	566
Interest	126
Other	57
Total Income	6,404

Near Cash Expenditure £5.1m

Near Cash Expenditure Analysis



Staff Expenditure

Unfilled vacant posts resulted in a small saving in staffing expenditure against budget of £47,808.

Staff costs were just £6,243 greater than 2011 and this can be primarily attributed to the 1% non-consolidated payment in 2012.

Supplies and Services

Supplies and Services were underspent against budget by £34,218, principally due to equipment purchase savings of £71,665, over and above additional professional fees overspends of £52,559, relating to the Snow Hill parking study.

Compared to 2011, costs increased by £108,473. This can be attributable to increases in professional fees, mentioned above, and purchases of equipment, £50,259 greater than 2011.

Premises and Maintenance

Premises savings against budget of £144,025 resulted mainly from increased electrical efficiency measures and maintenance undertaken in 2011.

The total increase from 2011 was £607,795, primarily attributable to the cost of renting the Esplanade car park, which was transferred to the States of Jersey Development Company in 2012 resulting in additional rental charges of £759,000. An adjustment to the Financial Return to the States was made to offset this additional unbudgeted cost.

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
580	580	Duties, Fees, Fines and Penalties	667	566
5,615	5,615	Sales of Goods and Services	5,589	5,655
100	100	Investment Income	125	126
36	36	Other Income	69	57
6,331	6,331	Total Revenue	6,450	6,404
		Expenditure: Near Cash		
830	830	Staff Expenditure	776	782
921	921	Supplies and Services	778	886
36	36	Administrative Expenditure	27	29
1,126	1,885	Premises and Maintenance	1,133	1,741
-	-	Other Operating Expenditure	-	28
48	48	Impairments of Financial Assets	60	49
15	15	Finance Costs	26	29
2,311	1,552	Financial Return	2,255	1,552
5,287	5,287	Total Expenditure: Near Cash	5,055	5,096
(1,044)	(1,044)	Net Revenue Income: Near Cash	(1,395)	(1,308)
		Non Cash Amounts		
1,934	1,934	Depreciation and Amortisation	1,934	1,934
-	-	Impairments of Property, Plant and Equipment	-	13
1,934	1,934	Total Non Cash Amounts	1,934	1,947
890	890	Net Revenue Expenditure	539	639
		Other Comprehensive Expenditure/(Income)		
-	-	Revaluation of Property, Plant and Equipment	1,422	(486)
-	-	Total Other Comprehensive Expenditure/(Income)	1,422	(486)
890	890	Total Comprehensive Expenditure	1,961	153

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	46,095	42,738	41,406
Total Non-Current Assets	46,095	42,738	41,406
Current Assets			
Trade and Other receivables	386	434	417
Balance due from Consolidated Fund	13,051	14,357	15,741
Total Current Assets	13,437	14,791	16,158
Total Assets	59,532	57,529	57,564
Current Liabilities			
Trade and Other Payables	400	358	546
Subtotal Current Liabilities	400	358	546
Total Assets Less Current Liabilities	59,132	57,171	57,018
Assets Less Liabilities	59,132	57,171	57,018
Taxpayers' Equity			
Accumulated Revenue Reserves	41,515	40,976	40,337
Revaluation Reserve	17,617	16,195	16,681
Total Taxpayers' Equity	59,132	57,171	57,018

Trading Fund Balance as at 31 December 2012

	2012 £'000
Balance Brought forward	14,433
Net Revenue Expenditure	(639)
Capital Expenditure	(129)
Depreciation and Other Non-Cash Items	1,947
Trading Fund Balance 31 December 2012	15,612
Comprising:	
Net Current Assets	15,612
Trading Fund Balance 31 December 2012	15,612
Less: Unspent Capital Approvals	(11,059)
Available Trading Fund Balance 31 December 2012	4,553

Key Results

Performance against Near Cash Final Approved Budget

Key Variances from Budget	£'000
Reduced vehicle and plant hire income	(186)
Purchase of vehicles under capital limit	(30)
Increased fleet maintenance costs	(39)
Other Variances	(22)
Net Overspend	(277)

Overall JFM had an overspend against budget of £277,248, primarily due to reductions on income because of other departmental budget constraints, with Vehicle and Plant hire income £185,702 below budget.

The purchase of small value plant and vehicles with costs below the capital limit resulted in an overspend of £30,255 against budget.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	(367)
Reduced vehicle and plant hire due to budget constraints	144
Reduced maintenance recharges due to staff absences	32
Reduced sale of vehicles under capital limit	30
Additional procurement staff	66
Reduced fleet maintenance costs	(63)
Other Variances	21
2012 NRI	(137)

Overall there was an increase in costs of £230,357 compared to 2011. This is mostly attributable to reductions in income generated by the hire of vehicles and plant, of £144,068. This is partially due to budget constraints, but also due to the non-replacement of plant that reached the end of its useful life in 2011, and so could not be leased out.

Staff absences in 2012, over and above 2011 levels, meant that there were simply less hours of rechargeable work performed, resulting in income £31,747 less than 2011. Similarly, the staff absences resulted in less fleet maintenance work being performed, reducing costs by £62,550 compared to 2011.

In 2012, fewer plant and vehicles that originally cost less than the capital limit were sold, resulting in a reduction on prior year of £29,934.

JERSEY FLEET MANAGEMENT

Minister's Overview

In 2012 Jersey Fleet Management was tasked with developing its service to encompass the full range of States of Jersey vehicle requirements. This expansion of services required additional funding, and initial capital funding of £1 million was allocated to the Fleet Management trading fund to facilitate the process.

The States of Jersey fleet was catalogued, assessed and prioritised in order that vehicle and plant purchases could be assessed and funding allocated. Fleet purchases are now managed and funded by Jersey Fleet Management and departments pay an annual charge to fund the initial outlay, servicing and insurance.

I can report that the project to fully integrate the States' vehicle purchase, management and maintenance requirements is well underway and priorities have been identified. Some fleet purchases are substantial and the amount of work required to assess user requirements, undertake tender exercises and complete the purchase have been significant. Jersey Fleet Management have demonstrated that they are capable of such an immense task and I am sure the States will reap the rewards of such a high calibre fleet management service in the future.

I am pleased that the project has got off to an excellent start and commend the commitment of the staff within the Department and the co-operation of all the States departments involved.

Minister's Overview

Future Developments

As further work is undertaken in assessment of the existing vehicle fleet, it is almost inevitable that funding for replacement and new vehicles will be put under pressure. Once the fleet has been fully brought up to date then the future costs of replacement will be managed from the trading fund and the lease charges paid by departments. Until then, additional funding from the States Capital fund will be required (and has been identified within the future capital programme) to ensure that the States of Jersey can rely on a modern and efficient vehicle fleet that meets the demands of users and the requirements of emissions legislation.

A trial of 10 electric vehicles is being undertaken in 2013 and it is hoped that this will prove the suitability of such vehicles to the driving conditions in an Island such as Jersey. The project is being sponsored by three States departments – Transport and Technical Services, Environment and Economic Development. Whilst these vehicles are currently more expensive than the equivalent conventional vehicles, in time we will no doubt see prices fall as the technology matures and uptake increases.

Staff FTE

At the year end the section employed the equivalent of 26 full time employees. This is an increase of 1.0 (4.0%) from 2011, and is due to the additional procurement work associated with taking on fleet management responsibilities for the whole of the States of Jersey.

Detailed Financial Analysis Snapshot summary

Overspend
£277,248 **24.3%**

against Near Cash Final Approved Budget

<p>Net Revenue Income</p> <p>£136,933</p>	<p>(62.7%)</p> <p>decrease on 2011</p>
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Financial Statements

Income £3.8m

Income for the year was £157,277 below budget and £180,343 less than prior year, primarily due to:
 - a reduction in the amount of vehicle and plant being leased out due to non-replacement from 2011 and;
 - a reduction in the amount of maintenance work undertaken, partly as a result of an updated vehicle fleet, and partly due to staff being transferred from the workshop to vehicle procurement.

Non Cash Expenditure £0.7m

There was no significant variance from budget or prior year.

Other Comprehensive Income £0.0m

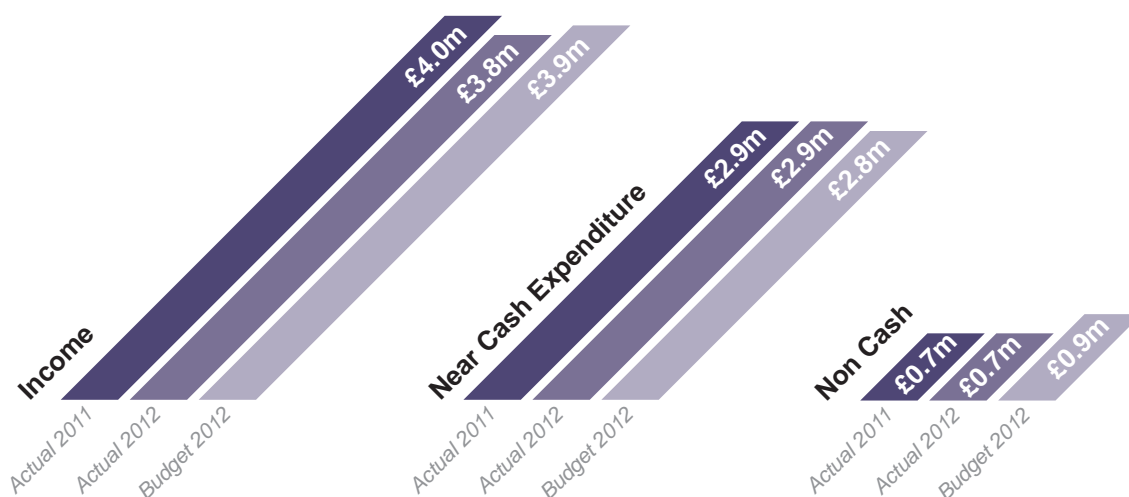
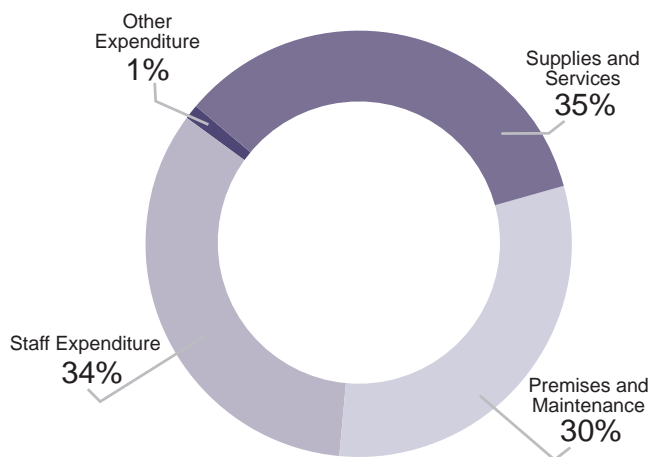
There was no Other Comprehensive Income in the year

Major Income Streams

	£'000
Vehicle and Plant Hire	2,545
Vehicle Maintenance	658
Fuel Sales	545
Other	30
Total Income	3,778

Near Cash Expenditure £2.9m

Near Cash Expenditure Analysis



Staff Expenditure

The overspend to budget of £28,014 relates to an additional staff member taken on for vehicle procurement, due to the increased workload after taking on the responsibilities for the full fleet.

The increase of £78,101 from 2011 relates to the additional staff.

Supplies and Services

The overspend of £42,751 to budget relates primarily to increased fuel costs and the purchase of low cost plant and vehicles below the capital limit.

The increase on 2011 is negligible.

Premises and Maintenance

The overspend of £35,873 to budget relates to vehicle and plant maintenance costs.

The reduction of £44,261 from 2011 relates to vehicle and plant maintenance costs and is mostly due to staff absences in 2012 compared to 2011, as mentioned above.

Statement of Financial Position

2012 saw the addition of a large number of new plant and vehicles and the disposal of a large number of mostly depreciated plant and vehicles. This resulted in an increase in the Net Book Value (NBV) of £646,184 (16.9%)

Statement of Comprehensive Net Expenditure

2012 Business Plan	2012 Final Approved Budget		2011 Actual	2012 Actual
£'000	£'000	Revenue	£'000	£'000
3,931	3,931	Sales of Goods and Services	3,950	3,761
3	3	Investment Income	6	13
1	1	Other Income	2	4
3,935	3,935	Total Revenue	3,958	3,778
		Expenditure: Near Cash		
967	967	Staff Expenditure	917	995
971	971	Supplies and Services	1,010	1,014
1	1	Administrative Expenditure	4	3
854	854	Premises and Maintenance	934	890
2	2	Other Operating Expenditure	2	-
-	-	Finance Costs	12	13
2,795	2,795	Total Expenditure: Near Cash	2,879	2,915
(1,140)	(1,140)	Net Revenue Income: Near Cash	(1,079)	(863)
		Non Cash Amounts		
958	958	Depreciation and Amortisation	799	808
(90)	(90)	Gain on Disposal of Non-Current Assets	(87)	(82)
868	868	Total Non Cash Amounts	712	726
(272)	(272)	Net Revenue Income	(367)	(137)
(272)	(272)	Total Comprehensive Income	(367)	(137)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	3,696	3,802	4,454
Intangible Assets	24	19	14
Total Non-Current Assets	3,720	3,821	4,468
Current Assets			
Inventories	55	33	50
Trade and Other receivables	58	106	173
Balance due from the Consolidated Fund	740	1,006	1,497
Total Current Assets	853	1,145	1,720
Total Assets	4,573	4,966	6,188
Current Liabilities			
Trade and Other Payables	111	137	222
Total Current Liabilities	111	137	222
Total Assets Less Current Liabilities	4,462	4,829	5,966
Assets Less Liabilities	4,462	4,829	5,966
Taxpayers' Equity			
Accumulated Revenue Reserves	4,462	4,829	5,966
Total Taxpayers' Equity	4,462	4,829	5,966

Trading Fund Balance as at 31 December 2012

	2012 £'000
Balance Brought forward	1,008
Net Revenue Income	137
Additional States Funding	1,000
Capital Expenditure	(1,579)
Depreciation and Other Non-Cash Items	932
Trading Fund Balance 31 December 2012	1,498
Comprising:	
Net Current Assets	1,498
Trading Fund Balance 31 December 2012	1,498
Less: Unspent Capital Approvals	(1,475)
Available Trading Fund Balance 31 December 2012	23



Special Funds Named in the Public Finances (Jersey) Law 2005

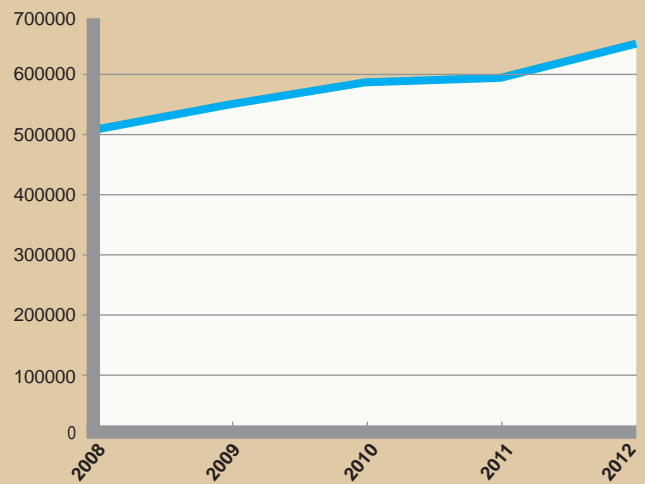
In addition to the Consolidated Fund, the Public Finances (Jersey) Law 2005 names three Special Funds, which relate to the operation of the States of Jersey in general.

Key Results

Strategic Reserve

£651.2m

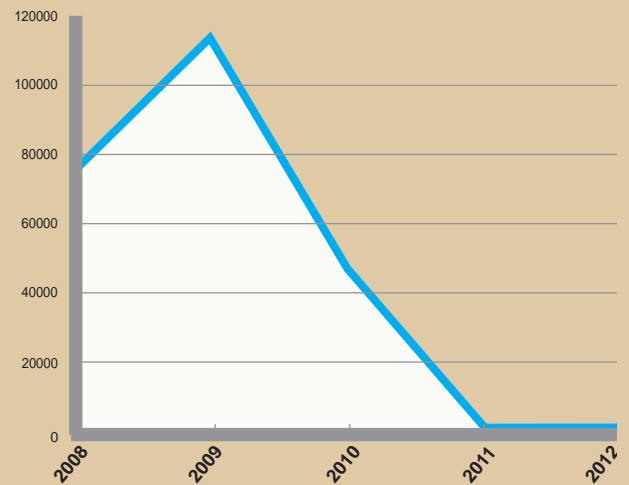
£'000 Strategic Reserve NAV Over Time



Stabilisation Fund

£1.1m

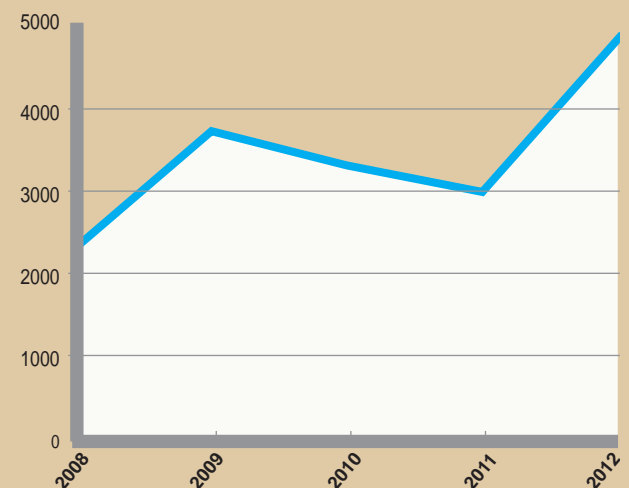
£'000 Stabilisation Fund NAV Over Time



Jersey Currency Fund

£4.8m

£'000 Jersey Currency Fund NAV Over Time



Key Results

Changes in Net Asset Value from 2011

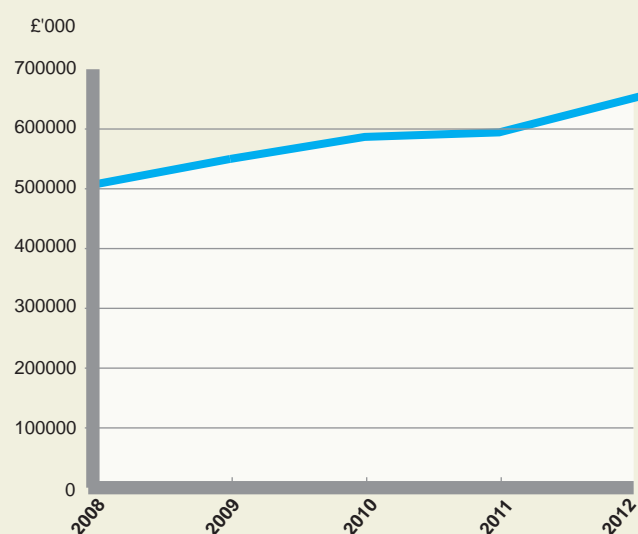
	£'000
2011 NAV	594,354
Net Revenue Income	56,862
2012 NAV	651,216

The Net Asset Value (NAV) increased from £594.4 million to £651.2 million during 2012, an increase of £56.9 million (9.6%). This was primarily due to gains on investments held in the Common Investment Fund (CIF).

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	7,575
Investment Income	49,278
Supplies and Services	10
2012 NRI	56,863

Strategic Reserve NAV Over Time



Investment Income

The investment income generated by the Fund in 2012 was £56.9million compared to £7.6million in 2011 (an increase of 644.3%). This income is gains on the Fund's investments held within the CIF. Equity investments performed particularly well generating £44.1million of the overall return, reflecting both outperformance of the investment managers and a rising market. The remaining income was generated by the corporate and government bond pools.

Performance of CIF Investments

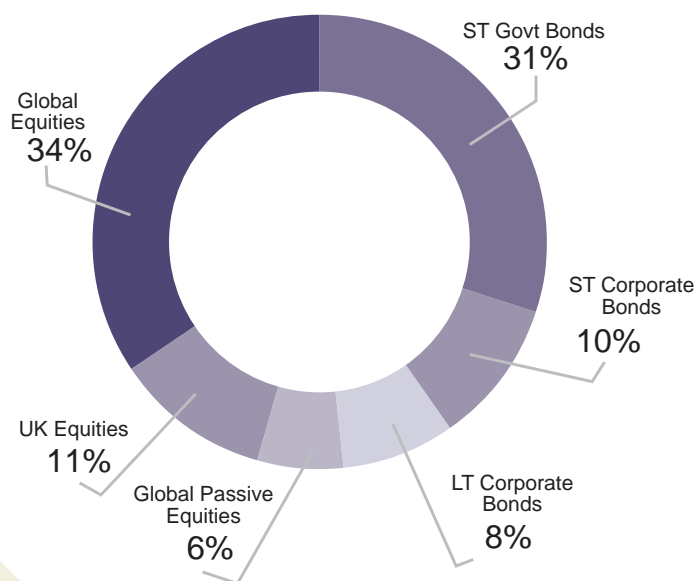
The Fund participates in a range of CIF pools which is achieved through the holding of pool 'units'. The CIF recognises income, expenditure and gains/losses on Investments within the pool which is reflected in the value of pools units. The Fund recognises the gains or losses on these units as investment income.

The table shows the share of transactions in the CIF attributable to the Fund.

CIF Amounts Attributable to the Stabilisation Fund

	2011 £'000	2012 £'000
Income	20,327	22,230
Expenditure	(2,318)	(3,530)
Gains/(Losses) on Investments	(10,707)	38,226
Total Gains recognised	7,302	56,926

CIF Holding By Pool



Detailed Financial Analysis Snapshot summary

Position £651,216,402 Closing Net Asset Position	9.6% increase on 2011
Net Revenue Income £56,862,791	650.7% increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
Revenue	£'000	£'000
Investment Income	7,648	56,925
Total Revenue	7,648	56,925
Expenditure: Near Cash		
Supplies and Services	73	62
Total Expenditure: Near Cash	73	62
Net Revenue Income: Near Cash	7,575	56,863
Net Revenue Income	7,575	56,863
Total Comprehensive Income	7,575	56,863

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	586,898	594,369	651,295
Total Non-Current Assets	586,898	594,369	651,295
Current Assets			
Trade and Other receivables	25	17	16
Cash and Cash Equivalents	7		
Total Current Assets	32	17	16
Total Assets	586,930	594,386	651,311
Current Liabilities			
Trade and Other Payables	62	11	8
Balance due to the Consolidated Fund	89	21	87
Total Current Liabilities	151	32	95
Total Assets Less Current Liabilities	586,779	594,354	651,216
Assets Less Liabilities	586,779	594,354	651,216
Taxpayers' Equity			
Accumulated Revenue Reserves	586,779	594,354	651,216
Total Taxpayers' Equity	586,779	594,354	651,216

Key Results

Changes in Net Asset Value from 2011

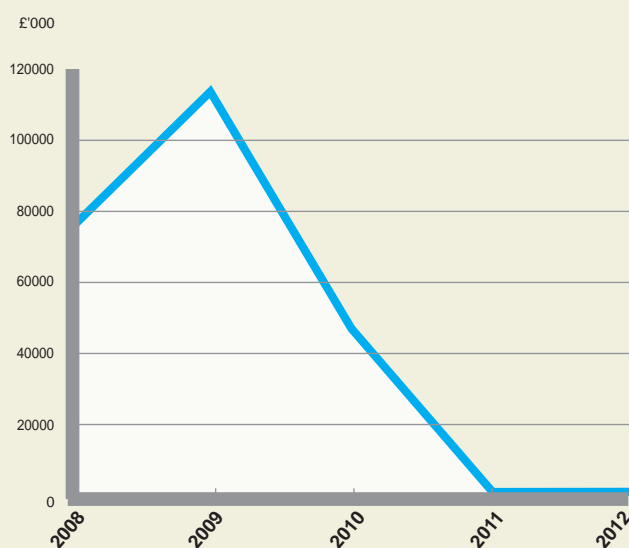
	£'000
2011 NAV	1,006
Net Revenue Income	44
2012 NAV	1,050

The Net Asset Value (NAV) increased from £1,006,311 to £1,049,922 during 2012, an increase of £43,611 (4.3%). The increase in the NAV reflects increased net income from its investments held within Common Investment Fund.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	9
Gains on CIF Investments	34
Supplies and Services	1
2012 NRI	44

Stabilisation Fund NAV Over Time



Investment Income

Gains on CIF Investments in the Statement of Comprehensive Net Expenditure (SoCNE) were £33,276 higher than in 2011 (an increase of 316.7%). This rise reflected a short term rise in the holdings of the pool in quarter one. The Fund generated virtually all of its income from the Long Term Cash Pool within the CIF.

Performance of CIF Investments

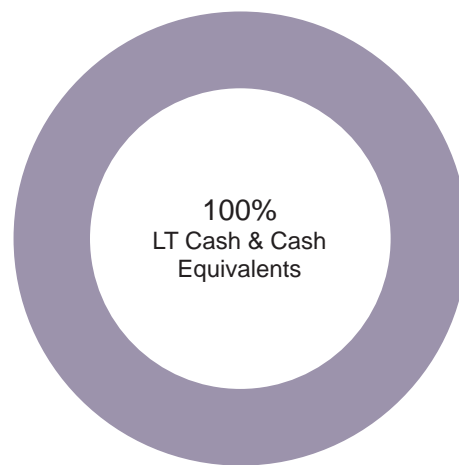
The Fund participates only in the CIF long term cash pool which is achieved through the holding of pool 'units'. The CIF recognises income, expenditure and gains/losses on Investments within the pool which is reflected in the value of pools units. The Fund recognises the gains or losses on these units as investment income.

The table shows the share of transactions in the CIF attributable to Fund.

CIF Amounts Attributable to the Currency Fund

	2011 £'000	2012 £'000
Income	10	47
Expenditure	(1)	(2)
Gains/(Losses) on Investments	1	(1)
Total Gains recognised	10	44

CIF Holding By Pool



Detailed Financial Analysis Snapshot summary

Position
£1,049,922
Closing Net Asset Position

4.3%
increase on 2011

Net Revenue Income
£43,610

368.9%
increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	10	44
Total Revenue	10	44
Expenditure: Near Cash		
Supplies and Services	1	-
Total Expenditure: Near Cash	1	-
Net Revenue Income: Near Cash	9	44
Net Revenue Income	9	44
Total Comprehensive Income	9	44

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	46,959	1,006	1,049
Total Non-Current Assets	46,959	1,006	1,049
Current Assets			
Cash and Cash Equivalents	45	72	1
Total Current Assets	45	72	1
Total Assets	47,004	1,078	1,050
Current Liabilities			
Trade and Other Payables	2	-	-
Balance due to the Consolidated Fund	5	72	-
Total Current Liabilities	7	72	-
Total Assets Less Current Liabilities	46,997	1,006	1,050
Assets Less Liabilities	46,997	1,006	1,050
Taxpayers' Equity			
Accumulated Revenue Reserves	46,997	1,006	1,050
Total Taxpayers' Equity	46,997	1,006	1,050

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	2,990
Operating Surplus	2,840
Financial Return	(983)
2012 NAV	4,847

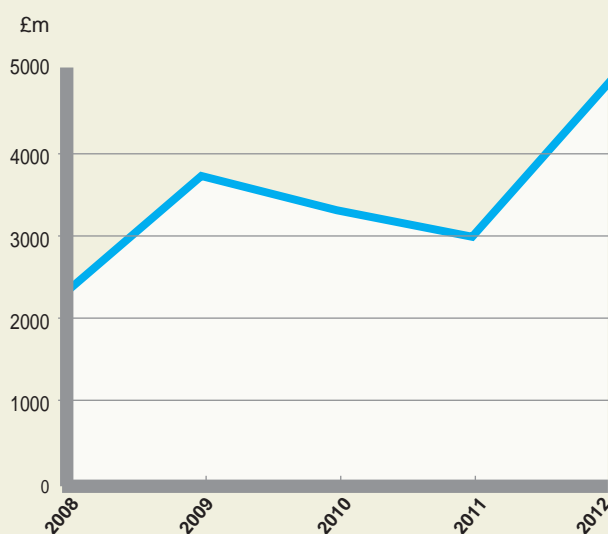
The Net Asset Value (NAV) increased from £2,989,993 to £4,846,675 during 2012, an increase of £1,856,682 (62.1%). The increase in the NAV reflects the operating surplus less the financial return.

The most significant elements of the operating surplus and financial return are explained below.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	(323)
Sale of Goods	14
Investment Income	2,158
Other Revenue	91
Supplies and Services	(141)
Financial Return	78
Other Variances	(20)
2012 NRI	1,857

Jersey Currency Fund NAV Over Time



Investment Income

The investment income generated by the Fund in 2012 was £3.4 million compared to £1.2 million in 2011 (an increase of 181.1%). This income was predominately attributable to the Fund's investments held within the CIF, which generated £3.1 million. Equity performed particularly well generating £2.3m of the overall return, reflecting both outperformance of the investment managers and a rising market. The remaining CIF income was mostly generated by the cash pool, with the government bonds pools generating flat returns in line with the market. The remaining investment income is generated by infrastructure investments and interest on cash held outside the CIF for operational purposes.

Financial Return

The financial return was £982,804 in 2012 reduced from £1,060,607 (a decrease of 7.3%). The financial return reflects only the 'realised portion' of the Fund's returns and so excludes any unrealised gains or losses in the underlying investments in the CIF. In the current year, rallies in the equity markets generated much of the years investment income, much of this gain remains unrealised until investments are sold and as such is excluded from the financial return.

Performance of CIF Investments

The Fund participates in a range of CIF pools which is achieved through the holding of pool 'units'. The CIF recognises income, expenditure and gains/losses on Investments within the pool which is reflected in the value of pools units. The Fund recognises the gains or losses on these units as investment income.

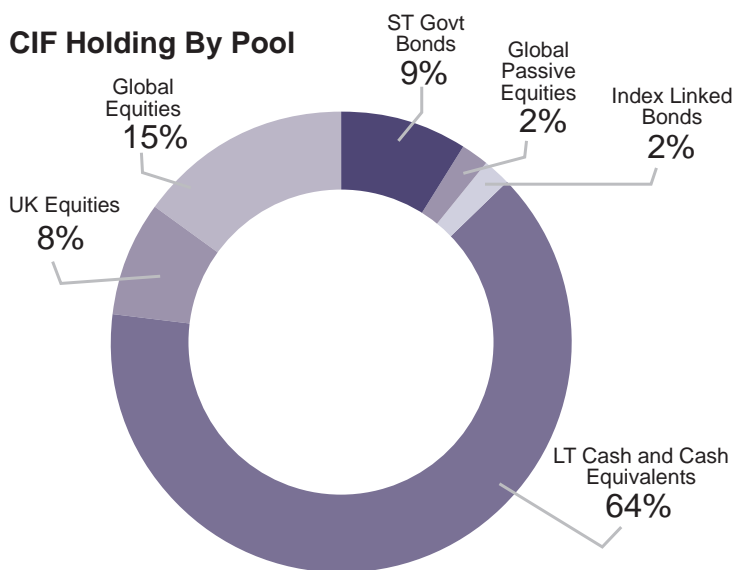
The table below shows the share of transactions in the CIF attributable to the Fund.

CIF Amounts Attributable to the Strategic Reserve Fund

	2011 £'000	2012 £'000
Income	1,281	1,422
Expenditure	(125)	(206)
Gains/(Losses) on Investments	(23)	1,921

Total Gains recognised **1,133** **3,137**

CIF Holding By Pool



Detailed Financial Analysis Snapshot summary

<p>Position £4,846,675 Closing Net Asset Position</p>	<p>62.1% increase on 2011</p>
<p>Net Revenue Income £1,856,682</p>	<p>Compared to Net Revenue Expenditure £322,556 in 2011</p>

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Sales of Goods and Services	4	18
Investment Income	1,193	3,351
Other Income	176	267
Total Revenue	1,373	3,636
Expenditure: Near Cash		
Supplies and Services	586	727
Administrative Expenditure	7	4
Premises and Maintenance	21	14
Other Operating Expenditure	(5)	25
Finance Costs	3	3
Total Expenditure: Near Cash	612	773
Net Revenue Income: Near Cash	761	2,863
Non Cash Amounts		
Depreciation and Amortisation	23	23
Total Non Cash Amounts	23	23
Net Revenue Income (before Financial Return)	738	2,840
Financial Return to Consolidated Fund	1,061	983
Net Revenue (Expenditure)/Income	(323)	1,857
Total Comprehensive (Expenditure)/Income	(323)	1,857

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Property, Plant and Equipment	53	30	8
Investments held at Fair Value through Profit or Loss	-	-	10,000
Infrastructure Investment	74,157	73,540	67,677
Total Non-Current Assets	74,210	73,570	77,685
Current Assets			
Inventories	2,129	1,829	1,987
Trade and Other receivables	45	249	83
Cash and Cash Equivalents	21,668	18,625	16,562
Total Current Assets	23,842	20,703	18,632
Total Assets	98,052	94,273	96,317
Current Liabilities			
Trade and Other Payables	20	18	18
Balance due to the Consolidated Fund	1,940	669	982
Currency in Circulation - Notes	85,227	82,707	82,281
Currency in Circulation - Coinage	7,552	7,889	8,189
Total Current Liabilities	94,739	91,283	91,470
Total Assets Less Current Liabilities	3,313	2,990	4,847
Assets Less Liabilities	3,313	2,990	4,847
Taxpayers' Equity			
Accumulated Revenue Reserves	1,563	1,240	3,097
Circulation Reserve	1,750	1,750	1,750
Total Taxpayers' Equity	3,313	2,990	4,847

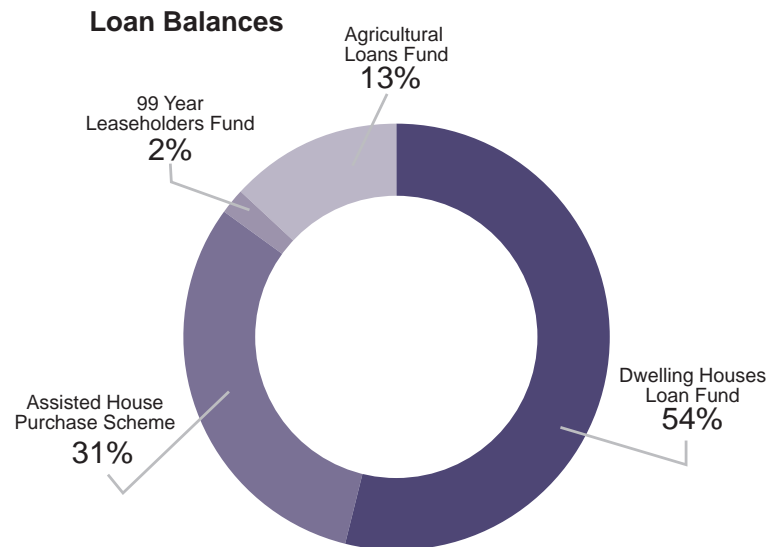


Special Funds for Specific Purposes

The Public Finances (Jersey) Law 2005 allows the States to establish special funds (also known as Separately Constituted Funds) for specific purposes. These are usually established by legislation or a States decision.

Key Results

Loan Funds



Channel Islands Lottery (Jersey) Fund

Tickets Sales of £5.6 million

Prizes paid of £4.6 million

Grants made to Charities of £0.4 million

Confiscation Funds

Confiscations of £1.8 million

Net Asset Value of £15.5 million

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	11,692
Loans repaid	(724)
CIF investment	49
Balance due from the Consolidated Fund	1,194
2012 NAV	12,211

The Net Asset Value (NAV) increased from £11,692,462 to £12,210,671 during 2012, an increase of £518,209 (4.4%).

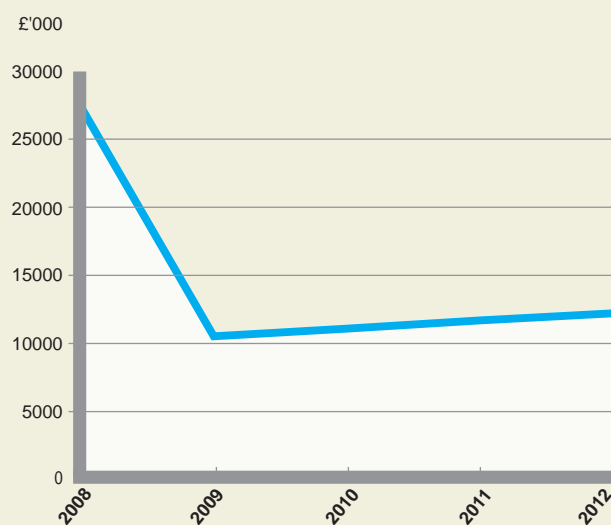
During the year the scheme did not make any new loans. Advances decreased by £724,184 (13.4%) due to capital repayments by borrowers; these repayments are also reflected in the £1,193,592 increase in the balance due from the Consolidated Fund.

The Investments in the CIF, during the year benefitted from £48,871 unrealised gains on investments.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	604
Loan interest received	(39)
Interest received on financing	(15)
Supplies and Services	3
Unrealised Gains on investments	(35)
2012 NRI	518

Net Asset Value Over Time



Supplies and Services

Supplies and Services decreased due to a reduction in internal recharges and reduced adhoc third party, loan service provider fees.

Investment Income

Loan interest received in 2012 decreased due to a decrease in amounts advanced to borrowers. Interest received on the balance due from the Consolidated Fund also decreased by £15,351 due to the transfer of monies into investments in the CIF in 2011. Gains on CIF Investments were £34,642 lower than in 2011

Performance of CIF Investments

The Fund participates in a range of CIF pools. Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Fund recognises only gains or losses on the units held in the CIF.

The table shows the share of transactions in the CIF attributable to the Fund.

CIF Amounts Attributable to the Dwelling Houses Loan Fund

	2011 £'000	2012 £'000
Income	91	189
Expenditure	(4)	(9)
Losses on Investments	(3)	(131)
Total Gains recognised	84	49

CIF Holding By Pool



Detailed Financial Analysis Snapshot summary

Position £12,210,671 Closing Net Asset Position	4.4% increase on 2011
---	---------------------------------

Net Revenue Income £518,209	(14.2%) decrease on 2011
--	------------------------------------

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	645	556
Total Revenue	645	556
Expenditure: Near Cash		
Supplies and Services	41	38
Total Expenditure: Near Cash	41	38
Net Revenue Income: Near Cash	604	518
Net Revenue Income	604	518
Total Comprehensive Income	604	518

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Loans & Advances	5,463	4,858	4,289
Investments held at Fair Value through SoNCE	-	5,597	5,646
Total Non-Current Assets	5,463	10,455	9,935
Current Assets			
Loans & Advances	562	555	400
Trade and Other receivables	24	22	23
Balance due from the Consolidated Fund	5,039	660	1,853
Total Current Assets	5,625	1,237	2,276
Total Assets	11,088	11,692	12,211
Total Assets Less Current Liabilities	11,088	11,692	12,211
Assets Less Liabilities	11,088	11,692	12,211
Taxpayers' Equity			
Accumulated Revenue Reserves	11,088	11,692	12,211
Total Taxpayers' Equity	11,088	11,692	12,211

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	2,090
Advanced repaid	(713)
Balance due to the Consolidated Fund	744
Other variances	(1)
2012 NAV	2,120

The Net Asset Value (NAV) increased from £2,089,597 to £2,119,986 during 2012, an increase of £30,389 (1.5%).

During the year the scheme did not make any new loans. Advances decreased by £713,347 due to capital repayments by borrowers; these repayments are also reflected in the £743,949 reduction in the balance due to the Consolidated Fund.

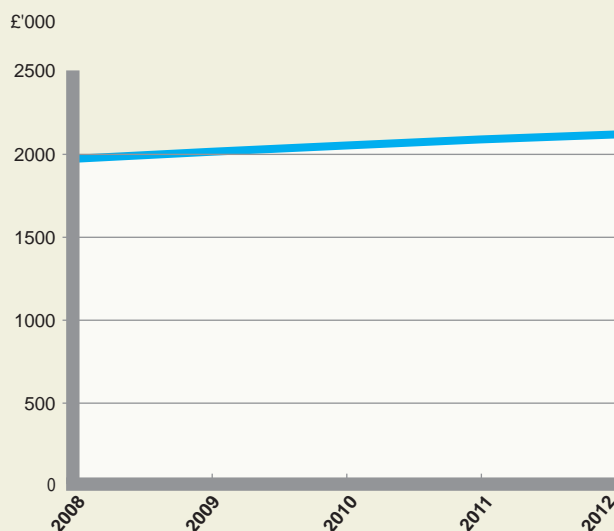
Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	37
Loan interest received	(14)
Interest paid on financing	8
Other variances	(1)
2012 NRI	30

The decrease in Net Revenue Income (NRI) was largely due to lower amounts of interest received due to a decrease in amounts advances to borrowers

Interest paid on the balance due to the Consolidated Fund also decreased by £8,092 due a lower balance being due.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£2,119,986
Closing Net Asset Position

1.5%
increase on 2011

Net Revenue Income
£30,389

(17.1%)
decrease on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	60	46
Total Revenue	60	46
Expenditure: Near Cash		
Supplies and Services	8	9
Finance Costs	15	7
Total Expenditure: Near Cash	23	16
Net Revenue Income: Near Cash	37	30
Net Revenue Income	37	30
Total Comprehensive Income	37	30

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Loans & Advances	3,982	3,133	2,453
Total Non-Current Assets	3,982	3,133	2,453
Current Assets			
Loans & Advances	290	234	200
Trade and Other receivables	3	3	3
Total Current Assets	293	237	203
Total Assets	4,275	3,370	2,656
Current Liabilities			
Balance due to the Consolidated Fund	2,222	1,280	536
Total Current Liabilities	2,222	1,280	536
Total Assets Less Current Liabilities	2,053	2,090	2,120
Assets Less Liabilities	2,053	2,090	2,120
Taxpayers' Equity			
Accumulated Revenue Reserves	2,053	2,090	2,120
Total Taxpayers' Equity	2,053	2,090	2,120

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	830
Loans Repaid	(4)
Balance due from Consolidated Fund	4
2012 NAV	830

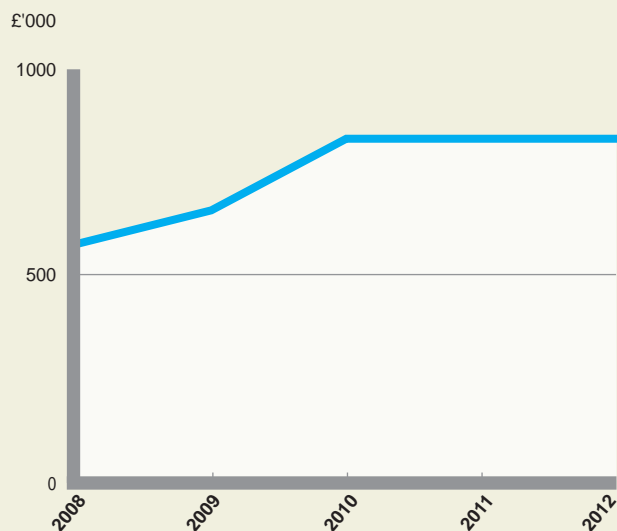
There was no change in the Net Asset Value (NAV) from 2011 as surplus revenue income is transferred to Jersey Property Holding's cash limit at the end of each year as a Financial Return.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	-
Loan interest received	1
Financial return to JPH	(1)
2012 NRI	-

Performance in 2012 was similar to that in 2011, with a small reduction in interest received and consequently the financial return.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position £830,372 Closing Net Asset Position	(0.0%) Remained unchanged
--	--

Net Revenue Income £19,272 before transfer	(1.5%) decrease on 2011
--	-----------------------------------

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	20	19
Total Revenue	20	19
Expenditure: Near Cash		
Financial Return	20	19
Total Expenditure: Near Cash	20	19
Net Revenue Income: Near Cash	-	-
Net Revenue Income	-	-
Total Comprehensive Income/	-	-

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Loans & Advances	171	167	155
Total Non-Current Assets	171	167	155
Current Assets			
Loans & Advances	2	2	10
Balance due from the Consolidated Fund	657	661	665
Total Current Assets	659	663	675
Total Assets	830	830	830
Total Assets Less Current Liabilities	830	830	830
Assets Less Liabilities	830	830	830
Taxpayers' Equity			
Accumulated Revenue Reserves	830	830	830
Total Taxpayers' Equity	830	830	830

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	318
Advanced repaid	(260)
Balance due to the Consolidated Fund	336
Debtors due within one year	(7)
2012 NAV	387

The Net Asset Value (NAV) increased from £318,227 to £386,540 during 2012, an increase of £68,313 (21.5%).

During the year the scheme did not make any new loans. Advances decreased by £259,603 due to capital repayments by borrowers; these repayments are also reflected in the £335,826 reduction in the balance due to the Consolidated Fund.

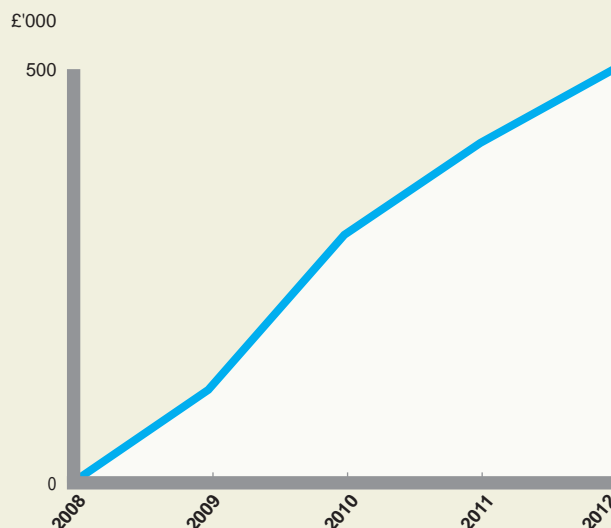
Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	86
Loan interest received	(20)
Supplies & services	(1)
Other expenses	3
2012 NRI	68

The decrease in Net Revenue Income (NRI) was largely due to lower amounts of interest received due to a decrease in amounts advanced to borrowers

Interest paid on the balance due to the Consolidated Fund also decreased by £3,221 due a lower balance being due.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£386,540
Closing Net Asset Position

21.5%
increase on 2011

Net Revenue Income
£68,313

(21.0%)
decrease on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	106	87
Total Revenue	106	87
Expenditure: Near Cash		
Supplies and Services	8	9
Finance Costs	12	10
Total Expenditure: Near Cash	20	19
Net Revenue Income: Near Cash	86	68
Net Revenue Income	86	68
Total Comprehensive Income	86	68

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Loans & Advances	1,616	1,242	1,028
Subtotal Non-Current Assets	1,616	1,242	1,028
Current Assets			
Loans & Advances	208	181	136
Trade and Other receivables	68	54	46
Total Current Assets	276	235	182
Total Assets	1,892	1,477	1,210
Current Liabilities			
Balance due to the Consolidated Fund	1,660	1,159	823
Total Current Liabilities	1,660	1,159	823
Total Assets Less Current Liabilities	232	318	387
Assets Less Liabilities	232	318	387
Taxpayers' Equity			
Accumulated Revenue Reserves	232	318	387
Total Taxpayers' Equity	232	318	387

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	937
Grants paid	(197)
Other Variances	1
2012 NAV	741

The Net Asset Value of the Fund decreased from £936,963 to £741,152 an decrease of £195,811 (20.9%). The decrease is mainly due the payment of grants (£197,314) in accordance with the purpose of the Fund.

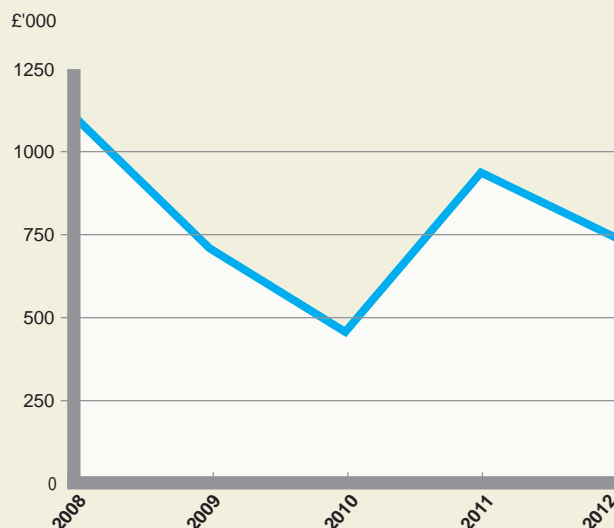
Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	480
Grants received	(650)
Grants paid	(27)
Other Variances	1
2012 NRE	(196)

The Fund received a grant of £650,000 in 2011 from the Economic Development Department to allow the TDF Panel to continue further rounds of grant allocations during 2012 and beyond. There were no grants received in 2012.

There was a decrease of £26,862 in grants paid compared to 2011. Grants from the Fund are considered and approved by a committee comprising business leaders and senior officers from the Economic Development Department. The amount paid in grants each year is dependent upon the number and financial amounts of applications received and approved by the committee.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£741,152 **(20.9%)**
Closing Net Asset Position decrease on 2011

Net Revenue
Expenditure
£195,811 **140.7%**
increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	4	7
Other Income	650	-
Total Revenue	654	7
Expenditure: Near Cash		
Supplies and Services	2	5
Administrative Expenditure	2	1
Grants and Subsidies Payments	170	197
Total Expenditure: Near Cash	174	203
Net Revenue Income/(Expenditure): Near Cash	480	(196)
Net Revenue Income/(Expenditure)	480	(196)
Total Comprehensive Income	480	(196)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Current Assets			
Trade and Other receivables	24	-	-
Balance due from the Consolidated Fund	435	987	742
Total Current Assets	459	987	742
Total Assets	459	987	742
Current Liabilities			
Trade and Other Payables	2	50	1
Total Current Liabilities	2	50	1
Total Assets Less Current Liabilities	457	937	741
Assets Less Liabilities	457	937	741
Taxpayers' Equity			
Accumulated Revenue Reserves	457	937	741
Total Taxpayers' Equity	457	937	741

Key Results

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	49
Guernsey Contribution	1,238
Jersey Ticket Sales	1,125
Other Operating Expenditure	(2,200)
Grant to Charities	18
Comms on Agency Sales	(92)
Other Variances	(129)
2012 NRI	9

The 81.0% decrease in net revenue income in 2012 is due to a change in policy between the years in respect of retained profits. A 10% retention was made in 2011 whereas no retention has been made in 2012, making 100% of distributable profit available as a grant to charities.

Introduction of new games in 2012 resulted in an increase in costs which were greater than an increase in sales.

One of the games introduced for the first time in several years was a Summer Draw producing a loss of £12,085. This loss arose due to lower than expected ticket sales (especially in Guernsey).

A combined increase in expenditure of £2,468,770 (76.2%) included increase in prizes paid and uncollected prizes of £2,200,293, increase in commission on agency sales of £92,325, delivery charges of £48,128 and printing of £47,723.

An increase in combined Jersey and Guernsey sales was £2,363,560 (72.0%).

Overall, increased costs exceeded increased sales and the result was a reduction in the total profit of the Lottery of 12.3% compared with 2011. Total profit is defined as the profit before distribution, including income from time-expired prizes.

In 2012 the grant to the Association of Jersey Charities decreased by £17,863 (4.3%) as a result of lower distributable profits than in 2011.

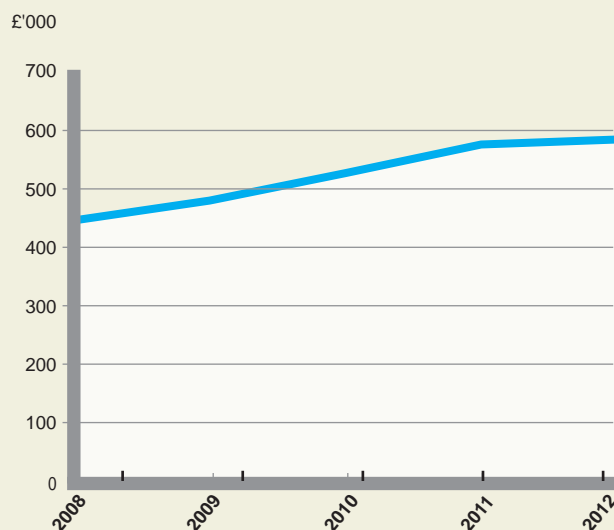
Changes in Net Asset Value from 2011

	£'000
2011 NAV	576
Jersey Ticket Sales	3,303
Guernsey Contribution	2,339
Prizes Paid	(4,625)
Grant Paid (100%)	(402)
Comms on Agency Sales	(356)
Other Variances	(250)
2012 NAV	585

The increase in Net Asset Value (NAV) from 2011 is £9,363. This is the unrealised gain on the Common Investment Fund (CIF) in 2012 and is not for distribution.

For 2012, it has been determined that 100% of the distributable profit of £401,702 will be made available as a Grant for the Association of Jersey Charities in 2013. This is a change in policy compared with 2011 and prior years when 10% of the distributable profit has been retained.

Net Asset Value Over Time



Performance of CIF Investments

The CI Lottery (Jersey) Fund joined the CIF on 1 July 2011 investing in the Long Term Cash and Cash Equivalents pool.

Investments are held by the CIF, which recognises income, expenditure and gains/losses on Investments. The Lottery Fund recognises only gains or losses on the units held in the CIF in the Statement of Comprehensive Net Expenditure.

The table shows the share of transactions in the CIF attributable to the Fund.

CIF Amounts Attributable to the Strategic Reserve Fund

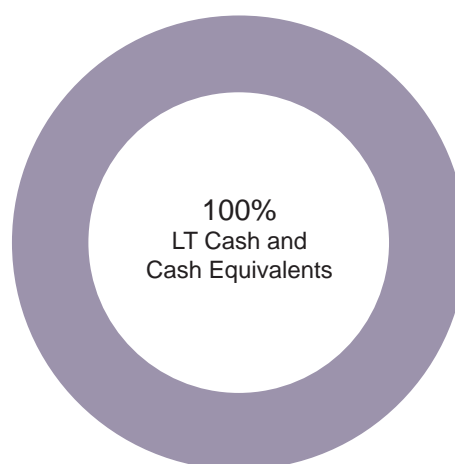
Income	3	8
Expenditure	-	(1)
Gains/(Losses) on Investments	-	-

Total Gains recognised

3

7

CIF Holding By Pool



Detailed Financial Analysis Snapshot summary

Position
£585,825
Closing Net Asset Position

1.6%
increase on 2011

Net Revenue Income
£9,363

(81.0%)
decrease on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Sales of Goods and Services	3,280	5,643
Investment Income	9	17
Other Income	-	40
Total Revenue	3,289	5,700
Expenditure: Near Cash		
Supplies and Services	395	660
Premises and Maintenance		1
Other Operating Expenditure	2,425	4,625
Grants and Subsidies Payments	420	402
Finance Costs	-	3
Total Expenditure: Near Cash	3,240	5,691
Net Revenue Income: Near Cash	49	9
Net Revenue Income	49	9
Total Comprehensive Income	49	9

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Non-Current Assets			
Investments held at Fair Value through Profit or Loss	-	529	539
Total Non-Current Assets	-	529	539
Current Assets			
Trade and Other receivables	282	681	1,490
Balance due from the Consolidated Fund	972	374	958
Total Current Assets	1,254	1,055	2,448
Total Assets	1,254	1,584	2,987
Current Liabilities			
Trade and Other Payables	727	1,008	2,402
Total Current Liabilities	727	1,008	2,402
Total Assets Less Current Liabilities	527	576	585
Assets Less Liabilities	527	576	585
Taxpayers' Equity			
Accumulated Revenue Reserves	527	576	585
Total Taxpayers' Equity	527	576	585

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	6,046
Notional Interest	51
Unrealised loss on derrivatives	(2)
2012 NAV	6,095

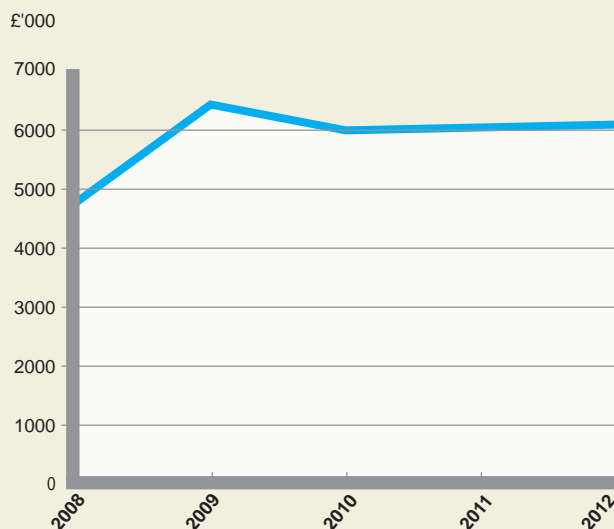
The Housing Development Fund has received interest income of £50,673 in 2012, there has also been an unrealised loss of derivatives of £2,000; the combined effect is a slight increase in the NAV of the Fund.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	51
Unrealised loss on derrivatives	(2)
2012 NRI	49

There has been an unrealised loss on derivatives of £2,000 in 2012.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£6,094,605
Closing Net Asset Position

0.8%
increase on 2011

Net Revenue Income
£48,673

(4.7%)
decrease on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual £'000	2012 Actual £'000
Revenue		
Investment Income	51	49
Total Revenue	51	49
Net Revenue Income: Near Cash	51	49
Net Revenue Income	51	49
Total Comprehensive Income	51	49

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	5,997	6,048	6,099
Total Current Assets	5,997	6,048	6,099
Total Assets	5,997	6,048	6,099
Total Assets Less Current Liabilities	5,997	6,048	6,099
Non-Current Liabilities			
Derivative Financial Instruments expiring after more than one year	-	2	4
Total Non-Current Liabilities	-	2	4
Assets Less Liabilities	5,997	6,046	6,095
Taxpayers' Equity			
Accumulated Revenue Reserves	5,997	6,046	6,095
Total Taxpayers' Equity	5,997	6,046	6,095

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	14,497
Confiscations	469
Bank Interest	102
Grants and Payments	(976)
2012 NAV	14,092

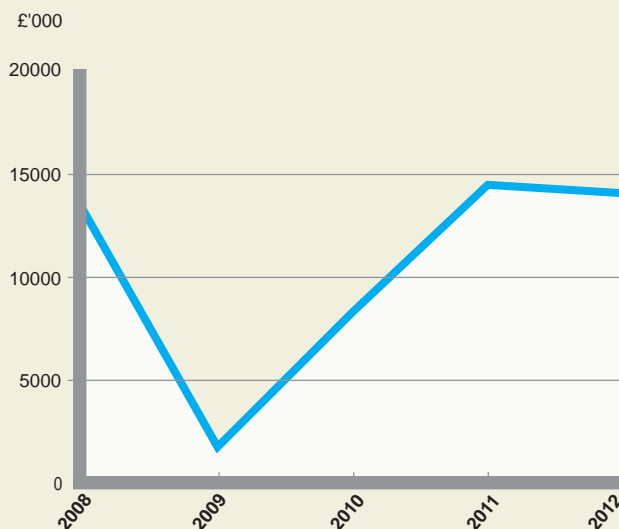
In 2012 a payment was made to the UK Treasury (£470,395) under an asset sharing agreement and a grant made to Judicial Greffe (£506,000) for Court and Case Costs due to the large expenses incurred on three major cases. These payments were partially offset by the receipt of £469,254 of confiscated funds.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	6,176
Decrease in net Confiscations	(6,440)
Increase in Grants	(102)
Other Variances	(39)
2012 NRE	(405)

In 2011 a significant confiscation was made, providing a net increase to the fund of £4 million, together with recovered costs of £2.4 million. This amount has therefore created exceptionally high variances, whereas gross expenditure (excluding the confiscation) has actually only increased by £566,323 due to the two payments mentioned above.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£14,091,509
Closing Net Asset Position

(2.8%)
decrease on 2011

Net Revenue
Expenditure
£405,650

106.6%
increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	147	103
Other Income	28,999	469
Total Revenue	29,146	572
Expenditure: Near Cash		
Supplies and Services	1	1
Other Operating Expenditure	22,565	470
Grants and Subsidies Payments	404	506
Total Expenditure: Near Cash	22,970	977
Net Revenue Income/(Expenditure) Near Cash	6,176	(405)
Net Revenue Income/(Expenditure)	6,176	(405)
Total Comprehensive Income/(Expenditure)	6,176	(405)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Current Assets			
Trade and Other receivables	-	1,408	-
Cash and Cash Equivalents	8,559	35,652	14,095
Total Current Assets	8,559	37,060	14,095
Total Assets	8,559	37,060	14,095
Current Liabilities			
Trade and Other Payables	20	4	3
Balance due to the Consolidated Fund	218	-	-
Provisions for liabilities and charges	-	22,559	-
Total Current Liabilities	238	22,563	3
Total Assets Less Current Liabilities	8,321	14,497	14,092
Assets Less Liabilities	8,321	14,497	14,092
Taxpayers' Equity			
Accumulated Revenue Reserves	8,321	14,497	14,092
Total Taxpayers' Equity	8,321	14,497	14,092

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	414
Confiscations	1,305
Payments	(186)
Loss on Currency	(89)
Other Variances	2
2012 NAV	1,446

Confiscations of £1,304,763 were received in 2012, an increase of £1,161,764 largely due to the receipt of US\$2,052,555 from the United States Government in recognition of assistance provided to them regarding a seizure dating back to 2004.

In 2012 the Fund held cash on deposit of £3,206,392, an increase of £1,178,689 largely due to the receipt mentioned above and various other small confiscations.

In 2012 the Fund had Receivables of £195,169 compared to £265,848 in 2011.

This was as a result of prepayments made in 2010 for grants to Home Affairs Department.

Performance compared to 2011

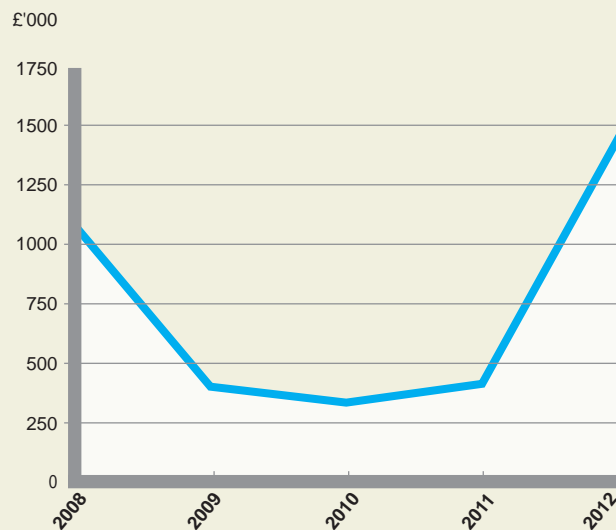
Key Variances from 2011	£'000
2011 NRI	79
Increase in confiscations	1,162
Increase in grants	(126)
Increase on currency loss	(93)
Other Variances	10
2012 NRI	1,032

The increase in confiscations is detailed above,

Grants of £185,792 were made in 2012, an decrease compared to 2011 of £241,506. All the grants were made to Home Affairs Department in relation to combating drug crime.

The increase of the loss on currency is due to the strengthening of the pound against the US dollar during the year.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£1,445,572
Closing Net Asset Position

249.4%
increase on 2011

**Net Revenue
Income**
£1,031,843

1,213.2%
increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual	2012 Actual
	£'000	£'000
Revenue		
Investment Income	2	3
Other Income	143	1,305
Total Revenue	145	1,308
Expenditure: Near Cash		
Supplies and Services	1	1
Other Operating Expenditure	9	-
Grants and Subsidies Payments	60	186
Foreign Exchange (Gain)/Loss	(4)	89
Total Expenditure: Near Cash	66	276
Net Revenue Income: Near Cash	79	1,032
Net Revenue Income	79	1,032
Total Comprehensive Income	79	1,032

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Current Assets			
Trade and Other receivables	287	266	195
Cash and Cash Equivalents	1,948	2,028	3,206
Total Current Assets	2,235	2,294	3,401
Total Assets	2,235	2,294	3,401
Current Liabilities			
Trade and Other Payables	29	6	5
Balance due to the Consolidated Fund	-	3	79
Total Current Liabilities	29	9	84
Total Assets Less Current Liabilities	2,206	2,285	3,317
Non-Current Liabilities			
Provisions for liabilities and charges	1,871	1,871	1,871
Total Non-Current Liabilities	1,871	1,871	1,871
Assets Less Liabilities	335	414	1,446
Taxpayers' Equity			
Accumulated Revenue Reserves	335	414	1,446
Total Taxpayers' Equity	335	414	1,446

Key Results

Changes in Net Asset Value from 2011

	£'000
2011 NAV	37
Increase in current assets	1
Increase in creditors	(5)
2012 NAV	33

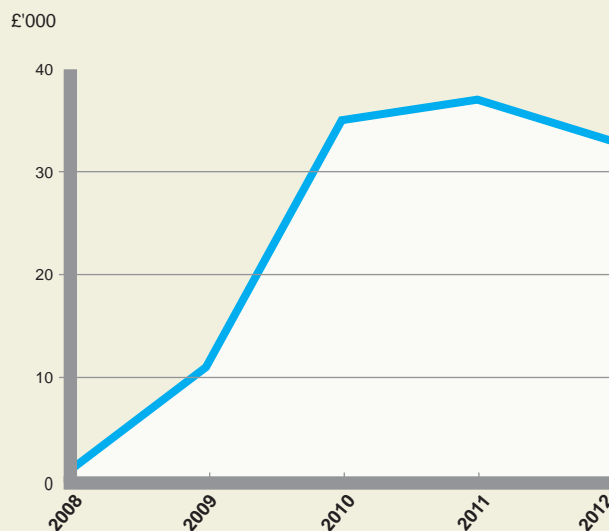
The fund did not make any seizures during 2011, but had an old expense claim of £2,990 to settle, dating back from 2004 for which no provision had been made.

Performance compared to 2011

Key Variances from 2011	£'000
2011 NRI	2
Decrease in confiscations	(2)
Increase in payments	(3)
Other Variances	(1)
2012 NRE	(4)

The fund did not receive any income during 2012 but had an expense claim and administration costs.

Net Asset Value Over Time



Detailed Financial Analysis Snapshot summary

Position
£32,895
Closing Net Asset Position

(11.7%)
decrease on 2011

Net Revenue
Expenditure
£4,378

327.4%
increase on 2011

Statement of Comprehensive Net Expenditure

	2011 Actual £'000	2012 Actual £'000
Revenue		
Other Income	3	1
Total Revenue	3	1
Expenditure: Near Cash		
Supplies and Services	1	-
Administrative Expenditure	-	4
Finance Costs	-	1
Total Expenditure: Near Cash	1	5
Net Revenue/Income/(Expenditure) Near Cash	2	(4)
Net Revenue Income/(Expenditure)	2	(4)
Total Comprehensive Income/(Expenditure)	2	(4)

Statement of Financial Position

	2010 Actual £'000	2011 Actual £'000	2012 Actual £'000
Current Assets			
Balance due from the Consolidated Fund	99	40	22
Cash and Cash Equivalents	-	-	19
Total Current Assets	99	40	41
Total Assets	99	40	41
Current Liabilities			
Trade and Other Payables	64	3	8
Total Current Liabilities	64	3	8
Total Assets Less Current Liabilities	35	37	33
Assets Less Liabilities	35	37	33
Taxpayers' Equity			
Accumulated Revenue Reserves	35	37	33
Total Taxpayers' Equity	35	37	33

Glossary of Terms

This glossary aims to explain some of the terms commonly used in the Accounts, and covers both accounting terms and terminology relating specifically to the States. The definitions given here are intended to assist the user of the accounts, and it should be noted that some terms may have specific legal meaning or more precise definitions under accounting standards. The reader should also refer to the States Accounting Policies in Note 1 of the Accounts, which include some definitions for accounting purposes and give more detail on the accounting treatments for various items.

Accounting Officer

The Accounting Officer is the person responsible for the proper financial management of a States' funded body in accordance with the Public Finances (Jersey) Law 2005. In general, the Chief Officer of a department is also the Accounting Officer.

Accounting Period

This is the length of time covered by the accounts. For the States of Jersey this is a period of twelve months commencing on 1 January. The end of the accounting period is the balance sheet date, 31 December.

Accruals Basis

This is one of the main accounting concepts. Income and expenditure are shown in the accounting period that they are earned or incurred, not as money is received or paid.

Accrued Pension

This is the amount of the annual pension an officer is entitled to as at the year end, i.e. the amount that they would receive if they carried out no further service.

Annual Budget Statement

The States' Annual Budget sets out the taxation measures and the expected level of States income.

Annual Business Plan (ABP)

An annual plan detailing the resources to be allocated to each States department together with the objectives of each department. Before 2013 it was through the Annual Business Plan debate that the States Assembly allocated funding to Departments' Net Expenditure Limits (budgets) from the Consolidated Fund.

Asset

An asset is something that the States of Jersey owns; assets are sub-divided into fixed assets, financial assets and current assets.

Property, Plant and Equipment assets are assets which the States of Jersey has bought or constructed to provide services over a period of time. Property, Plant and Equipment will have a life of more than one year;

Non-Current Financial assets are investments such as bonds or equities, loans made to third parties, or strategic investments. These assets are expected to be held for longer than one year and typically provide a return for the States;

Current assets are assets typically sold or otherwise redeemed within one year of the end of the accounting period (e.g. inventory and receivables).

Audit of Accounts

An audit is an evaluation of the accounts by an independent expert. Please refer to the Auditor's Report for details of the work carried out.

Available-for-Sale Financial Assets

This category includes all Financial Assets that do not fall into one of the other categories (FVTPL, Held to Maturity or Loans and Receivables). Despite the name, it may be intended that the States holds these Assets indefinitely. Movements in the value of these investments are recorded in Taxpayers' Equity rather than income and expenditure for the year.

Balance Sheet

Under UK GAAP this is a primary accounting statement that shows the assets, liabilities and reserves of the States of Jersey at the end of the accounting period. The equivalent IFRS statement is the Statement of Financial Position.

Budget (Approval)

A budget approval is the amount agreed either as the expected level of States Income (approved through the Annual Budget Statement), or the amount of expenditure a department may incur (approved through the Annual Business Plan). Variations to these amounts may also be approved during the year. These accounts report two budget approval figures:

- 2012 Business Plan: This is the original budget set and approved by the States Assembly;
- Final Approved Budget: This is the final budget after taking account of authorised changes during the year.

Capital Expenditure

Expenditure on the acquisition or construction of non-current assets that will be used to provide services beyond the current accounting period or expenditure that adds value to an existing fixed asset.

Cash Equivalent Transfer Values (CETV)

A cash equivalent transfer value (CETV) is a lump sum value in today's terms of the rights accrued within a member's pension scheme. It assumes the member is leaving service and makes a pension transfer from the pension fund to an alternative pension arrangement.

Cash Flow Risk

The risk that the States' available cash will not be sufficient to meet its financial obligations.

Common Investment Fund (CIF)

The Common Investment Fund is an administrative arrangement that allows States Funds (including those outside of the States of Jersey Accounting Boundary) to pool investments to benefit from greater investment opportunities and economies of scale.

Consolidated Fund

This is the fund through which the majority of the States' income and expenditure is managed. More detail on this fund is given in the Annex to the Accounts.

Contingent Liability

A contingent liability is a possible liability, as explained in Note 1 to the Accounts.

Corporate Bonds

Corporate bonds are issued by companies to raise capital. They are an alternative to issuing new shares on the stock market (equity finance) and are a form of debt finance.

Creditor

The UK GAAP term for a payable is a party who the States of Jersey owe money to at the end of the accounting period for goods or services provided within the accounting period.

Debtor

The UK GAAP term for a receivable. A debtor is a party who owes the States of Jersey money at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Departmental Income

Departmental Income is income derived from charges made for services provided by departments.

Derivative Financial Instruments

A derivative is a financial instrument or other contract whose value changes in response to the change in an underlying variable (e.g. interest rates, equity share prices, exchange rates etc.), and will be settled at a future date.

Equities

Equities are instruments that signify an ownership position in a corporation, and represent a claim on its proportionate share in the corporation's assets and profits

Financial Instruments

A contract that gives rise to either cash, equities or a contractual right to receive either cash or another financial instrument.

Foreign Exchange Risk

The risk of loss stemming from exposure to adverse foreign exchange rate movements.

Full Time Equivalents (FTE)

FTE represents the equivalent number of Full Time Employees a department has, taking into account any part-time and other flexible working arrangements. For example, if an employee works 75% of normal hours they would be recorded as a FTE of 0.75.

General Revenue Income

General Revenue Income comprises taxation, duties, the Island rate, and other income to the Consolidated Fund covered by the Annual Budget Statement.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP) are a standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards. GAAP includes the standards, conventions, and rules accountants follow in recording and summarising transactions, and in the preparation of financial statements.

Variations include UK GAAP (used by the States in 2010 and 2011), and IFRS.

The States of Jersey follows GAAP, as interpreted by the Jersey Financial Reporting Manual.

Grants and Subsidies

Grants and subsidies are assistance from a States entity in the form of transfers of resources to an individual or organisation in return for past or future compliance with certain conditions.

Gross Departmental Expenditure

This is revenue expenditure incurred by States departments in the course of providing public services, before taking account of Departmental Income.

Head of Expenditure

A head of expenditure is either the annual net revenue expenditure limit of a States funded body, or an amount allocated for a capital project.

Impairment

Where the value of an asset (as shown in the Statement of Financial Position) exceeds its actual value to the States of Jersey, the amount included on the balance sheet for the asset is reduced. This reduction is recognised as a cost in the Operating Cost Statement, and is called an Impairment.

Income

This is the amounts that the States of Jersey receives or is entitled to in the accounting period.

Interest Rate Risk

This is the financial risk to which a portfolio or institution is exposed to if interest rates change.

International Financial Reporting Standards (IFRS)

IFRS refers to a GAAP framework developed by the International Accounting Standards Board. The States of Jersey has adopted IFRS for the first time in the 2012 Accounts

The States of Jersey follows IFRS, as interpreted by the Jersey Financial Reporting Manual.

Inventory

These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Investments held at Fair Value through Profit or Loss

The States of Jersey has designated Investments held in the Common Investment Fund as part of this category, as they are managed as a portfolio reported at Fair Value. Changes in the value of these investments are reported in income and expenditure in the year they occur, even if these gains/losses haven't yet been realised.

Jersey Financial Reporting Manual (JFRm)

The Jersey Financial Reporting Manual interprets GAAP for the public sector in Jersey, and is based on the UK Government version of the same document.

Key Management Personnel

Key management personnel are members of senior management (defined later), and Assistant Ministers.

Leases

A lease is a financial arrangement that provides for the use of an asset without direct ownership. For accounting purposes leases can be either:

Finance leases: A lease that transfers substantially all of the risks and rewards associated with owning the asset to the lessee (in these accounts the States of Jersey). Typically finance leases are entered into to finance large capital projects, or

Operating Lease: A lease where the risks and rewards of ownership are not borne by the lessee. Operating leases are entered into for a range of assets such as vehicles or plant and machinery.

Liability

A debt or obligation owed by the States of Jersey to another party.

Liquidity Risk

The risk that an organisation may not have, or may not be able to raise cash funds when needed.

Market Risk

The risk of losses resulting from adverse changes in market prices or other market rates.

Medium Term Financial Plan (MTFP)

The States approved changes to the Public Finances (Jersey) Law 2005 in July 2011 to introduce longer term financial planning and the approval of a three-year Medium Term Financial Plan from 2013. This replaces the Annual Business Plan.

The MTFP extends the States budgeting period from one to three years, and fits with the existing political cycle, where each Council of Ministers is elected for a three-year term.

Ministerial Department

A Ministerial Department is one for which a Minister is responsible to the States for its administration and funding.

Near-Cash

Near Cash income or expenditure refers to items that will turn into cash flows soon, for example expenditure incurred that will be paid for within 30 days.

Net Revenue Expenditure (NRE)

NRE is the net of gross departmental expenditure and departmental Income. If income exceeds expenditure it is reported as Net Revenue Income.

Net Revenue Income (NRI)

See Net Revenue Expenditure

Non Cash

Income and Expenditure are now recorded in line with GAAP, and so includes amounts to reflect the use of assets even where no cash flow occurs (for example depreciation). Non Cash amounts are recorded to ensure that expenditure reflects the full economic cost of activities, even where there is no direct cash flow

Non-Ministerial Department

A non-Ministerial Department is one for which no Minister is responsible to the States for its administration or funding.

Operating Cost Statement (OCS)

Under UK GAAP this was a primary accounting statement showing the income and expenditure for the States in the current accounting period. The IFRS equivalent is the Statement of Comprehensive Net Expenditure.

Payable

A payable is an amount owed by the States of Jersey at the end of the accounting period for goods or services provided within the accounting period.

Primary Accounting Statements

The four primary accounting statements within the States of Jersey accounts are the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows and the Statement of Changes in Taxpayers' Equity.

Provision

This is an amount set aside in the accounts (included in liabilities on the balance sheet) for probable payments due after the end of the accounting period that relate to events that have taken place in the current, or previous, accounting period.

Related Party

Related Parties are more fully defined in Financial Reporting Standard 8 – Related Party Transactions, but in terms of the States are parties that are controlled or significantly influenced either by the States directly or indirectly through its strategic investments, or by a member of Key Management Personnel.

Retail Price Index (RPI)

The Jersey Retail Price Index is a measure of inflation compiled by the States of Jersey Statistics Unit.

RPI(X)

RPI(X) is the RPI excluding mortgage interest payments, often considered as a measure of underlying inflation

Receivable

A receivable is an amount owed to the States of Jersey at the end of the accounting period for goods or services provided by the States of Jersey within the accounting period.

Revaluation

Accounting Standards require Property, Plant and Equipment Assets to be held at "Current Value", and so regular revaluations of certain asset classes are required (as explained in Note 1 to the Accounts).

Revenue Expenditure

The day to day expenses associated with the provision of services, including the cost of employing staff, purchasing supplies and services and holding and using fixed assets.

Revenue Expenditure Limit

Revenue expenditure limits are approved by the States Assembly (through the Medium Term Financial Plan, or previously the Annual Business Plan), and are the key measure against which Accounting Officers are held to account for delivering services within an allocated expenditure limit.

Revenue Levied by the States of Jersey

Income such as taxes, duties or fines, raised by the States of Jersey where no or nominal consideration is provided in return. Whilst the States of Jersey does provide a range of services to islanders, it does not do so directly in consideration for payments received.year.

Senior management

Senior management includes Accounting Officers (except those of smaller departments exempted by the Treasury and Resources Minister through a formal decision) and members of the Council of Ministers.

Special Funds

These are funds with a specific purpose and are usually established by legislation or a States' decision. They are also sometimes referred to as "Separately Constituted Funds".

Statement of Cash Flows

A primary accounting statement that explains actual movements in cash balances that have occurred in the year. This contrasts to the Statement of Comprehensive Net Expenditure which reports accrued income and expenditure. This is covered in more detail in Section 6 of the Accounts – "Introduction to the Accounts".

Statement of Changes in Taxpayers' Equity.(SoCiTE)

This is a primary statement that gives details of the movements in Taxpayers' Equity. Under UK GAAP this information was included in the Reserves Note.

Statement of Comprehensive Net Expenditure (SoCNE)

This is a primary accounting statement showing the income and expenditure for the States in the current accounting period. It also includes "Other Comprehensive Income", which includes Gains and Losses not recorded in income and expenditure, such as unrealised gains such as those arising from the revaluation of Property Plant and Equipment. Under UK GAAP this information was included in the Operating Cost Statement and the Statement of Total Recognised Gains and Losses.

Statement of Financial Position (SoFP)

This is a primary accounting statement that shows the assets, liabilities and taxpayers equity of the States of Jersey at the end of the accounting period. This is covered in more detail in Section 6 of the Accounts – "Introduction to the Accounts". Under UK GAAP this is referred to as a Balance Sheet.

Statement of Total Recognised Gains and Losses (STRGL)

Under UK GAAP the STRGL is a primary statement that includes all gains and losses made in the accounting period whether realised or unrealised. Under IFRS this is incorporated into the Statement of Comprehensive Net Expenditure.

Stock and Work in Progress

The UK GAAP term for Inventory. These are items that the States of Jersey has purchased, or is developing, but has not yet used in the provision of services. For example, supplies held in a store prior to being issued for use.

Strategic Investments

Companies in which the States has a majority shareholding but which are not consolidated into the States' accounts as their inclusion would distort the presentation of the States' financial results.

Taxpayers' Equity

Equal to Net Asset Value, Taxpayers' Equity result from the accumulation of surpluses, deficits, revaluations of assets and other surplus sums.

Trading Operation

These are areas of operation of the States of Jersey, designated by the States to be a States Trading Operation. At present there are four States Trading Operations: Jersey Airport, Jersey Harbours, Jersey Fleet Management and Jersey Car Parking.

Trading Fund

Trading Operations do not form part of the Consolidated Fund, and so each maintain a separate Trading Fund balance. This is calculated using the same method as the Consolidated Fund balance, as detailed in the Consolidation Fund section of the Annex to the Accounts.

Summary of Acronyms and Initialisations

BP	Business Plan
CETV	Cash Equivalent Transfer Value (Pensions)
CIF	Common Investment Fund
CSR	Comprehensive Spending Review
CSS	Civil Service Scheme
DPS	Discretionary Pension Scheme
EUSD	European Union Savings Tax Directive
FSR	Fiscal Strategy Review
FTE	Full Time Equivalent
GAAP	Generally Accepted Accounting Principles
GST	Goods and Services Tax
HCAE	Historic Child Abuse Enquiry
IFRS	International Financial Reporting Standards
JFReM	Jersey Financial Reporting Manual
JPOPF	Jersey Post Office Pension Fund
JTSF	Jersey Teachers' Superannuation Fund
MTFP	Medium Term Financial Plan
NRE	Net Revenue Expenditure
NRI	Net Revenue Income
PECRS	Public Employees' Contributory Retirement Scheme
SoCF	Statement of Cash Flows
SoCiTE	Statement of Changes in Taxpayers' Equity
SoCNE	Statement of Comprehensive Net Expenditure
SoFP	Statement of Financial Position
SOJ	States of Jersey
SOJDC	States of Jersey Development Company Limited
VER	Voluntary Early Retirement
VR	Voluntary Redundancy
WEB	Waterfront Enterprise Board

APPENDIX A

Full details of significant Grants and Subsidies awarded to any individual or organisation are given in Note 12 to the Accounts. The Appendix summarises Grants and Subsidies of less than £100,000 made by the States of Jersey in 2012.

States of Jersey Grants

Grantee	Reason for Grant	2012 Amount £
Chief Minister's Department:		
Alliance Francaise de Jersey	Development of Jersey/France relations - promoting French language and culture	11,760
British-Irish Council Secretariat	Jersey's contribution to the British-Irish Council Secretariat	8,235
Total - Chief Minister's Department		19,995
Department of the Environment:		
Energy Efficiency Service - Various recipients	Initiative to assist low-income and vulnerable households reduce their energy bills and keep warmer through the winter	745,324
Countryside Renewal Scheme - Various recipients	Environmental financial support to land owners for the benefit of the Island's population	177,644
European Plant Protection Organisation	Contribution to plant research	31,795
Total - Department of the Environment		954,763
Economic Development Department:		
Air Route Development - Various recipients	Grants to airlines to support new routes	194,528
Jersey International Air Display	Jersey International Air Display - Event grant	90,000
Jersey Hospitality Association	Support the Jersey Hospitality Association	66,000
Jersey Business Venture	Support to cover operating costs	60,000
Jersey Gambling Commission	Grant to establish the Jersey Gambling Commission	38,900
Jersey Innovation Initiative Grants	Support the investment into innovation (products and services)	33,610
Apprenticeship Grants - Various recipients	Grants to individuals who complete their apprenticeships	21,045
Jersey Export and Trade Initiative Grants	Support and encourage local business to identify and grow export markets	20,549
Jersey Oak	Skills development grant	500
Area Payments:		
Payments to Individuals	Support a base level of farming activity in the countryside	153,746
Meleches 2007 Ltd	Support a base level of farming activity in the countryside	44,064
Woodside Farms Ltd	Support a base level of farming activity in the countryside	42,922
Amal-Grow Limited	Support a base level of farming activity in the countryside	42,322
Fosse Au Bois Growers Ltd	Support a base level of farming activity in the countryside	37,576
Master Farms Ltd	Support a base level of farming activity in the countryside	33,995

Grantee	Reason for Grant	2012 Amount £
Somerleigh Farms 1996 Ltd	Support a base level of farming activity in the countryside	26,400
R Le B Ltd	Support a base level of farming activity in the countryside	17,962
Labey Farms Ltd	Support a base level of farming activity in the countryside	17,686
Cowley Farm Ltd	Support a base level of farming activity in the countryside	16,707
Chalet Farm Ltd	Support a base level of farming activity in the countryside	15,402
Lodge Farm Ltd	Support a base level of farming activity in the countryside	14,695
D A Richardson Ltd	Support a base level of farming activity in the countryside	14,590
Classic Herd Ltd	Support a base level of farming activity in the countryside	13,948
Trinity Manor Farm Ltd	Support a base level of farming activity in the countryside	12,765
Meadow Vale Farm Ltd	Support a base level of farming activity in the countryside	12,215
J & S Growers (2009) Ltd	Support a base level of farming activity in the countryside	11,254
St Lawrence Growers Ltd	Support a base level of farming activity in the countryside	11,197
Didier Hellio Ltd	Support a base level of farming activity in the countryside	10,815
Freedom Farms Ltd	Support a base level of farming activity in the countryside	9,110
Le Gresley Farms Ltd	Support a base level of farming activity in the countryside	8,932
Printemps Farm Ltd	Support a base level of farming activity in the countryside	8,630
AMW (Jersey) Ltd	Support a base level of farming activity in the countryside	7,902
La Ferme Ltd	Support a base level of farming activity in the countryside	7,242
Bel Val Farm Ltd	Support a base level of farming activity in the countryside	6,755
C & A Jersey Royals Ltd	Support a base level of farming activity in the countryside	5,825
D J Farming Ltd	Support a base level of farming activity in the countryside	5,780
Les Cotils Farms Ltd	Support a base level of farming activity in the countryside	5,309
Anneville Farm Ltd	Support a base level of farming activity in the countryside	5,205
CS Conservation	Support a base level of farming activity in the countryside	5,155
Gold Leaf Farm Ltd	Support a base level of farming activity in the countryside	4,787
Happy Hens Ltd	Support a base level of farming activity in the countryside	4,642
Cross Cottage Farm Ltd	Support a base level of farming activity in the countryside	4,634
Rozel Farms Ltd	Support a base level of farming activity in the countryside	4,325
Vermont Farm Ltd	Support a base level of farming activity in the countryside	3,870
Devon Villa (1991) Ltd	Support a base level of farming activity in the countryside	3,675
Rondel Farms Ltd	Support a base level of farming activity in the countryside	3,138
Person & Friere Ltd	Support a base level of farming activity in the countryside	2,227
La Pompe Ltd	Support a base level of farming activity in the countryside	2,092
Le Rendu & Son Ltd	Support a base level of farming activity in the countryside	1,922
Bayview Livery Ltd	Support a base level of farming activity in the countryside	1,742
Potage Farm Ltd	Support a base level of farming activity in the countryside	1,734
Ocean Dream Ltd	Support a base level of farming activity in the countryside	1,646
La Mare Vineyards Ltd	Support a base level of farming activity in the countryside	1,592
Lodge Farm Ltd	Support a base level of farming activity in the countryside	1,331
Bon Air Stables	Support a base level of farming activity in the countryside	1,178
Le Sech Farms Ltd	Support a base level of farming activity in the countryside	942

Grantee	Reason for Grant	2012 Amount £
Vers Les Monts Organic Farm	Support a base level of farming activity in the countryside	847
East Riding Ltd	Support a base level of farming activity in the countryside	595
Classic Herd Ltd	Support a base level of farming activity in the countryside	189
Rozel Farms Ltd	Support a base level of farming activity in the countryside	64
Total Area Payments		673,278
Quality Milk Payments:		
Payments to individuals	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	147,264
La Ferme Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	46,582
R Le B Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	43,064
Chalet Jersey Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	38,500
Lodge Farm Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	35,685
Meadow Vale Farm Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	31,020
Cowley Farm Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	30,240
Trinity Manor Farm Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	30,127
Master Farms Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	17,163
Gold Leaf Farm Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	15,566
Freedom Farms Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	14,924
Le Gresley Farms Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	12,765
Classic Herd Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	11,430
Cross Cottage Farm Ltd	Transitional support to allow the industry to implement their Dairy Industry Recovery Programme	7,580
Total Quality Milk Payments		481,910
Rural Initiative Scheme:		
Payments to individuals	Support for innovation and business diversification	33,061
Seymour Oyster Company Ltd	Support for innovation and business diversification	29,462
J V Cattle Foot Trimming Servi	Support for innovation and business diversification	23,140
Jersey Island Genetics Ltd	Support for innovation and business diversification	22,777
La Valette Nurseries Ltd	Support for innovation and business diversification	12,838

Grantee	Reason for Grant	2012 Amount £
Jersey Aquaculture Association	Support for innovation and business diversification	9,029
Le Lay Engineers (Jersey) Limited	Support for innovation and business diversification	5,840
Jersey Farmers' Union	Support for innovation and business diversification	5,000
Acorn Enterprises	Support for innovation and business diversification	4,626
La Robeline Cider Company	Support for innovation and business diversification	4,590
Jersey Fishermens Association	Support for innovation and business diversification	3,725
Amal-Grow Limited	Support for innovation and business diversification	2,340
Woodside Farms Ltd	Support for innovation and business diversification	2,340
Classic Herd Ltd	Support for innovation and business diversification	1,170
Lodge Farm Ltd	Support for innovation and business diversification	1,170
Somerleigh Farms 1996 Ltd	Support for innovation and business diversification	1,170
Chalet Jersey Ltd	Support for innovation and business diversification	780
Devon Villa (1991) Ltd	Support for innovation and business diversification	780
Jersey Quality Produce	Support for innovation and business diversification	780
La Ferme Ltd	Support for innovation and business diversification	780
La Mare Vineyards Ltd	Support for innovation and business diversification	780
R Le B Ltd	Support for innovation and business diversification	780
Parish of St Helier	Support for innovation and business diversification	780
St Lawrence Growers Ltd	Support for innovation and business diversification	780
Trinity Manor Farm Ltd	Support for innovation and business diversification	780
Hamptonne Farm Hens Ltd	Support for innovation and business diversification	650
Les Cotils Farms Ltd	Support for innovation and business diversification	650
Total Rural Initiative Scheme		170,598
Employment of Apprentices:		
Dandara Jersey Ltd	Grant to employer in respect of apprentices employed	10,957
Larsen Ltd	Grant to employer in respect of apprentices employed	6,499
United Electrical Contractors	Grant to employer in respect of apprentices employed	6,185
Aston Services Ltd	Grant to employer in respect of apprentices employed	6,120
DIS Electrical Contractors Ltd	Grant to employer in respect of apprentices employed	5,980
Brady & Gallagher (1999) Ltd	Grant to employer in respect of apprentices employed	5,895
JMEC Limited	Grant to employer in respect of apprentices employed	5,893
Kut & Kurls	Grant to employer in respect of apprentices employed	5,760
Elmina Lifestyle Ltd	Grant to employer in respect of apprentices employed	5,005
Toni & Guy (Jersey) Ltd	Grant to employer in respect of apprentices employed	4,615
Parish of St Helier	Grant to employer in respect of apprentices employed	3,940
Jacksons (CI) Limited	Grant to employer in respect of apprentices employed	3,780
Syvret & Turner Ltd	Grant to employer in respect of apprentices employed	3,028
Rio Hair Salon Ltd	Grant to employer in respect of apprentices employed	3,000
Air Heating & Manufacturing (1990) Limited	Grant to employer in respect of apprentices employed	3,000
A A Rive Limited	Grant to employer in respect of apprentices employed	3,000

Grantee	Reason for Grant	2012 Amount £
Autopanel Ltd	Grant to employer in respect of apprentices employed	2,965
Hudson Motor Company	Grant to employer in respect of apprentices employed	2,930
KC Engineering Ltd	Grant to employer in respect of apprentices employed	2,930
C & J Carpenters & Builders Ltd	Grant to employer in respect of apprentices employed	2,895
Brimbyrne Ltd	Grant to employer in respect of apprentices employed	2,895
Michael Moyses Hair Fashion (2000) Ltd	Grant to employer in respect of apprentices employed	2,860
John Warrener Plumbing & Heating Ltd	Grant to employer in respect of apprentices employed	2,860
Prestige Cars	Grant to employer in respect of apprentices employed	2,830
Jersey Evening Post Ltd	Grant to employer in respect of apprentices employed	2,825
Michelle Hairstyles Ltd	Grant to employer in respect of apprentices employed	2,805
Jersey Oak	Grant to employer in respect of apprentices employed	2,800
GJM Developments Ltd	Grant to employer in respect of apprentices employed	2,795
Raffray Ltd	Grant to employer in respect of apprentices employed	2,780
Salon Seven	Grant to employer in respect of apprentices employed	2,760
Feel Unique	Grant to employer in respect of apprentices employed	2,760
Drainway Services Ltd	Grant to employer in respect of apprentices employed	2,505
J M Welding Ltd	Grant to employer in respect of apprentices employed	2,250
Gelaires Hair & Beauty Ltd	Grant to employer in respect of apprentices employed	2,215
Jacksons (CI) Limited - Motor Mall Branch	Grant to employer in respect of apprentices employed	2,133
Storm Hair	Grant to employer in respect of apprentices employed	2,075
Hair Central	Grant to employer in respect of apprentices employed	2,075
Bisson Bros Ltd	Grant to employer in respect of apprentices employed	2,020
Natures Way of Life, T/A Passion	Grant to employer in respect of apprentices employed	2,010
Wallace & Cairney Plumbing & Heating Ltd	Grant to employer in respect of apprentices employed	2,010
Premier Contracting&Shopfitting Ltd	Grant to employer in respect of apprentices employed	1,985
Darren Le Feuvre Plumbing & Heating Ltd	Grant to employer in respect of apprentices employed	1,975
CAF Engineering Limited	Grant to employer in respect of apprentices employed	1,675
D B Malorey Ltd	Grant to employer in respect of apprentices employed	1,650
Hair FX Ltd	Grant to employer in respect of apprentices employed	1,500
2M Electrical Consultants Ltd	Grant to employer in respect of apprentices employed	1,465
The Makeover Salon Limited	Grant to employer in respect of apprentices employed	1,395
Gary Jegou Ltd	Grant to employer in respect of apprentices employed	1,198
Power Protection & Security Ltd	Grant to employer in respect of apprentices employed	923
Adept Builders	Grant to employer in respect of apprentices employed	880
J P Mauger Ltd	Grant to employer in respect of apprentices employed	845
Dean Burnouf Ltd	Grant to employer in respect of apprentices employed	828
Hatleys	Grant to employer in respect of apprentices employed	750
Somerville Fabricators Ltd	Grant to employer in respect of apprentices employed	750
Houze Construction Limited	Grant to employer in respect of apprentices employed	600
RFOC Electrical Contractors Ltd	Grant to employer in respect of apprentices employed	598
R&S Bouchard Plumbing Services Ltd	Grant to employer in respect of apprentices employed	583

Grantee	Reason for Grant	2012 Amount £
J Beamer Decorators Ltd	Grant to employer in respect of apprentices employed	580
Cameron & Sons (Jersey) Ltd	Grant to employer in respect of apprentices employed	551
Essenay Carpenters	Grant to employer in respect of apprentices employed	505
Michael Hill Joinery Ltd	Grant to employer in respect of apprentices employed	430
Nixon & McKenna Ltd	Grant to employer in respect of apprentices employed	370
APR Motor Repairs	Grant to employer in respect of apprentices employed	273
Regan Anthony J J Mr	Grant to employer in respect of apprentices employed	200
Total Employment of Apprentices		167,149
Jersey Undergraduate Internship Programme:		
Jersey Heritage Trust	Grant to employer in respect of the Undergraduate Programme	4,000
ID Elite Soccer School Ltd	Grant to employer in respect of the Undergraduate Programme	3,388
Société Jersiaise	Grant to employer in respect of the Undergraduate Programme	1,875
Crystal Public Relations Ltd	Grant to employer in respect of the Undergraduate Programme	1,100
Shelter Trust	Grant to employer in respect of the Undergraduate Programme	1,000
Investors in Health T/A Jersey Adventures	Grant to employer in respect of the Undergraduate Programme	1,000
Freedom Church Jersey	Grant to employer in respect of the Undergraduate Programme	1,000
Jersey Consumer Council	Grant to employer in respect of the Undergraduate Programme	1,000
Paradox Ltd	Grant to employer in respect of the Undergraduate Programme	1,000
AM Consultancy	Grant to employer in respect of the Undergraduate Programme	875
Freedom Media Ltd	Grant to employer in respect of the Undergraduate Programme	656
Creepy Valley Ltd	Grant to employer in respect of the Undergraduate Programme	638
Therapy Breaks	Grant to employer in respect of the Undergraduate Programme	500
Compass HR Offshore Ltd	Grant to employer in respect of the Undergraduate Programme	400
Total Jersey Undergraduate Internship Programme		18,432
Total - Economic Development Department		2,036,499

Grantee	Reason for Grant	2012 Amount £
Education, Sport and Culture Department:		
Nursery Education Fund	Provide pre-school learning through the Nursery Education Fund	1,583,565
Grants to individuals (Jersey College for Girls)	Assist students in the payment of fees	112,706
Grants to individuals (Victoria College)	Assist students in the payment of fees	74,679
Victoria College Foundation	Support the operation of the school's Foundation	25,000
Combined Cadet Force (Victoria College)	Support the operation of the Combined Cadet Force	25,000
Brook in Jersey	Support the 'Baby Think it Over' Project	20,000
Jersey Girl Guides	Support youth activities in the Island	4,000
Jersey Scout Association	Support youth activities in the Island	4,000
Child Accident Prevention (Jersey)	Support the operation of Child Accident Prevention (Jersey)	1,655
Young Enterprise	Support Young Enterprise in the Island	1,000
Grants to Individuals (Life Customers)	Admission fees for the waterfront pool	925
The National Trust of Jersey	Support the operations of the National Trust of Jersey	600
Grants to individuals (Highlands College)	Assist students with meal vouchers and occasional loans for visits	521
Jersey Swimming Club	Refund of 2011 Grant	(3,940)
De Mond Gymnastic Academy	Refund of 2011 Grant	(7,350)
Support for travel to participate in sports events:		
Island Games Association of Jersey	Support for individuals, clubs and associations to travel to participate in sports events	30,000
Jersey Rugby Development Committee	Support for individuals, clubs and associations to travel to participate in sports events	25,000
Jersey Motor Cycle & Light Car Club	Support for individuals, clubs and associations to travel to participate in sports events	8,820
Jersey Spartan Athletic Club	Support for individuals, clubs and associations to travel to participate in sports events	6,920
Jersey Hockey Association	Support for individuals, clubs and associations to travel to participate in sports events	6,240
St Catherines Sailing Club	Support for individuals, clubs and associations to travel to participate in sports events	6,020
Jersey Netball Association	Support for individuals, clubs and associations to travel to participate in sports events	5,000
Jersey Cricket Board	Support for individuals, clubs and associations to travel to participate in sports events	4,530
Jersey Cycling Association	Support for individuals, clubs and associations to travel to participate in sports events	4,270
Jersey Table Tennis Association	Support for individuals, clubs and associations to travel to participate in sports events	4,060
Bowls Jersey	Support for individuals, clubs and associations to travel to participate in sports events	3,540

Grantee	Reason for Grant	2012 Amount £
Jersey Football Association	Support for individuals, clubs and associations to travel to participate in sports events	3,330
Regent Gymnastic Club	Support for individuals, clubs and associations to travel to participate in sports events	3,120
Channel Island Lawn Tennis Association	Support for individuals, clubs and associations to travel to participate in sports events	3,050
A I B Tigers	Support for individuals, clubs and associations to travel to participate in sports events	3,000
Jersey Fencing Club	Support for individuals, clubs and associations to travel to participate in sports events	2,940
Jersey Softball Association	Support for individuals, clubs and associations to travel to participate in sports events	2,780
Jersey Triathlon Club	Support for individuals, clubs and associations to travel to participate in sports events	2,385
Jersey Sports Association for the Disabled	Support for individuals, clubs and associations to travel to participate in sports events	2,150
Jersey Badminton Association	Support for individuals, clubs and associations to travel to participate in sports events	1,725
Jersey Horse Driving Society	Support for individuals, clubs and associations to travel to participate in sports events	1,645
Jersey Rifle Association	Support for individuals, clubs and associations to travel to participate in sports events	1,345
Jersey Gymnastics Club	Support for individuals, clubs and associations to travel to participate in sports events	1,140
De Mond Gymnastic Academy	Support for individuals, clubs and associations to travel to participate in sports events	1,100
Royal Channel Island Yacht Club	Support for individuals, clubs and associations to travel to participate in sports events	1,090
Jersey Smallbore Shooting Association	Support for individuals, clubs and associations to travel to participate in sports events	1,053
Jersey Judo Association	Support for individuals, clubs and associations to travel to participate in sports events	900
Archery Association of Jersey	Support for individuals, clubs and associations to travel to participate in sports events	870
Jersey Pistol Club	Support for individuals, clubs and associations to travel to participate in sports events	690
Jersey Muzzle Loaders	Support for individuals, clubs and associations to travel to participate in sports events	670
Jersey Indoor Bowling Association	Support for individuals, clubs and associations to travel to participate in sports events	660
Jersey Squash & Racquetball Club	Support for individuals, clubs and associations to travel to participate in sports events	660
Jersey Dressage Club	Support for individuals, clubs and associations to travel to participate in sports events	630
Jersey Waterpolo Association	Support for individuals, clubs and associations to travel to participate in sports events	600

Grantee	Reason for Grant	2012 Amount £
Jersey Aquatic Rescue Club	Support for individuals, clubs and associations to travel to participate in sports events	570
Jersey Chess Club	Support for individuals, clubs and associations to travel to participate in sports events	480
Jersey Volleyball Association	Support for individuals, clubs and associations to travel to participate in sports events	450
The Kennel Club Of Jersey	Support for individuals, clubs and associations to travel to participate in sports events	420
Jersey European Agility Festival	Support for individuals, clubs and associations to travel to participate in sports events	360
Rozel Rovers Football Club	Support for individuals, clubs and associations to travel to participate in sports events	270
Paws Agility Club Jersey	Support for individuals, clubs and associations to travel to participate in sports events	240
Jersey Surf Kayak Team	Support for individuals, clubs and associations to travel to participate in sports events	225
Caesarea Cat Club	Support for individuals, clubs and associations to travel to participate in sports events	150
St Lawrence Charity Horse Show	Support for individuals, clubs and associations to travel to participate in sports events	90
Total support for travel to participate in sports events		145,188
Support for purchasing equipment and organising activities:		
Jersey Secondary School Sports	Support sport and leisure clubs and associations in purchasing equipment and organising activities	25,000
Island Games Association of Jersey	Support sport and leisure clubs and associations in purchasing equipment and organising activities	25,000
Jersey Squash Racquets Association	Support sport and leisure clubs and associations in purchasing equipment and organising activities	15,433
Jersey Football Association	Support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Cricket Board	Support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Rugby Development Committee	Support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Spartan Athletic Club	Support sport and leisure clubs and associations in purchasing equipment and organising activities	15,000
Jersey Primary Schools Sports	Support sport and leisure clubs and associations in purchasing equipment and organising activities	13,000
Jersey Netball Association	Support sport and leisure clubs and associations in purchasing equipment and organising activities	12,000
The One Foundation	Support sport and leisure clubs and associations in purchasing equipment and organising activities	3,780

Grantee	Reason for Grant	2012 Amount £
Jersey Golf Development	Support sport and leisure clubs and associations in purchasing equipment and organising activities	1,500
Classic & Vintage Motor Club	Support sport and leisure clubs and associations in purchasing equipment and organising activities	1,500
Jersey Motor Cycle & Light Car Club	Support sport and leisure clubs and associations in purchasing equipment and organising activities	500
International Sport & Leisure	Support sport and leisure clubs and associations in purchasing equipment and organising activities	200
Total support for purchasing equipment and organising activities		157,913
Total - Education, Sport and Culture Department		2,145,462
Jersey Harbours:		
Channel Islands Air Search	Monies for operation	7,500
Total - Jersey Harbours		7,500
Home Affairs Department:		
Prison? Me? No Way!	Contribution to annual running costs	60,000
Victim Support Jersey	Contribution to annual running costs	30,000
Community Relations Trust	Contribution to annual running costs	27,500
Safer St Helier Community Partnership	Contribution to costs of Taxi Marshall Scheme	10,946
Combined Cadet Force (Victoria College)	Contribution to annual running costs	10,000
Jersey Air Training Corps	Contribution to annual running costs	10,000
Jersey Army Cadet Force	Contribution to annual running costs	10,000
Jersey Sea Cadets	Contribution to annual running costs	10,000
Fire and Rescue Service Cadets	Set up costs	4,200
Total - Home Affairs Department		172,646
Housing Department:		
Tenants Forum & High Rise Panel	Secretarial support	1,343
Le Squez Tenants Association	Rental of garage	1,092
St Helier Community in Bloom	Sponsorship of St Helier Garden Competition category	250
Le Squez Tenants Association	Community Halloween event	200
Tenants Forum & High Rise Panel	Refund of 2011 Grant	(190)
Le Squez Tenants Association	Refund of 2011 Grant	(728)
Total - Housing Department		1,967
Health and Social Services Department:		
Brighter Futures	Deliver early intervention to vulnerable parents and families within the "Journey into Wellbeing" programmes	80,000
Eastern Good Companions	Provision of day care sessions, activities for day care clients, transport and catering	38,540

Grantee	Reason for Grant	2012 Amount £
Jersey Homeless Outreach Group	Provide an outreach service for rough sleepers	37,660
Relate	Provision of counselling on relationship and sexual problems	32,560
Headway	Contribution to costs of drop in centre	28,290
Age Concern Jersey	Provision of a frozen meals delivery service and transport of patients	16,550
Alzheimers Society	Provision of day care, assistance to carers, training, residential homes, carers support, and outreach	14,160
Jersey Family Mediation Service	Provision of service to separating or divorced couples to assist in reaching agreements	11,940
Communicare	Provide use of hall for day care, volunteers for staffing, and transport for clients	8,310
Hyperbaric Treatment Centre	Contribution towards specific costs of the hyperbaric treatment centre	8,080
Arts in Health Care Trust	Provide therapeutic services through the promotion of the arts	4,330
Total - Health and Social Services Department		280,420
Judicial Greffe:		
Institute of Law	Assist with re-stocking hard copy law library	30,000
Total - Judicial Greffe		30,000
Office of the Lieutenant Governor:		
Air Cadet Force	Assist with buying uniforms	5,000
Total - Office of the Lieutenant Governor		5,000
Social Security Department:		
Jersey Council for Safety and Health at Work	Promote occupational health and safety in the work place	29,172
Workwise Training Allowance	Provide training and relevant qualifications to assist the unemployed in gaining work	20,061
Vocational Day Scheme:		
MIND Jersey	Provide employment opportunities for those with learning difficulties or on the Autistic Spectrum	92,723
Autism Jersey	Provide employment opportunities for those with learning difficulties or on the Autistic Spectrum	80,061
Total Vocational Day Scheme		172,784
Subsidies Scheme:		
Jersey Post	Assist people with disabilities into employment where the employer contributed to an appropriate level of the person's salary equating to the person's ability	10,595
Total Subsidies Scheme		10,595
Total - Social Security Department		232,612

Grantee	Reason for Grant	2012 Amount £
Tourism Development Fund:		
Jersey Rugby Football Club	Contribution towards a new stand to enhance the facilities to encourage additional visitors and return visits	56,000
Jersey Seasearch	Support to aid the development of tourism relating to diving and related activities	13,014
Branchage Film Festival	Contribution to the development of a business plan for a revised festival concept	10,000
Société Jersiaise	Maintenance of historic sites for the purposes of heritage tourism	2,400
Spice Treasures and Trade	Marketing support to encourage additional tourists to the event	900
Total - Tourism Development Fund		82,314
Treasury and Resources Department:		
Jersey Hospice Care	Final payment of Jersey Hospice Care Fiscal Stimulus Grant	65,594
Community Savings & Credit Limited	Grant to support / assist individuals in difficult economic times	30,000
Total - Treasury and Resources Department		95,594
Viscount's Department:		
Institute of Law	Assist with re-stocking hard copy law library	2,000
Total - Viscount's Department		2,000
Total other Grants and Subsidies¹		6,066,772
Total significant Grants and Subsidies - see Note 12		29,396,185
Grand Total - Grants and Subsidies awarded in 2012		35,462,957

¹ This total excludes significant Grants and Subsidies, i.e. Grants and Subsidies of £100,000 or over to any individual or organisation.



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