

JSSC

Financial statements

For the year ended 31 March 2006

COMPANIES HOUSE

Grant Thornton 

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COMPANIES HOUSE

Charity no 1107141
Company no 4826715

Company information

LEGAL AND ADMINISTRATIVE DETAILS

A Charitable Company Limited by Guarantee

Company registration number: 4826715

Charity registration number: 1107141

Registered office: 9 Riverside Court
Don Road
SHEFFIELD
S9 2TJ

Chief executive: Richard Winterton

Trustees and directors: John Randall (Chair)
Jan Berry
Andrew Cameron
Malcolm Dawson
Rosemary Eagleson
Ken Gilliver
Gareth Hadley
Gill Henson
Walter Macgowan
Frances Mannsaker
Shelagh O'Leary
Jonathan Potts
Bill Rattray
Ellie Roy
Michael Selby
Joe Stewart
Bertie Woolnough
P Cairney (resigned 23 June 2005)
Stephen Rimmer (resigned 31 October 2005)
Mary-Jane Furness (resigned 22 February 2006)
Richard Cullen (appointed 28 July 2005)
Robert Quick (appointed 28 July 2005)
Jeremy Crump (appointed 22 February 2006, resigned 24 May 2006)
Jonathan Sedgwick (appointed 22 February 2006)
Vic Hogg (appointed 24 May 2006)

Secretary: Chris Watson

Company information

Bankers:

NatWest
42 High Street
SHEFFIELD
S1 1QG

Solicitors:

Taylor and Emmet
20 Arundel Gate
SHEFFIELD
S1 2PP

Eversheds
Kett House
Station Road
CAMBRIDGE
CB1 2JU

Auditors:

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
2 Broadfield Court
SHEFFIELD
S8 0XF

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Report of the trustees

The trustees present their report and financial statements for the year ended 31 March 2006.

Directors

A schedule of directors and trustees who served during the year is included in the company information at the front of this report.

Structure, Governance and Management

JSSC is a company limited by guarantee with a Memorandum and Articles of Association. It became a registered charity on 7 December 2004.

Trustees are drawn from throughout the Justice sector and represent the interests of those parts of the sector, as well as the organisation as a whole. They are appointed by a nominations committee. Board members are advised of their responsibilities as a trustee on appointment and are kept advised and updated on any changes in responsibilities that come into force during the year.

The Board and its sub-committees set the strategic direction of the organisation and monitor progress against its plans. Day to day management is delegated to a senior management team, consisting of the Chief Executive, Richard Winterton, the Director of Corporate Services, Chris Watson, the Director of Research and Development, Lesley Dunlop and the Director of Implementation Tracy Watterson.

The Board regularly reviews the major risks to which the company is exposed. Systems have been established to manage those risks.

The company is a part of the broader Skills for Business Network, which consists of all Sector Skills Councils ('SSCs') and the Sector Skills Development Agency ('SSDA').

Objectives and activities

JSSC is the Sector Skills Council for the justice sector, operating under the name Skills for Justice.

Skills for Justice was licensed on 1 April 2004 as the Sector Skills Council for the Justice sector. Sector Skills Councils are independent, UK wide, employer-led organisations developed to tackle the skills and productivity needs of their sectors. SSCs allow employers to provide leadership for strategic action to meet their sector's skills needs. As a network across all sectors of the UK economy SSCs address four key goals:

- Improving productivity, business and public service performance
- Increasing opportunities to boost the skills and productivity of everyone in the sector's workforce.
- Improving learning supply, including apprenticeships, higher education and National Occupational Standards.
- Filling skills gaps and shortages.

Skills for Justice is the Sector Skills Council dedicated to the Justice sector. Working in partnership with employers and other key partners we ensure that all who work in the Justice sector are equipped with the right skills, at the right levels, to enable them to be productive, effective and efficient. Uniquely in the Justice service, Skills for Justice works across the whole Justice sector and across the whole of the United Kingdom. By providing a co-ordinated approach to skills issues, we are helping to join up the functional silos that have hampered effective service in the past.

Report of the trustees

Key Dimensions

Skills for Justice has four dimensions to its work, all of which need to be fully represented, engaged and balanced within our work programmes:

- *Geography:* Our coverage includes all four countries of the UK, plus the Channel Isles and the Isle of Man. We have established offices and teams in London, Northern Ireland, Scotland and Wales and four Regional teams to cover England. Our head office is in Sheffield.
- *Occupational Groups:* All sub-sectors are represented by occupational groups. These include employers and key partners able to represent the demand for skills in their part of the Justice sector and to direct our work programmes to best effect.
- *Sectors:* Skills for Justice covers all those working in the public, private and voluntary sectors.
- *Levels:* We need to engage with, and offer practical assistance to, people working at all levels within organisations in the Justice sector, from senior strategists to hard-pressed practitioners and support staff.

The vision for the Justice sector

The Justice sector will have a workforce with world-class skills that will enable the highest levels of performance in public, private and voluntary organisations across the UK, in all sector strands.

Our mission

We will establish ourselves as a valued organisation that is well respected within the Justice sector and beyond for our contribution to meeting the skills needs of the Justice sector. In order to achieve our mission we must ensure:

- Our services and products will be of the highest quality, and we will be working closely with others to ensure that they are used properly and to good effect.
- Our advice will be sought on a regular basis by policy makers and those in whose hands the future lies, valued for its clear understanding of the issues to be tackled and how best to do so.
- Our staff, our greatest resource, will be knowledgeable, skilled and well motivated, proud of their achievements and those of Skills for Justice.
- We will have a learning culture, ever seeking for improvement, enabling us to set an example for other organisations, whatever their sector.

Core activities

Skills for Justice provides the support necessary to enable the Justice sector to identify its current and future learning needs, to engage more effectively with learning providers in order to meet these needs with high quality development programmes, and to link the acquisition of learning to reputable and valued qualifications.

We do this through four main work programmes:

1 Engaging with and influencing employers, government departments, devolved administrations and all key partners

- Promoting the business benefits of a skilled, professional and well-motivated workforce.
- Explaining how the work of Skills for Justice can help in achieving such a workforce.
- Influencing decision makers to ensure that public policies affecting the sector take full account of workforce development issues.
- Establishing and promoting effective partnership activity for skills development across the Justice sector.

Report of the trustees

Core activities (continued)

- 2 **Understanding and articulating clearly the current and future skills needs of those working in the Justice sector**
 - Producing accurate and timely information covering the labour market within the Justice sector.
 - Analysing the effect on skills requirements resulting from current and planned changes affecting the Justice sector.
 - Understanding the effects of demographics and other external factors likely to impact on the Justice sector.
- 3 **Developing tools and services to improve the skills of the workforce, working with employers, learning providers and individuals**
 - Developing a comprehensive framework of National Occupational Standards and qualifications for those working in all parts of the Justice sector.
 - Developing relevant competency frameworks, and other HR tools, to support professionalism in all parts of the Justice sector.
 - Working with universities, colleges and training providers to quality assure learning programmes to ensure they meet the needs of the sector, so as to inform employer choice of training providers.
- 4 **Implementing practical solutions to improve the skills of the workforce, working with employers, learning providers and individuals**
 - Using National Occupational Standards and qualifications to support a range of HR processes for those working in all parts of the Justice sector.
 - Implementing relevant competency frameworks, and other HR tools, to support professionalism in all parts of the Justice sector.
 - Working with employers to enable them to become more responsive to meeting the skills needs of the workforce.

These main work programmes will be supported by two more (internal) activities:

- 5 **Implementing a comprehensive Marketing and Communications Strategy**
 - Ensuring everyone in the Justice sector has a good understanding of our activities and the benefits to be derived.
 - Marketing Skills for Justice positively, building credibility and maintaining interest in our activities.
 - Widening the circle of influence and engagement, maximising support from government, devolved administrations, employers and our key partners.
- 6 **Operating Skills for Justice itself as an organisation that demonstrates the best management of resources, with a commitment to continuously learn and improve**
 - Maintaining effective management of financial, HR and physical resources.
 - Operating effective governance processes to ensure Skills for Justice is answerable to its key stakeholders.
 - Maintaining professional quality improvement processes.

Achievements and performance

Work with each of the devolved administrations

Skills for Justice has established a small implementation team in each of the devolved administrations. In each country, Skills for Justice lead the facilitation and support of a country group comprised of all the employers within the sector and key stakeholder partners and providers. Each country group has developed an operational plan to provide focus in order to address key skills issues in their country.

Report of the trustees

Achievements and performance (continued)

Work in English regions

Skills for Justice has established four small regional implementation teams in England aligned to government offices. Teams work with Justice sector employers and other key regional partners and providers such as LSCs, RDAs, Local Criminal Justice Boards, Government Offices and SSDA partnerships as well as other public sector SSCs. The implementation teams are facilitating regional groups to create a network of Justice sector employers working together on cross sector issues.

Occupational committees

Each of the regional implementation managers has responsibility for leading and facilitating sector occupational committees comprised of employers and trade unions from within each strand of the sector. The committees have the responsibility to identify key skills priorities, steer the development/review of occupational standards and provide advice about appropriate qualification frameworks for each strand of the sector. The committees will provide an essential mechanism for agreeing a sector skills agreement.

Progress towards sector skills agreements ('SSAs')

Skills for Justice have already undertaken work to begin stage 1 of developing a SSA. In addition to the collection, collation and analysis of labour market information across the Justice sector. Skills for Justice have also utilised the implementation team to facilitate cross sector focus groups across the country at both strategic and operational levels. In total 19 focus groups with 250 employers were run in January 2005 with representatives from across the sector. The focus groups enabled employers to discuss key skills issues gaps and shortages and identify common areas issues.

Priority skills needs and shortages in the Justice sector

- 2007-2010 potential shortage of staff due to retirement
- Contract management and commissioning
- Leadership and management
- Information technology
- Working with young drug users
- Dealing with mentally disordered offenders
- Recruitment and retention issues particularly in voluntary sector
- Recruitment - ethnic minority groups under represented
- Return on investment; people leaving after qualifying
- Basic skills

Additional work is underway to map out an action plan to complete all stages of the process with the aim of delivering a Sector Skills Agreement in June 2006.

Work towards addressing cross sector skills issues

Leadership and management

Skills for Justice have appointed a programme manager for leadership and management which has been identified as a skills needs right across the justice sector. They are creating a common framework for leadership and management training with partners in England, Wales and Northern Ireland, and is an active member of national strategic Home Office leadership and management development groups in England.

Information technology

Skills for Justice have designated an implementation officer to manage a cross sector IT project focusing on promoting IT occupational standards, providing advice and guidance about e-learning opportunities and contributing to the development of the e-skills on-line tool, 'Framework for Action'.

Report of the trustees

Achievements and performance (continued)

Access to assessment

In response to a need expressed by employers across the UK with regard to a shortage of assessors and assessment centres within the justice sector, Skills for Justice commissioned a piece of work to map resources and to identify opportunities for sharing and enhancing current provision. The report is due to be completed by the end of May. This will enable Skills for Justice implementation staff to broker relationships between providers and employers.

In addition, Skills for Justice is represented on the following:

- Standards and Qualifications Technical forum
- Voluntary Sector forum
- International Comparisons project board
- Children and Young People's Network

Involvement in Skills for Business network activities

As indicated above, Skills for Justice plays an active part in Skills for Business network activities. In addition to those activities mentioned above, the CEO acted as Deputy Chair of the NE Forum and participated as a member of the Skills Intelligence and Research Group.

Members of Skills for Justice's Marketing and Communications team have in the past year attended all of the SSDA Communications Forum and taken part in (and helped facilitate) training days. The team has engaged fully with the marketing department at SSDA and are aware of forthcoming activities, which will enable a more thorough approach to marketing planning. The Marketing and Communications team has also made contact on an informal level with other SSCs in order to gather and share best practice on marketing activities such as events, campaigns and publications.

Contribution to Skills for Business network objectives

Skills for Justice has made a significant contribution to the objectives of the Skills for Business network. In particular, the introduction of standards-based HR Management tools of direct relevance to individuals in the sector, and the active partnerships developed with suppliers through practical tools such as our SkillsMark quality assurance programmes are beginning to drive improvements in productivity and efficiency. We look forward to consolidating this early work in our second year of operations.

Financial Review

The results of the charitable company's activities are summarised on page 11. Net outgoing resources for the year amounted to £4,322 (2005: incoming resources of £990,544).

Future Development Plans

Skills for Justice provides the support necessary to enable the Justice sector to identify its current and future learning needs. We will help the Justice sector to engage more effectively with learning providers in order to meet these needs with high quality development programmes, and to link the acquisition of learning to reputable and valued qualifications.

Report of the trustees

Future Development Plans (continued)

Our strategic priorities and supporting top-level objectives for the future are:

- 1 To establish Skills for Justice as the authoritative and influential focus for skills development in the Justice sector
 - To influence the development of policies by key decision makers, and encourage them to take account of workforce skills implications.
 - To create frameworks and infrastructures necessary to raise standards of performance across the Justice sector workforce.
 - To articulate and promote the role and work of Skills for Justice in developing the Justice sector workforce.
- 2 To work in partnership to support improvement of skills, performance and development of capacity
 - To gain commitment to a Sector Skills Agreement from all parts of the sector and all four countries.
 - To develop, and support the implementation of, high quality products and services to improve workforce development.
- 3 To sustain and develop Skills for Justice as a robust and dynamic organisation
 - Secure and sustain a balanced and robust range of income streams.
 - Enable our staff to develop the skills required to deliver business objectives.
 - Provide sound business management and running of all aspects of the organisation.

Sound management and strategy cascade is placed at the very core of our activities and we align our activities to achieve our strategic priorities. From an individual's objectives within their Performance and Development Review (PDR), team and project plans and the delivery plan, each pulls together the activities required across the organisation to deliver our top-level objectives and strategic priorities.

Statement of trustees' responsibilities

The trustees (who are also directors of JSSC for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the trustees

Statement of trustees' responsibilities (continued)

In so far as the trustees are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial risk management

The charitable company uses financial instruments, comprising cash and debtors. The main purpose of these financial instruments is to finance the working capital cycle of the charity and finance longer term capital needs.

The policies for managing the risks open to the charitable company are summarised below and remain unchanged from the previous year.

Interest rate risk

The charitable company considers movements in interest rates to be the main risk. The charitable company have a policy of maximising the returns on cash held by investing in high interest bank accounts.

Reserves policy

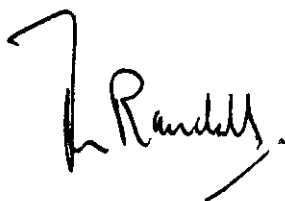
The board of JSSC has approved that reserves should be maintained equivalent to the operating and salary costs of the organisation for a period of three months. This is intended for use in the event that the licence of operation for JSSC and all associated funding is withdrawn and would allow JSSC to meet its responsibilities for operating costs and salaries for that period. Funds will be held in a treasury reserve account, and the level of fund required will be monitored regularly by the Finance and Audit Committee of the Board.

Auditor

Grant Thornton UK LLP were appointed as auditors during the year to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General meeting.

ON BEHALF OF THE BOARD

John Randall
Chairman
29 November 2006



Report of the independent auditors to the members of JSSC

We have audited the financial statements of JSSC for the year ended 31 March 2006 which comprise the principal accounting policies, the statement of financial activities, the balance sheet and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of JSSC for the purposes of company law) for preparing the Report of the trustees and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with 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, whether they are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Report of the trustees is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Report of the trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 charitable company's affairs as at 31 March 2006 and of its outgoing resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the trustees is consistent with the financial statements for the year ended 31 March 2006.

GRANT THORNTON UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SHEFFIELD
29 November 2006

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005).

The principal accounting policies have remained unchanged from the previous year except for the adoption of FRS 21 Events after the Balance Sheet date and FRS 25 Financial Instruments: disclosure and presentation, and the changes made following the implementation of the revised SORP 2005.

Implementation of SORP 2005 has resulted in the reallocation of certain categories of income and expenditure to more appropriate headings for disclosure purposes. There has been no material impact on results reported by the charitable company. Implementation of FRS 21 and FRS 25 has not resulted in any material effect on the charitable company.

Income recognition

Grants

Where grants are received for general funding purposes they are recognised over the life of the relevant contract. For time defined projects, income is recognised over the time period to which it relates. Where specific milestones are required to be met, income is recognised once these have been agreed as achieved.

Sector funding

Sector funding is recognised on receipt unless the donor specifies a particular time period.

Commercial activities

Income from commercial activities is recognised in the period in which it is invoiced.

Expenditure

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (direct charitable);
- expenditure incurred directly in the effort to raise contributions (fundraising and publicity); and
- expenditure incurred in the governance of the charity, including external audit costs.

Company status

The charitable company is limited by guarantee. The members of the charitable company are the trustees named in the legal and administrative details. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

Fund accounting

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charitable company.

Designated funds are unrestricted funds which have been designated for specific purposes by the trustees.

Principal accounting policies

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation. The cost of minor additions costing below £500 are not capitalised.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets held for charity use other than freehold land by equal annual instalments or the reducing balance method over their expected useful lives. The rates generally applicable are:

Furniture and equipment:

- | | |
|-------------|-------------------|
| - computers | 33% straight line |
| - general | 20% straight line |

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income and expenditure account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the income and expenditure account on a straight line basis over the lease term.

Retirement benefits

Defined Contribution Pension Schemes

The pension costs charged in the year represent the amount of the contributions payable to the schemes in respect of the accounting period.

Taxation

The charitable company is a registered charity and is exempt from liability to taxation of income and capital.

Financial instruments

Where the contractual obligation of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balances sheet. Financial costs and gains or losses relating to financial liabilities are included in the statements of financial activities. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Statement of financial activities (incorporating the income and expenditure account)

	Note	Restricted £	Unrestricted £	Total 2006 £	Restated Total 2005 £
Incoming resources					
Incoming resources from generated funds					
Core funding provided by SSDA		-	1,450,000	1,450,000	1,515,000
Investment income		-	41,123	41,123	6,300
Incoming resources from charitable activities		1,631,830	1,383,128	3,014,958	2,772,506
Total incoming resources	1	<u>1,631,830</u>	<u>2,874,251</u>	<u>4,506,081</u>	<u>4,293,806</u>
Resources expended					
Charitable activities	3	1,301,377	3,038,726	4,340,103	3,262,924
Governance costs	3	128,688	41,612	170,300	40,338
Total resources expended		<u>1,430,065</u>	<u>3,080,338</u>	<u>4,510,403</u>	<u>3,303,262</u>
Net (outgoing)/incoming resources (including (deficit)/surplus of income over expenditure)	2	201,765	(206,087)	(4,322)	990,544
Total funds brought forward at 1 April 2005		-	1,071,930	1,071,930	81,386
Total funds carried forward at 31 March 2006		<u>201,765</u>	<u>865,843</u>	<u>1,067,608</u>	<u>1,071,930</u>

All of the activities of the charitable company are classed as continuing.

There were no other recognised gains or losses in the year.

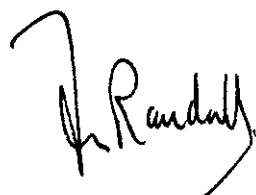
The accompanying accounting policies and notes form an integral part of these financial statements.

Balance sheet

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	6	<u>216,276</u>	<u>245,602</u>
Current assets			
Debtors	7	802,996	2,011,633
Cash at bank and in hand		<u>1,088,656</u>	<u>315,906</u>
		<u>1,891,652</u>	<u>2,327,539</u>
Creditors: amounts falling due within one year	8	<u>1,040,320</u>	<u>1,501,211</u>
Net current assets		<u>851,332</u>	<u>826,328</u>
Total assets less current liabilities		<u>1,067,608</u>	<u>1,071,930</u>
Income funds			
Unrestricted funds	10	865,843	1,071,930
Restricted funds	10	<u>201,765</u>	<u>-</u>
		<u>1,067,608</u>	<u>1,071,930</u>

The financial statements were approved by the Board on 29 November 2006.

John Randall



Chair

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

1 Incoming resources from charitable activities

Project income is attributable to the following charitable activities: Allocated on % of sector workforce in region	Northern Ireland £	Wales £	Scotland £	England £	Total 2006 £	Total 2005 £
Assessing Justice sector workforce needs	13,235	15,882	18,529	217,054	264,700	81,760
Developing tools to improve workforce skills	34,797	41,757	48,716	570,679	695,949	363,380
Implementing solutions	8,916	10,699	12,482	146,214	178,311	289,189
Marketing and communications	10,316	12,379	14,442	169,179	206,316	325,527
Additional Justice sector projects	14,328	17,193	20,059	234,974	286,554	454,224
	81,592	97,910	114,228	1,338,100	1,631,830	1,514,080
Subscriptions					1,383,128	1,258,426
Core funding					1,450,000	1,515,000
Investment income					41,123	6,300
					4,506,081	4,293,806

2 Deficit of income over expenditure

Deficit of income over expenditure is stated after charging:	2006 £	2005 £
Operating leases - land and buildings	47,158	47,158
Depreciation	73,571	50,411
Auditors' remuneration	9,000	5,875

Notes to the financial statements

3 Resources expended

Basis of Allocation	Northern Ireland					Total projects		Governance		Total 2006		Restated Total 2005
	£	Wales	Scotland	England	£	£	£	£	£	£	£	£
Restricted												
Workforce %	8,750	10,501	12,251	143,507	175,009		1,992			177,001		32,160
Workforce %	10,626	12,751	14,877	174,269	212,523		19,559			232,082		49,974
Workforce %	32,000	38,400	44,800	524,798	639,998		8,026			648,024		462,000
Workforce %	1,172	1,406	1,640	19,215	23,433		-			23,433		24,191
Workforce %	10,431	12,517	14,603	171,065	208,616		62,796			271,412		84,572
Workforce %	160	192	224	2,624	3,200		356			3,556		6,090
Workforce %	83	100	117	1,366	1,666		173			1,839		5,560
Workforce %	1,847	2,216	2,585	30,284	36,932		35,786			72,718		326,000
Marketing	65,069	78,083	91,097	1,067,128	1,301,377		128,688			1,430,065		990,547
Unrestricted												
Actual	116,728	137,084	90,492	1,914,713	2,259,017		-			2,259,017		1,718,501
Actual	3,679	3,679	5,150	61,063	73,571		-			73,571		51,781
By staff no.	1,928	1,928	2,570	32,773	39,199		-			39,199		95,573
By staff no.	4,310	4,310	5,746	73,268	87,634		-			87,634		20,885
Actual	23,389	16,122	9,019	93,802	142,332		-			142,332		136,400
By staff no.	544	544	726	9,254	11,068		-			11,068		4,225
By staff no.	5,203	5,203	6,937	88,446	105,789		-			105,789		104,835
By staff no.	1,297	1,297	1,730	22,056	26,380		-			26,380		32,160
By staff no.	974	974	1,299	16,565	19,812		-			19,812		9,255
By staff no.	5,025	5,025	6,700	85,427	102,177		-			102,177		49,751
Actual	-	-	-	117,000	117,000		40,362			157,362		71,599
By staff no.	1,503	1,503	2,004	25,555	30,565		-			30,565		4,332
By staff no.	1,189	1,189	1,586	20,218	24,182		-			24,182		13,239
Actual	-	-	-	-	-		1,250			1,250		179
Bank charges and interest	165,769	178,858	133,959	2,560,140	3,038,726		41,612			3,080,338		2,312,715
Total resources expended												
	230,838	256,941	225,056	3,627,268	4,340,103		170,300			4,510,403		3,303,262

Notes to the financial statements

4 Employees

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

	2006	2005
Chair	1	1
Non-executive directors	20	19
Chief Executive	1	1
Financial and administration	53	50
	<u>75</u>	<u>71</u>

Staff costs during the year were as follows:

	2006 £	2005 £
Wages and salaries	1,846,936	1,375,103
Social security costs	209,574	148,274
Other pension costs	153,748	107,139
Other staff costs	72,192	62,138
	<u>2,282,450</u>	<u>1,692,654</u>

5 Directors and trustees

	2006 £	2005 £
Emoluments for qualifying services - Chairman	<u>33,213</u>	<u>25,000</u>
Company pension contributions to money purchase schemes	<u>-</u>	<u>-</u>
The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to:	<u>-</u>	<u>-</u>

Other than as stated above, no trustees received any remuneration during the year. Travel costs amounting to £5,746 (2005 - £5,583) were reimbursed to 1 (2005 - 1) member of the Board of Trustees.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year.

Notes to the financial statements

6 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2005	118,731	178,652	297,383
Additions	9,250	34,995	44,245
At 31 March 2006	127,981	213,647	341,628
Depreciation			
At 1 April 2005	15,623	36,158	51,781
Charge for the year	21,392	52,179	73,571
At 31 March 2006	37,015	88,337	125,352
Net book amount at 31 March 2006	90,966	125,310	216,276
Net book amount at 31 March 2005	103,108	142,494	245,602

7 Debtors

Amounts falling due within one year:

	2006 £	2005 £
Grants receivable	664,123	1,977,072
Prepayments and accrued income	137,068	34,047
Other debtors	1,805	514
	802,996	2,011,633

8 Creditors: amounts falling due within one year:

	2006 £	2005 £
Trade creditors	209,493	129,996
Other taxes and social security	62,737	69,813
Accruals and deferred income	732,524	1,276,826
Pension and other creditors	35,566	24,576
	1,040,320	1,501,211

Notes to the financial statements

9 Operating lease commitments

Operating lease payments amounting to £47,158 are due between one and five years. The leases to which these amounts relate expire as follows:

	2006 £	2005 £
Land and buildings		
Between one year and five years	<u>47,158</u>	<u>47,158</u>

10 Statement of funds

	At 1 April 2005 £	Income £	Expenditure £	At 31 March 2006 £
Unrestricted funds	1,071,930	2,874,251	(3,080,338)	865,843
Restricted funds	-	1,631,830	(1,430,065)	201,765
Total funds	<u>1,071,930</u>	<u>4,506,081</u>	<u>(4,510,403)</u>	<u>1,067,608</u>

11 Analysis of net assets between funds

	Restricted Fund £	Unrestricted Fund £	Total £
Fixed assets	-	216,276	216,276
Current assets	201,765	1,689,887	1,891,652
Current liabilities	-	(1,040,320)	(1,040,320)
Total net assets	<u>201,765</u>	<u>865,843</u>	<u>1,067,608</u>

12 Liabilities of members

Under Clause 7 of the Memorandum of Association, all members undertake to contribute to the assets of the company such an amount as may be required, not exceeding £1, in the event of it being wound up during the period of membership or within one year afterwards.

13 Control

Directors are drawn from throughout the Justice sector and are also appointed as members of the company.

Notes to the financial statements

14 Capital commitments

The charitable company had no capital commitments at 31 March 2006 (2005: £nil).

15 Contingent liabilities

There were no contingent liabilities at 31 March 2006 (2005: £nil).

16 Financial derivatives

The charitable company had no financial derivatives at 31 March 2006 or 31 March 2005.