



JERSEY ARTS CENTRE ASSOCIATION

**Financial Statements
for the year ended 31 December 2016**

JERSEY ARTS CENTRE ASSOCIATION

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STATEMENT OF THE MANAGEMENT COMMITTEE'S RESPONSIBILITIES WITH REGARD TO THE FINANCIAL STATEMENTS

The Management Committee is responsible for preparing the financial statements in accordance with applicable regulations and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The regulations applicable to the charity require the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Management Committee is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Management Committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the applicable regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A GOODYEAR

D LE GRESLEY

A. GOODYEAR, BSc (Hons)
Chairman

D. LE GRESLEY, BA (Hons), MA, FCMA
Honorary Treasurer

Date: 11 May 2017

Date: 11 May 2017

We have audited the financial statements of the Jersey Arts Centre Association for the year ended 31 December 2016 on pages 4 to 15 which have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Association's Members, as a body in accordance with applicable law. Our audit work has been undertaken so that we might state to the Association's Members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by the law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the Management Committee and Independent Auditors

The responsibilities of the Management Committee for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice ('United Kingdom Accounting Standards') are set out in the statement of the Management Committee's responsibilities with regards to the financial statements on page 1.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Accounting Standards. In addition we report to you whether, in our opinion, the information given in the Financial Report, contained within the Annual Report of the Association is consistent with the financial statements. We also report to you if, in our opinion, the Association has not kept proper accounting records, if the Association's financial statements are not in agreement with the accounting records or if we have not received all of the information and explanations we require for our audit.

We read the Financial Report contained within the Annual Report of the Association, and consider whether it is consistent with the financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Association's affairs as at 31 December 2016 and its incoming resources and application of resources, including the Association's income and expenditure, for the year then ended.
- have been properly prepared in accordance with applicable law.
- are consistent with the information given in the Honorary Treasurer's Report contained within the Annual Report of the Association.

Emphasis of Matter - Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in Note 1 (b) on page 7, concerning the fact that the continuation of the Association as a going concern is dependent upon the level of future grant funding from the States of Jersey via the Department for Economic Development, Tourism, Sport and Culture. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

N F WALKER

N F WALKER FCA
For and on behalf of Jackson Fox
PO Box 264
Forum 4
Grenville Street
St Helier
Jersey
JE4 8TQ

Date: 12 May 2017

JERSEY ARTS CENTRE ASSOCIATION

Statement of Financial Activities for the year ended 31 December 2016

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	Note	Unrestricted Funds		Restricted Funds		2016	Unrestricted Funds		Restricted Funds		2015
		Operations	Designated	Project	Long Term	Total	Operations	Designated	Project	Long Term	Total
		£	£	£	£	£	£	£	£	£	£
INCOME FROM											
Donations											
~ grants	2	449,800		10,000		459,800	453,425		15,000		468,425
~ donations		819				819	1,013				1,013
~ membership subscriptions		25,154				25,154	19,837				19,837
~ sponsorship	3	1,785		63,968		65,753	7,450		18,246		25,696
Sundry income		74				74					
Investments		38				38	74				74
Operations											
~ hirings		86,055				86,055	114,192				114,192
~ promotions	4	136,356		7,204		143,560	118,183		8,024		126,207
~ concession rental	8	28,847				28,847	28,680				28,680
Total income		728,928		81,172		810,100	742,854		41,270		784,124
EXPENDITURE ON											
Cost of operations	5										
~ hirings		68,318				68,318	89,079				89,079
~ promotions		227,391		78,088		305,479	259,060		39,790		298,850
Managing the charity	5										
~ establishment		97,050		730		97,780	88,234		714	6,036	94,984
~ administration		329,127		730		329,857	336,800		714		337,514
~ finance		54,025		730		54,755	55,300		714		56,014
Total expenditure		775,911		80,278		856,189	828,473		41,932	6,036	876,441
Net (expenditure)/income		(46,983)		894		(46,089)	(85,619)		(662)	(6,036)	(92,317)
Transfers between funds	6	29,700		(894)	(28,806)	-	28,927		662	(29,589)	-
Net movement in funds		(17,283)		-	(28,806)	(46,089)	(56,692)		-	(35,625)	(92,317)
RECONCILIATION OF FUNDS											
Total funds brought forward		728,204		3	182,423	910,630	772,723	12,173	345	218,048	1,003,289
Applied directly to / (from)											
reserves	7	17,283	(17,283)	12,320		12,320	56,692	(56,692)	11,325		11,325
Released to Sponsorship	7			(9,935)		(9,935)			(11,667)		(11,667)
Capital Donations for assets	12				19,080	19,080					
Transfer from Maintenance Fund	15				(22)	(22)					
From reserves to fund Designated	7	(17,283)	17,283			-	(44,519)	44,519			-
Total funds carried forward		710,921	-	2,388	172,675	885,984	728,204	-	3	182,423	910,630

Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities. The notes on pages 7 to 15 form part of these audited financial statements.

Independent auditors' report – pages 2 and 3.

JERSEY ARTS CENTRE ASSOCIATION
Balance Sheet
As at 31 December 2016

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	Note	2016		2015	
		£	£	£	£
Fixed Assets					
Tangible Assets	9		761,798		782,326
Cash at Bank – Phillips Street Maintenance Fund	15		-		22
			<u>761,798</u>		<u>782,348</u>
Current Assets					
Debtors and Prepayments	10	31,743		33,123	
Cash at Bank and in Hand		<u>161,156</u>		<u>186,048</u>	
		192,899		219,171	
Creditors – amounts falling due within one year	11	<u>(68,713)</u>		<u>(90,889)</u>	
Net Current Assets			<u>124,186</u>		<u>128,282</u>
Total Net Assets			<u>885,984</u>		<u>910,630</u>
The Funds of the Charity:	12				
Restricted Funds					
Project and Long Term Funds					
Amici Artium		2,388		3	
Capital Donation Fund – General		42,051		34,545	
Capital Donation Fund- Roof Development		130,624		147,856	
Phillips Street Maintenance Fund		-		22	
Total Restricted Funds			<u>175,063</u>	<u>182,426</u>	
Unrestricted Funds					
Accumulated Fund	13	<u>710,921</u>		<u>728,204</u>	
Total Unrestricted Funds			<u>710,921</u>	<u>728,204</u>	
Total Charity Funds			<u>885,984</u>	<u>910,630</u>	

The financial statements on pages 4 to 15 were approved and authorised for issue by the Management Committee, who confirmed that they had made available all relevant records and information, on 11 May 2017 and were signed on its behalf by:

A GOODYEAR

D LE GRESLEY

A. GOODYEAR, BSc (Hons)
 Chairman

D. LE GRESLEY, BA (Hons), MA, FCMA
 Honorary Treasurer

The notes on pages 7 to 15 form part of these audited financial statements.
 Independent Auditors' Report – pages 2 and 3.

JERSEY ARTS CENTRE ASSOCIATION
Statement of Cash Flows
For the year ended 31 December 2016

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	2016	2015
	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	<u>3,935</u>	<u>33,049</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	38	74
Purchase of property, plant and equipment	<u>(28,887)</u>	<u>(14,981)</u>
Net cash provided by / (used in) investing activities	<u>(28,849)</u>	<u>(14,907)</u>
Change in cash and cash equivalents in reporting period	(24,914)	18,142
Cash and cash equivalents at the beginning of the reporting period	186,070	167,928
Cash and cash equivalents at the end of the reporting period	<u>161,156</u>	<u>186,070</u>
Reconciliation of net income / (expenditure) to net cash flow from operating activities		
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(46,089)	(92,317)
Amici Artium sponsorship received taken to reserves	12,320	11,325
Amici Artium sponsorship released from reserves	(9,935)	(11,667)
Capital donations for assets	19,080	-
Transfer from Phillip Street Maintenance Fund	(22)	-
	<u>(24,646)</u>	<u>(92,659)</u>
Adjustments for:		
Depreciation	49,415	49,331
Interest from investments	(38)	(74)
Decrease in debtors	1,380	43,110
(Decrease)/increase in creditors	<u>(22,176)</u>	<u>33,341</u>
Net cash provided by operating activities	<u>3,935</u>	<u>33,049</u>

The notes on pages 7 to 15 form part of these audited financial statements.

Independent Auditors' Report – pages 2 and 3.

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimations and uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102 effective 1 January 2015) (Charities SORP (FRS102)). Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note below.

b) Going Concern

The financial statements have been prepared on a going concern basis. The going concern basis assumes that a sufficient level of grant funding will be received annually from the States of Jersey via the Department for Education, Sport and Culture ("DfESC") or the Department for Economic Development, Tourism, Sport and Culture ("DfEDTSC") to enable the Association to continue operations.

c) Taxation

The Association has exempt status for Jersey income tax purposes. The Association, as a Not-for-profit Organisation, is not required to account for Goods and Services Tax ("GST") on sales and is able to recover GST on its costs.

d) Lease of Buildings

The Association holds a lease on its Phillips Street building from the freeholder, States of Jersey Property Holdings, at a peppercorn rent. Under the terms of the lease, the Association is responsible for maintaining the fabric of the building and its mechanical and electrical equipment. The residency at the Old Magistrate's Court was terminated on 31 August 2016 and a suitable alternative space is yet to be found. Occupation of the office space at Charles House, Charles Street was terminated on 14 October 2016 and new office space was occupied at 3 Charles Street. A lease for the office space at 3 Charles Street has been signed in 2017.

e) Tangible Assets

Tangible assets are stated at their purchase price, including any incidental expenses of acquisition, less accumulated depreciation. Leasehold property and auditorium building are amortised on a straight line basis over the remaining term of the lease. The lease commenced on 1 January 1982 and has a term of 99 years expiring on 31 December 2080. Depreciation is calculated to write down the net book value of other tangible fixed assets over the expected useful economic lives of the assets concerned, using the methods below. In the year in which assets have depreciated to a net book value of £250 or less, the remaining balance is then written down to zero in that year.

Steinway grand piano and baby grand piano	over 20 years, straight line basis
Air conditioning equipment and access doors	over 15 years, straight line
Computer equipment	over 3 years, straight line
Equipment, auditorium fixtures and fittings and motor vehicle	25% reducing balance basis

f) Income

- From Generated Funds

Voluntary income comprises all incoming resources from sponsorships, donations, grants and membership subscriptions. Voluntary income is recognised in the appropriate fund on a receivable basis and when any conditions of receipt are met. Investment income comprises interest receivable on cash balances and short term deposits.

- From Charitable Activities and Governance Costs

Activities for generating funds comprise income generated by the Association from operating activities. Income is recognised when the performance, course or workshop is completed. Advance ticket sales for events or activities occurring after the end of the reporting period are treated as deferred income.

g) Expenditure

- From Charitable Activities

All expenditure is accounted for on an accruals basis and is classified under the relevant activity within the Statement of Financial Activities. This expenditure is analysed in Note 5. Theatre salary costs are apportioned using historical rates of 37.5% to promotions and 62.5% to hirings.

h) Funds Structure (Note 12)

Unrestricted funds are those funds which can be used for any charitable purpose at the discretion of the Management Committee. Designated funds are those funds which have been set aside by the Management Committee for particular purposes.

Restricted funds must be used in accordance with the specific wishes of donors.

JERSEY ARTS CENTRE ASSOCIATION
Notes to the Financial Statements (continued)
For the year ended 31 December 2016

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	2016		2015		
	£	£	£	£	
2. Grants					
Annual grant from DfESC		449,800		453,425	
Tourism/Bailiff's Chamber re Liberation Day		10,000		15,000	
		<u>459,800</u>		<u>468,425</u>	
3. Sponsorship					
Advertising in brochure	285		2,950		
Business Partnership	1,500		-		
Bad Wurzach trip re The Great Warrior	-		4,500		
		<u>1,785</u>		<u>7,450</u>	
Operations income		1,785		7,450	
Amici Artium – donations released to underwrite deficit performances	9,935		11,667		
Fox Trading Ltd re art competition	7,833		6,579		
TIE Secret Weapons	46,200		-		
		<u>63,968</u>		<u>18,246</u>	
Project income		<u>65,753</u>		<u>25,696</u>	
4. Promotions					
General box office income (excl hirings)		136,356		118,183	
Amici Artium box office income		7,204		8,024	
		<u>143,560</u>		<u>126,207</u>	
5. Expenditure					
	Cost of operations:		Managing the charity:		Total
	hirings	promotions	establishment	administration	finance
Project	£	£	£	£	£
Liberation Day		8,528	491	491	490
Amici Artium		16,245			
Fox Trading Ltd – art competition		7,833			
Secret Weapons		45,482	239	239	240
Total Restricted	-	78,088	730	730	730
Total Unrestricted	68,318	227,391	97,050	329,127	54,025
		<u>68,318</u>	<u>305,479</u>	<u>97,780</u>	<u>329,857</u>
Total	68,318	305,479	97,780	329,857	54,755
					<u>856,189</u>

5. Expenditure (continued)

Restricted and Unrestricted Funds
Analysis of Costs of Managing the Charity

	2016	2015
	£	£
~ Establishment		
Electricity	14,526	15,390
Water	4,581	5,401
Oil	2,593	1,950
Telephone	4,565	4,662
Cleaning	33,491	34,604
Rent and Rates	1,003	997
Insurance	12,933	13,742
Repairs and Renewals	24,088	12,202
Repairs and Renewals- Phillips Street Maintenance Fund	-	6,036
	97,780	94,984
~ Administration		
Wages and Social Security	261,636	271,875
Pension Costs	13,280	15,114
Employee Insurance Scheme	3,218	2,769
Audit Fee	4,503	4,667
Accounts Fee	10,000	-
Travel and Conferences	5,615	8,414
Stationery	4,476	4,686
Postage	5,254	6,946
Motor Expenses	432	4,329
Advertising	3,027	980
Staff Training	1,798	1,696
Computer Software	13,938	13,102
Sundries	2,680	2,936
	329,857	337,514
~ Finance		
Bank Interest and Charges	5,340	4,974
Amortisation and Depreciation	49,415	49,331
Equipment Leasing Cost	-	1,709
	54,755	56,014
Average number of full time employees during year	<u>14</u>	<u>14</u>

6. Gross transfers between funds

	2016		2015	
	£	£	£	£
Release from capital donation reserves- general (Note 12)	11,574		12,356	
Release from capital donation reserves – roof development (Note 16)	<u>17,232</u>		<u>17,233</u>	
		28,806		29,589
Contribution from/(to) Amici Artium overheads to/(from) operations fund (Note 12)		894		(662)
Net transfer into Operations Fund		<u>29,700</u>		<u>28,927</u>
Contribution from/(to) Amici Artium overheads to/(from) operations fund (Note 12)		(894)		662
Net transfer out of Project Funds		<u>(894)</u>		<u>662</u>
Total release from capital donation reserves		<u>28,806</u>		<u>29,589</u>
Net transfer out of Project Funds		<u>28,806</u>		<u>29,589</u>

7. Fund movements applied directly to reserves

	2016	2015
	£	£
Net movement in unrestricted funds ~ operational deficit		
Allocation from General Designated Reserve	(17,283)	(56,692)
Amici Artium sponsorship received	9,935	11,325
Taken directly from reserves to meet shortfall in General Designated Fund	17,283	44,519

The General Designated Reserve is used to fund operational deficits as and when they arise (Note 14). Amici Artium sponsorship income is held in reserves until released to underwrite the net cost of a series of classical music performances (Note 12).

8. Catering Franchise – Concession Rental

Café Jacs Limited's 9 year lease for the bar and catering area at the Jersey Arts Centre was originally due to expire in March 2015 but was extended in 2013 and will now expire on 30 June 2018. The Management Committee is in further negotiations to extend the lease to 2021. The annual rent is £28,847 per annum (2015: £28,680).

9. Tangible Assets

	Leasehold	Building	Air Conditioning Equipment	Fixtures and Fittings	Equipment	Pianos	Motor Vehicle	Computers	Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 January 2016	591,295	191,389	294,678	64,208	109,567	62,396	11,800	45,236	1,370,569
Additions	-	-	-	22,778	6,109	-	-	-	28,887
At 31 December 2016	591,295	191,389	294,678	86,986	115,676	62,396	11,800	45,236	1,399,456
Amortisation and Depreciation									
At 1 January 2016	164,250	50,264	126,775	42,097	98,631	58,346	11,800	36,080	588,243
Charge for the year	6,570	3,332	19,645	11,345	4,156	900	-	3,467	49,415
At 31 December 2016	170,820	53,596	146,420	53,442	102,787	59,246	11,800	39,547	637,658
Net book value									
At 31 December 2016	420,475	137,793	148,258	33,544	12,889	3,150	-	5,689	761,798
At 31 December 2015	427,045	141,125	167,903	22,111	10,936	4,050	-	9,156	782,326

10. Debtors and Prepayments

	2016	2015
	£	£
Trade Debtors	4,630	13,492
Other Debtors	9,118	6,099
Prepayments	14,074	11,400
GST – Recoverable	3,921	2,132
	<u>31,743</u>	<u>33,123</u>

11. Creditors- Amounts falling due within one year

	2016	2015
	£	£
Trade Creditors	16,376	39,374
Other Creditors	18,732	10,650
Accruals and Deferred Income	33,605	40,865
	<u>68,713</u>	<u>90,889</u>

12. Restricted Funds

The income funds of the charity include restricted funds comprising of the following movements and unexpended balances of donations and grants held on trust for specific purposes:

	Note	Balance – 1 Jan £	Incoming Resource £	Expenditure and Transfers £	Balance – 31 Dec £
Project Funds					
Amici Artium	(i)				
~ Box office income			7,204		
~ Donations			12,320		
~ Transfer from operations			(894)		
		3	18,630	(16,245)	2,388
Jersey Tourism					
~ Liberation Day	(ii)	-	10,000	(10,000)	-
~ Fox Trading Art Competition	(iii)	-	7,833	(7,833)	-
Total Project Funds		3	36,463	(34,078)	2,388
Long Term Funds					
Capital Donation Fund – General					
~ 2016 release	(iv)	34,545	19,080	(11,574)	42,051
Capital Donation Fund- roof development	(v)	147,856		(17,232)	130,624
Phillips Street Maintenance Fund	(vi)	22		(22)	-
Total Restricted Funds		182,426	55,543	(62,906)	175,063

Restricted Funds- details

Project Funds

These represent funds made available for projects, generally funded on an annual basis.

- | | |
|-----------------------------------|--|
| (i) Amici Artium | This fund is supported by a group of benefactors who provide funding to underwrite the net cost of a series of classical music performances. The Amici Artium season generally runs from September to May and the balance at 31 December 2016 represents the balance of sponsors' donations in hand. |
| (ii) Jersey Tourism | Jersey Tourism provided grant funding for the Liberation Day entertainment. |
| (iii) Fox Trading Art Competition | Fox Trading Ltd provide sponsorship for the Fox Open Art Competition and Judge's Exhibition. The direct costs of these events are met by Fox Trading Ltd each year. Fox Trading Ltd is not related to Jackson Fox. |

12. Restricted Funds (continued)

Restricted Funds- details (continued)

Long Term Funds

These represent funds used for capital or where there is an expectation that the fund will be used over the longer term.

- (iv) Capital Donation Fund- general The balance on the capital donation fund represents money received from donors to part-fund or purchase a fixed asset. Each year a transfer is made from this fund to match the depreciation charge, or proportion of the charge in the case of part funding, of the specific asset in that year. Over time these reserves will reduce to zero as the assets become fully depreciated. The balance reflects future depreciation on the assets acquired through this fund.
- (v) Capital Donation Fund-
 roof development The balance reflects future depreciation on the assets acquired through this fund (see Note 16).
- (vi) Phillips Street
 Maintenance Fund This fund, received from DfESC, is to meet the maintenance and capital costs relating to the fabric of the building at Phillips Street, and its expenditure has been programmed over a 5 year period which began in 2010 (see Note 15).

13. Accumulated Fund

	2016	2015
	£	£
At 1 January	728,204	772,723
Net outgoing resources before transfers	(46,983)	(85,619)
Gross transfer between funds	29,700	28,927
Net movement in funds	17,283	56,692
Taken directly from reserves to meet shortfall in General Designated Fund	(17,283)	(44,519)
At 31 December	710,921	728,204

14. Designated Fund

	2016	2015
	£	£
Movement on Designated Fund:		
At 1 January	-	12,173
Transfer from Designated Fund re operational deficit (see Note 7)	(17,283)	(56,692)
Taken directly from reserves to meet shortfall in Designated Fund	17,283	44,519
At 31 December	-	-

The Designated Fund represents amounts put aside by the Management Committee for the purpose of future capital, project or revenue expenditure, asset replacement, improvements to the Association's facilities and equipment and to fund deficits as and when they arise. The fund is represented by amounts held in an interest bearing account. The account is not classified in the Balance Sheet as a current asset so that it may be segregated from the ordinary cash at bank and in hand of the Association.

Interest earned since 2008 is posted to the bank interest receivable account and hence included as income in the Statement of Financial Activities. A corresponding amount is transferred out of the Designated Fund and into the operational cash balance.

15. Investments: Cash at Bank- Phillips Street Maintenance Fund

	2016	2015
	£	£
Movement on Phillip Street Maintenance Fund		
At 1 January	22	6,058
Transfer to Expenditure	(22)	-
Transfer to Operations Fund		(6,036)
At 31 December	<u>-</u>	<u>22</u>

This fund, received from DfESC, is to meet the maintenance and capital costs relating to the fabric of the building at Phillips Street, and its expenditure has been programmed over a 5 year period ending in 2015. The Association's allocation to the fund recognises DfESC's expectation that it will endeavour to set aside funding to meet ongoing maintenance obligations as they arise.

16. Capital Donation Fund- Roof Development

	2016	2015
At 1 January	147,856	165,089
Capital donation release (see Note 6)	(17,232)	(17,233)
At 31 December	<u>130,624</u>	<u>147,856</u>

The reserve is proportionately released back so as to offset the impact of the air conditioning equipment's depreciation charge. As the useful life of the air conditioning equipment is 15 years from 2009, the capital donation reserve is being released over the same period.

17. Contingent Liabilities

The Jersey Arts Centre Appeal Fund previously received grants from Ann Street Brewery Company Ltd - now Victor Hugo Ltd - in the sum of £100,000 in consideration for a 35 year trading agreement dated 25 January 1983, expiring 2018. A proportional amount of the grant is repayable in the event of the Association, or concessionaire, ceasing to hold or operate a liquor licence during this term or if wet stock is purchased from an alternative supplier. At 31 December 2016 the amount repayable would have been £3,099 (2015: £5,956).

18. Employee Pension Scheme

A number of employees of the Association are contributory members of the Jersey Arts Centre Personal Pension Plan, which is a defined contribution scheme. The Association contributes to the scheme a variable percentage, based on the number of years continuous membership of the scheme and on the gross salary of each member. Currently 5 employees are members of the scheme (2015: 8).