



BILLET D'ÉTAT

XV
2003

WEDNESDAY, 9th JULY, 2003

ACCOUNTS OF THE STATES
FOR 2002

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B I L L E T D ' É T A T

TO THE MEMBERS OF THE STATES OF THE ISLAND OF GUERNSEY

I have the honour to inform you that a Special Meeting of the States of Deliberation will be held at **THE ROYAL COURT HOUSE, on WEDNESDAY, the 9th JULY, 2003,** immediately after the meeting already convened for that day, for the purpose of considering the States Accounts for 2002.

D. V. G. CAREY
Bailiff and President of the States

The Royal Court House,
Guernsey.
The 20th June, 2003.

**Letter of the President of the States Advisory
and Finance Committee**

The President,
States of Guernsey,
Royal Court House,
St. Peter Port,
Guernsey,
GY1 2PB.

29 May 2003

Dear Sir,

I enclose a copy of the accounts of the States of Guernsey for the year ended 31 December 2002 together with the Auditors' report thereon.

I should be grateful if you would lay this matter before the States with the appropriate propositions.

Yours faithfully,

L. C. MORGAN,

President,
States Advisory and Finance Committee.

STATEMENT OF RESPONSIBILITIES FOR THE PREPARATION OF ANNUAL ACCOUNTS

The Advisory and Finance Committee is responsible for the preparation of accounts for each financial year which fairly summarise the transactions made during the year and for selecting suitable accounting policies. In preparing those accounts the Advisory and Finance Committee relies on information supplied by various States Committees. Each States Committee is expected to:

- apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent.

The Advisory and Finance Committee and all other States Committees acknowledge responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the States of Guernsey.

STATEMENT OF INTERNAL FINANCIAL CONTROLS

It is the responsibility of each States Committee to identify and install a system of internal controls, including financial control, which is adequate for its own purposes. Thus Committees are responsible for safeguarding the assets of the States of Guernsey in their care and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Every States Committee is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

It is acknowledged that States Committees are subject to financial and manpower restrictions. Nevertheless, Committees have a duty to ensure that they fulfil their obligations to install and maintain adequate internal controls and safeguard the States resources for which they are responsible.

The States internal financial controls and monitoring procedures include:

- An annual budget and planning process to allocate, control and monitor the use of resources.
- Establishment of the States Audit Commission, consisting of a majority of Non-States Members, with the primary objective of assisting Committees to ensure good management of States finances.
- Review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department.
- The requirement for all audit reports to be tabled at a meeting of the relevant States Committee to ensure that all Committee members are aware of their financial affairs.
- Regular review of the performance and security of the States' financial assets by the Advisory and Finance Committee's Investment Sub-Committee.

Through their staff recruitment and training States Committees strive to ensure that all those with financial responsibilities have the necessary skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The States internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the accounts are subject to independent external audit by auditors appointed by the States.

INDEPENDENT AUDITORS' REPORT TO THE ADVISORY AND FINANCE COMMITTEE

We have audited the accounts on pages 14 to 88, 107 and 108, and 111 to 116 which have been prepared under the accounting policies set out on page 6.

Respective duties of the Advisory and Finance Committee and the auditors

As described in the statement of responsibilities for the preparation of the annual accounts, the Advisory and Finance Committee is responsible for the preparation of accounts for each financial year which fairly summarise the transactions made during that year and for selecting suitable accounting policies. Our responsibilities, as independent auditors, are established by the UK Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts fairly summarise the transactions made during that year and are prepared in accordance with the accounting policies set out on page 6. We also report to you if, in our opinion, the Advisory and Finance Committee has not kept proper accounting records, or if we have not yet received all the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and whether the accounting policies are appropriate to the States of Guernsey'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 as to whether the accounts are free of 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 accounts.

Opinion

In our opinion the accounts fairly summarise the transactions of the States made during the year ended 31 December 2002 and have been properly prepared in accordance with the accounting policies set out on page 6.

KPMG

CHARTERED ACCOUNTANTS

Guernsey
29 May 2003

STATES OF GUERNSEY ACCOUNTING POLICIES

1. The accounts of the States of Guernsey comprising those Committees set out on pages 14 to 88, 107 and 108, and 111 to 116 are prepared under the historical cost convention with the exception of the Consolidated Superannuation Fund accounts, the Contingency Reserve Fund accounts and investments held under the heading of Miscellaneous Securities which have been adjusted by the revaluation of investments.
2. Investments in States Trading Entities in respect of Guernsey Post Limited and Guernsey Electricity Limited reflect the basis of valuation attributed to the net undertaking transferred from the States Trading Boards to the commercialised entities in accordance with The States Trading Companies (Bailiwick of Guernsey) Law, 2001, and detailed in Billet d'Etat XVIII, September 2001 and Billet d'Etat XXIV, December 2001. The values of other shareholdings are carried at cost.
3. General Revenue Account income in respect of income tax recognises cash received to 31 January in the following calendar year. All other income and expenditure is dealt with on an accruals basis.
4. Capital expenditure from General Revenue Account votes is written off in the year in which it is incurred. Depreciation is therefore not provided.
5. Stock is valued at the lower of cost and net realisable value.
6. Investments in the Consolidated Superannuation Fund accounts are included at market prices ruling at the year end. For valuation purposes investments expressed in foreign currencies have been translated into sterling at the rate of exchange ruling at the year end. Realised and unrealised gains and losses on investments are adjusted on the members' capital accounts in proportion to their average balance during the year. Interest and dividends are similarly apportioned.
7. Investments in the Contingency Reserve Fund and investments held under the heading of Miscellaneous Securities are included at market prices ruling at the year end. For valuation purposes investments expressed in foreign currencies, if held, have been translated into sterling at the rate of exchange ruling at the year end.
8. By a Resolution of the States dated 25 April 1991, General Revenue Committees are given the option, in certain circumstances, of retaining generated income for their own use. Where the Advisory and Finance Committee has authorised such income to be retained, it is shown as operating income reducing net expenditure from that year.
9. Interest receivable on the General Revenue Account is shown within the Advisory and Finance Committee accounts. Other interest is shown in the respective funds and accounts to which it relates.

STATES TREASURER'S REPORT

For the Year Ended 31 December 2002

Introduction

The purpose of this report is to give a brief overview of the major financial highlights of the outturn of General Revenue for 2002. Full details of individual Committees' income and expenditure are shown in the following pages of this Billet d'Etat.

General Revenue Account Income and Expenditure

In summary, the outturn for 2002 compared to 2001 was as follows:

	2002	2001
	£m	£m
Income	288.3	280.2
Expenditure	239.7	222.9
Operating Surplus	<u>48.6</u>	<u>57.3</u>

Commentary

- Income in 2002 has increased by a net amount of £8.1m compared to 2001 mainly due to an increase in income tax receipts of £10.0m (an increase of 4.4%).
- Total revenue expenditure in 2002 has increased by £16.8m (3.1% in real terms) compared to 2001. In 2001 expenditure increased by £18.5m (an increase of 8.5% in real terms) compared to the previous year.
- Although the Operating Surplus for 2002 exceeds earlier predictions, it is still a fall of £8.7m compared to that of 2001.
- The major increases in expenditure in 2002 compared to 2001 occurred in the following areas:

	£m
• Board of Administration: Insurance	0.7
• Children Board: Out of Island Placements	0.5
• Education	3.9
• Health Services	4.3
• Legal Aid	0.6
• Police Force	0.9
• Public Thoroughfares Committee: Upkeep of Roads	1.1
• Social Insurance and Supplementary Benefits	2.8
• Scheduled Bus Services	0.8
• Transport Board: Financial Concessions	0.5

The above increases in expenditure had been anticipated and committees were able to fund the extra expenditure from existing resources, i.e. all General Revenue committees remained within their authorised budget.

STATES TREASURER'S REPORT

For the Year Ended 31 December 2002

General Revenue Account

The overall position of the General Revenue Account at 31 December 2002 was as follows:

	£m	£m
Operating surplus		48.6
Add: capital receipts and release of reserves		15.0
		<hr/> 63.6
Less: Appropriations		
Capital Fund	21.7	
Capital Reserve	23.0	
Contingency Fund	5.0	
	<hr/>	49.7
		13.9
Add: Balance Brought forward from 2001		<hr/> 41.8
Balance as at 31 December 2002		<hr/> 55.7

Of the above sum of £55.7m, £15.7m is allocated to individual committees in respect of accumulated unspent balances leaving an available balance on the General Revenue Account Reserve as at 31 December 2002 of £40m (2001: £26.4m). The target balance to be retained on the General Revenue Account as a reserve to cover unforeseen expenditure and shortfalls in income is 5% of annual income (i.e. £14.4m).

Capital Income and Expenditure

During 2002 capital income was £14.0m (2001: £1.1m) of which £13.8m was in respect of the first tranche of the sale proceeds of Guernsey Telecoms Limited.

During 2002 capital expenditure was £32.9m (2001: £35.0m). Major transactions during the year included the following:

	£m
• Board of Administration: Les Nicolles vinery	1.7
• Board of Administration: Energy from Waste	1.1
• Board of Health: Premises, equipment etc.	5.4
• Education Council: ICT Strategy and related works	3.5
• Education Council: Site Development Plan	0.4
• Housing Authority: Housing Association Fund	3.0
• Public Thoroughfares Committee: Pumping stations, foul water and sewers	3.6
• Recreation Committee: Beau Sejour Centre redevelopment	6.0

STATES TREASURER'S REPORT

For the Year Ended 31 December 2002

Capital Fund

The Capital Fund represents the amounts allocated and available to committees to fund their individual capital programmes. The movements on the Capital Fund for the year can be summarised as follows:

	£m	£m
Balance of Fund as at 1.1.02		31.3
Net appropriations for the year	21.7	
Transfers from Capital Reserve	21.2	
Committee expenditure in year	(32.9)	
		10.0
Balance of Fund as at 31.12.02		41.3

Capital Reserve

The Capital Reserve is used to accumulate funds for future capital projects of exceptional size or where insufficient information on the cost of particular projects is available. The movements on the Capital Reserve for the year can be summarised as follows:

	£m	£m
Balance of Fund as at 1.1.02		90.1
Appropriation from Revenue Account	23.0	
Interest received	6.2	
Transfers to Capital Fund	(21.2)	
		8.0
Balance of Fund as at 31.12.02		98.1

Following the 2003 Budget Debate in December 2002, the States approved a further transfer to the Capital Reserve at the beginning of 2003 of £5.0m.

Contingency Reserve Fund

The purpose of the Contingency Reserve Fund is to provide protection against major emergencies including economic downturns having a severe adverse effect on the Island. The movements on the Contingency Reserve Fund for the year can be summarised as follows:

	£m	£m
Balance of Fund as at 1.1.02		131.7
Appropriation from Revenue Account		5.0
Net appreciation of investments	3.1	
Investment management fees	(0.3)	
Interest received	8.3	
Net Investment Gain		11.1
Balance of Fund as at 31.12.02		147.8

STATES TREASURER'S REPORT

For the Year Ended 31 December 2002

The balance of the Fund as at 31.12.02 represents 62% of the equivalent of one year's revenue expenditure based on the actual expenditure for 2002 (2001: 59%).

Following the 2003 Budget Debate in December 2002, the States approved a further transfer to the Fund at the beginning of 2003 of £18.8m (which included £13.8m in respect of the first tranche of the sale proceeds of Guernsey Telecoms Limited).

Changes to the Format of the Year-End Accounts

The Advisory and Finance Committee is committed to ensuring that the year-end accounts of all States entities are prepared in line with best practice and are made as easy to read and understand as possible. Together with the annual Policy and Resource Planning and Budget reports, the year-end accounts form the main means of reporting on the States financial affairs.

In recent years a number of important changes have been made to the year-end accounts, for example the introduction of Statements of Internal Financial Controls, Statements of Activities and Performance for the Trading Undertakings. Furthermore, the format of various Miscellaneous Accounts and Funds has been revised, in line with best practice, to clarify and simplify them. In last year's report two further significant changes, i.e. revised formats for the accounts of the Ports and in respect of States Housing have been introduced.

Appointment of External Auditors

In 2002, following a competitive tender process, the Committee recommended and the States approved the appointment of KPMG as auditors of all of the States accounts. It was the Committee's stated intention that there should be no major review of the reappointment of external auditors for a period of five years unless the appointment proved unsatisfactory in any significant respect.

The Committee is satisfied with the external audit services provided by KPMG and, having sought advice from the States Audit Commission (as required by the States Audit Commission (Guernsey) 1997, Law), is recommending that the States appoint the firm of KPMG as auditors of all States accounts for the year ending 31 December 2003.

D M Clark B.Sc, FCA
States Treasurer
29 May 2003

INCOME AND EXPENDITURE SUMMARY

	2002 £'000	2001 £'000	2000 £'000	1999 £'000
Income				
Income Tax	236,822	226,842	201,491	188,574
Other Taxes	36,649	35,641	34,641	32,373
Miscellaneous Revenue Income	14,849	16,009	16,428	12,789
	<u>288,320</u>	<u>278,492</u>	<u>252,560</u>	<u>233,736</u>
Revenue Expenditure	<u>239,728</u>	<u>221,228</u>	<u>199,377</u>	<u>186,366</u>
Operating Surplus	48,592	57,264	53,183	47,370
Capital Income	13,991	1,095	682	1,130
	<u>£62,583</u>	<u>£58,359</u>	<u>£53,865</u>	<u>£48,500</u>
Capital Expenditure				
Major Construction and Development Projects	19,099	8,947	3,533	4,572
Miscellaneous Capital Works	3,388	3,886	4,660	3,440
Transfers to States Housing Funds	3,000	12,590	-	-
Equipment, Machinery and Vehicles	2,479	2,970	2,122	1,576
ICT Projects	4,854	6,572	3,582	802
	<u>£32,820</u>	<u>£34,965</u>	<u>£13,897</u>	<u>£10,390</u>

GENERAL REVENUE APPROPRIATION ACCOUNT

	2002 £	2001 £	2000 £	1999 £
Operating Surplus	48,592,025	57,263,610	53,182,991	47,369,592
Capital Income	13,990,821	1,095,091	682,479	1,130,218
	<u>62,582,846</u>	<u>58,358,701</u>	<u>53,865,470</u>	<u>48,499,810</u>
Appropriated as follows				
Capital Fund - General	(21,475,000)	(31,600,305)	(23,521,702)	(11,855,449)
Capital Fund - Reserve	(23,000,000)	(19,000,000)	(13,900,000)	(20,000,000)
Contingency Reserve Fund	(5,000,000)	(6,200,000)	(7,000,000)	(19,000,000)
	<u>£13,107,846</u>	<u>£1,558,396</u>	<u>£9,443,768</u>	<u>(£2,355,639)</u>
Transfer to General Revenue Account Reserve				

**GENERAL REVENUE
COMMITTEE ACCOUNTS**

SUMMARY OF GENERAL REVENUE

Committees	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£ £	£ £	£ £	£ £
INCOME ON REVENUE ACCOUNT				
Ordinary Income				
Advisory and Finance Committee	19,521,785	19,350,000	16,698,900	17,858,639
Agriculture and Countryside Board	7,465	8,400	11,600	9,387
Arts Committee	-	-	-	-
Board of Administration	15,489,463	15,136,500	14,199,900	15,045,994
Board of Health	1,710,694	1,779,600	1,579,600	2,221,223
Board of Industry	-	-	-	-
Cadastral Committee	3,862,320	3,855,000	3,850,000	3,827,544
Children Board	-	-	-	-
Civil Defence Committee	-	-	-	-
Civil Service Board	-	-	-	-
Education Council	-	-	-	-
Gambling Control Committee	26,081	27,000	28,800	26,567
Guernsey Social Security Authority	-	-	-	-
Heritage Committee	-	-	-	-
Home Affairs Committee	-	-	-	-
Less amount paid to Crown Revenues				
Account	-	-	-	-
Horticulture Committee	-	-	-	-
Housing Authority	722,820	680,000	705,500	2,911,728
Income Tax Authority	241,812,563	232,140,000	232,147,000	231,910,158
Island Development Committee	-	-	-	-
Island Reception Committee	-	-	-	-
Liberation Celebrations Committee	-	-	-	-
Overseas Aid Committee	-	-	-	-
Probation Service Committee	-	-	-	-
Public Assistance Authority	-	-	-	92,289
Public Thoroughfares Committee	1,850	1,750	1,750	1,280,821
Recreation Committee	8,326	7,300	10,000	7,341
Sea Fisheries Committee	1,853	1,850	3,000	2,529
States Traffic Committee	5,154,287	4,983,800	4,803,800	4,970,407
Tourist Board	-	-	-	-
Transport Board	-	-	-	-
Total Income on Revenue Account	288,319,507	277,971,200	274,039,850	280,164,627
	288,319,507	277,971,200	274,039,850	280,164,627

INCOME AND EXPENDITURE

Committees	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
EXPENDITURE ON REVENUE ACCOUNT								
Ordinary Expenditure								
Advisory and Finance Committee	20,077,179		22,768,560		19,812,300		18,309,713	
Agriculture and Countryside Board	2,845,297		3,162,763		2,864,600		3,198,819	
Arts Committee	150,620		156,000		145,000		118,553	
Board of Administration	8,446,151		10,140,180		8,148,000		7,643,730	
Board of Health	57,794,238		57,871,060		56,750,000		53,469,423	
Board of Industry	2,698,496		3,672,708		3,435,000		2,202,170	
Cadastre Committee	196,425		201,210		190,000		198,379	
Children Board	5,624,824		5,862,900		4,870,000		4,882,472	
Civil Defence Committee	112,355		124,900		125,000		96,941	
Civil Service Board	1,251,233		1,355,950		1,240,000		1,088,790	
Education Council	48,097,841		48,781,960		46,660,000		44,219,353	
Gambling Control Committee	5,485		11,000		6,000		4,236	
Guernsey Social Security Authority	51,136,761		51,215,150		50,478,775		48,365,086	
Heritage Committee	1,138,878		1,375,793		1,190,000		981,486	
Home Affairs Committee	14,361,530		14,474,400		13,705,000		13,105,184	
<i>Less amount received from Crown Revenues</i>								
Account	(2,442,619)		(2,506,100)		(2,440,000)		(2,368,469)	
Horticulture Committee	914,984		1,195,600		1,290,000		1,168,128	
Housing Authority	2,330,116		2,555,350		2,571,100		2,288,526	
Income Tax Authority	3,616,880		3,757,279		3,610,000		3,547,336	
Island Development Committee	1,847,792		2,188,900		1,990,000		1,762,481	
Island Reception Committee	6,886		21,000		21,000		66,026	
Liberation Celebrations Committee	61,359		61,500		46,000		50,037	
Overseas Aid Committee	1,146,607		1,150,000		1,050,000		1,019,339	
Probation Service Committee	296,290		307,100		257,000		253,696	
Public Assistance Authority	617,114		623,700		538,000		650,869	
Public Thoroughfares Committee	7,272,010		7,707,000		7,661,500		8,319,172	
Recreation Committee	1,773,422		1,831,688		1,425,000		1,123,543	
Sea Fisheries Committee	256,131		299,650		300,000		253,269	
States Traffic Committee	2,917,630		3,020,200		2,460,000		2,001,228	
Tourist Board	4,611,488		4,865,280		4,200,000		4,881,501	
Transport Board	564,079		680,000		30,000		-	
Total Expenditure on Revenue Account	239,727,482	239,727,482	248,932,681	248,932,681	234,629,275	234,629,275	222,901,017	222,901,017
Operating Surplus		48,592,025		29,038,519		39,410,575		57,263,610
		288,319,507		277,971,200		274,039,850		280,164,627

COMMITTEE REVENUE INCOME

Heads of Credit	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
ADVISORY AND FINANCE COMMITTEE								
Administration								
Interest receivable	13,154,760						15,777,719	
Less net amount due to third parties	(12,255,918)						(14,997,028)	
General Revenue Account interest receivable	898,842						780,691	
Unrealised gain on revaluation of investments (note a)	71,165						94,214	
	970,007		1,500,000		700,000		874,905	
Fees, charges, etc.	5,902		5,000		20,000		24,922	
Surplus on Notes and Coins Account	873,432		650,000		820,000		877,071	
Television Tender Payments	20,775		20,000		19,900		28,626	
		1,870,116		2,175,000		1,559,900		1,805,524
Courts and Crown Revenues								
Greffe								
Court fees	198,885		220,000		220,000		236,928	
Document duty	8,187,183		7,900,000		6,780,000		7,499,968	
Fees and certificates	256,469		240,000		240,000		238,818	
Leasehold duty	24,930		22,000		5,000		-	
Licences	46,297		55,000		55,000		51,647	
Transfer duty	1,148		1,000		-		-	
	8,714,912		8,438,000		7,300,000		8,027,361	
Fixed Penalties	251,640		225,000		300,000		247,580	
Magistrates Court								
Fees	15,450		18,000		18,000		19,120	
Sergeant and Sheriff								
Fees	122,905		120,000		120,000		144,260	
Fines and costs	171,403		180,000		150,000		139,347	
	294,308		300,000		270,000		283,607	
Crown Revenues								
Receipts from H. M. Treasury	7,910,371		7,500,000		6,650,000		6,995,974	
Naturalisation fees	3,870		4,000		1,000		2,660	
Passport fees	186,974		175,000		165,000		155,218	
Less payments to H.M. Government	(186,974)		(175,000)		(165,000)		(155,218)	
Legalisation of documents	84,120		90,000		100,000		91,813	
	7,998,361		7,594,000		6,751,000		7,090,447	
		17,274,671		16,575,000		14,639,000		15,668,115
States Trading Companies Dividends		376,998		600,000		500,000		385,000
TOTAL ADVISORY AND FINANCE COMMITTEE GENERAL REVENUE INCOME		19,521,785		19,350,000		16,698,900		17,858,639
AGRICULTURE AND COUNTRYSIDE BOARD								
Administration								
Farm loans interest		7,465		8,400		11,600		9,387
TOTAL AGRICULTURE AND COUNTRYSIDE BOARD GENERAL REVENUE INCOME		7,465		8,400		11,600		9,387

COMMITTEE REVENUE INCOME

Heads of Credit	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF ADMINISTRATION								
Customs and Immigration								
Import duties on foreign goods	445,314		366,800		336,800		341,762	
CAP charges	-		100		100		-	
Impôts :								
Beer	1,813,455		1,775,000		1,745,000		1,772,901	
Cider	210,407		207,000		237,000		236,647	
Motor Spirit	2,061,937		2,042,000		2,045,000		2,114,066	
Spirits	1,690,374		1,590,000		1,800,000		1,808,387	
Tobacco	6,324,180		6,250,000		5,600,000		6,240,706	
Wine	2,086,403		2,110,000		1,910,000		1,996,854	
Rent and sundries	12,185		9,400		9,400		7,217	
	14,644,255		14,350,300		13,683,300		14,518,540	
<i>Less</i> Import duties paid to Sark	(2,773)		(1,600)		(1,700)		(1,840)	
Impôts collected for Sark	(182,690)		(160,000)		(160,000)		(166,152)	
		14,458,792		14,188,700		13,521,600		14,350,548
Land Management								
Beaches								
Permits, etc.	340		400		400		340	
Herm								
Rent	33,792		33,800		33,800		33,792	
		34,132		34,200		34,200		34,132
Property								
Foulon Cemetery								
Fees	59,445		60,000		60,000		53,728	
St. Peter Port contribution	30,000		60,000		60,000		58,650	
		89,445		120,000		120,000		112,378
Ships Registry								
Transferred from Ports Holding Account		27,755		28,600		39,050		16,160
Central Services								
Rents, fees etc.		879,339		765,000		485,050		532,776
TOTAL BOARD OF ADMINISTRATION GENERAL REVENUE INCOME		15,489,463		15,136,500		14,199,900		15,045,994
BOARD OF HEALTH								
Central Services								
Rents		-		-		-		301,523
Health Care Services								
Fees		1,229,301		1,256,800		1,056,800		1,128,172
Health Studies and Nursing Services								
Fees		25,878		25,000		25,000		39,695
Social Care Services								
Fees		455,515		497,800		497,800		751,833
TOTAL BOARD OF HEALTH GENERAL REVENUE INCOME		1,710,694		1,779,600		1,579,600		2,221,223

COMMITTEE REVENUE INCOME

Heads of Credit	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
CADASTRE COMMITTEE	£	£	£	£	£	£	£	£
Cadastre, Rent control and collection of Tax on Rateable Values		3,862,320		3,855,000		3,850,000		3,827,544
TOTAL CADASTRE COMMITTEE GENERAL REVENUE INCOME		3,862,320		3,855,000		3,850,000		3,827,544
GAMBLING CONTROL COMMITTEE	£	£	£	£	£	£	£	£
Administration Fees		26,081		27,000		28,800		26,567
TOTAL GAMBLING CONTROL COMMITTEE GENERAL REVENUE INCOME		26,081		27,000		28,800		26,567
HOUSING AUTHORITY	£	£	£	£	£	£	£	£
Residential Homes Residents fees, etc.		722,820		680,000		705,500		685,135
States Houses Transfer from States Houses Fund (note b)		-		-		-		2,226,593
TOTAL HOUSING AUTHORITY GENERAL REVENUE INCOME		722,820		680,000		705,500		2,911,728
INCOME TAX AUTHORITY	£	£	£	£	£	£	£	£
Dwellings profit tax		-		-		1,000		-
Exempt company fees		4,990,762		5,100,000		5,213,000		5,068,198
Income tax collected		236,821,801		227,040,000		226,933,000		226,841,960
TOTAL INCOME TAX AUTHORITY GENERAL REVENUE INCOME		241,812,563		232,140,000		232,147,000		231,910,158
PUBLIC ASSISTANCE AUTHORITY	£	£	£	£	£	£	£	£
Welfare Hostel - St Julian's House Receipts for board and lodgings		-		-		-		92,289
TOTAL PUBLIC ASSISTANCE AUTHORITY GENERAL REVENUE INCOME		-		-		-		92,289

COMMITTEE REVENUE INCOME

Heads of Credit	Accounts 2002		Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£	£
PUBLIC THOROUGHFARES COMMITTEE					
Administration					
Sewers Connection loans interest		1,850	1,750	1,750	1,589
Sewage tankers					
Fees		-	-	-	1,279,232
TOTAL PUBLIC THOROUGHFARES COMMITTEE GENERAL REVENUE INCOME		1,850	1,750	1,750	1,280,821
RECREATION COMMITTEE	£	£	£	£	£
Policy Implementation and Administration					
Interest on loans to sporting bodies		8,326	7,300	10,000	7,341
TOTAL RECREATION COMMITTEE GENERAL REVENUE INCOME		8,326	7,300	10,000	7,341
SEA FISHERIES COMMITTEE	£	£	£	£	£
Administration					
Fisheries licences		100	100	-	150
Fisheries loans interest		1,753	1,750	3,000	2,379
TOTAL SEA FISHERIES COMMITTEE GENERAL REVENUE INCOME		1,853	1,850	3,000	2,529
STATES TRAFFIC COMMITTEE	£	£	£	£	£
Administration and Vehicle Registration and Licensing					
Automobile tax		5,123,592	4,960,000	4,755,000	4,894,688
Sale of registration marks		30,695	23,800	48,800	75,719
TOTAL STATES TRAFFIC COMMITTEE GENERAL REVENUE INCOME		5,154,287	4,983,800	4,803,800	4,970,407
TOTAL GENERAL REVENUE INCOME		<u>£288,319,507</u>	<u>£277,971,200</u>	<u>£274,039,850</u>	<u>£280,164,627</u>

Notes:

- The unrealised gain on revaluation of investments relates to investments held for both General Revenue and third parties. The investments are normally held until maturity; therefore it is not anticipated that any gain or loss will crystallise.
- As set out in the 2002 Budget Report (Billet d'Etat XXIII), the accounting treatment for the expenditure (capital and revenue) and income in respect of the Authority's housing stock has been revised and a States Houses Fund established. For 2001 only, a transfer has been made from the States Houses Fund to the General Revenue Account to compensate for the reduction in net income, compared to budget.

ADVISORY AND FINANCE COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises	141,832		143,300		141,300		150,146	
Staff	3,084,598		3,406,315		3,358,150		2,851,407	
Supplies and services	1,579,289		1,780,830		1,720,330		1,203,290	
Audit fees	41,259		36,700		36,700		34,309	
Consultants fees	347,689		455,800		281,400		240,383	
Contracted-out work	107,234		136,950		136,950		112,562	
Contribution to local television subtitling	37,440		37,440		37,440		37,440	
	5,339,341		5,997,335		5,712,270		4,629,537	
<i>Less</i> sundry recoveries	(43,584)		(29,450)		(29,450)		(33,016)	
notes and coins recoveries	(49,620)		(43,500)		(43,500)		(46,098)	
		5,246,137		5,924,385		5,639,320		4,550,423
Audit Commission								
Staff	215,468		211,600		212,000		152,611	
Supplies and services	26,350		31,750		31,750		22,244	
Contracted-out work	10,754		458,750		186,250		109,086	
		252,572		702,100		430,000		283,941
Commonwealth Parliamentary Association								
Annual contribution to General Council (Vote 29.1.86)	22,460		22,200		22,200		20,453	
Conferences, etc.	14,236		29,000		29,000		12,690	
	36,696		51,200		51,200		33,143	
<i>Less</i> operating income	(45)		(200)		(200)		(225)	
		36,651		51,000		51,000		32,918
Census 2001 (Vote 16.3.00)		9,416		14,900		-		159,992
Courts and Crown Revenues								
Bailiff								
Salaries, superannuation and establishment allowance	572,901		571,650		571,850		530,926	
Supplies and services	166,276		213,750		151,000		110,696	
Consultants fees	9,123		2,000		2,000		22,322	
	748,300		787,400		724,850		663,944	
Court of Appeal	64,032		70,000		70,000		42,128	
Court Buildings								
Premises	75,611		77,450		77,450		27,227	
Staff	37,761		38,200		38,200		36,176	
Supplies and services	6,651		8,450		4,950		2,640	
	120,023		124,100		120,600		66,043	
<i>Less</i> recoveries from Crown Revenues	(24,500)		(22,600)		(22,600)		(14,934)	
	95,523		101,500		98,000		51,109	
Greffe								
Premises	1,943		1,800		1,800		1,357	
Staff	694,858		702,900		693,200		668,127	
Supplies and services	125,771		133,900		111,500		86,022	
Consultants fees	-		20,300		2,000		1,000	
	822,572		858,900		808,500		756,506	
<i>Less</i> operating income	(18,997)		(30,000)		(30,000)		(29,749)	
	803,575		828,900		778,500		726,757	
Interception of Communications	1,621		8,000		8,000		1,815	
Law Officers								
Premises	12,558		15,250		15,250		13,052	
Staff	1,334,443		1,380,600		1,382,600		1,201,004	
Supplies and services	145,565		221,550		176,550		145,160	
Consultants fees	24,243		50,650		39,350		34,649	
	1,516,809		1,668,050		1,613,750		1,393,865	
<i>Less</i> operating income	(48,941)		(23,000)		(23,000)		(37,589)	
	1,467,868		1,645,050		1,590,750		1,356,276	

ADVISORY AND FINANCE COMMITTEE
EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Courts and Crown Revenues (continued)								
Legal Publications								
Supplies and services	-		3,000		3,000		198	
Contracted-out work	70,569		75,000		75,000		23,000	
	<u>70,569</u>		<u>78,000</u>		<u>78,000</u>		<u>23,198</u>	
Magistrates Court								
Staff	123,602		121,300		121,300		113,628	
Supplies and services	4,343		6,400		6,400		6,826	
	<u>127,945</u>		<u>127,700</u>		<u>127,700</u>		<u>120,454</u>	
Sergeant and Sheriff								
Premises	2,162		5,400		5,400		2,555	
Staff	283,354		318,700		319,250		270,251	
Supplies and services	31,684		35,550		35,550		30,739	
	<u>317,200</u>		<u>359,650</u>		<u>360,200</u>		<u>303,545</u>	
Crown Revenues								
Annual allocation to H.E. Lieutenant Governor :								
Establishment allowance and salary	513,144		523,000		523,200		497,762	
Government house -								
Repairs, furniture, equipment etc.	12,810		12,900		12,900		61,783	
Maintenance of prisoners in the United Kingdom	257,547		200,000		245,000		71,570	
Legal proceedings fees, tithes, Greffe record books, etc.	59,845		70,950		70,950		78,362	
Passports	39,370		40,700		40,700		39,203	
States Prison	2,442,619		2,506,100		2,440,000		2,368,469	
Royal Court House contribution towards upkeep	24,500		22,600		22,600		14,934	
	<u>3,349,835</u>		<u>3,376,250</u>		<u>3,355,350</u>		<u>3,132,083</u>	
		7,046,468		7,382,450		7,191,350		6,421,309
Data Protection Office								
Premises	26,868		25,600		22,100		18,150	
Staff	120,014		117,200		105,100		55,915	
Supplies and services	30,852		44,750		47,700		44,656	
	<u>177,734</u>		<u>187,550</u>		<u>174,900</u>		<u>118,721</u>	
Elections								
Supplies and services		3,516		4,000		4,000		6,252
Golden Jubilee Celebrations								
Grants		53,933		60,000		-		-
Grants								
Guernsey Financial Services Commission	300,000		300,000		300,000		300,000	
Priault Library	196,113		196,100		185,000		128,887	
Royal Court Fund	10,000		10,000		10,000		50,000	
	<u>506,113</u>		<u>506,100</u>		<u>495,000</u>		<u>478,887</u>	
Less sundry recoveries	(8,221)		-		-		(331)	
	<u>497,892</u>		<u>506,100</u>		<u>495,000</u>		<u>478,556</u>	
Guernsey Tax Tribunal								
Allowances		8,081		7,800		7,800		9,214
Guernsey Technical Services								
Premises	12,990		13,000		-		-	
Staff	1,744,545		1,779,700		1,783,000		1,658,985	
Supplies and services	269,439		258,050		246,050		237,221	
Consultants fees	11,947		13,000		13,000		18,542	
Contracted-out work	58,442		49,200		49,200		41,136	
	<u>2,097,363</u>		<u>2,112,950</u>		<u>2,091,250</u>		<u>1,955,884</u>	
Less operating income	(258,501)		(257,850)		(257,850)		(231,436)	
		1,838,862		1,855,100		1,833,400		1,724,448

ADVISORY AND FINANCE COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Human Rights Implementation								
Staff	43,910		59,350		59,450		17,902	
Supplies and services	3,182		71,550		71,550		24,274	
Consultants fees	48,703		107,800		18,000		80	
Contracted-out work	-		51,000		51,000		-	
		95,795		289,700		200,000		42,256
Legal Aid Scheme								
Administration	90,981		110,000		100,000		44,471	
Civil Legal Aid	375,896		340,000		600,000		154,400	
Criminal Legal Aid	550,095		650,000		700,000		175,054	
		1,016,972		1,100,000		1,400,000		373,925
Parole Review Committee								
Allowances		4,003		4,000		4,000		2,726
Payments to States Members								
Allowances	885,744		930,000		834,350		784,291	
Pensions and pension contributions	135,419		145,000		141,950		138,817	
		1,021,163		1,075,000		976,300		923,108
States Tenancies Independent Review Tribunal								
Allowances		199		500		500		63
Total Ordinary Revenue Expenditure		17,309,394		19,164,585		18,407,570		15,127,852
Less Use of Accumulated Unspent Balances		-		-		(364,270)		-
		17,309,394		19,164,585		18,043,300		15,127,852
Strategic and Corporate Measures								
Bailiwick Drug Strategy								
Staff	-		-		85,000		24,815	
Supplies and services	-		-		68,000		30,530	
Grant	-		-		24,500		-	
		-		-		177,500		55,345
Ecommerce and Commercialisation of Trading Boards								
Commercialisation of Trading Boards								
Supplies and services	1,889		-		-		16,988	
Consultants fees and contracted-out work	30,600		47,500		-		83,635	
Non Executive Director fees	1,667		-		-		9,167	
	34,156		47,500		-		109,790	
Less recoveries	-		-		-		(72,328)	
		34,156		47,500		-		37,462
Corporate Finance Advice - Equity Partner								
Supplies and services	-		-		-		10,445	
Consultants fees	1,327,370		1,333,000		-		706,532	
		1,327,370		1,333,000		-		716,977
Ecommerce Strategy								
Staff	-		-		-		81,803	
Supplies and services	-		-		-		43,682	
Consultants fees and contracted-out work	-		2,400		-		259,893	
	-		2,400		-		385,378	
Less contribution from Board of Industry	-		-		-		(28,743)	
		-		2,400		-		356,635
Implementation of IT / Ecommerce training needs proposals								
Staff	-		-		-		12,472	
Supplies and services	-		-		-		11,867	
Consultants fees and contracted-out work	-		-		-		25,311	
		-		-		-		49,650
Regulatory Framework								
Premises	-		-		-		31,792	
Staff	-		-		-		20,342	
Supplies and services	-		-		-		95,859	
Consultants fees and contracted-out work	-		-		-		346,960	
Shadow regulation	-		-		-		90,000	
		-		-		-		584,953

ADVISORY AND FINANCE COMMITTEE
EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Strategic and Corporate Measures (continued)								
National/International Relationships								
Consultants fees and contracted-out work		272,591		450,000		300,000		197,583
Other Corporate, Economic, Social and Environmental Initiatives								
Supplies and services	66,455		130,000		60,000		951	
Consultants fees and contracted-out work	86,833		209,900		109,000		84,175	
		153,288		339,900		169,000		85,126
Review of the Machinery of Government in Guernsey								
Staff	24,855		135,000		-		-	
Supplies and services	5,979		48,500		3,500		11,164	
Consultants fees	65,209		80,000		10,000		7,863	
		96,043		263,500		13,500		19,027
Survey of Guernsey Living Standards								
Staff	-		-		-		7,861	
Supplies and services	9,189		20,000		-		12,588	
Consultants fees and contracted-out work	21,244		90,000		10,000		29,085	
		30,433		110,000		10,000		49,534
Training								
Guernsey Training Agency								
Grant to Training Agency Trust	150,000		150,000		150,000		150,000	
Nelson Place Rent	47,389		50,000		50,000		45,458	
		197,389		200,000		200,000		195,458
Total Ordinary Revenue Expenditure		2,111,270		2,746,300		870,000		2,347,750
Alderney - Domestic Account Net Revenue cash allocation								
Formula led headings	(607,332)		(515,000)		(411,000)		(550,548)	
Non-formula led headings	1,263,847		1,372,675		1,373,725		1,384,659	
		656,515		857,675		962,725		834,111
Less Use of Accumulated Unspent Balances		-		-		(63,725)		-
		656,515		857,675		899,000		834,111
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		20,077,179		22,768,560		19,812,300		18,309,713

Notes :

- a) Related Party Transactions
Deputy F.J. Roper is a Director of Royal London Asset Management C.I. Limited which charged the States £252,462 in respect of investment management fees during 2002 (2001: £239,447)
- b) Non Audit Services
The 2002 revenue expenditure of this Committee includes non-audit services provided by KPMG amounting to £92,877.

AGRICULTURE AND COUNTRYSIDE BOARD**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises	-		460		460		460	
Staff	82,422		82,250		82,400		79,361	
Supplies and services	20,487		15,750		11,650		18,581	
Consultants fees	45,142		20,000		20,000		7,127	
Contracted-out work	20,000		9,000		-		-	
		168,051		127,460		114,510		105,529
Advisory and Environmental Services								
Staff	48,043		48,100		48,200		51,105	
Supplies and services	10,479		7,400		7,400		8,212	
Consultants fees	2,736		4,500		4,500		1,869	
Contracted-out work	7,802		5,000		5,000		-	
		69,060		65,000		65,100		61,186
Bovine Spongiform Encephalopathy								
Compensation payments		600		6,000		9,600		1,200
Central Services								
Premises	7,361		11,440		11,440		12,339	
Staff	34,753		36,510		36,560		40,856	
Supplies and services	14,670		18,190		18,190		23,856	
		56,784		66,140		66,190		77,051
Cull Cattle								
Premises	4,476		5,900		5,900		3,895	
Supplies and services	58,196		108,900		108,900		86,437	
Compensation payments	54,750		100,000		135,000		74,550	
Contracted-out work	31,500		31,500		31,500		30,550	
		148,922		246,300		281,300		195,432
Dairy Farm Management Payment Scheme (Vote 27.9.00)		1,947,077		2,025,000		2,000,000		1,936,433
Farm Services								
Premises	8,798		7,500		7,500		3,724	
Staff	147,557		150,050		150,300		121,610	
Supplies and services	66,165		79,450		79,450		18,471	
	222,520		237,000		237,250		143,805	
Less operating income	(39,924)		(37,700)		(37,700)		(37,535)	
		182,596		199,300		199,550		106,270
Farm Waste Systems Grant Scheme		111,315		249,263		-		24,629
Foot and Mouth Disease								
Staff	859		-		-		14,119	
Supplies and services	834		-		-		99,864	
Contracted-out work	232		-		-		459,735	
		1,925		-		-		573,718
Organic Milk Support Scheme (Vote 27.9.00)		25,406		50,000		50,000		16,938
Slaughter House								
Premises	16,118		17,900		17,900		17,885	
Supplies and services	3,123		2,400		2,400		89	
Contracted-out work	16,300		16,300		16,300		15,800	
	35,541		36,600		36,600		33,774	
Less operating income	(5,437)		(4,000)		(4,000)		(4,763)	
		30,104		32,600		32,600		29,011
Subsidies and Grants								
Royal Guernsey Agricultural and Horticultural Society Breed Promotion Campaign		33,561		20,000		20,000		19,927
Veterinary and Animal Welfare Services								
Staff	39,383		43,880		43,930		36,126	
Supplies and services	21,513		22,820		22,820		6,669	
Contracted-out work	9,000		9,000		9,000		8,700	
		69,896		75,700		75,750		51,495
Total Ordinary Revenue Expenditure		2,845,297		3,162,763		2,914,600		3,198,819
Less Use of Accumulated Unspent Balances		-		-		(50,000)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		2,845,297		3,162,763		2,864,600		3,198,819

Note :

Related Party Transactions

Mr M. Blampied (a Non-States Member of the Agriculture and Countryside Board) received £7,962 in respect of the Dairy farm management payment scheme and cull cattle compensation during 2002 (2001 : £41,025). Mr J. Watts (a Non-States Member of the Agriculture and Countryside Board from 1 May 2002) received £92,574 in respect of the Dairy farm management payment scheme and cull cattle compensation since 1 May 2002.

ARTS COMMITTEE

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Cultural Activities Inside the Island								
Supplies and Services	1,063		1,000		-		-	
Consultants fees	10,931		11,000		-		-	
Grants	53,395		56,500		57,500		61,053	
Victor Hugo Promotion	27,731		30,000		30,000		-	
		93,120		98,500		87,500		61,053
Grant to Friends of St. James Association (Vote 25.4.90)		57,500		57,500		57,500		57,500
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		150,620		156,000		145,000		118,553

BOARD OF ADMINISTRATION

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Alderney Airport Trading Loss		513,020		465,800		465,900		431,261
Alderney Breakwater								
Premises	22,918		29,200		29,200		61,513	
Staff	106,231		147,050		147,050		126,848	
Supplies and services	37,915		31,900		31,900		29,581	
Contracted-out work	239,819		234,000		234,000		195,345	
		406,883		442,150		442,150		413,287
<i>Less Contribution from States of Alderney</i>		(15,145)		(15,000)		(15,000)		(15,000)
		391,738		427,150		427,150		398,287
Central Administration								
Administration								
Staff	408,593		432,950		433,750		384,404	
Supplies and services	45,997		50,150		50,150		54,361	
		454,590		483,100		483,900		438,765
Emergency Services								
Supplies and services	5,269		9,600		9,600		6,617	
Contracted-out work	33,891		34,200		34,200		31,998	
		39,160		43,800		43,800		38,615
Grants								
L'Ancrese Commons Council (Vote 28.2.01)	30,000		30,000		30,000		30,000	
Royal National Lifeboat Institution (Vote 13.6.28)	300		300		300		300	
		30,300		30,300		30,300		30,300
		524,050		557,200		558,000		507,680
Customs and Immigration								
Premises	216,740		250,610		216,950		213,811	
Staff	2,682,745		2,675,502		2,653,400		2,501,305	
Supplies and services	576,798		641,050		514,950		465,032	
Consultants fees	-		-		-		7,172	
		3,476,283		3,567,162		3,385,300		3,187,320
<i>Less recoveries</i>		(36,759)		(26,800)		(26,800)		(58,900)
		3,439,524		3,540,362		3,358,500		3,128,420

BOARD OF ADMINISTRATION**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Customs and Immigration - Drug Strategy								
Staff	36,791		85,000		-		-	
Supplies and services	92,314		137,500		-		-	
Consultants fees	7,475		11,000		-		-	
Grants	50,431		43,500		-		-	
		187,011		277,000		-		-
Energy Efficiency								
Supplies and services	6,843		11,750		11,750		13,209	
Consultants fees	6,348		3,500		3,500		1,783	
		13,191		15,250		15,250		14,992
Land Management								
Beaches								
Staff	25,966		15,000		15,000		14,214	
Supplies and services	82,351		90,200		75,200		72,089	
Contracted-out work	84,645		100,000		100,000		96,626	
Upkeep and repair	11,294		12,250		12,250		6,031	
		204,256		217,450		202,450		188,960
Cliff Paths								
Contracted-out work	118,735		113,400		113,400		120,510	
Coastal Management								
Consultants fees	-		-		-		874	
Contracted-out work	76,907		72,500		40,000		61,638	
Upkeep and repairs	80,527		88,500		88,500		86,853	
		157,434		161,000		128,500		149,365
Environment								
Premises	3,082		500		500		2,195	
Staff	105,960		148,800		149,100		100,969	
Supplies and services	31,979		33,500		30,500		34,333	
Consultants fees	1,950		-		-		-	
Contracted-out work	71,710		66,500		76,000		71,778	
Environmental enhancement	36,978		34,150		34,150		29,986	
Environment 2000	14,046		20,750		20,750		17,624	
		265,705		304,200		311,000		256,885
Less recoveries	(770)		(5,000)		(5,000)		(628)	
		264,935		299,200		306,000		256,257
Lihou Island								
Premises, upkeep and repairs	1,699		7,300		7,300		3,587	
Staff	-		-		-		374	
Supplies and services	160		4,500		7,500		3,146	
		1,859		11,800		14,800		7,107
Less recoveries	(1,355)		(1,500)		(1,500)		(2,335)	
		504		10,300		13,300		4,772
Herm								
Upkeep and repairs	4,900		7,500		7,500		7,080	
Parks, Gardens and Plantations								
Premises	52,282		57,900		41,000		55,593	
Contracted-out work	544,841		554,300		539,300		518,086	
		597,123		612,200		580,300		573,679
Less recoveries	(1,437)		-		-		-	
		595,686		612,200		580,300		573,679
		1,346,450		1,421,050		1,351,450		1,300,623

BOARD OF ADMINISTRATION**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Property								
Foulon Cemetery								
Premises	36,448		34,330		10,100		22,279	
Staff	59,695		55,950		49,400		64,794	
Supplies and services	4,009		4,950		4,950		4,098	
Contracted-out work	65,869		54,000		54,000		53,698	
	166,021		149,230		118,450		144,869	
Markets								
Premises	-		-		-		30,675	
Staff	78,538		47,600		47,600		137,831	
Supplies and services	-		-		-		103	
	78,538		47,600		47,600		168,609	
<i>Less recoveries</i>	(18,878)		-		-		(3,878)	
	59,660		47,600		47,600		164,731	
<i>Less operating income</i>	-		-		-		(42,749)	
	59,660		47,600		47,600		121,982	
		225,681		196,830		166,050		266,851
Transport Board								
Supplies and services	-		-		-		33,041	
Consultants fees	-		-		-		4,705	
	-		-		-		37,746	
<i>Less sundry recoveries</i>	-		-		-		(2,500)	
	-		-		-			35,246
Waste Services								
Bulk Refuse								
Staff	12,034		18,200		18,200		18,245	
Supplies and services	173,133		155,000		155,000		150,624	
	185,167		173,200		173,200		168,869	
Paper Savers Scheme								
Collection Points	21,806		22,000		22,000		21,806	
Baling and export	102,966		97,800		97,800		98,980	
	124,772		119,800		119,800		120,786	
Recycling of Waste								
Premises	28,626		29,000		29,000		28,450	
Staff	119,027		118,300		118,300		108,812	
Supplies and services	156,896		127,100		127,100		121,739	
	304,549		274,400		274,400		259,001	
<i>Less recoveries</i>	(60,253)		(35,000)		(35,000)		(45,165)	
	244,296		239,400		239,400		213,836	
Refuse Disposal and Land Reclamation								
Premises	60,919		37,700		37,700		32,718	
Staff	385,251		482,850		482,950		366,205	
Supplies and services	697,671		593,450		586,750		549,058	
Burning and shipping of waste	-		-		-		(1,199)	
Consultants fees	46,958		45,360		25,650		22,775	
Contracted-out work	44,585		-		-		-	
Preparation and completion of sites	122,728		135,000		135,000		80,442	
	1,358,112		1,294,360		1,268,050		1,049,999	
<i>Less operating income</i>	(2,926,373)		(1,675,000)		(1,675,000)		(2,189,802)	
	(1,568,261)		(380,640)		(406,950)		(1,139,803)	
		(1,014,026)		151,760		125,450		(636,312)
Total Ordinary Revenue Expenditure		5,626,639		7,052,402		6,467,750		5,447,048
Less Use of Accumulated Unspent Balances		-		-		(597,750)		-
		5,626,639		7,052,402		5,870,000		5,447,048

BOARD OF ADMINISTRATION**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Central Services								
Insurance and Risk Management								
Staff	41,198		45,300		45,400		39,603	
Supplies and services	6,734		34,000		34,000		43,559	
Contracted-out work	110,232		122,900		32,100		36,456	
Insurance premiums and transfers to Insurance Deductible Fund	1,850,697		1,888,350		1,228,000		1,114,539	
	2,008,861		2,090,550		1,339,500		1,234,157	
<i>Less recoveries</i>	(1,078,603)		(1,020,000)		(663,650)		(645,208)	
		930,258		1,070,550		675,850		588,949
Property Services								
Premises	793,130		934,528		687,100		682,000	
Staff	180,020		222,500		222,900		155,058	
Supplies and services	41,574		55,200		34,200		15,019	
Consultants fees	8,764		10,000		2,000		1,300	
Public conveniences - Contracted-out work	420,956		385,000		375,000		387,504	
Rent	444,810		410,000		410,000		366,852	
		1,889,254		2,017,228		1,731,200		1,607,733
Total Ordinary Revenue Expenditure		2,819,512		3,087,778		2,407,050		2,196,682
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(129,050)		-
		2,819,512		3,087,778		2,278,000		2,196,682
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		8,446,151		10,140,180		8,148,000		7,643,730

BOARD OF HEALTH**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Central Services								
Premises	525,963		439,070		294,070		308,436	
Staff	1,797,412		1,883,300		1,848,000		1,861,919	
Supplies and services	2,457,033		2,670,000		2,199,000		2,393,621	
Consultants fees	52,212		73,000		73,000		79,853	
Contracted-out work	20,910		44,000		-		-	
Grants - St John Ambulance and Rescue Service - ex gratia pensions	6,564		11,000		11,000		10,174	
	4,860,094		5,120,370		4,425,070		4,654,003	
<i>Less recoveries</i>	(763,405)		(1,110,000)		(1,110,000)		(1,012,869)	
	4,096,689		4,010,370		3,315,070		3,641,134	
<i>Less operating income</i>	(559,440)		(300,000)		(300,000)		-	
		3,537,249		3,710,370		3,015,070		3,641,134

BOARD OF HEALTH

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Health Care Services								
Premises	1,473,966		1,857,930		1,829,930		1,720,772	
Staff	13,139,835		12,367,720		12,214,120		11,858,234	
Supplies and services	7,814,539		7,999,270		7,251,270		6,771,698	
Consultants fees	1,230		-		-		8,622	
Contracted-out work	754,618		383,000		383,000		399,394	
Grants								
St John Ambulance and Rescue Service - general purposes	1,421,595		1,420,660		1,143,000		1,358,850	
Maintenance of patients in UK hospitals	966,075		717,000		717,000		755,933	
Reciprocal health agreements	2,781,144		2,601,000		2,601,000		2,650,505	
Transfer to Net Working Capital Reserve	-		-		-		200,900	
	28,353,002		27,346,580		26,139,320		25,724,908	
Less recoveries	(1,371,654)		(1,389,990)		(1,389,990)		(1,545,738)	
	26,981,348		25,956,590		24,749,330		24,179,170	
Less operating income	(409,904)		(409,780)		(409,780)		(332,617)	
	26,571,444		25,546,810		24,339,550		23,846,553	
Health Studies and Nursing Services								
Premises	28,182		1,000		1,000		362	
Staff	18,463,950		18,016,130		17,191,880		16,747,389	
Supplies and services	1,654,781		2,092,730		1,864,730		1,951,143	
Consultants fees	350		4,000		4,000		6,213	
Contracted-out work	25,344		-		-		5,280	
	20,172,607		20,113,860		19,061,610		18,710,387	
Less recoveries	(15,636)		(32,730)		(32,730)		(28,951)	
	20,156,971		20,081,130		19,028,880		18,681,436	
Less operating income	(1,371,489)		(1,085,500)		(1,085,500)		(1,256,884)	
	18,785,482		18,995,630		17,943,380		17,424,552	
Public Health and Strategy								
Premises	2,700		-		-		-	
Staff	675,176		630,900		619,000		595,429	
Supplies and services	417,280		456,000		431,000		416,305	
Consultants fees	236		3,000		3,000		643	
Grants	172,104		190,000		165,000		150,583	
Tobacco control	102,181		103,000		103,000		95,700	
	1,369,677		1,382,900		1,321,000		1,258,660	
Less recoveries	(9,301)		(17,000)		(17,000)		(12,520)	
	1,360,376		1,365,900		1,304,000		1,246,140	
Less operating income	(6,767)		(1,000)		(1,000)		(3,530)	
	1,353,609		1,364,900		1,303,000		1,242,610	
Service Development	-		-		2,184,000		-	
Social Care Services								
Premises	155,908		220,000		218,000		174,180	
Staff	5,819,225		6,265,350		6,235,000		5,559,910	
Supplies and services	1,190,857		1,426,000		1,370,000		1,203,912	
Contracted-out work	17,480		-		-		-	
Grants	169,336		137,000		137,000		132,400	
Maintenance of patients in UK hospitals	607,477		618,000		418,000		429,295	
	7,960,283		8,666,350		8,378,000		7,499,697	
Less recoveries	(35,905)		(69,000)		(69,000)		(60,789)	
	7,924,378		8,597,350		8,309,000		7,438,908	
Less operating income	(377,924)		(344,000)		(344,000)		(124,334)	
	7,546,454		8,253,350		7,965,000		7,314,574	
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE	57,794,238		57,871,060		56,750,000		53,469,423	

BOARD OF INDUSTRY**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Staff	105,766		124,750		125,000		139,960	
Supplies and services	16,633		8,900		8,900		4,471	
Consultants fees	3,500		-		-		6,110	
Contracted-out work	10,000		-		-		-	
		135,899		133,650		133,900		150,541
Business Development Services								
Staff	73,219		70,200		70,250		63,216	
Supplies and services	12,115		28,450		28,450		21,488	
Exhibition support	76,834		77,855		77,855		71,991	
Guernsey Enterprise Agency	25,000		25,000		25,000		8,000	
Promotion of light industry	73,960		73,400		73,400		66,842	
	261,128		274,905		274,955		231,537	
Less recoveries	(836)		(6,000)		(6,000)		(2,345)	
		260,292		268,905		268,955		229,192
Central Services								
Premises	28,312		44,000		44,000		29,477	
Staff	133,667		140,390		140,640		97,599	
Supplies and services	56,531		69,970		69,970		56,992	
		218,510		254,360		254,610		184,068
Economic and Strategic Advisory Service								
Staff	54,089		56,250		56,350		51,714	
Supplies and services	71,049		103,493		75,100		71,433	
Consultants fees	11,226		30,200		30,200		31,688	
Contracted-out work	8,455		-		-		314	
	144,819		189,943		161,650		155,149	
Less recoveries	(81,970)		(31,800)		(31,800)		(63,326)	
		62,849		158,143		129,850		91,823
Employment Services								
Staff	34,784		51,800		51,900		33,949	
Supplies and services	21,243		44,610		44,610		45,905	
Field workers wages	88,733		221,900		221,900		170,926	
Contracted-out work	1,023		2,100		2,100		1,961	
	145,783		320,410		320,510		252,741	
Less recoveries	(11,706)		(12,000)		(12,000)		(15,258)	
		134,077		308,410		308,510		237,483
Guernsey Promotional Agency		150,000		150,000		150,000		37,500
Health and Safety Executive								
Staff	174,800		199,650		200,100		184,654	
Supplies and services	29,548		58,920		58,920		36,541	
	204,348		258,570		259,020		221,195	
Less recoveries	-		(6,300)		(6,300)		-	
	204,348		252,270		252,720		221,195	
Less operating income	(5,789)		(12,000)		(12,000)		(6,735)	
		198,559		240,270		240,720		214,460
Industrial Relations Services								
Staff	128,808		117,100		117,350		114,140	
Supplies and services	29,855		37,100		37,100		26,039	
Contracted-out work	19,653		5,450		5,450		-	
		178,316		159,650		159,900		140,179
Promotion of E-Business								
Premises	134		37,700		57,700		-	
Staff	185,621		190,000		190,000		83,457	
Supplies and services	480,006		942,300		1,022,300		497,789	
Consultants fees	135,288		240,000		170,000		55,273	
Grants	55,094		90,000		60,000		41,267	
Contribution to Advisory and Finance Committee	-		-		-		28,743	
		856,143		1,500,000		1,500,000		706,529
Strategic Projects								
Consultants fees	59,440		90,000		-		-	
Less recoveries	(34,440)		(65,000)		-		-	
		25,000		25,000		-		-

BOARD OF INDUSTRY
EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Trading Standards Services								
Staff	147,923		164,750		165,000		142,472	
Supplies and services	28,163		44,720		44,720		26,028	
Contracted-out work	300		-		-		-	
	176,386		209,470		209,720		168,500	
<i>Less recoveries</i>	-		(2,000)		(2,000)		-	
	176,386		207,470		207,720		168,500	
<i>Less operating income</i>	(2,591)		(1,650)		(1,650)		(2,817)	
		173,795		205,820		206,070		165,683
Training								
Investors in People		7,294		18,500		18,500		28,481
Utilities - Regulatory Framework								
Consultants fees		297,762		250,000		250,000		16,231
Total Ordinary Revenue Expenditure		2,698,496		3,672,708		3,621,015		2,202,170
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(186,015)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		2,698,496		3,672,708		3,435,000		2,202,170

Note :

Non Audit Services

The 2002 revenue expenditure of this Committee includes non-audit services provided by KPMG amounting to £66,650.

CADASTRE COMMITTEE
EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Cadastre, Rent control and collection of Tax on Rateable Values								
Premises		4,934		6,700		6,700		4,189
Staff		177,973		175,810		176,160		175,124
Supplies and services		25,817		27,700		27,700		30,265
		208,724		210,210		210,560		209,578
<i>Less recoveries</i>		(12,299)		(9,000)		(9,000)		(11,199)
		196,425		201,210		201,560		198,379
Total Ordinary Revenue Expenditure		196,425		201,210		201,560		198,379
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(11,560)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		196,425		201,210		190,000		198,379

CHILDREN BOARD**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Central Services								
Premises	63,430		35,900		35,900		34,316	
Staff	612,663		654,300		610,400		610,980	
Supplies and services	323,002		383,600		383,600		316,051	
Consultants fees	78,954		100,000		-		-	
	1,078,049		1,173,800		1,029,900		961,347	
<i>Less recoveries</i>	(1,735)		(2,500)		(2,500)		(3,590)	
		1,076,314		1,171,300		1,027,400		957,757
Community Services								
Premises	34,685		62,200		62,200		59,392	
Staff	1,103,331		1,087,500		1,089,400		976,139	
Supplies and services	48,248		61,400		61,400		51,642	
	1,186,264		1,211,100		1,213,000		1,087,173	
<i>Less recoveries</i>	(215)		(100)		(100)		(82)	
		1,186,049		1,211,000		1,212,900		1,087,091
Home Finding Services								
Premises	51,047		40,100		40,100		38,275	
Staff	1,088,035		1,051,600		1,053,200		1,046,732	
Supplies and services	116,177		108,200		108,200		112,321	
Local fostering and adoption	472,891		541,000		541,000		495,774	
Out of Island placements	1,640,388		1,747,500		993,500		1,152,799	
	3,368,538		3,488,400		2,736,000		2,845,901	
<i>Less recoveries</i>	(6,077)		(7,800)		(7,800)		(8,277)	
		3,362,461		3,480,600		2,728,200		2,837,624
Total Ordinary Revenue Expenditure		5,624,824		5,862,900		4,968,500		4,882,472
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(98,500)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		5,624,824		5,862,900		4,870,000		4,882,472

CIVIL DEFENCE COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises		19,856		18,300		18,300		10,142
Staff		47,020		59,300		59,400		55,124
Supplies and services		46,279		48,100		48,100		32,455
		113,155		125,700		125,800		97,721
<i>Less recoveries</i>		(800)		(800)		(800)		(780)
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		112,355		124,900		125,000		96,941

CIVIL SERVICE BOARD EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Staff		741,976		758,650		760,000		705,076
Supplies and services		424,316		514,300		489,800		398,032
Consultants fees		100,888		95,000		20,000		7,546
		<u>1,267,180</u>		<u>1,367,950</u>		<u>1,269,800</u>		<u>1,110,654</u>
<i>Less recoveries</i>		(15,947)		(12,000)		(12,000)		(21,864)
		<u>1,251,233</u>		<u>1,355,950</u>		<u>1,257,800</u>		<u>1,088,790</u>
Total Ordinary Revenue Expenditure		1,251,233		1,355,950		1,257,800		1,088,790
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(17,800)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		1,251,233		1,355,950		1,240,000		1,088,790

Note :

Non Audit Services

The 2002 revenue expenditure of this Committee includes non-audit services provided by KPMG amounting to £4,552.

EDUCATION COUNCIL EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises		381,043		173,400		73,400		174,757
Staff		1,273,173		1,243,100		1,243,100		1,204,769
Supplies and services		496,562		319,660		292,300		352,116
Appointment of teachers		533,614		500,900		500,900		443,693
Consultants fees		42,987		52,700		2,700		28,829
		<u>2,727,379</u>		<u>2,289,760</u>		<u>2,112,400</u>		<u>2,204,164</u>
<i>Less recoveries</i>		(2,443)		(4,000)		(4,000)		(6,266)
		<u>2,724,936</u>		<u>2,285,760</u>		<u>2,108,400</u>		<u>2,197,898</u>
<i>Less operating income</i>		(119,461)		(108,000)		(8,000)		(66,092)
		<u>2,605,475</u>		<u>2,177,760</u>		<u>2,100,400</u>		<u>2,131,806</u>
Central Services								
Premises		213,071		219,300		219,300		209,378
Staff		1,661,552		1,436,100		1,436,100		1,384,294
Supplies and services		1,253,360		1,812,600		1,812,600		968,494
Grants								
Library service - payments to Guille Alles Library		296,500		297,500		297,500		270,200
Youth Service		135,811		133,000		133,000		119,032
		<u>3,560,294</u>		<u>3,898,500</u>		<u>3,898,500</u>		<u>2,951,398</u>
<i>Less recoveries</i>		(56,024)		(53,000)		(53,000)		(50,552)
		<u>3,504,270</u>		<u>3,845,500</u>		<u>3,845,500</u>		<u>2,900,846</u>
Further Education								
Apprenticeship Scheme								
Grants to employers		549,008		625,000		625,000		573,739
		<u>549,008</u>		<u>625,000</u>		<u>625,000</u>		<u>573,739</u>
College of Further Education								
Premises		137,655		137,200		137,200		146,689
Staff		4,189,812		4,032,500		3,932,500		3,994,742
School supplies		632,934		619,800		619,800		665,563
		<u>4,960,401</u>		<u>4,789,500</u>		<u>4,689,500</u>		<u>4,806,994</u>
<i>Less recoveries</i>		(51,797)		(49,000)		(49,000)		(56,138)
		<u>4,908,604</u>		<u>4,740,500</u>		<u>4,640,500</u>		<u>4,750,856</u>
<i>Less operating income</i>		(589,251)		(496,500)		(396,500)		(558,470)
		<u>4,319,353</u>		<u>4,244,000</u>		<u>4,244,000</u>		<u>4,192,386</u>
		4,868,361		4,869,000		4,869,000		4,766,125

EDUCATION COUNCIL

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Grants and Scholarships								
Blanchelande College	472,573		475,000		60,000		62,631	
Elizabeth College	1,701,228		1,694,200		1,612,800		1,609,093	
Ladies College	1,294,131		1,274,000		1,214,000		1,176,444	
Southampton University	500		500		500		1,000	
Sports	71,800		71,800		71,800		70,700	
Maintenance grants	151,264		181,200		181,200		147,473	
	3,691,496		3,696,700		3,140,300		3,067,341	
Less recoveries	(33,232)		(30,000)		(50,000)		(19,816)	
		3,658,264		3,666,700		3,110,300		3,047,525
Schools								
Secondary sector								
Premises	583,617		660,100		580,100		591,637	
Staff	10,516,409		11,270,800		10,804,600		9,802,830	
School supplies	842,421		919,300		919,300		841,329	
	11,942,447		12,850,200		12,304,000		11,235,796	
Less recoveries	(23,736)		(28,500)		(28,500)		(48,399)	
	11,918,711		12,821,700		12,275,500		11,187,397	
Primary sector								
Premises	607,607		570,600		490,600		540,884	
Staff	8,974,086		8,871,700		8,594,700		8,708,140	
School supplies	372,203		361,400		361,400		365,095	
	9,953,896		9,803,700		9,446,700		9,614,119	
Less recoveries	(19,707)		(12,900)		(12,900)		(15,366)	
	9,934,189		9,790,800		9,433,800		9,598,753	
Voluntary sector								
Premises	37,433		37,400		37,400		41,028	
Staff	996,024		964,800		964,800		921,161	
School supplies	40,716		38,100		38,100		41,518	
	1,074,173		1,040,300		1,040,300		1,003,707	
		22,927,073		23,652,800		22,749,600		21,789,857
Special Education								
Special Education Services								
Premises	24,022		26,400		26,400		19,391	
Staff	1,465,096		1,376,900		1,026,900		1,303,876	
Supplies and services	51,431		47,900		47,900		59,031	
Residential placements	743,515		800,000		900,000		652,511	
	2,284,064		2,251,200		2,001,200		2,034,809	
Schools								
Premises	102,360		100,700		100,700		102,249	
Staff	1,888,001		1,698,000		1,698,000		1,693,898	
School supplies	66,240		52,300		52,300		49,792	
	2,056,601		1,851,000		1,851,000		1,845,939	
Less recoveries	(678)		(1,000)		(1,000)		(536)	
	2,055,923		1,850,000		1,850,000		1,845,403	
		4,339,987		4,101,200		3,851,200		3,880,212
Total Ordinary Revenue Expenditure		41,903,430		42,312,960		40,526,000		38,516,371
Less Use of Accumulated Unspent Balances		-		-		(106,000)		-
		41,903,430		42,312,960		40,420,000		38,516,371
Guille Alles Library								
Grant		789,000		789,000		790,000		766,650
Higher and Advanced Education		5,405,411		5,680,000		5,680,000		4,936,332
Less Use of Accumulated Unspent Balances		-		-		(230,000)		-
		5,405,411		5,680,000		5,450,000		4,936,332
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		48,097,841		48,781,960		46,660,000		44,219,353

Note :

Non Audit Services

The 2002 revenue expenditure of this Committee includes non-audit services provided by KPMG amounting to £9,500.

GAMBLING CONTROL COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Staff		3,888		4,200		4,200		3,532
Supplies and services		694		1,800		1,800		511
Casino gaming proposals		903		5,000		5,000		193
Total Ordinary Revenue Expenditure		5,485		11,000		11,000		4,236
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(5,000)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		5,485		11,000		6,000		4,236

GUERNSEY SOCIAL SECURITY AUTHORITY**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Non Contributory Services								
Premises		31,886		37,000		37,000		35,268
Staff		726,350		750,300		752,300		706,710
Supplies and services		398,995		554,700		554,700		526,451
Attendance and invalid care allowance		1,734,245		1,710,000		1,913,300		1,670,972
Concessionary TV licences for the elderly		397,483		380,000		350,000		237,570
Family allowance		6,831,848		6,875,000		6,975,900		6,717,691
Medical expenses assistance scheme		56,199		58,000		58,000		48,863
Special Christmas payments		100		150		175		150
Supplementary benefit scheme		9,593,747		9,585,000		9,711,800		9,273,353
		19,770,853		19,950,150		20,353,175		19,217,028
Grants								
General provision for grants to charities approved by States Resolution		-		150,000		150,000		-
Guernsey Branch of the Samaritans		4,120		-		-		4,001
Guernsey Citizens Advice Bureau		21,120		-		-		12,941
Guernsey Welfare Service		36,370		-		-		35,665
Guernsey Womens Refuge Ltd		16,210		-		-		15,750
Relate		17,240		-		-		16,750
Salvation Army		15,440		-		-		15,000
The Methodist Church (Wesley)		16,000		-		-		12,441
Womens Royal Voluntary Service		23,500		-		-		22,840
		150,000		150,000		150,000		135,388
Health Service								
States grant		6,295,470		6,290,000		6,079,300		5,884,151
Social Insurance								
States grant		24,920,438		24,825,000		24,008,300		23,128,519
Total Ordinary Revenue Expenditure		51,136,761		51,215,150		50,590,775		48,365,086
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(112,000)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		51,136,761		51,215,150		50,478,775		48,365,086

HERITAGE COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Archive Service								
Premises	5,214		5,140		5,140		3,158	
Staff	111,120		111,575		111,775		97,415	
Supplies and services	32,559		37,370		30,450		27,377	
		148,893		154,085		147,365		127,950
Historic Sites								
Premises	23,414		32,640		32,640		32,599	
Staff	78,165		65,900		66,000		65,281	
Supplies and services	30,085		30,970		30,970		21,723	
Consultants fees	5,258		8,000		8,000		10,080	
Upkeep, repair and restoration	67,305		264,500		164,500		44,282	
	204,227		402,010		302,110		173,965	
<i>Less operating income</i>	(469)		(1,500)		(1,500)		(457)	
		203,758		400,510		300,610		173,508
Museums and Galleries								
Premises	34,400		27,300		27,300		29,801	
Staff	723,630		739,950		740,650		748,087	
Supplies and services	270,779		365,373		285,500		227,664	
Consultants fees	3,526		38,000		38,000		831	
Contracted-out work	1,848		2,000		2,000		1,755	
Upkeep, repair and restoration	14,152		12,500		12,500		16,093	
	1,048,335		1,185,123		1,105,950		1,024,231	
<i>Less operating income</i>								
Sale of souvenirs and pamphlets	(64,384)		(83,900)		(83,900)		(80,173)	
<i>Less cost of sales</i>	47,421		28,500		28,500		26,676	
Catering sales	(10,007)		(86,000)		(86,000)		(89,008)	
<i>Less cost of sales</i>	12,345		40,000		40,000		42,895	
	(14,625)		(101,400)		(101,400)		(99,610)	
Admission charges	(190,958)		(220,800)		(220,800)		(197,358)	
Entertainment events - ticket sales	(56,018)		(37,450)		(40,650)		(42,514)	
Rent, etc.	(507)		(4,275)		(1,075)		(4,721)	
	(262,108)		(363,925)		(363,925)		(344,203)	
		786,227		821,198		742,025		680,028
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		1,138,878		1,375,793		1,190,000		981,486

COMMITTEE FOR HOME AFFAIRS**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Fire Brigade								
Premises	97,570		93,200		72,200		50,839	
Staff	2,225,371		2,255,300		2,266,800		2,127,464	
Supplies and services	448,143		466,600		262,900		276,710	
	2,771,084		2,815,100		2,601,900		2,455,013	
<i>Less recoveries</i>	(192)		(1,200)		(1,200)		(390)	
	2,770,892		2,813,900		2,600,700		2,454,623	
<i>Less operating income</i>	(6,909)		(700)		(700)		(1,619)	
		2,763,983		2,813,200		2,600,000		2,453,004
Police Force								
Premises	116,905		128,650		103,650		87,997	
Staff	7,434,132		7,294,600		7,309,300		6,623,078	
Supplies and services	1,660,103		1,781,650		1,568,450		1,623,720	
	9,211,140		9,204,900		8,981,400		8,334,795	
<i>Less recoveries</i>	(46,719)		(43,000)		(43,000)		(44,792)	
	9,164,421		9,161,900		8,938,400		8,290,003	
<i>Less operating income</i>	(9,493)		(6,800)		(6,800)		(6,292)	
	9,154,928		9,155,100		8,931,600		8,283,711	
Total Ordinary Revenue Expenditure								
<i>Less Use of Accumulated Unspent Balances</i>	-		-		(266,600)		-	
		9,154,928		9,155,100		8,665,000		8,283,711
States Prison								
Premises	155,155		181,000		181,000		160,730	
Staff	1,817,728		1,831,900		1,840,000		1,763,776	
Supplies and services	472,995		493,200		493,200		444,296	
	2,445,878		2,506,100		2,514,200		2,368,802	
<i>Less recoveries</i>	(3,259)		-		-		(333)	
	2,442,619		2,506,100		2,514,200		2,368,469	
Total Ordinary Revenue Expenditure								
<i>Less Use of Accumulated Unspent Balances</i>	-		-		(74,200)		-	
	2,442,619		2,506,100		2,440,000		2,368,469	
<i>Less amount received from Crown Revenue Account</i>	(2,442,619)		(2,506,100)		(2,440,000)		(2,368,469)	
		-		-		-		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		11,918,911		11,968,300		11,265,000		10,736,715

COMMITTEE FOR HORTICULTURE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	
Administration								
Staff	147,381		158,250		158,550		151,423	
Supplies and services	8,061		15,990		15,990		14,691	
Consultants fees	21,099		19,050		19,050		38,466	
	176,541		193,290		193,590		204,580	
<i>Less recoveries</i>	(34,799)		(17,500)		(17,500)		(3,150)	
		141,742		175,790		176,090		201,430
Central Services								
Premises	15,289		23,760		23,760		20,565	
Staff	72,180		75,850		75,950		68,092	
Supplies and services	30,442		37,780		37,780		39,762	
		117,911		137,390		137,490		128,419
Industry Services and Support								
Advisory Support Scheme	20,889		50,000		50,000		28,520	
Interest Subsidy Scheme (Votes 31.7.86 and 30.11.88)	168,781		200,000		300,000		226,431	
Market Development Scheme	63,557		185,000		185,000		163,224	
Quality Audit								
Staff	8,243		8,300		8,300		7,958	
Supplies and services	239		590		590		-	
	8,482		8,890		8,890		7,958	
Technical Services								
Staff	158,377		185,700		186,050		174,572	
Supplies and services	18,299		43,230		43,230		24,889	
Consultants fees	587		1,000		1,000		3,955	
	177,263		229,930		230,280		203,416	
<i>Less operating income</i>	(46,100)		(36,000)		(36,000)		(38,093)	
	131,163		193,930		194,280		165,323	
		392,872		637,820		738,170		591,456
Community Horticultural Services								
Arboricultural Services								
Staff	41,777		41,800		41,850		39,151	
Supplies and services	34,899		38,700		38,700		46,827	
Consultants fees	-		800		800		1,356	
Contracted-out work	67,534		40,000		40,000		27,285	
	144,210		121,300		121,350		114,619	
<i>Less recoveries</i>	(9,476)		(1,200)		(1,200)		(5,601)	
	134,734		120,100		120,150		109,018	
Corporate Guernsey								
Floral Guernsey	62,393		43,500		43,500		66,554	
Plant Health								
Staff	55,066		55,000		55,100		53,571	
Supplies and services	18,666		27,000		27,000		19,538	
	73,732		82,000		82,100		73,109	
<i>Less recoveries</i>	(7,000)		-		-		-	
	66,732		82,000		82,100		73,109	
<i>Less operating income</i>	(1,400)		(1,000)		(1,000)		(1,858)	
	65,332		81,000		81,100		71,251	
		262,459		244,600		244,750		246,823
Total Ordinary Revenue Expenditure		914,984		1,195,600		1,296,500		1,168,128
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(6,500)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		914,984		1,195,600		1,290,000		1,168,128

HOUSING AUTHORITY

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Staff	647,266		726,000		727,500		663,816	
Supplies and services	161,306		208,450		208,450		142,233	
Consultants fees	33,131		7,500		7,500		10,742	
		841,703		941,950		943,450		816,791
Document Duty and Treizieme Grant Scheme		108,589		215,000		304,000		124,939
Residential Homes								
Premises	108,813		137,800		137,800		147,705	
Staff	1,134,061		1,090,750		1,091,000		1,070,854	
Supplies and services	140,705		173,350		173,350		131,653	
	1,383,579		1,401,900		1,402,150		1,350,212	
<i>Less recoveries</i>	(3,755)		(3,500)		(3,500)		(3,416)	
		1,379,824		1,398,400		1,398,650		1,346,796
Total Ordinary Revenue Expenditure		2,330,116		2,555,350		2,646,100		2,288,526
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(75,000)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		2,330,116		2,555,350		2,571,100		2,288,526

INCOME TAX AUTHORITY

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge.	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises		46,897		52,360		52,360		45,361
Staff		2,598,687		2,700,884		2,590,605		2,506,074
Supplies and services		966,084		980,035		943,035		964,095
Audit fee		5,212		6,500		6,500		6,217
Consultants fees		-		17,500		17,500		25,589
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		3,616,880		3,757,279		3,610,000		3,547,336

ISLAND DEVELOPMENT COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002	Budget Estimate 2002	Accounts 2001	
	£	£	£	£	£	£
Administration						
Staff		1,532,621	1,770,300	1,773,500		1,483,542
Supplies and services		256,859	349,600	349,600		205,155
Consultants fees		60,095	71,000	71,000		76,600
		1,849,575	2,190,900	2,194,100		1,765,297
<i>Less recoveries</i>		(263)	(200)	(200)		(207)
		1,849,312	2,190,700	2,193,900		1,765,090
<i>Less operating income</i>		(1,520)	(1,800)	(1,800)		(2,609)
		1,847,792	2,188,900	2,192,100		1,762,481
Total Ordinary Revenue Expenditure		1,847,792	2,188,900	2,192,100		1,762,481
<i>Less Use of Accumulated Unspent Balances</i>		-	-	(202,100)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		1,847,792	2,188,900	1,990,000		1,762,481

ISLAND RECEPTION COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002	Budget Estimate 2002	Accounts 2001	
	£	£	£	£	£	£
Visit of Her Majesty The Queen		-	-	-		60,635
Provision of hospitality to visitors		6,886	21,000	21,000		5,391
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		6,886	21,000	21,000		66,026

LIBERATION CELEBRATIONS COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002	Budget Estimate 2002	Accounts 2001	
	£	£	£	£	£	£
Liberation Day						
Co-ordination and staging of celebrations		99,889	93,000	77,500		81,652
<i>Less recoveries</i>		(38,530)	(31,500)	(31,500)		(31,615)
		61,359	61,500	46,000		50,037
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		61,359	61,500	46,000		50,037

OVERSEAS AID COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Supplies and services		900		2,500		2,500		1,911
Contributions to aid overseas								
Africa								
Agriculture and fisheries	60,236						48,101	
Education	95,848						113,624	
Health	261,403						331,594	
Integrated development	174,790						145,891	
	592,277						639,210	
Indian sub-continent								
Agriculture and fisheries	36,368						-	
Education	98,173						-	
Health	63,458						42,830	
Integrated development	4,977						139,564	
	202,976						182,394	
Latin America and the Caribbean								
Agriculture and fisheries	-						27,090	
Education	7,174						-	
Health	37,337						-	
Integrated development	-						12,743	
	44,511						39,833	
Other Asia and Pacific								
Agriculture and fisheries	64,915						24,500	
Education	23,420						7,680	
Health	55,904						12,407	
Integrated development	61,704						11,404	
	205,943						55,991	
		1,045,707		1,047,500		1,047,500		917,428
Emergency Disaster Relief								
Donation to Goma, Democratic Republic of Congo, Volcano Crisis Appeal (AFC 29.1.02)	50,000		50,000		-		-	
Donation to Gujarat, India Earthquake Appeal (AFC 7.2.01)	-		-		-		100,000	
Donation to Southern Africa Famine Crisis Appeal (AFC 7.8.02)	50,000		50,000		-		-	
		100,000		100,000		-		100,000
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		1,146,607		1,150,000		1,050,000		1,019,339

PROBATION SERVICE COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises		9,098		9,100		9,100		5,888
Staff		262,174		266,400		233,800		218,579
Supplies and services		25,018		31,600		31,600		29,229
Total Ordinary Revenue Expenditure		296,290		307,100		274,500		253,696
Less Use of Accumulated Unspent Balances		-		-		(17,500)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		296,290		307,100		257,000		253,696

PUBLIC ASSISTANCE AUTHORITY**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises	2,489		3,100		3,100		2,385	
Staff	56,861		51,900		52,000		51,773	
Supplies and services	18,991		10,900		10,900		11,050	
		78,341		65,900		66,000		65,208
Grants to Parochial Outdoor Assistance Boards		263,864		268,000		186,000		195,795
Medical Assistance Scheme		8,522		6,000		6,000		5,320
Welfare Hostel - St Julian's House								
Premises	41,228		44,445		44,445		63,018	
Staff	288,800		289,335		289,535		280,516	
Supplies and services	48,337		42,620		42,620		47,696	
Consultants fees	1,300		3,650		3,650		(535)	
		379,665		380,050		380,250		390,695
<i>Less recoveries</i>		(6,792)		(6,250)		(6,250)		(6,149)
		372,873		373,800		374,000		384,546
<i>Less operating income</i>		(106,486)		(90,000)		(94,000)		-
		266,387		283,800		280,000		384,546
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		617,114		623,700		538,000		650,869

PUBLIC THOROUGHFARES COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Supplies and services		10,901		5,675		5,675		8,545
Pumping Stations								
Supplies and services	166,379		195,000		195,000		179,151	
Upkeep and repairs	432,834		396,000		396,000		487,634	
		599,213		591,000		591,000		666,785
Retaining Walls								
Upkeep and repairs		25,324		15,000		15,000		15,388
Sewage Tankers								
Staff	1,109,125		1,171,225		1,175,625		1,100,944	
Supplies and services	-		-		-		(2,321)	
Contracted out work	487,965		570,000		520,000		507,940	
		1,597,090		1,741,225		1,695,625		1,606,563
<i>Less operating income</i>		(1,260,024)		(1,138,500)		(1,138,500)		-
		337,066		602,725		557,125		1,606,563
Sewers and outfalls								
Consultants fees	160,247		130,000		130,000		172,628	
Sewer descaling	84,000		72,000		72,000		67,404	
Sewer rehabilitation	835,049		1,000,000		1,000,000		437,678	
Upkeep and repairs	229,105		190,000		190,000		161,004	
		1,308,401		1,392,000		1,392,000		838,714
Surface water outfalls and streams								
Staff	36,925		37,125		37,175		41,452	
Supplies and services	1,075		4,300		4,300		1,642	
Rehabilitation and separation	459,856		500,000		500,000		1,721,428	
Upkeep and repairs	253,922		225,000		225,000		246,616	
		751,778		766,425		766,475		2,011,138

PUBLIC THOROUGHFARES COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Upkeep of roads								
Staff	71,322		28,475		28,525		32,076	
Supplies and services	6,246		5,000		5,000		8,097	
Resurfacing and reconstruction	2,972,785		3,130,000		3,130,000		1,879,761	
Road cleaning	946,013		920,000		920,000		880,194	
Upkeep and repairs	242,961		250,700		250,700		371,911	
		4,239,327		4,334,175		4,334,225		3,172,039
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		7,272,010		7,707,000		7,661,500		8,319,172

RECREATION COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Outdoor Sports Facilities								
Premises	101,224		108,765		86,315		92,763	
Staff	120,115		120,965		120,965		106,684	
	221,339		229,730		207,280		199,447	
<i>Less operating income</i>	(124,271)		(128,230)		(128,230)		(131,308)	
		97,068		101,500		79,050		68,139
Policy Implementation and Administration								
Staff	141,818		158,960		159,210		135,765	
Supplies and services	24,452		25,790		25,790		65,651	
		166,270		184,750		185,000		201,416
Sports Development								
Staff	51,486		48,350		48,450		39,624	
Supplies and services	9,988		11,500		11,500		4,447	
Grants								
General	65,246		50,000		50,000		58,510	
Commonwealth games	2,652		20,000		20,000		-	
Island Games 2001	-		-		-		41,373	
Island Games 2003	271,038		271,038		250,000		-	
Sport specific development officers	16,222		16,000		16,000		-	
		416,632		416,888		395,950		143,954
Beau Sejour Centre								
Premises	273,704		442,100		442,100		305,867	
Staff	1,744,622		1,841,550		1,823,800		1,893,556	
Operating expenditure	765,376		842,900		842,900		927,871	
	2,783,702		3,126,550		3,108,800		3,127,294	
<i>Less operating income</i>	(1,610,250)		(1,918,000)		(1,968,000)		(2,317,260)	
	1,173,452		1,208,550		1,140,800		810,034	
<i>Less funding from Channel Islands Lottery</i>	(80,000)		(80,000)		(100,000)		(100,000)	
		1,093,452		1,128,550		1,040,800		710,034
Total Ordinary Revenue Expenditure		1,773,422		1,831,688		1,700,800		1,123,543
<i>Less Use of Accumulated Unspent Balances</i>		-		-		(275,800)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		1,773,422		1,831,688		1,425,000		1,123,543

SEA FISHERIES COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002	Budget Estimate 2002	Accounts 2001	
	£	£	£	£	£	£
Administration						
Staff	159,482		168,110	168,460	153,439	
Supplies and services	18,966		26,440	26,440	21,492	
Consultants fees	11,987		15,000	15,000	9,990	
		190,435		209,900		184,921
Central services						
Premises	5,662		8,800	8,800	6,169	
Staff	26,733		28,130	28,130	20,428	
Supplies and services	11,284		13,990	13,990	11,929	
		43,679		50,920		38,526
Vessel running costs		22,017		39,180		29,822
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		256,131	299,650	300,000		253,269

STATES TRAFFIC COMMITTEE**EXPENDITURE ON REVENUE ACCOUNT**

Heads of Charge	Accounts 2002		Total Authorised 2002	Budget Estimate 2002	Accounts 2001	
	£	£	£	£	£	£
Administration and Vehicle Registration and Licensing						
Premises	11,517		14,750	14,750	10,890	
Staff	735,573		728,700	719,000	673,322	
Supplies and services	308,740		267,250	232,250	196,148	
Consultants fees	16,640		12,000	12,000	7,756	
Contracted-out work	23,800		17,100	7,100	9,123	
	1,096,270		1,039,800	985,100	897,239	
<i>Less operating income</i>	(399,873)		(386,800)	(386,800)	(389,132)	
		696,397		598,300		508,107
Public Transport Department						
Other Public Transport Support						
Supplies and services	7,954		7,900	7,900	9,405	
Scheduled Bus Service Support						
Supplies and services	23,244		14,000	14,000	26,586	
Bus promotions	24,494		56,700	53,200	49,273	
Contract payments	1,486,066		1,486,260	989,000	647,302	
Fleet maintenance	1,445		7,800	7,800	-	
Leasing Charges	(1,260)		(1,260)	-	-	
	1,533,989		1,563,500	1,064,000	723,161	
School Bus Service Support						
Contract payments	280,217		348,500	348,500	330,262	
School Bus Service Vouchers						
Voucher payments	11,013		42,000	42,000	28,334	
<i>Less recoveries</i>	(2,226)		(8,500)	(8,500)	(7,115)	
	8,787	1,830,947	33,500	33,500	21,219	1,084,047
Traffic Department						
Supplies and services	16,657		24,000	18,000	4,372	
Consultants fees	1,095		14,000	14,000	14,055	
Maintenance of car parks and traffic lights	63,885		56,300	56,300	61,082	
Road improvements	12,603		10,000	10,000	36,150	
Signs and lines facilities	296,046		309,500	309,500	293,415	
		390,286		407,800		409,074
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		2,917,630	3,020,200	2,460,000		2,001,228

TOURIST BOARD
EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate, 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises	70,276		98,600		94,900		66,411	
Staff	524,697		555,550		556,550		511,040	
Supplies and services	180,662		176,390		161,750		170,131	
Consultants fees	328,573		411,690		30,000		56,316	
Contracted-out work	34,698		35,800		35,800		68,491	
	1,138,906		1,278,030		879,000		872,389	
<i>Less</i> recoveries	(3,012)		(2,900)		(2,900)		(3,491)	
sales of merchandise	(47,525)		(44,700)		(44,700)		(46,004)	
	1,088,369		1,230,430		831,400		822,894	
<i>Less</i> operating income	(36,758)		(39,000)		(39,000)		(37,063)	
		1,051,611		1,191,430		792,400		785,831
Sales and Marketing								
Staff	319,936		349,350		350,300		340,734	
Marketing activities	2,827,784		2,805,250		2,803,750		3,426,600	
	3,147,720		3,154,600		3,154,050		3,767,334	
<i>Less</i> recoveries	(3,000)		(3,000)		(3,000)		(3,497)	
sales of advertising space	(214,141)		(190,000)		(190,000)		(183,669)	
		2,930,579		2,961,600		2,961,050		3,580,168
Product Development								
Staff	163,799		181,250		181,250		150,595	
Development activities	476,395		566,000		566,000		375,927	
	640,194		747,250		747,250		526,522	
<i>Less</i> recoveries	(5,280)		(29,000)		(29,000)		(4,640)	
	634,914		718,250		718,250		521,882	
<i>Less</i> operating income	(5,616)		(6,000)		(6,000)		(6,380)	
		629,298		712,250		712,250		515,502
Total Ordinary Revenue Expenditure		4,611,488		4,865,280		4,465,700		4,881,501
<i>Less</i> Use of Accumulated Unspent Balances		-		-		(265,700)		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		4,611,488		4,865,280		4,200,000		4,881,501

TRANSPORT BOARD
EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Total Authorised 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Supplies and services	7,090		10,500		8,600		-	
Consultants fees	45,141		11,400		11,400		-	
Contracted-out work	-		8,100		10,000		-	
	52,231		30,000		30,000		-	
<i>Less</i> recoveries	(50)		-		-		-	
		52,181		30,000		30,000		-
Transport Links - Financial Concessions		511,898		650,000		-		-
TOTAL CARRIED TO SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE		564,079		680,000		30,000		-

CAPITAL INCOME AND EXPENDITURE

COMMITTEE CAPITAL INCOME

Heads of Credit	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
ADVISORY AND FINANCE COMMITTEE				
Sale of Guernsey Telecoms - first tranche (Vote 30.5.02)	13,800,000	13,800,000	-	-
BOARD OF ADMINISTRATION				
Chasse at Pointes Rocques, Delancey (AFC 8.1.02)	-	10,000	-	-
Chasse at Rue Pages, St Saviours (AFC 5.12.01)	1,000	1,000	-	-
Delancey Right of Way (AFC 23.4.02)	500	500	-	-
Grandes Maison Road wayleaves (AFC 19.9.01)	-	-	5,100	5,200
Land adjacent to St Matthews Church (AFC 24.10.01)	500	500	-	-
Land at Arsenal Road (AFC 9.7.02)	-	1,000	-	-
Land at Fort George (AFC 16.1.02)	50,000	50,000	-	-
Land at Victoria Avenue (AFC 16.1.02)	-	100	-	-
BOARD OF INDUSTRY				
Fieldworkers vehicles	700	700	-	-
HOUSING AUTHORITY				
Les Effards wayleave (AFC 14.8.02)	-	10,000	-	-
Properties in the Bordage, St. Peter Port - sale by tender (AFC 5.7.00)	-	-	188,425	241,000
Sale of incompatible housing stock (Vote 31.1.96)	130,000	110,000	200,000	144,555
RECREATION COMMITTEE				
Loan repayments	300	300	300	300
SEA FISHERIES COMMITTEE				
Loans Fund capital repayments (Vote 10.7.97)	7,821	6,280	6,400	10,812
Per published accounts 2001	-	-	-	693,224
TOTAL CAPITAL INCOME	13,990,821	13,990,380	400,225	1,095,091

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
ADVISORY AND FINANCE COMMITTEE								
CIEG cable link - fibre optic capacity connection (Vote 26.7.00 : £10,000,000)		174,045		200,000		1,900,000		76,226
Commemoration of the Millennium								
Reservoir Walk (Vote 25.2.99 : £200,000)		26,540		25,000		-		96,139
Consultants fees and site investigations - net expenditure / (recovery) (Votes 11.12.91, 14.7.94, 12.7.95 and 15.7.99 : £2,100,000)		(566,436)		(525,000)		100,000		103,367
Corporate finance and purchasing system (Votes 31.1.01 and 12.12.01 : £5,000,000)		360,042		400,000		250,000		3,701,442
Corporate IT projects (Vote 10.7.02 and various : £1,735,750)		66,721		200,000		377,400		204,728
Priaulx Library computer and security systems (AFC 26.2.02 : £92,000)		89,788		89,788		85,000		-
Royal Court House - Security measures (AFC 1.5.02 and 2.10.02 : £56,000)		-		56,000		60,000		-
St. James Assembly Rooms - contribution to path (AFC 7.8.02 : £20,000)		20,000		20,000		-		-
States of Alderney net Capital Expenditure		638,570		1,413,314		1,182,085		12,111
States of Guernsey mapping project - Global positioning base station (AFC 19.1.00 : £35,000)		1,593		1,593		-		475
Treasury corporate infrastructure upgrade - Phase I (AFC 24.10.01 : £30,000)		2,882		17,800		-		12,163
Proposed New Projects Per Capital Programme								
Major Construction and Development Projects	-		-		340,000		-	
Miscellaneous Capital Works	-		40,000		435,000		-	
Equipment, Machinery and Vehicles	-		-		24,000		-	
ICT Projects	-		-		320,000		-	
		-		40,000		1,119,000		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		356,304
TOTAL ADVISORY AND FINANCE COMMITTEE CAPITAL EXPENDITURE		813,745		1,938,495		5,073,485		4,562,955
AGRICULTURE AND COUNTRYSIDE BOARD	£	£	£	£	£	£	£	£
Animal carcass crane (AFC 18.9.02 : £16,000)		-		16,000		-		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		5,500
TOTAL AGRICULTURE AND COUNTRYSIDE BOARD CAPITAL EXPENDITURE		-		16,000		-		5,500

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF ADMINISTRATION								
Alderney Airport net Capital Expenditure		334,034		576,425		365,616		629,702
Central Services								
Bulwer Avenue - Boiler replacement (Vote 19.6.02 : £28,115)		23,465		28,115		-		-
Courts - extension and refurbishment (Vote 27.12.00 and 31.10.02 : £17,500,000)		440,154		550,000		1,500,000		43,191
Energy management measures and equipment (Vote 26.3.92 : £325,000)		531		-		-		4,759
Fermain Bay Kiosk purchase (AFC 15.8.01 : £71,400)		71,400		71,400		-		-
Furzedown, Bulwer Avenue purchase (AFC 13.3.02 : £407,700)		407,700		415,700		-		-
Government House - Tennis courts resurfacing (AFC 2.10.02 : £25,190)		20,000		25,190		-		-
Les Nicolles vinery purchase (AFC 13.11.02 : £1,735,103)		1,735,103		-		-		-
Public conveniences								
Grandes Rocques disabled facilities (AFC 24.7.02 : £64,000)		3,149		32,000		64,000		-
Southside refurbishment (AFC 14.8.02 : £25,000)		-		25,000		25,000		-
Sir Charles Frossard House - Housing Authority relocation / rationalisation (Vote 29.9.99 : £970,400)		34,440		25,000		30,949		270,947
St. Peter Port car parking - feasibility studies (AFC 17.7.01 : £16,500)		(1,054)		(1,153)		10,000		16,554
St. Peter Port car parking and quay enhancement (Vote 9.1.02 : £300,000)		236,818		250,000		-		-
Town Arsenal flats refurbishment (Vote 30.1.02 : £579,007)		464,364		300,000		420,000		-
Customs and Immigration								
Airport CCTV including contribution from Committee for Home Affairs (Vote 31.5.02 : £526,000)		19,336		30,000		100,000		-
Alderney Customs Office (AFC 9.7.02 : £31,100)		27,472		15,750		-		-
Car hall - extension (AFC 26.9.00 : £95,520)		1,685		1,685		-		33,762
CCTV system replacement (Vote 27.1.00 : £199,900)		595		1,000		-		27,182
Computerisation								
Administration server upgrade (AFC 7.7.99 : £65,600)		2,998		2,998		-		3,294
Freight administration system - Phase II (AFC 20.12.96 : £95,000)		18,149		18,255		-		10,000
Suspect index upgrade (AFC 11.7.01 : £21,550)		20,091		21,550		-		-
Drug/Explosive detection equipment (AFC 13.3.02 : £33,395)		30,838		33,395		32,000		-
Drug testing equipment - replacement (AFC 24.4.01 : £21,850)		1,820		500		-		19,903

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF ADMINISTRATION (continued)								
Customs and Immigration (continued)								
New Jetty - office accommodation alterations (AFC 13.6.01 : £28,105)		25,553		25,553		-		2,364
Radio fittings replacement (AFC 11.12.01 : £16,300)		15,968		16,282		-		-
Search equipment (AFC 11.12.01 : £33,100)		32,126		33,100		-		-
Surveillance equipment (AFC 14.6.00 : £42,000)		2,311		2,848		-		3,236
Telephone switchboard replacement (AFC 21.2.01 : £49,750)		8,263		8,000		-		36,103
Property								
Foulon								
Cremator - replacement (Vote 11.5.01 : £928,039)		375,971		450,451		478,039		477,588
Garden of rest - plaque walls (AFC 3.7.02 : £100,000)		59,033		100,000		75,000		-
Path reconstruction (AFC 26.11.02 : £51,000)		16,226		-		-		-
Roads resurfacing (Vote 13.5.02 and AFC 13.11.02 : £57,154)		57,154		54,621		-		-
Market redevelopment - construction phase consultants fees (AFC 20.2.02 : £239,000)		35,770		85,000		-		-
Market redevelopment - final stage consultants fees (AFC 12.12.00 and 20.2.02 : £639,584)		(4,308)		(4,308)		-		431,208
Waste Services								
Energy from waste facility (Vote 28.6.02 and AFC 29.10.02 and 20.11.02 : £2,450,000)		1,135,180		1,285,000		-		-
Landfill sites								
Compactor replacement (AFC 1.5.02 : £156,700)		156,700		156,700		150,000		-
Dyson's Quarry gas extraction system (AFC 14.8.02 : £84,000)		87,262		84,000		-		-
Mont Cuet landfill site								
Quarry preparation for waste disposal (Vote 27.3.97 : £4,608,679)		46,490		10,000		200,000		11,864
St. Germain landfill site								
Area enhancement (AFC 25.8.99 : £55,000)		3,608		4,000		-		(4,660)
Proposed New Projects Per Capital Programme								
Major Construction and Development Projects	-		-		1,500,000		-	
Miscellaneous Capital Works	-		830,000		2,536,000		-	
Equipment, Machinery and Vehicles	-		259,500		312,000		-	
ICT Projects	-		412,000		352,500		-	
		-		1,501,500		4,700,500		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		155,918
TOTAL BOARD OF ADMINISTRATION CAPITAL EXPENDITURE		5,946,395		6,235,557		8,151,104		2,172,915

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF HEALTH								
Central Services								
Finance, Purchasing, Information Management and Technology								
Computer room air conditioning replacement (AFC 25.6.02 : £18,300)		18,300		18,300		-		-
Gigabit Network Hardware (AFC 16.1.02 : £52,740)		52,740		52,740		-		-
IT Hardware additional / replacement (AFC 13.11.02 : £22,000)		21,513		21,500		-		-
Management information system - personnel (AFC 20.5.98 : £89,250)		750		-		-		8,750
Pathology computer system (Vote 18.12.97 : £272,540)		19,946		20,401		-		-
Pathology computer system hardware (AFC 26.3.02 : £71,650)		71,650		71,650		-		-
Personal computers and monitors replacement (AFC 22.5.02 : £63,606)		63,606		63,606		-		-
Personnel Services								
Premises								
Arlington Court - conversion and extension (Vote 28.6.00 : £1,075,558)		23,408		74,273		-		590,774
Grasmere, Oberlands Road - purchase (AFC 5.12.01 : £190,000)		165,600		165,600		-		18,000
Priaulx Site, Oberlands Road - purchase (AFC 6.2.02 : £703,800)		703,800		703,800		600,000		-
Health Care Services								
Equipment (additional)								
Anaesthetic Equipment (AFC 5.12.01 : £65,000)		64,917		64,917		-		-
Anaesthetic Equipment (AFC 14.8.02 : £42,000)		41,407		42,000		-		-
Blood transfusion equipment (AFC 2.10.02 : £53,000)		-		53,000		-		-
Bronchoscope (AFC 13.11.02 : £16,595)		16,595		16,500		-		-
Hoists and Slings (AFC 2.10.02 : £50,450)		48,759		50,450		-		-
Keyhole surgery instrument (AFC 2.10.02 : £20,250)		18,684		20,250		-		-
Laparoscopic and vascular surgery equipment (AFC 17.7.01 : £21,900)		851		851		-		17,466
Multi-Functional Monitors (AFC 22.1.03 : £52,703)		52,703		53,000		-		-
Pressure mattresses (AFC 22.1.03 : £28,236)		28,236		28,000		-		-
Telepathology diagnostic equipment (AFC 11.12.01 : £37,524)		37,254		37,254		-		-
Theatres / Loveridge ward / Pathology - uninterruptible power supply (AFC 22.8.01 : £68,545)		9,664		13,261		-		55,284
Transport incubator and medivac stretcher (AFC 9.11.00 : £35,000)		3,012		3,012		-		21,808

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF HEALTH (continued)								
Health Care Services (continued)								
Equipment (replacement)								
Bed replacement programme - phase II (AFC 2.10.02 : £104,950)		-	104,950		87,000		-	
Blood bank freezer (AFC 27.11.01 : £17,500)		17,500	17,500		-		-	
Blood Pressure machines (AFC 22.1.03 : £24,928)		24,928	25,000		-		-	
Cardiology equipment (AFC 23.10.02 : £31,000)		30,766	31,000		-		-	
Castel and King Edward VII Hospitals								
Furniture and Hospital Equipment (AFC 5.12.01 : £83,963)		63,565	68,906		60,000		15,057	
Furniture and Hospital Equipment (AFC 10.1.02 : £63,000)		61,145	63,000		-		-	
Interim management plan - Phase II (AFC 30.10.01 and 26.3.02 : £67,060)		41,741	51,493		40,000		15,567	
Catering equipment (AFC 22.1.03 : £19,795)		19,795	20,000		-		-	
CT Scanner software upgrade (AFC 14.8.02 : £14,500)		-	14,500		14,500		-	
Dining room servery (AFC 17.10.01 : £79,615)		79,165	79,165		-		-	
Endoscopes (AFC 2.10.02 : £97,500)		96,404	97,500		-		-	
Endoscopy washer and associated works (AFC 12.5.99 : £82,870)		2,215	20,168		-		9,934	
Haematology Analysers (AFC 27.11.01 : £41,000)		41,000	41,000		-		-	
Immunocytochemistry machine (AFC 29.10.02 : £65,000)		65,000	65,000		-		-	
Infusion pumps (AFC 27.11.01 : £42,110)		(85)	(85)		-		42,195	
Infusion pumps (AFC 22.1.03 : £38,425)		38,425	38,500		-		-	
Intensive Care Unit ventilator (AFC 26.6.01 : £31,314)		2,888	2,888		-		28,426	
Mammography / stereotactic biopsy machine (AFC 21.3.01 : £135,091)		2,000	2,000		-		132,814	
Pathology department equipment (AFC 9.11.00 : £53,301)		-	6,332		-		43,905	
Pharmacy isolator cabinet (AFC 17.10.01 : £24,732)		24,732	24,732		-		-	
Princess Elizabeth Hospital equipment (AFC 10.1.02 : £78,300)		77,828	77,875		78,000		-	
Radiology equipment - Rooms 1 and 3 (AFC 21.2.01 : £433,515)		1,831	1,831		-		431,615	
Radiology mobile image intensifier (AFC 18.9.02 : £117,000)		115,254	117,000		-		-	
Radiology processing equipment (AFC 16.5.01 and 13.11.01 : £35,000)		535	535		-		33,213	
Urology endoscopic equipment (AFC 3.10.01 : £13,808)		2,440	2,440		-		11,368	

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF HEALTH (continued)								
Health Care Services (continued)								
Premises								
Adolescent unit (AFC 12.1.00 : £36,075)		2,840		2,840		-		12,751
Building and Energy Management System - phase IV (AFC 25.6.02 : £19,500)		19,500		19,500		50,000		-
Divette ward conversion (AFC 6.3.02 : £46,000)		36,922		46,000		-		-
Divette ward relocation (AFC 21.11.01 : £65,600)		63,825		65,600		50,000		-
King Edward VII Hospital								
Boiler decentralisation (Vote 29.9.99 : £343,664)		8,056		8,056		-		36,430
Day hospital (Vote 26.7.00 : £164,432)		15,200		24,603		-		117,064
New Offices and Chapel (AFC 2.10.02 : £85,639)		563		85,639		-		-
La Corbinerie								
Continuing care wards (Vote 24.4.02 : £6,318,928)		1,239,624		2,000,000		1,000,000		-
Creation of public footpath (AFC 8.5.01, 24.7.01 and 12.6.02 : £16,685)		13,661		15,105		-		1,580
Mechanical plant (AFC 13.3.01 : £161,785)		7,346		14,016		-		147,769
Occupational therapy / physiotherapy department conversions (Vote 28.6.00 : £146,084)		695		4,932		-		65,868
Pharmacy refurbishment (Vote 27.6.01 : £598,555)		285,006		340,674		298,555		257,881
Princess Elizabeth Hospital								
Clinical waste incinerator (Vote 28.6.01 : £1,576,817)		972,091		1,100,000		776,817		363,166
Standby generators main control panel replacement (AFC 5.12.01 : £77,630)		71,368		77,630		-		-
Surgical wards - bathroom alterations (AFC 21.11.01 : £21,220)		(3,619)		3,457		30,000		21,220
Transitional care unit (AFC 2.10.02 : £64,200)		1,737		64,200		-		-
Victoria Wing isolation rooms (AFC 7.3.01 and 6.3.02 : £81,912)		131		6,236		-		75,676
Social Care Services								
Duchess of Kent House								
Additional car parking (AFC 29.5.01 : £15,324)		-		458		-		15,324
Window frames / doors replacement - phase I (AFC 21.11.01 : £21,982)		18,659		21,982		-		-
Window frames / doors replacement - phase II (AFC 2.10.02 : £27,600)		-		27,600		20,000		-
Chateau Reve - extension (AFC 4.10.00 and 9.11.00 : £64,040)		-		1,384		-		62,626
Mignot Memorial Hospital								
Day Centre (AFC 3.7.02 : £96,500)		74,524		96,500		50,000		-
Main drain repairs / resurface drive (AFC 19.9.01 : £24,762)		23,619		23,618		-		475

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
BOARD OF HEALTH (continued)								
Social Care Services (continued)								
States Analysts Laboratory - Equipment replacement (AFC 18.9.02 : £29,500)		27,361		29,500		-		-
The Croft alterations (AFC 21.11.01 and 3.7.02 :£23,654)		23,654		23,654		7,000		-
Vehicles - replacement								
Estates department vehicles replacement (AFC 23.10.02 : £34,000)		14,450		34,000		-		-
Fleet car replacement programme (AFC 14.8.02 : £83,442)		83,442		83,442		83,000		-
General Purpose Vans (AFC 24.9.02 : £25,850)		25,849		25,850		25,000		-
Minibus 20-seater (AFC 3.10.01 : £51,928)		51,927		51,928		-		-
Proposed New Projects Per Capital Programme								
Major Construction and Development Projects	-		250,000		-		-	
Miscellaneous Capital Works	-		230,000		2,586,000		-	
Equipment, Machinery and Vehicles	-		364,000		480,500		-	
ICT Projects	-		-		210,000		-	
		-		844,000		3,276,500		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		1,626,858
TOTAL BOARD OF HEALTH CAPITAL EXPENDITURE		5,350,898		7,689,999		6,546,372		4,280,864
BOARD OF INDUSTRY	£	£	£	£	£	£	£	£
Fieldworkers portable toilet unit (AFC 17.4.02 : £8,150)		7,857		8,150		-		-
Trading Standards Office vehicle (AFC 10.4.02 : £9,900)		9,096		9,100		-		-
Proposed New Projects Per Capital Programme								
Miscellaneous Capital Works		-		-		730,000		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		50,768
TOTAL BOARD OF INDUSTRY CAPITAL EXPENDITURE		16,953		17,250		730,000		50,768

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
CHILDREN BOARD								
Child Care computer system (AFC 13.3.01 : £28,000)		8,070		8,400		-		19,600
Community Action Programme								
Garden Hill refurbishment (AFC 17.5.00 : £58,643)		3,853		4,869		-		-
Les Genats Family Centre (AFC 17.7.02 : £249,950)		36,097		249,950		90,000		-
Perruque House / Le Carrefour - refurbishment (Vote 27.1.99 : £468,299)		-		21,618		-		14,872
Rue des Pins Family Centre (AFC 3.4.02 : £74,350)		61,073		62,000		-		-
Proposed New Projects Per Capital Programme								
Miscellaneous Capital Works	-		-		182,000		-	
Equipment, Machinery and Vehicles	-		-		20,000		-	
		-		-	202,000			-
Other Capital Expenditure Per 2001 Accounts		-		-		-		4,793
TOTAL CHILDREN BOARD CAPITAL EXPENDITURE		109,093		346,837		292,000		39,265
	£	£	£	£	£	£	£	£
CIVIL DEFENCE COMMITTEE								
Proposed New Projects Per Capital Programme								
Equipment, Machinery and Vehicles		-		-		60,000		-
TOTAL CIVIL DEFENCE COMMITTEE CAPITAL EXPENDITURE		-		-		60,000		-
	£	£	£	£	£	£	£	£
EDUCATION COUNCIL								
Information and Communication Technology Strategy - Phases II and III								
Communications equipment, server and software (Vote 27.7.00 and 8.8.01 : £197,561)		89,451		123,700		41,992		198,290
Electrical improvements and associated building works								
Preparatory works								
Contract 1 (AFC 24.5.00 and 21.6.00 : £74,962)		2,594		2,600		-		5,449
Contract 2 (AFC 24.5.00 and 21.6.00 : £47,611)		9,046		10,000		-		4,651
Contract 3 (AFC 24.5.00 and 21.6.00 : £73,970)		2,274		2,300		-		19,777
Contract 4 (AFC 24.5.00 and 21.6.00 : £62,809)		4,197		4,200		-		22,434
Primary Schools								
Amherst temporary classrooms/network connections (AFC 22.5.02 : £151,962)		120,454		151,900		150,000		-
Notre Dame, St Andrew's and St Mary and St Michael (AFC 30.7.02 : £245,000)		192,219		245,000		245,000		-

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002	Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£
EDUCATION COUNCIL (continued)							
Preparatory works (continued)							
Secondary Schools							
Final Phase (AFC 22.5.02 : £1,282,562)		952,315	1,282,500	1,282,500		-	
Grammar School alterations - consultants fees (AFC 22.5.02 and 20.11.02 : £314,725)		-	174,500	315,000		-	
Phase I (AFC 17.7.01 : £852,032)		196,299	213,400	252,032		638,548	
St Peter Port School (AFC 16.1.02 : £206,364)		195,106	206,300	205,000		-	
Surveys, etc. (Vote 27.7.00 and AFC 30.10.01 : £209,249)		41,174	70,600	-		110,927	
Equipment and services (Research Machines) (Vote 27.7.00 : £5,753,013)		1,261,877	2,500,000	1,203,000		969,851	
Project management - limited local area networks (AFC 25.7.00 and 20.2.02 : £180,000)		41,146	77,300	-		22,012	
Strategic project management - Phase III (AFC 4.10.00, 10.1.01 and 8.8.01 : £315,000)		169,745	288,000	100,000		136,344	
Training (AFC 18.4.01 : £375,000)		193,311	200,000	200,000		-	
Other projects							
College of Further Education - Management information system replacement (AFC 12.5.99 : £158,740)		(78)	27,100	-		2,317	
Minibus replacements (AFC 26.3.02 : £38,200)		38,200	38,200	20,000		-	
Property General							
Asbestos testing and removal							
Cape contract (AFC 22.5.02 : £78,658)		78,661	78,600	78,500		-	
Clarence contract (AFC 22.5.02 : £49,880)		46,694	49,800	50,000		-	
College of Further Education and other minor works (AFC 1.8.01 : £19,382)		10,868	5,800	-		13,497	
Consultants fees (AFC 6.2.02 : £100,000)		59,650	100,000	100,000		-	
St Peter Port Secondary School boiler room (AFC 20.10.00 : £26,315)		-	2,700	-		5,538	
St Sampsons Secondary School boiler room (AFC 20.10.00 : £23,765)		-	2,400	-		874	
Silverdell contract (AFC 22.5.02 : £12,595)		11,850	12,500	12,500		-	
Various small contracts under £20,000 (AFC 20.10.00 : £215,000)		12,123	20,000	-		76,728	
College of Further Education							
Temporary accommodation (AFC 26.6.01 : £99,639)		12,872	19,500	-		80,116	
Temporary classrooms (AFC 22.5.02 : £90,148)		76,980	90,100	-		-	
Fire detection and prevention system consultants fees (AFC 29.1.02 : £85,535)		9,881	85,500	85,000		-	
Floraville, Vauvert - conversion to teachers accommodation (Vote 25.8.99 : £99,000)		2,128	2,600	-		12,180	

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
EDUCATION COUNCIL (continued)								
Property General (continued)								
Forest Primary School redevelopment (Vote 25.3.98 : £2,825,297)		7,370		4,000		-		11,009
Hautes Capelles Junior School - Modernisation and extensions (Vote 1.6.95 : £2,979,316)		17,621		18,100		-		-
Oakvale School - construction (Vote 14.2.91 : £2,581,955)		-		90,000		-		-
Purchase of land								
Rue des Monts, St. Sampsons (AFC 8.5.02 : £30,000)		-		30,000		-		-
St. Annes School								
Boiler replacement (AFC 11.7.01 : £42,248)		3,252		7,100		-		35,103
Extension (Vote 28.6.00 : £674,624)		3,874		28,000		-		318,510
St. Sampsons Secondary School								
Boilers replacement (AFC 30.10.01 : £81,380)		13,501		15,600		70,000		65,703
Modernisation and extension Phase I (Vote 30.6.93 : £1,680,597)		-		48,000		-		-
Modernisation and extension Phase II (Vote 1.12.94 : £421,825)		-		12,000		-		-
School workshops								
Health and safety review - Phase II (AFC 11.7.01 : £26,650)		494		2,200		-		24,424
Health and safety review - Phase III (AFC 28.5.02 : £97,000)		97,107		97,000		160,000		-
Vauvert School								
Boilers replacement (Vote 22.5.02 : £14,045)		-		14,000		-		-
Dry rot and maintenance repairs (Vote 27.6.01 : £250,000)		74,262		82,300		50,000		127,670
Modernisation (Vote 29.6.95 : £632,971)		-		8,000		-		-
Site Development Plan								
Project execution plan (Vote 25.4.02 : £4,000,000)		433,975		500,000		-		-
Proposed New Projects Per Capital Programme								
Miscellaneous Capital Works	-		215,000		3,945,000		-	
ICT Projects	-		-		302,500		-	
		-		215,000		4,247,500		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		11,604
TOTAL EDUCATION COUNCIL CAPITAL EXPENDITURE		4,482,493		7,258,400		8,868,024		2,913,556

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
HERITAGE COMMITTEE								
Asterix, Gallo-roman wreck - preservation treatment work (Vote 27.1.99 : £159,520)		30,000		30,000		20,000		20,000
Castle Cornet								
201 Squadron Museum refurbishment / redisplay (Vote 25.10.00 : £239,233)		3,095		-		-		198,591
Guernsey Museum and Art Gallery								
Computer link to sites (AFC 11.7.01 : £63,655)		12,219		12,274		-		51,381
Heating ventilation system replacement / new art gallery (Vote 28.5.97 : £263,299)		-		6,909		-		19,166
Van replacement (AFC 5.12.01 : £12,865)		12,865		12,865		-		-
Proposed New Projects Per Capital Programme								
Miscellaneous Capital Works	-		-		50,000		-	
Equipment, Machinery and Vehicles	-		-		250,000		-	
		-		-		300,000		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		30,966
TOTAL HERITAGE COMMITTEE CAPITAL EXPENDITURE		58,179		62,048		320,000		320,104
COMMITTEE FOR HOME AFFAIRS	£	£	£	£	£	£	£	£
Fire Brigade / Police Force radio system replacement (Vote 27.9.01 : £1,625,000)		38,355		1,429,243		900,000		195,756
Fire Brigade								
Equipment - replacement								
Compressor (AFC 13.3.01 : £17,362)		791		1,999		-		15,363
Light strike vehicle (AFC 19.9.01 : £119,515)		47,258		50,164		59,515		69,351
Trailer lighting unit (AFC 14..8.02 : £8,950)		8,934		8,950		-		-
Water Tanker (AFC 3.7.02 : £96,500)		-		40,000		102,000		-
Wireless staff car (AFC 24.7.01 and 17.2.03 : £8,940)		10,685		10,551		-		(1,745)
Wireless staff car (AFC 16.1.02 : £8,850)		8,763		8,850		25,000		-
Information Technology								
Computer development programme (AFC 20.12.00 : £42,000)		24,106		23,982		5,000		18,018
Management information system (AFC 13.6.01 : £74,800)		70,500		74,800		21,800		-
Premises								
Control Room refitting (AFC 30.1.02 : £110,000)		64,318		48,000		75,000		-
Control Room relocation (AFC 30.1.02 : £212,490)		-		112,000		200,000		-
Vehicle exhaust extraction system (AFC 16.1.02 : £35,353)		23,681		25,000		-		-

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
COMMITTEE FOR HOME AFFAIRS (continued)								
Police Force								
Equipment - replacement								
Audio / visual radio alarms (AFC 7.3.01 : £15,000)		1,346		6,330		-		2,670
Colour printer / copier (AFC 24.4.01 : £28,000)		27,991		27,991		-		-
Diving Section trailer (AFC 7.3.01 : £9,000)		78		1,569		-		7,431
Photocopier - General office (AFC 10.4.02 : £9,500)		6,637		6,637		9,500		-
Photo processing machine (AFC 10.4.02 : £12,000)		3,889		3,889		12,000		-
Print Department equipment (AFC 7.3.01 : £24,950)		24,950		24,950		-		-
Radio test equipment (AFC 29.3.00 : £23,000)		3,343		12,000		-		-
Secure mail system (AFC 29.3.00 : £6,500)		-		4,500		-		-
Technical support equipment (AFC 10.4.02 : £18,500)		18,124		18,500		20,000		-
Tradenet dealer board (AFC 7.3.01 and 21.11.01 : £49,600)		49,500		49,500		-		-
Vehicles 2002 (AFC 10.4.02 : £59,500)		40,154		50,000		71,500		-
Voice mail (AFC 7.3.01 : £25,000)		16,481		12,000		-		-
Information Technology								
Computer development programme (phase 9) (AFC 7.3.01 : £82,000)		24,446		25,000		42,000		47,958
Computers replacement/upgrade (AFC 10.4.02 : £60,000)		21,625		50,000		60,000		-
Fixed penalty tickets automation (AFC 17.4.02 : £30,000)		14,331		25,000		10,000		-
Forensic Computing equipment (AFC 10.4.02 : £8,000)		8,095		8,000		8,000		-
Intelligence database - phase I (AFC 17.3.99 : £25,000)		5,400		5,400		-		14,850
Intelligence database - phase II (AFC 29.3.00 : £50,000)		450		30,000		25,000		-
Ports users national computer system (AFC 10.1.97 : £12,000)		-		5,000		-		-
Server replacement and network upgrade (AFC 17.4.02 : £75,000)		74,948		75,000		40,000		-
Premises								
CCTV - Alderney Office (AFC 10.4.02 : £47,000)		4,406		40,000		47,000		-
CCTV - Microwave Link replacement (AFC 29.3.00 : £41,780)		2,510		11,397		-		18,399
Teaching facilities - refurbishment (AFC 7.3.01 : £10,000)		10,000		10,000		-		-

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
COMMITTEE FOR HOME AFFAIRS (continued)								
States Prison								
Equipment - additional								
Internal communication system (AFC 22.11.00 : £12,000)		869		3,313		-		8,687
Record storage facilities (AFC 29.8.01 : £10,000)		130		424		-		9,576
Equipment - replacement								
CCTV replacement programme (AFC 6.3.02 : £10,000)		-		8,000		10,000		-
Internal CCTV system upgrade (AFC 6.3.02 : £40,000)		1,307		20,000		20,000		-
Kitchen equipment (AFC 25.9.01 : £15,000)		-		468		-		14,532
Laundry equipment replacement (AFC 3.7.02 : £10,000)		5,746		8,000		-		-
Personnel Carrier (AFC 28.5.02 : £17,518)		17,331		17,518		-		-
Telephone system (AFC 6.2.02 : £13,250)		13,250		13,250		-		-
Information Technology								
Computer database (AFC 25.7.00 : £20,000)		1,944		2,025		-		16,834
Computer development (AFC 6.3.02 : £25,000)		24,898		20,000		10,000		-
Education centre computers (AFC 6.3.02 : £15,000)		14,454		15,000		-		-
Premises								
Control room - Lightning protection (AFC 17.10.01 : £10,720)		10,720		10,720		-		-
Education and interview centre (AFC 26.6.01 : £94,533)		94,481		94,533		-		-
Emergency lighting replacement (AFC 3.7.02 : £10,000)		7,963		8,500		-		-
Flooring replacement (AFC 3.7.02 : £25,000)		7,325		13,000		-		-
Foreign Nationals facilities (AFC 6.3.02 : £15,000)		75		10,000		10,000		-
Gate Lodge doors upgrade (AFC 3.7.02 : £25,000)		24,642		25,000		-		-
Proposed New Projects Per Capital Programme								
Miscellaneous Capital Works	-		246,500		1,076,000		-	
Equipment, Machinery and Vehicles	-		98,000		120,000		-	
ICT Projects	-		-		67,500		-	
		-		344,500		1,263,500		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		324,248
TOTAL COMMITTEE FOR HOME AFFAIRS CAPITAL EXPENDITURE		881,230		2,950,453		3,046,815		761,928
COMMITTEE FOR HORTICULTURE	£	£	£	£	£	£	£	£
Proposed New Projects Per Capital Programme								
Equipment, Machinery and Vehicles		-		-		100,000		-
TOTAL COMMITTEE FOR HORTICULTURE CAPITAL EXPENDITURE		-		-		100,000		-

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
HOUSING AUTHORITY								
Courtil Jacques - construction and conversion Phase I (Vote 24.9.97 : £727,018)		-		5,000		-		-
Courtil Jacques - refurbishment - Phase II (Vote 26.7.00 : £660,549)		112,421		100,874		230,000		510,210
Housing management system (Vote 31.1.96 : £160,000)		-		-		3,634		9,822
La Guelle Flats - six dwellings (Vote 30.6.99 : £479,731)		32,031		-		-		-
Le Bordage - eight dwellings (Vote 31.1.96 : £579,043)		31,657		32,000		-		-
Residential Homes - Lifts upgrade and Boiler replacement (AFC 28.8.02 : £70,000)		21,840		66,000		-		-
Route de Carteret - five dwellings - Phase II (Vote 29.11.00 : £426,964)		50,475		51,000		120,000		357,278
Routes des Coutures - five dwellings (Vote 29.7.99 : £477,785)		2,454		2,600		20,000		22,085
Transfer to States Housing Association Fund (Votes 27.9.01 and 10.7.02 : £11,290,000)		3,000,000		3,000,000		5,000,000		8,290,000
Proposed New Projects Per Capital Programme								
Major Construction and Development Projects	-		2,793,000		-		-	
Miscellaneous Capital Works	-		-		2,840,000		-	
		-		2,793,000		2,840,000		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		4,338,272
TOTAL HOUSING AUTHORITY CAPITAL EXPENDITURE		3,250,878		6,050,474		8,213,634		13,527,667
INCOME TAX AUTHORITY								
Computer Software/office refurbishment (AFC 1.2.00 and Vote 14.12.00 : £360,150)		549		-		-		19,766
Electronic Document Management System (AFC 24.7.02 : £246,000)		70,549		36,000		-		-
Optical Character Recognition System (AFC 16.5.01 : £43,180)		3,279		3,785		-		39,395
Statistical information database (AFC 5.7.00 : £99,050)		21,384		25,394		-		30,888
TOTAL INCOME TAX AUTHORITY CAPITAL EXPENDITURE		95,761		65,179		-		90,049
ISLAND DEVELOPMENT COMMITTEE								
Application processing system replacement (AFC 11.7.00 : £98,950)		20,825		30,000		26,975		-
Proposed New Projects Per Capital Programme								
ICT Projects		-		-		25,000		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		29,396
TOTAL ISLAND DEVELOPMENT COMMITTEE CAPITAL EXPENDITURE		20,825		30,000		51,975		29,396

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002	Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£
PUBLIC THOROUGHFARES COMMITTEE							
Pumping stations							
Kimberley Estate foul water pumping station (AFC 29.8.01 : £52,778)		3,614	(5,000)	-			57,770
Lowlands foul water pumping station upgrade (AFC 14.1.98 : £66,693)		503	-	-			521
Red Lion pumping station upgrade (AFC 21.11.01 : £50,000)		16,493	20,000	20,000			-
St. Sampsons Harbour pumping station / North Side firemain extension including contribution from the Committee for Home Affairs (Vote 6.4.00 : £2,146,664)		905,320	950,000	190,000			587,011
Scada system replacement (AFC 1.2.00 : £263,105)		15,821	-	-			32,622
Vale Pond pumping station upgrade (AFC 24.5.00 : £85,020)		3,747	2,713	-			33,494
Sewage tankers							
Replacement programme (AFC 8.1.02 : £232,300)		227,366	232,300	275,000			-
Sewers and outfalls							
Foul water network extension plan (Vote 25.10.00 and AFC (various) : £7,057,018)		2,294,053	3,290,000	3,000,000			3,758,503
Les Landes Clos wayleave (Vote 18.9.02 : £2,000)		-	2,000	-			-
Les Nouettes foul water drainage (Vote 29.7.99 : £800,275)		1,005	1,005	200,000			12,994
Relining sewers							
La Charroterie Phase III (Vote 25.11.99 : £407,365)		69,662	69,662	-			479
North and South Side laterals rehabilitation (Vote 30.6.99 : £491,052)		1,424	1,424	-			(4,584)
Robergerie Road foul water drainage (AFC 21.6.00 : £35,037)		-	-	2,000			29,934
Route Militaire foul water drainage (AFC 24.5.00 : £82,926)		-	2,138	-			875
Sewer renovation access chambers (AFC 6.6.97 : £50,000)		273	-	-			-
Sewer connection grants (AFC 25.5.99 and 7.8.02 : £300,000)		78,071	60,000	30,000			17,171
Proposed New Projects Per Capital Programme							
Miscellaneous Capital Works		-	-	90,000			-
Other Capital Expenditure Per 2001 Accounts		-	-	-			419,921
TOTAL PUBLIC THOROUGHFARES COMMITTEE CAPITAL EXPENDITURE		3,617,352	4,626,242	3,807,000			4,946,711

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
RECREATION COMMITTEE								
Beau Sejour Centre								
Asbestos removal (AFC 30.10.01 : £85,118)		78,755		72,600		-		32,565
Booking software (AFC 30.7.02 : £50,000)		39,599		40,000		-		-
Brasserie kitchen equipment replacement (AFC 25.6.02 : £12,000)		10,663		12,000		-		-
Furniture replacement (AFC 24.9.02 : £15,000)		-		15,000		-		-
Pool Plant replacement (AFC 21.8.02 : £46,000)		18,462		46,000		-		-
Redevelopment (Votes 11.4.01 and 1.11.01 : £9,000,000)		6,002,986		5,600,000		4,200,000		792,431
Delancey Park								
Closed cycling circuit (AFC 6.3.02 : £60,000)		45,065		60,000		60,000		-
Osmond Prialx Memorial Playing Field								
Athletic facilities upgrade (AFC 8.8.01 : £108,500)		12,042		14,200		-		94,294
Changing rooms / clubhouse facilities (with hockey club) (Vote 27.9.01 : £545,184)		431,538		461,400		445,000		58,753
Grandstand (AFC 20.2.02 : £600,000)		435,478		500,000		600,000		-
Infield upgrade (AFC 22.8.01 : £99,859)		13,653		14,730		-		85,129
Landscaping and general site enhancement (AFC 22.5.02 : £491,000)		309,068		250,000		490,000		-
Transfer to Sports Loan Fund (AFC 17.7.02 : £56,800)		56,800		56,800		-		-
Proposed New Projects Per Capital Programme								
Miscellaneous Capital Works		-		-		205,000		-
Other Capital Expenditure Per 2001 Accounts		-		-		-		35,404
TOTAL RECREATION COMMITTEE CAPITAL EXPENDITURE		7,454,109		7,142,730		6,000,000		1,098,576
SEA FISHERIES COMMITTEE								
Patrol vessel								
Navigation equipment upgrade (AFC 21.8.02 : £18,000)		17,405		18,000		-		-
Refit (AFC 8.5.02 : £50,000)		46,077		50,000		20,000		-
Proposed New Projects Per Capital Programme								
Equipment, Machinery and Vehicles		-		32,000		5,500		-
TOTAL SEA FISHERIES COMMITTEE CAPITAL EXPENDITURE		63,482		100,000		25,500		-

COMMITTEE CAPITAL EXPENDITURE

Heads of Charge	Accounts 2002		Probable Outturn 2002	Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£
STATES TRAFFIC COMMITTEE							
Bus shelters additional (AFC 24.4.01 : £30,000)		-	30,000	30,000		-	
Co-ordination of roadworks - CAMS System (AFC 25.6.02 : £200,000)		114,382	100,000	-		-	
New Buses (AFC 22.5.02 : £3,150,000)		486,004	500,000	-		-	
Office accommodation refurbishment (AFC 26.6.01 : £31,891)		23,891	23,891	50,000		8,000	
Traffic improvements schemes							
Footes Lane traffic calming measures (AFC 18.9.02 : £10,000)		3,889	10,000	-		-	
Halfway Junction traffic signals (AFC 17.4.02 : £96,800)		-	-	90,000		-	
St. Martins traffic management scheme (AFC 7.8.02 : £58,000)		-	58,000	-		-	
Vehicle Registration and Licensing Department - IT System upgrades (AFC 24.10.00 : £80,000)		21,277	40,867	35,000		39,133	
Proposed New Projects Per Capital Programme							
Miscellaneous Capital Works	-		705,000	225,000	-		
ICT Projects	-		25,000	50,000	-		
		-	730,000	275,000		-	
Other Capital Expenditure Per 2001 Accounts		-	-	-		107,106	
TOTAL STATES TRAFFIC COMMITTEE CAPITAL EXPENDITURE		649,443	1,492,758	480,000		154,239	
TOURIST BOARD							
Fortress Guernsey Initiative (Vote 27.10.93 : £500,000)		8,861	8,900	86,000		10,795	
Proposed New Projects Per Capital Programme							
Miscellaneous Capital Works	-		100,000	242,000	-		
ICT Projects	-		-	26,000	-		
		-	100,000	268,000		-	
TOTAL TOURIST BOARD CAPITAL EXPENDITURE		8,861	108,900	354,000		10,795	
TOTAL CAPITAL EXPENDITURE		<u>£32,819,697</u>	<u>£46,131,322</u>	<u>£52,119,909</u>		<u>£34,965,288</u>	

MISCELLANEOUS ACCOUNTS

SUMMARY OF

	2002 £	2001 £
GENERAL REVENUE BALANCES		
Capital Fund - General	41,293,139	31,263,541
Capital Fund - Reserve	98,139,392	90,120,424
Contingency Reserve Fund	147,784,406	131,714,929
General Revenue Account Reserve	55,664,911	41,757,315
Net Working Capital Reserve	39,528,838	39,528,838
States Trading Entities Reserve	131,598,267	52,389,423
 CHANNEL ISLANDS LOTTERY (GUERNSEY) FUND	 79,282	 56,212
 NOTES AND COINS ISSUE		
Notes and coins in circulation	28,908,337	28,028,641
Less face value of precious metal coins	(1,367,568)	(1,091,662)
 NOTES AND COINS WITHDRAWN FROM CIRCULATION		
Awaiting re-issue	1,678,034	1,589,325
Awaiting destruction	1,921,399	563,022
 PORTS HOLDING ACCOUNT	 24,355,554	 25,787,291
 STATES ENTITIES AND OTHER THIRD PARTY DEPOSITS	 63,424,665	 72,308,474
 STATES WORKS DEPARTMENT ACCOUNT	 292,900	 929,938
 VARIOUS CAPITAL ACCOUNTS		
Consolidated Sinking Fund	-	226,507
Farm Loans Fund	913,271	913,271
Fisheries Loans Fund	21,773	29,594
Housing Associations Fund	8,813,543	8,201,242
Housing Development and Loan Fund	33,476,818	32,349,472
Insurance Deductible Fund	1,072,363	899,327
Museum Publications Fund	53,313	50,530
Sewers Connection Loans Fund	230,000	230,000
Sports Loans Fund	226,751	169,951
States Houses Fund	5,146,276	3,660,825
Wilfred Carey Purchase Fund		
Capital Account	1,773,000	1,773,000
Purchase of Exhibits Account	17,630	14,618
Revenue Account	816,665	789,077
	<hr/>	<hr/>
	£685,862,959	£564,253,125
	<hr/>	<hr/>

BALANCES

	2002 £	2001 £
CASH		
At banks	31,741,037	27,231,639
In hand (including notes and coins withdrawn from circulation)	3,677,479	2,474,117
SECURITIES, CASH DEPOSITS, ETC.		
Asset Purchase Fund - Loans outstanding	51,929	35,630
Consolidated Sinking Fund - Investments	-	165,993
Contingency Reserve Fund - Investments	147,784,406	131,714,929
Higher Education and Youth Service - Loans outstanding	612,852	629,539
Farm Loans Fund - Loans outstanding	275,549	269,725
Fisheries Loans Fund - Loans outstanding	21,773	29,594
Housing Development and Loan Fund - Loans outstanding	44,235,336	44,050,375
Office of Utility Regulation - Loan outstanding	150,781	-
Sewers Connection Loans Fund - Loans outstanding	94,260	68,589
Sports Loans Fund - Loans outstanding	216,750	136,750
Miscellaneous securities :		
Certificates of Deposit	258,544,197	236,779,421
Commercial Paper	9,974,386	14,928,877
Deposits with finance houses	25,107,522	62,091,036
Shareholding in States Trading Entities	131,598,267	52,389,423
Debtors and prepayments	79,057,058	60,916,815
Stocks	3,356,337	2,853,844
Creditors and Accruals	(37,139,694)	(25,970,917)
Housing Development and Loan Fund - Private Sector Borrowing	(8,000,000)	(11,000,000)
	<hr/>	<hr/>
	691,360,225	599,795,379
Less Net Assets held in a fiduciary capacity	(5,497,266)	(35,542,254)
	<hr/>	<hr/>
	£685,862,959	£564,253,125
	<hr/>	<hr/>

CAPITAL FUND - GENERAL

	2002 £	2001 £
Balance at 1 January	31,263,541	22,271,351
Appropriation from Revenue Account	21,345,000	31,575,000
Transfers from Capital Fund - Reserve	21,174,045	12,076,226
Sale of incompatible housing stock (Vote 31.1.96)	130,000	325,305
Transfers from committee Revenue Account unspent balances	200,250	280,947
	<hr/>	<hr/>
	74,112,836	66,528,829
<i>Less</i>		
Transfer to Public Thoroughfares Committee revenue budget in respect of Surface Water Separation and Rehabilitation Programme (Vote 26.7.00)	-	(300,000)
<i>Less</i>		
Committee capital expenditure	(32,819,697)	(34,965,288)
	<hr/>	<hr/>
Balance at 31 December	£41,293,139	£31,263,541
	<hr/>	<hr/>

CAPITAL FUND - RESERVE

	2002 £	2001 £
Balance at 1 January	90,120,424	76,070,385
Appropriation from Revenue Account (Votes 14.12.00, 12.12.01 and 10.7.02)	23,000,000	19,000,000
Interest received	6,193,013	7,126,265
<i>Less</i>		
Transfers to Capital Fund - General	(21,174,045)	(12,076,226)
	<hr/>	<hr/>
Balance at 31 December	£98,139,392	£90,120,424
	<hr/>	<hr/>

CONTINGENCY RESERVE FUND

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January	131,714,929	119,214,488
Interest	8,274,449	8,677,938
Investment Management Fees	(278,408)	(254,511)
Net appreciation / (depreciation) of investments - realised and unrealised profits and losses on investments and foreign exchange contracts	3,073,436	(2,122,986)
Transfers from General Revenue (Votes 14.12.00 and 12.12.01)	5,000,000	6,200,000
Balance at 31 December	<u>£147,784,406</u>	<u>£131,714,929</u>

At 31 December, the Reserve was held as follows:

	2002 £	2001 £
Quoted investments		
Government Securities	112,450,443	100,353,061
Other fixed interest securities	25,972,713	14,116,984
	<u>138,423,156</u>	<u>114,470,045</u>
Cash Deposits including accrued interest and Investment Management Fees due	9,361,250	17,244,884
	<u>£147,784,406</u>	<u>£131,714,929</u>

GENERAL REVENUE ACCOUNT RESERVE

	2002 £	2001 £
Balance at 1 January	41,757,315	40,979,866
Appropriation for the year	13,107,846	1,558,396
Transfer from Notes and Coins Account	1,000,000	-
Revenue Unspent Balances transferred to Capital Fund - General	(200,250)	(280,947)
Revenue Unspent Balances transferred to States Houses Fund	-	(500,000)
Balance at 31 December	<u>£55,664,911</u>	<u>£41,757,315</u>

NET WORKING CAPITAL RESERVE

	2002 £	2001 £
Balance at 1 January	39,528,838	39,327,938
Transfer from Board of Health	-	200,900
Balance at 31 December	<u>£39,528,838</u>	<u>£39,528,838</u>

Note :

- a) Since 1995 committee departments have been formally bringing into account sundry debtors, prepayments and stocks. The net result of the creation of such balances has been transferred to the Net Working Capital Reserve. The Net Working Capital Reserve is purely the result of such accounting adjustments and does not represent an additional resource available for appropriation.

STATES TRADING ENTITIES RESERVE

	2002 £	2001 £
Balance at 1 January	52,389,423	-
Increase in Investments in:		
Alderney Electricity Ltd. - at cost	-	3,165
Guernsey Electricity Ltd. - at cost (Note a)	109,208,844	-
Guernsey Post Ltd.	-	22,386,258
Guernsey Telecoms Ltd. - at valuation	-	30,000,000
Decrease in Investment in:		
Guernsey Telecoms Ltd. (Note b)	(30,000,000)	-
Balance at 31 December	<u>£131,598,267</u>	<u>£52,389,423</u>

Notes :

- a) Following the States decision of 13 December 2001 (Billet d'Etat XXIV, 2001), the States Electricity Board transferred net assets to the agreed value of £109,208,844 to Guernsey Electricity Ltd. with effect from 1 February 2002.
- b) On 30 May 2002 (Billet d'Etat X, 2002), the States agreed to the sale of 100% of the share capital of Guernsey Telecoms Ltd. Cable & Wireless plc.

ASSET PURCHASE FUND

	2002 £	2001 £
Balance at 1 January	(35,630)	(3,019)
Assets purchased	(30,622)	(40,200)
Repayments	14,323	7,589
Balance at 31 December	(£51,929)	(£35,630)

Notes :

- a) All interest is credited directly to the General Revenue Account and in 2002 this amounted to £2,111.
- b) On 12 July 1995 (Billet d'Etat XV) the States approved the establishment of the Asset Purchase Fund and resolved that the total outstanding balance owed at any one time should not exceed a maximum level of £500,000.

CHANNEL ISLANDS LOTTERY (GUERNSEY) FUND

FORFEITED PRIZES ACCOUNT

	2002 £	2001 £
Balance at 1 January	44,182	21,420
Share of forfeited prizes	71,441	71,397
Transfer to Operating Account	(45,656)	(48,635)
Balance at 31 December	£69,967	£44,182

OPERATING ACCOUNT

Forfeited prizes	45,656	48,635
Sale of tickets	946,700	1,078,400
	992,356	1,127,035
Agents' commission	(119,805)	(139,338)
Contribution to prize fund including forfeited prizes	(598,578)	(680,836)
Printing and stationery	(64,854)	(64,158)
Promotion	(16,406)	(19,308)
Salaries	(22,538)	(22,474)
States of Jersey administration charges	(14,200)	(16,176)
Superannuation	(761)	(735)
Other expenses	(2,809)	(3,300)
Surplus	152,405	180,710
Chief Pleas of Sark - share of surplus	(902)	(1,039)
States of Alderney - share of surplus	(1,706)	(2,329)
States of Guernsey - share of surplus transferred to Appropriation Account	(149,797)	(177,342)
	£ -	£ -

APPROPRIATION ACCOUNT

Balance at 1 January	12,030	12,141
Share of surplus transferred from Operating Account	149,797	177,342
	161,827	189,483
Donation to Association of Guernsey Charities (Vote 29.3.89)	(72,512)	(77,453)
Transfers to Beau Sejour Centre Account	(80,000)	(100,000)
Balance at 31 December	£9,315	£12,030

Notes :

- a) The balance on the Appropriation Account is payable ultimately to the Beau Sejour Centre under States Resolutions I of 27 September 1972 and XXII of 26 February 1998.
- b) In accordance with the States Resolution of 23 February 1995 (Billet D'Etat V, February 1995), with effect from 2000 any forfeited prize money from expired Draws which remains unused in the current year will be retained for use as a contingency to support the prize funds in future Draws.

FARM LOANS FUND

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January and balance at 31 December	£913,271	£913,271

BORROWERS ACCOUNT

Balance at 1 January	269,725	354,880
Advances to borrowers	88,190	-
Repayments receivable from borrowers	(82,366)	(85,155)
Balance at 31 December	£275,549	£269,725

FISHERIES LOANS FUND

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January	29,594	40,405
Transfer to General Revenue Account (Vote 10.7.97)	(7,821)	(10,811)
Balance at 31 December	£21,773	£29,594

BORROWERS ACCOUNT

Balance at 1 January	29,594	40,405
Repayments receivable from borrowers	(7,821)	(10,811)
Balance at 31 December	£21,773	£29,594

HOME LOANS FUND

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January	-	811,688
Transfer to Housing Development and Loan Fund (Vote 26.7.00)	-	(811,688)
Balance at 31 December	£ -	£ -

BORROWERS ACCOUNT

Balance at 1 January	-	811,688
Transfer to Housing Development and Loan Fund (Vote 26.7.00)	-	(811,688)
Balance at 31 December	£ -	£ -

Note :

- a) On 26 July 2000 the States agreed that with effect from 1 January 2001 the Home Loans Fund shall be closed and that any outstanding balances thereon shall be transferred to the Housing Development and Loan Fund.

HOUSING DEVELOPMENT AND LOAN FUND

REVENUE ACCOUNT

	2002 £	2001 £
Interest receivable		
Borrowers	1,593,537	1,533,099
Interest payable on borrowing and other fees		
Private Sector	(440,086)	(248,096)
States of Guernsey	(26,105)	(219,921)
Surplus on Revenue Account for the year transferred to Capital Account	<u>£1,127,346</u>	<u>£1,065,082</u>

CAPITAL ACCOUNT

Balance at 1 January	32,349,472	30,472,702
Surplus for year on Revenue Account	1,127,346	1,065,082
Transferred from Home Loans Fund (Vote 26.7.00)	-	811,688
Balance at 31 December	<u>£33,476,818</u>	<u>£32,349,472</u>

BORROWERS ACCOUNT

Balance at 1 January	44,050,375	30,914,470
Advances to borrowers	10,588,867	18,452,482
Repayments receivable from borrowers	(10,403,906)	(6,128,265)
Transferred from Home Loans Fund (Vote 26.7.00)	-	811,688
Balance at 31 December	<u>£44,235,336</u>	<u>£44,050,375</u>

SUMMARY OF BALANCES AT 31 DECEMBER 2002

Capital Account	33,476,818	32,349,472
Borrowers Account	(44,235,336)	(44,050,375)
	<u>(£10,758,518)</u>	<u>(£11,700,903)</u>
Represented by:		
Borrowing with States of Guernsey	(2,758,518)	(700,903)
Private Sector borrowing	(8,000,000)	(11,000,000)
	<u>(£10,758,518)</u>	<u>(£11,700,903)</u>

Notes :

- a) The amount outstanding by borrowers at 31 December 2002 was distributed as follows :

<u>Rate of Interest</u> %	<u>Number of loans</u>	<u>Capital Outstanding</u> £
3.00 and below	299	21,849,624
3.25 to 5.00	158	15,215,023
5.25 to 7.00	71	5,701,245
7.25 and above	36	1,469,444
	<u>564</u>	<u>£44,235,336</u>

- b) The average rate of interest being charged at 31 December 2002 was 3.5% (31.12.01, 3.6%)

- c) On 26 July 2000 the States agreed that with effect from 1 January 2001 the Home Loans Fund shall be closed and that any outstanding balances thereon shall be transferred to the Housing Development and Loan Fund.

- d) As envisaged when the Housing Development and Loan Fund was established (Billet d'Etat XIII, 1990), the Advisory and Finance Committee has obtained a £25million private sector borrowing facility for the Fund. As at 31 December 2002, the the Fund has borrowed £8 million (2001: £11million) from this source.

INSURANCE DEDUCTIBLE FUND

	2002 £	2001 £
Balance at 1 January	899,327	712,695
Transferred from General Revenue Account	450,000	375,000
Transfer to Insurance Company in respect of claims	(276,964)	(188,368)
Balance at 31 December	<u>£1,072,363</u>	<u>£899,327</u>

MUSEUM PUBLICATIONS FUND

	2002 £	2001 £
Balance at 1 January	50,530	48,797
Interest	948	1,280
Monographs -		
Sales	1,775	1,682
Cost of sales	(1,220)	(1,077)
Stock adjustment	1,334	(28)
Royalties -		
Paid	(68)	(266)
Received	14	142
Balance at 31 December	<u>£53,313</u>	<u>£50,530</u>

REPRESENTED BY:

Cash balance with States of Guernsey	27,152	24,483
Stock	26,161	26,047
	<u>£53,313</u>	<u>£50,530</u>

NOTE AND COIN ISSUE

NOTES AND COINS IN CIRCULATION

	2002 £ Notes	2002 £ Coins	2001 £ Notes	2001 £ Coins
In circulation at 1 January	21,446,640	6,582,001	19,617,016	6,030,600
Less precious metal coins	-	(1,091,662)	-	(962,278)
	<u>21,446,640</u>	<u>5,490,339</u>	<u>19,617,016</u>	<u>5,068,322</u>
Issued during the year :				
New notes and coins	10,246,114	410,669	12,017,000	560,835
Used notes and coins re-issued	75,497,400	79,818	64,437,000	59,492
	<u>85,743,514</u>	<u>490,487</u>	<u>76,454,000</u>	<u>620,327</u>
Withdrawn during the year :				
To await destruction	(8,674,352)	(14,025)	(9,056,176)	(1,798)
To await re-issue	(75,573,300)	(92,627)	(65,568,200)	(67,128)
	<u>(84,247,652)</u>	<u>(106,652)</u>	<u>(74,624,376)</u>	<u>(68,926)</u>
Less transfer of face value of precious metal coins to Note and Coins Trading Account	-	(275,907)	-	(129,384)
Less transfer to General Revenue Account Reserve	(340,000)	(660,000)	-	-
	<u>£22,602,502</u>	<u>£4,938,267</u>	<u>£21,446,640</u>	<u>£5,490,339</u>
In circulation at 31 December	22,942,502	6,965,835	21,446,640	6,582,001
Less precious metal coins	-	(1,367,568)	-	(1,091,662)
Less transfer to General Revenue Account Reserve	(340,000)	(660,000)	-	-
	<u>£22,602,502</u>	<u>£4,938,267</u>	<u>£21,446,640</u>	<u>£5,490,339</u>

NOTES AND COINS WITHDRAWN FROM CIRCULATION AWAITING RE-ISSUE

Awaiting re-issue at 1 January	1,569,800	19,525	438,600	11,889
Withdrawn during the year	75,573,300	92,627	65,568,200	67,128
Re-issued during the year	(75,497,400)	(79,818)	(64,437,000)	(59,492)
	<u>£1,645,700</u>	<u>£32,334</u>	<u>£1,569,800</u>	<u>£19,525</u>

NOTES AND COINS WITHDRAWN FROM CIRCULATION AWAITING DESTRUCTION

Awaiting destruction at 1 January	547,650	15,372	368,098	13,574
Withdrawn during the year	8,674,352	14,025	9,056,176	1,798
Destroyed during the year	(7,330,000)	-	(8,876,624)	-
	<u>£1,892,002</u>	<u>£29,397</u>	<u>£547,650</u>	<u>£15,372</u>

NOTE AND COIN ISSUE

NOTES AND COINS TRADING ACCOUNT

	2002 £	2001 £
Interest on balance in circulation	981,544	1,123,353
Royalties on sale of coins :		
Royalties receivable	189,020	226,776
Release from reserve of face value of precious metal coins	275,907	129,383
Face value of coins sold	(305,267)	(338,405)
	<u>159,660</u>	<u>17,754</u>
Sundry income	257	952
	<u>1,141,461</u>	<u>1,142,059</u>
Administration :		
Premises	(7,916)	(2,111)
Staff	(46,870)	(42,872)
Supplies and services	(23,572)	(22,976)
Note screening	(78,419)	(64,909)
Recoveries	432	-
	<u>(156,345)</u>	<u>(132,868)</u>
Purchase of new notes and coins issued :		
Stock at 1 January	(284,519)	(365,648)
Purchases	(296,563)	(50,990)
Stock at 31 December	469,398	284,519
	<u>(111,684)</u>	<u>(132,119)</u>
Surplus for year transferred to General Revenue Account	<u>£873,432</u>	<u>£877,072</u>

SEWERS CONNECTION LOANS FUND

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January and balance at 31 December	<u>£230,000</u>	<u>£230,000</u>

BORROWERS ACCOUNT

Balance at 1 January	68,589	81,404
Advances to borrowers	49,471	2,656
Repayments receivable from borrowers	(23,800)	(15,471)
	<u>£94,260</u>	<u>£68,589</u>

SPORTS LOANS FUND

CAPITAL ACCOUNT

	£	£
Balance at 1 January	169,951	169,951
Transfer from General Revenue Account	56,800	-
	<u>£226,751</u>	<u>£169,951</u>

BORROWERS ACCOUNT

Balance at 1 January	136,750	146,749
Advances to borrowers	100,000	-
Repayments receivable from borrowers	(20,000)	(9,999)
	<u>£216,750</u>	<u>£136,750</u>

STATES HOUSES FUND

	2002 £	2001 £
Balance at 1 January	3,660,825	-
Income -		
Interest	175,121	100,000
Rents	7,601,254	7,411,535
Less Rent rebates	(2,056,456)	(2,070,076)
Less Transfer to General Revenue	-	(2,226,593)
Transfer from Housing Authority Capital Allocation (Vote 27.9.01)	-	4,300,000
Transfer from Housing Authority Unspent Revenue Balances	-	500,000
	<hr/> 9,380,744	<hr/> 8,014,866
Expenditure -		
Administration Charges -		
Staff	(549,425)	(499,704)
Supplies and Services	(88,955)	(88,410)
Contracted out work	(26,491)	(28,450)
Consultants fees	(11,306)	(22,059)
States Houses -		
Repairs, maintenance, refurbishment and enhancements	(2,955,950)	(3,126,788)
Rates and Taxes	(536,494)	(519,323)
Other expenditure	(65,847)	(69,307)
	<hr/> £5,146,276	<hr/> £3,660,825
Balance at 31 December		

Notes :

- a) As set out in the 2002 Budget Report (Billet d'Etat XXIII), the accounting treatment for the expenditure (capital and revenue) and income in respect of the Authority's housing stock has been revised and a States Houses Fund established. For 2001 only, a transfer has been made from the States Houses Fund to the General Revenue Account to compensate for the reduction in net income, compared to budget.
- b) The States Housing Authority has responsibility for approximately 2,100 dwellings with an estimated market value, taking into account their nature and location, in excess of £210million (at 2000 prices).

STATES HOUSING ASSOCIATION FUND

	2002 £	2001 £
Balance at 1 January	8,201,242	-
Income -		
Interest	349,733	93,748
Transfer from Housing Authority Capital Allocation (Votes 27.9.01 and 10.7.02)	3,000,000	8,290,000
	<hr/> 11,550,975	<hr/> 8,383,748
Expenditure -		
Consultants fees	522	(182,506)
Grants to Guernsey Housing Association	(2,737,954)	-
	<hr/> £8,813,543	<hr/> £8,201,242
Balance at 31 December		

Note :

- a) The States Housing Association Fund has been established in accordance with the States decision of 27 September 2001 (Billet d'Etat XIX).

WILFRED CAREY PURCHASE FUND (Vote 12 July, 1990)

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January and balance at 31 December	£1,773,000	£1,773,000

REVENUE ACCOUNT

Balance at 1 January	789,077	736,318
Interest	105,018	128,746
Transferred to Purchase of Exhibits Account	(77,430)	(75,987)
Balance at 31 December	£816,665	£789,077

PURCHASE OF EXHIBITS ACCOUNT

Balance at 1 January	14,618	5,914
Sundry purchases	(74,418)	(67,283)
Transferred from Revenue Account	77,430	75,987
Balance at 31 December	£17,630	£14,618

SUMMARY OF BALANCES

	2002 £	2001 £
Consolidated Superannuation Fund	506,231,771	617,488,889
H M Receiver General	1,015,725	987,454
Various charity, amenity and other fund Capital Accounts etc.	554,093	549,850
Various charity, amenity and other fund Revenue Accounts etc.	2,663,480	2,121,378
	<hr/>	<hr/>
	£510,465,069	£621,147,571
	<hr/>	<hr/>

HELD IN A FIDUCIARY CAPACITY

	2002 £	2001 £
Consolidated Superannuation Fund - Investments	503,678,665	584,391,147
Various charity, amenity and other funds etc.		
Investments and bank deposit accounts	1,289,138	1,214,170
Net Assets held by the States of Guernsey (including £2,553,106 (2001 : £33,097,742) attributable to the Superannuation Fund)	5,497,266	35,542,254
	<hr/> £510,465,069	<hr/> £621,147,571

THE FUNDED DEBT OF THE STATES

Description of loan	Redemption Dates	Balances at 1 January 2002	Redeemed During 2002	Balances at 31 December 2002
STATES WATER BOARD LOANS				
3¼% Water 1933	1943 / 2008	22,000	22,000	-
3¼% Water 1935	1944 / 2009	6,200	6,200	-
3% Water 1937	1946 / 2011	80,000	80,000	-
3½% Water 1938	1947 / 2012	55,000	55,000	-
4% Water 1940	1949 / 2014	80,000	80,000	-
		<u>£243,200</u>	<u>£243,200</u>	<u>£ -</u>

CONSOLIDATED SINKING FUND

CAPITAL ACCOUNT

	2002 £	2001 £
Balance at 1 January	226,507	219,485
Interest	9,277	9,443
Net appreciation / (depreciation) of investments - realised and unrealised profits and losses	27,213	(2,421)
Transfer to States Water Board	(262,997)	-
Balance at 31 December	<u>£ -</u>	<u>£226,507</u>

INVESTMENT ACCOUNT

Balance at 1 January	165,993	167,267
Investments purchased	1,059	1,747
Investments realised	(194,265)	(540)
Net appreciation / (depreciation) of investments - realised and unrealised profits and losses	27,213	(2,481)
Balance at 31 December	<u>£ -</u>	<u>£165,993</u>

Note :

The States of Guernsey, in accordance with the terms of issue, exercised its option to repay at par the States of Guernsey (Water Board Loans) Registered Stock and Bearer Bonds on 31 December 2002.

SUPERANNUATION FUND

	2002 £	2001 £
TEACHERS		
Employers' contributions	3,168,333	3,064,316
Teachers' contributions	1,500,262	1,289,696
Transfer values received from :		
Non-members of the fund	1,711,874	685,211
Other members of the fund	85,834	31,800
	<hr/> 6,466,303	<hr/> 5,071,023
Pensions	(4,409,529)	(4,013,869)
Lump sum payments	(989,099)	(1,034,743)
Contributions refunded to teachers	(8,557)	(4,281)
Transfer values paid to :		
Non-members of the fund	(506,432)	(155,260)
Other members of the fund	(69,646)	-
	<hr/> (5,983,263)	<hr/> (5,208,153)
Net additions / (reductions)	483,040	(137,130)
Returns on Investments:		
Investment management and other fees	(451,606)	(318,222)
Interest, dividends and commission	4,582,121	4,999,900
Net depreciation of investments - realised and unrealised profits and losses	(28,110,487)	(18,777,216)
	<hr/> (23,979,972)	<hr/> (14,095,538)
Balance at 1 January	154,790,649	169,023,317
Balance at 31 December	<hr/> £131,293,717	<hr/> £154,790,649
COMBINED POOL		
Employers' contributions	7,519,411	7,353,890
Employees' contributions	5,651,943	5,555,036
Medical and hospital staff - receipts from F.S.S.N. in respect of 'frozen' benefits	-	6,352
Post Office employees' contributions - widows and childrens scheme	1,227	1,246
Refunds of contributions repaid	3,185	8,216
Transfer values received from :		
Non-members of the fund	1,101,800	879,921
Other members of the fund	69,646	-
	<hr/> 14,347,212	<hr/> 13,804,661
Pensions	(11,028,534)	(10,389,554)
Lump sum payments	(2,554,050)	(2,099,172)
Contributions refunded to employees	(784,931)	(907,773)
Transfer values paid to :		
Non-members of the fund	(952,416)	(1,296,987)
Other members of the fund	(85,834)	(31,800)
	<hr/> (15,405,765)	<hr/> (14,725,286)
Net additions / (reductions)	(1,058,553)	(920,625)
Transfer to Cable and Wireless Guernsey Pension Scheme (Note a)	(16,264,480)	-
Returns on Investments:		
Investment management and other fees	(1,322,994)	(948,400)
Interest, dividends and commission	13,423,467	14,907,383
Net depreciation of investments - realised and unrealised profits and losses	(82,350,551)	(55,984,950)
	<hr/> (70,250,078)	<hr/> (42,025,967)
Balance at 1 January	461,218,016	504,164,608
Balance at 31 December	<hr/> £373,644,905	<hr/> £461,218,016

SUPERANNUATION FUND

	2002 £	2001 £
STATES MEMBERS PENSION FUND		
States contribution	64,584	67,819
Members' contributions	20,719	14,877
Capital payment	35,000	35,000
	<hr/> 120,303	<hr/> 117,696
Pensions	(79,375)	(76,463)
Contributions refunded to members	-	(3,242)
	<hr/> (79,375)	<hr/> (79,705)
Net additions / (reductions)	40,928	37,991
Returns on Investments:		
Investment management and other fees	(4,294)	(11,997)
Interest, dividends and commission	43,567	47,880
Net depreciation of investments - realised and unrealised profits and losses	(267,276)	(179,815)
	<hr/> (228,003)	<hr/> (143,932)
Balance at 1 January	1,480,224	1,586,165
Balance at 31 December	<hr/> £1,293,149	<hr/> £1,480,224
CONSOLIDATED SUPERANNUATION FUND		
Employers' contributions	10,752,328	10,486,025
Teachers' and other employees' contributions	7,172,924	6,859,609
Capital payment	35,000	35,000
Post Office employees' contributions - widows and childrens scheme	1,227	1,246
Refunds of contributions repaid	3,185	8,216
Medical and hospital staff- receipts from F.S.S.N. in respect of 'frozen' benefits	-	6,352
Transfer values received from :		
Non-members of the fund	2,813,674	1,565,132
	<hr/> 20,778,338	<hr/> 18,961,580
Pensions	(15,517,438)	(14,479,886)
Lump sum payments	(3,543,149)	(3,133,915)
Contributions refunded	(793,488)	(915,296)
Transfer values paid to :		
Non-members of the fund	(1,458,848)	(1,452,247)
	<hr/> (21,312,923)	<hr/> (19,981,344)
Net additions / (reductions)	(534,585)	(1,019,764)
Transfer to Cable and Wireless Guernsey Pension Scheme (Note a)	(16,264,480)	-
Returns on Investments:		
Investment management and other fees	(1,778,894)	(1,278,619)
Interest, dividends and commission	18,049,155	19,955,163
Net depreciation of investments - realised and unrealised profits and losses	(110,728,314)	(74,941,981)
	<hr/> (94,458,053)	<hr/> (56,265,437)
Balance at 1 January	617,488,889	674,774,090
Balance at 31 December	<hr/> £506,231,771	<hr/> £617,488,889

Notes :

- a) Following the States decision to sell Guernsey Telecoms Limited to Cable and Wireless plc (Billet d'Etat X, May 2002), a new pension scheme (the Cable and Wireless Guernsey Pension Scheme) was established into which existing employees of the company were entitled to transfer. The accrued past service liabilities of the Superannuation Fund have been decreased as a result of the transfer of these employees by an actuarially calculated amount. A corresponding amount of assets have been transferred to the new scheme from the Superannuation Fund.

SUPERANNUATION FUND

Notes : (continued)

- b) The employees of the States of Guernsey are members of the States of Guernsey Superannuation Fund. This is a defined benefit pension scheme funded by contributions from both employer and employee at rates which are determined on the basis of independent actuarial advice, and which are calculated to spread the expected cost of benefits payable to employees over the period of those employee's expected service lives.

The scheme is a multi entity arrangement and the States of Guernsey have contracted the fund's qualified independent actuaries to identify the actuarial account of each entity and therefore the value of the pension scheme assets and liabilities attributable to each entity. The assets of the scheme are held separately from the other States assets. The fund is under the control of the States Advisory and Finance Committee, which has arranged for it to be invested by professional advisors in a wide range of stock exchange securities.

Contributions to the defined benefit pension scheme are charged to staffing costs so as to spread the cost of pensions over employees' working lives with the States. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation was as at 31 December 2001. The assumptions which have the most significant effect on the results of the valuations are those relating to the rate of return on investments and the rates of increase in salaries and pensions. Contributions to the scheme increased with effect from 1 January 2003 based on actuarial recommendations. Details of the increases and assumptions are included in an appendix to Billet d'Etat XXXIII for 27 November 2002.

- c) Whilst the States continue to account for pension costs in accordance with Statement of Standard Accounting Practice 24 'Accounting for Pension costs', under Financial Reporting Standard 17 'Retirement Benefits', the following transitional disclosures are required:

- (i) The valuation was updated by the actuary on an FRS 17 basis as at 31 December 2002.

- (ii) The major assumptions used by the actuary in this valuation were:

	31 December 2002 % p.a.	31 December 2001 % p.a.
Discount rate	5.50%	5.90%
Inflation	2.30%	2.50%
Increases to deferred benefits during deferment	2.50%	2.60%
Increases to pensions in payment	2.50%	2.60%
Increases to salaries	3.80%	4.00%

The assumptions used by the actuary have regard to the yield on AA rated corporate bonds and are also driven by other market yields which, due to the timescale covered, may not necessarily be borne out in practice.

- (iii) Market Value of Scheme assets

	Market value at 31 December 2002 £'000	Assumed expected return on assets % p.a.	Market value at 31 December 2001 £'000	Assumed expected return on assets % p.a.
Equities	367,150	7.50%	491,552	8.00%
Bonds	123,705	5.50%	90,848	5.90%
Cash	15,377	4.00%	35,090	3.50%
	<hr/> 506,232		<hr/> 617,490	
Present value of the schemes liabilities	(599,176)		(543,857)	
Resulting surplus / (deficit) and Net pension asset / (liability)	<hr/> (92,944)		<hr/> 73,633	

The asset and liability values on the FRS 17 basis reflect market conditions at the year end and can be expected to vary greatly from year to year, without prejudicing the scheme's long term ability to provide the required benefits.

- (iv) A valuation of the funds' investments was made at 31 December 2002. The resulting depreciation together with net realised profits and losses for the year was debited to the accounts of the participating groups in proportion to their average daily balance during 2002. Interest, dividends and commission for the period were credited on the same basis.

The net depreciation in investments for the year including realised and unrealised profits and losses was equal to 17.932% of the balance of the fund at 1 January 2002 (2001, 11.106%) or 18.079% of the average daily balance of the fund during the year before crediting or debiting such net depreciation or interest, etc. (2001, 11.115%).

Interest, dividends and commissions were equal to 2.923% of the balance of the fund at 1 January 2002 (2001, 2.957%) or 2.947% of the average daily balance of the fund during the year before crediting or debiting such interest etc. or net depreciation (2001, 2.960%).

SUPERANNUATION FUND

Notes : (continued)

(v) The movement in the surplus / (deficit) in the scheme can be analysed as follows:

	£'000	£'000
Surplus in scheme at 1 January 2002		73,632
Movement in the year:		
Cost attributable to current service of staff		(17,405)
Contributions paid in the year		10,760
Expected return on pension scheme assets		45,551
Interest on pension scheme liabilities		(31,498)
Actuarial loss:		
Actual return less expected return on pension scheme liabilities	(138,105)	
Experience gains and losses arising on the scheme liabilities	(10,624)	
Change in assumptions underlying the present value of the scheme liabilities	(25,255)	
		<hr/> (173,984)
Deficit in scheme at 31 December 2002		<hr/> (92,944)

CASH FLOW STATEMENT

	Note	2002		2001	
		£	£	£	£
Net cash inflow from operating activities	1		40,219,224		59,646,883
Returns on investments and servicing of finance					
Returns on Investments and Interest received		24,224,237		22,061,123	
Interest paid		(6,062,905)		(7,853,726)	
Net cash inflow from returns on investments and servicing of finance			18,161,332		14,207,397
Investing activities					
Payments to acquire capital assets		(32,819,697)		(34,965,288)	
Payments (net) to acquire financial investments		-		(21,547,888)	
Receipts (net) from sales of financial investments		4,103,752		-	
Receipts from sales of capital assets and capital repayments		13,990,821		1,095,091	
Net cash outflow from investing activities			(14,725,124)		(55,418,085)
Net movement in balances on loans and miscellaneous funds, etc.			(37,942,672)		(3,247,773)
Increase in cash	2 & 3		£5,712,760		£15,188,422

Notes :

1 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating Surplus	48,592,025	57,263,610
Transfer to Net Working Capital Reserve	-	200,900
Interest received	(13,154,760)	(15,777,719)
Interest paid	12,255,918	14,997,028
Increase in stocks	(502,493)	(278,866)
Increase in debtors	(18,140,243)	(4,606,058)
Increase in creditors	11,168,777	7,847,988
Net cash inflow from operating activities	£40,219,224	£59,646,883

2 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Change in net funds - increase in cash in the year	5,712,760	15,188,422
Net funds at 1 January 2002	29,705,756	14,517,334
Net funds at 31 December 2002	£35,418,516	£29,705,756

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 January 2002 £	Movement in net funds £	At 31 December 2002 £
Cash at banks	27,231,639	4,509,398	31,741,037
Cash in hand	2,474,117	1,203,362	3,677,479
Total	£29,705,756	£5,712,760	£35,418,516

The above figures represent amounts pertaining to General Revenue only. The figures in this statement and their classification are approximate only. The statement does not constitute a part of the States Accounts and should not be treated as such.

TRADING UNDERTAKINGS

States of Guernsey

Agriculture and Countryside Board

Dairy Trading Account

Statement of activities and performance

Year ended 31 December 2002

Principal purpose

The Board's principal activities in relation to the Dairy are detailed in the Guernsey Dairy's mission statement as being "the most efficient, economical and sustainable production of milk and related products that can be achieved, meeting the needs of all consumers, producers and the environment".

Financial summary

The Revenue Account for the year ending 31 December 2002 shows a deficit of £62,310. This compares with a deficit of £134,724 for 2001.

Main points to note from 2002's financial activities were as follows:

Sales revenue from liquid milk sales increased by £18,000 in 2002, due to a 1p increase in the recommended retail price on litres and ½ litres in May 2002. Liquid milk sales quantities were down by 0.19% (12,613 litres).

By-product sales revenue fell by almost £200,000 in 2001 due to a combination of factors, these being:

- The cessation of yoghurt production at the end of 2001 – turnover for 2001 had been £98,000.
- Cheese sales income was £57,000 down on 2001's figure. The main reductions were in block cheese sales to the catering market, contract cheddar (not produced in 2002) and export sales (only one shipment early in 2002). The reduction in export sales was a deliberate policy to eliminate loss-making sales in this market.
- Production of Channel Islands Cream Liqueur (CICL) was significantly lower in 2002, resulting in a reduction in cream sales to CICL of £47,000.
- Cream liqueur overhead contributions (charged per batch made) were down by £14,000 as a result of the reduction in production levels, dictated by CICL.
- Other cream sales revenue was also down, a consequence of significant price reductions made in an attempt to increase sales quantities. Sales quantities did increase, by 7,558 (6.7%), but this increase was not as great as was hoped.
- Butter sales increased by £27,000 as a result of a 153% increase (36,412 kilos) in export sales. There was a change in the sales mix of butter packs with the introduction of catering packs in March 2002. Total pack sales were down by 12% compared with 2001.

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Statement of activities and performance - continued *Year ended 31 December 2002*

Financial summary – continued

There was a major increase in milk purchase costs in 2002 (up by £143,000). The average price per litre paid to local milk producers increased in 2002 (from 24.17p per litre in 2001 to 25.51p) as a result of a Board decision – this resulted in a cost increase to the Dairy of £43,000. However, the Dairy received almost 250,000 litres less from local milk producers than in 2001. This shortfall in litreage had to be met by the importation of milk from Jersey and the UK at a cost of £104,000 in 2002 (an increase of £85,000 on 2001's imported milk cost). The average cost of this imported milk in 2002 was 32.76p per litre, over 7p higher than the average price paid for local milk.

Packaging material costs were over £100,000 up in 2002. This was largely cancelled out by a considerably higher closing stock value than at the end of 2001.

By-product ingredient costs were considerably lower in 2002 as a result of the aforementioned cessation of yoghurt production at the end of 2001.

The value of product stocks was £45,000 higher than at the end of 2001, whereas 2001's figure had been considerably lower than December 2000's figure (primarily because product costs came down in 2001 as a result of the lower milk purchase price from January 2001).

Other operating income was high in 2002 as a result of significant repayment of doubtful debts written off in 2001's accounts.

Administration expenses were £172,000 lower than in 2001. 2001 had, however, been an abnormally high figure, with a £126,000 expense on fixed asset write-offs and a £66,000 provision for doubtful debts. 2002's figures were £2,000 and £12,000 respectively. Other noteworthy items were:

- A significant saving on motor vehicle expenses in 2002, due to a lesser requirement for maintenance.
- A £24,000 increase in advertising and promotion costs, due to the product re-branding early in 2002.
- A £23,000 saving on salaries and wages.
- An increase in professional fees of £25,000, attributable mainly to consultancy costs for assessment of production efficiency, development of ice cream and market research.

Major items of capital expenditure in 2002 consisted of:

- 25% deposit on ice cream plant (£44,000)
- Milk testing machine for use by Agriculture (£34,000)
- New unloading point for milk tankers and office for tanker drivers (£33,000)
- New milk tanker (£27,000)
- SCADA control system: Phase 1 (£23,000)
- 3,000 litre cream tank (£20,000)

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Statement of activities and performance - continued

Year ended 31 December 2002

Financial summary – continued

Overall capital expenditure was up by over £100,000 compared with 2001.

The effect of this capital investment was a small increase in the net book value of the Dairy's tangible fixed assets, but a £300,000 reduction in the cash balance to £700,000.

Operational performance

The aforementioned SCADA control system project began in 2002 to provide valuable information on production processes and product management. Phases 2 and 3 of this project are planned for 2003 and 2004.

Although costs in some areas have reduced as mentioned, further reductions in these and other areas are possible. Action on the reduced sales revenue has begun with the introduction of new products (see below). The focus for 2003 will be on increasing sales and cost control.

Other matters

New products are due to be launched in 2003 in an attempt to redress the trend of falling by-product sales. Butter portion sales commenced in March, with organic milk due for sale from April and ice cream from May.

Major planned capital expenditure in 2003 includes:

- Final payment for ice cream equipment (estimated cost £135,000)
- Replacement milk separator (estimated cost £100,000)
- New milk tanker (estimated cost £27,000)

HACCP (Hazard Analysis and Critical Control Points) and other product quality procedures were completed in 2002, ensuring tighter control of product hygiene and quality.

The temporary appointment of a Health & Safety Officer at the beginning of 2002 enabled risk assessment audits to be carried out. The Senior Dairy Foreman has now taken on this role, ensuring ongoing monitoring of health and safety issues at the Dairy.

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Statement of activities and performance - continued
Year ended 31 December 2002

Board members and principal officers

During 2002 were:

Board members were:

Deputy PJ Roffey	-	President
Deputy TM Le Pelley	-	Vice President (from 7 June 2002)
Mr HJ Dorey	-	Vice President (to 29 April 2002)
Deputy FW Quin	-	Member
Deputy BJ Gabriel	-	Member
Mr MJ Blampied	-	Member
Mr JJ Cleal	-	Member
Mr JM Watts	-	Member (from 7 June 2002)

Principal officers were:

Mr ND Lewis	-	Chief Executive
Mr R Nash	-	Deputy Chief Executive
Mr CJ Hall	-	General Manager

States of Guernsey

Agriculture and Countryside Board

Dairy Trading Account

Statement of responsibilities for the preparation of financial statements

The States of Guernsey Agriculture and Countryside Board (“the Board”) is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the States of Guernsey Agriculture and Countryside Board – Dairy Trading Account (“the Dairy”) and of the surplus or deficit of the Dairy for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Dairy. It is also responsible for safeguarding the assets of the Dairy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of the Board to identify and install a system of internal controls, including financial control, which is adequate for its own purposes, and to safeguard the assets of the Dairy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

It is acknowledged that States Boards are subject to financial and manpower restrictions. Nevertheless, Boards have a duty to ensure that they fulfil their obligations to install and maintain adequate internal controls and safeguard the States resources for which they are responsible.

The Board’s internal financial procedures include:

- an annual budget and planning process to allocate, control and monitor the use of resources;
- establishment of the States Audit Commission, consisting of a majority of Non-States Members, with the primary objective of assisting Committees to ensure good management of States finances;
- review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department;
- the requirement for all audit reports to be tabled at a meeting of the relevant States Board to ensure that all Board members are aware of their financial affairs; and
- regular review of the performance and security of the States financial assets by the Advisory and Finance Committee’s Investment Sub-Committee.

The Board strives to ensure that all staff with financial responsibilities have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The Board’s internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to an independent external audit by auditors appointed by the States of Guernsey.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the States of Guernsey Agriculture and Countryside Board

We have audited the financial statements of the States of Guernsey Agriculture and Countryside Board – Dairy Trading Account for the year ended 31 December 2002 which comprise the revenue account, the balance sheet, the cash flow statement and the related notes 1 to 13.

Respective responsibilities of the Board and auditors

As described in the statement of responsibilities, the Board is responsible for preparing the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Guernsey by law, the UK Auditing Practices Board and by our profession's ethical guidelines.

We report to you our opinion as to whether the financial statements give a true and fair view of the financial position and results of the Dairy Trading Account. We also report if, in our opinion, the Board has not kept proper accounting records or if we have not received all of the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with UK auditing standards 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 Board in the preparation of the financial statements and of whether the accounting policies are appropriate to the Dairy'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 of the Dairy's financial position as at 31 December 2002 and of its deficit for the year then ended and have been properly prepared in accordance with its accounting policies.

KPMG
Chartered Accountants

2 May 2003

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Revenue account for the year ended 31 December 2002

	Notes	£	2002 £	£	2001 £
Sales	<i>1</i>				
Liquid milk			3,352,291		3,334,127
By-products			756,362		953,279
Channel Islands Cream Liquor (labour and overheads)			31,229		45,171
Sundry sales			<u>5,709</u>		<u>8,324</u>
Total sales			4,145,591		4,340,901
Cost of sales					
Opening product stock		59,920		191,192	
Opening packaging stock		<u>104,641</u>	164,561	<u>151,565</u>	342,757
Production wages		210,109		215,619	
Milk		1,952,172		1,823,291	
Milk wastage		120,919		106,288	
By-product ingredients		5,249		49,556	
Packaging materials		476,045		370,462	
Carriage inwards		6,898		6,677	
Imported products		1,372		-	
Sundries		<u>5,763</u>	2,778,527	<u>8,212</u>	2,580,105
Closing product stocks		(105,888)		(59,920)	
Closing packaging stocks		<u>(125,362)</u>	<u>(231,250)</u>	<u>(104,641)</u>	<u>(164,561)</u>
Total cost of sales			2,711,838		2,758,301
Gross surplus			1,433,753		1,582,600
Other operating income			47,977		516
Administration expenses	<i>2</i>		<u>(1,571,359)</u>		<u>(1,743,781)</u>
Operating deficit for the year			(89,629)		(160,665)
Net interest receivable	<i>1</i>		<u>27,319</u>		<u>25,941</u>
Deficit for the year	<i>7</i>		(62,310)		(134,724)
Transfer to general reserve	<i>7</i>		<u>-</u>		<u>(49,202)</u>
Retained deficit for the year			£ (62,310)		£ (183,926)

All material activities derive from continuing operations.

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Balance sheet
at 31 December 2002

	Notes	2002 £	2001 £
Tangible fixed assets	3	1,897,097	1,883,445
Current assets			
Stocks	4	295,627	220,083
Debtors and prepayments	5	482,035	444,424
Balances due from States Treasury		692,953	567,288
Bank balances - current		-	34,491
- deposit		84,936	392,021
Cash in hand		<u>57</u>	<u>53</u>
		1,555,608	1,658,360
Creditors: amounts falling due within one year	6	<u>471,705</u>	<u>498,495</u>
Net current assets		<u>1,083,903</u>	<u>1,159,865</u>
Total net assets		£ 2,981,000	£ 3,043,310
Reserves	7	£ 2,981,000	£ 3,043,310

The financial statements were approved by the States of Guernsey Agriculture and Countryside Board on 29 April 2003.

Signed on behalf of the Board

PJ Roffey
President

States of Guernsey
Agriculture and Countryside Board
Dairy Trading Account

Cash flow statement
for the year ended 31 December 2002

	<i>Notes</i>	2002 £	2001 £
Net cash (outflow)/inflow from operating activities	8	<u>(46,166)</u>	<u>453,550</u>
Returns on investments and servicing of finance			
Interest received		<u>27,369</u>	<u>25,941</u>
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(271,695)	(159,316)
Receipts from sales of tangible fixed assets		<u>-</u>	<u>10</u>
Net cash outflow from investing activities		<u>(271,695)</u>	<u>(159,306)</u>
(Decrease)/increase in cash	9	£ <u>(290,492)</u>	£ <u>320,185</u>

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Notes to the financial statements

1. Accounting policies

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stock

Stock is valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of processing expenses.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated at the following annual rates so as to write off tangible fixed assets over their anticipated useful lives using the straight line method:

	Estimated life In years	Depreciation % per annum
Site	-	Nil
Roads	10	10 straight line
Buildings	50 – 20	2 – 5 straight line
Plant and machinery	20 – 8	5 – 12.5 straight line
Motor vehicles	4	25 straight line
Laboratory equipment	20 – 8	5 – 12.5 straight line
Furniture and fittings includes:		
Office furniture and fittings	20 – 8	5 – 12.5 straight line
Computer hard and software	3	33.3 straight line
Other office equipment	8 – 3	12.5 – 33.3 straight line
Refrigerated farm bulk tanks	8 – 5	12.5 – 20 straight line

By agreement with the Agriculture and Countryside Board, farmers with a bulk tank situated on their property have the option to purchase the tank for a nominal sum on or after the fifth anniversary of the date of installation.

Income

Sales are accounted for on an accruals basis.

Interest is recognised on an accruals basis.

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Notes to the financial statements - continued

1. Accounting policies - continued

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the Dairy benefits from the employees' services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

Transfer to general reserve

In previous years a transfer has been made from the revenue account to the general reserve equal to 20% of the total depreciation charge for the year to increase reserves for future capital expenditure purposes. In December 2002, the Board agreed to abolish this annual transfer, as the amount transferred was insufficient to cover annual capital expenditure requirements and had the detrimental effect of increasing the revenue account deficit in years where an operating deficit is achieved.

It was agreed that this change in policy would commence with immediate effect, ie from 2002 onwards.

2. Administration expenses

	2002 £	2001 £
Opening non product stock	55,522	54,726
Advertising and promotion	32,488	8,108
Carriage outwards	5,191	6,186
Cleaning materials	32,418	30,684
Depreciation	256,016	246,010
Discount allowed	7,250	4,752
Fuel, light, power and water	136,591	140,757
General administration costs	32,617	40,945
Laboratory expenses	51,787	46,111
Loss on disposal of fixed assets	1,977	126,553
Motor vehicle expenses	15,450	39,407
Other expenses	46,818	40,009
Product research and development	7,576	1,645
Professional fees	35,858	10,726
Provision for doubtful debts	26,298	66,202
R & M and insurance (plant and machinery)	64,906	91,548
R & M and insurance (site and buildings)	36,125	33,693
Rates	2,802	2,802
Salaries and wages	776,267	799,425
Staff training and recruitment	11,779	9,014
Closing non production stocks	(64,377)	(55,522)
	£ 1,571,359	£ 1,743,781

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Notes to the financial statements - continued

3. Tangible fixed assets

	1 January 2002 £	Additions £	Disposals £	31 December 2002 £
<i>Cost</i>				
Site and roads	966	-	-	966
Buildings	1,429,900	38,270	99,759	1,368,411
Plant and machinery	2,399,893	163,102	190,821	2,372,174
Motor vehicles	126,279	39,570	-	165,849
Laboratory equipment	95,418	17,000	4,479	107,939
Furniture and fittings	111,378	13,753	45,684	79,447
Refrigerated bulk tanks – farms	<u>53,837</u>	<u>-</u>	<u>-</u>	<u>53,837</u>
	<u>4,217,671</u>	<u>271,695</u>	<u>340,743</u>	<u>4,148,623</u>
		Charge for the year		
	1 January 2002 £	£	Disposals £	31 December 2002 £
<i>Depreciation</i>				
Site and roads	965	-	-	965
Buildings	362,192	34,566	99,759	296,999
Plant and machinery	1,667,827	174,723	189,001	1,653,549
Motor vehicles	114,842	11,051	-	125,893
Laboratory equipment	81,589	4,476	4,479	81,586
Furniture and fittings	52,974	31,200	45,477	38,697
Refrigerated bulk tanks – farms	<u>53,837</u>	<u>-</u>	<u>-</u>	<u>53,837</u>
	<u>2,334,226</u>	<u>256,016</u>	<u>338,716</u>	<u>2,251,526</u>
Net book value	£ 1,883,445			£ 1,897,097

The Dairy had capital commitments at the year end of £181,000, being items which had been approved and ordered, but not yet received.

4. Stock

	2002 £	2001 £
Milk and milk by-products	105,888	59,920
Packaging materials	125,362	104,641
Other stock	<u>64,377</u>	<u>55,522</u>
	£ 295,627	£ 220,083

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Notes to the financial statements - continued

5. Debtors and prepayments

	2002 £	2001 £
Trade debtors	416,064	411,254
Prepayments	11,986	12,328
Accrued income	<u>53,985</u>	<u>20,842</u>
	£ 480,035	£ 444,424

6. Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	74,585	-
Trade creditors	274,888	274,597
General creditors	60,216	127,829
Accruals	<u>62,016</u>	<u>96,069</u>
	£ 471,705	£ 498,495

7. Reserves

	General Reserve £	Revenue Account £	Total £
Balance 1 January 2002	3,332,928	(289,618)	3,043,310
Deficit for the financial year	-	(62,310)	(62,310)
Transfer from revenue account	<u>(330,437)</u>	<u>330,437</u>	<u>-</u>
Balance 31 December 2002	£ 3,002,491	(21,491)	2,981,000

8. Reconciliation of operating (deficit) to net cash (outflow)/inflow from operating activities

	2002 £	2001 £
Deficit on operating activities	(89,629)	(160,665)
Depreciation	256,016	246,010
Loss on sale of fixed assets	1,977	126,553
(Increase)/decrease in debtors	(37,611)	310,582
(Increase)/decrease in stocks	(75,544)	177,398
Decrease in creditors	<u>(101,375)</u>	<u>(246,328)</u>
Net cash (outflow)/inflow from operating activities	£ (46,166)	£ 435,550

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Notes to the financial statements - continued

9. Analysis of changes in net cash flows during the year

	2002 £	2001 £
Balance at 1 January	993,853	673,668
Net cash (outflows)/inflows	(290,492)	320,185
	£ 703,361	£ 993,853

10. Analysis of the changes in net funds

	At 31 December 2002 £	Cashflows £	At 1 January 2002 £
Bank balances - current	(74,585)	(109,076)	34,491
- deposit	84,936	(307,085)	392,021
Cash in hand	57	4	53
Balances due from States Treasury	692,953	125,665	567,288
	£ 703,361	(290,492)	993,853

11. Pension fund

The employees of the States of Guernsey Agriculture and Countryside Board – Dairy Trading Account are members of the States of Guernsey Superannuation Scheme. This is a defined benefits pension scheme, funded by contributions from both employer and employee at rates which are determined periodically on the basis of actuarial advice, and which are calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives. The report by the actuaries on the valuation of the Superannuation Fund at 31 December 2001 indicated that a surplus existed. However, the contribution rate to the Fund was increased with effect from 1 January 2003 from 8.25% for 2002 to 8.35% for 2003. Employees contribute at a rate of 6%. The surplus is being amortised over the expected service lives of all the employees within the scheme.

Further details relating to the funding of the Superannuation Scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

The total amount of Superannuation contributions for the period ended 31 December 2002 was £68,631 (2001: £70,965), which were all paid during the year.

Whilst the States of Guernsey Agriculture and Countryside Board – Dairy Trading Account continues to account for its defined benefit pension obligations under Statement of Standard Accounting Practice 24 "Accounting for Pension Costs", the following additional information has been provided to satisfy the transitional arrangements of Financial Reporting Standard 17 "Retirement Benefits". As the scheme is a multi employer arrangement, the Authority is unable to identify its share of underlying assets and liabilities of the scheme or the implication of the surplus on the Board, as required by Financial Reporting Standard 17.

States of Guernsey Agriculture and Countryside Board Dairy Trading Account

Notes to the financial statements - continued

12. Related party transactions

Of the States of Guernsey Agriculture and Countryside Board – Dairy Trading Account's annual income and expenditure, less than 20% of their respective value is due to transactions with other entities.

	Income/ (expenditure) 2002 £	Income/ (expenditure) 2001 £	Debtor/ (creditor) 2002 £	Debtor/ (creditor) 2001 £
Committee President – P Roffey (Director of CI Co-op – supplies of milk for retail)	470,245	490,436	27,936	25,153
Committee member – M Blampied (ceased farming March 2002) (Liquid milk supplies purchased by the Dairy)	7,745	39,106	n/a	(3,702)
Committee member – J Watts (from June 2002) (Liquid milk supplies purchased by the Dairy)	111,069	n/a	18,468	n/a
Dairy Executive sub-committee member – D Cowley (to April 2002) (Liquid milk supplies purchased by the Dairy)	37,125	144,560	n/a	(13,985)
Dairy Executive sub-committee member – J Ogier (from July 2002) (Liquid milk supplies purchased by the Dairy)	37,246	n/a	5,916	n/a
Dairy Executive sub-committee Member – T Willey (to September 2001) (Supplies of milk for retail)	-	75,533	-	8,243
Dairy Executive sub-committee member – G Le Tissier (from October 2001) (Supplies of milk for retail)	93,771	85,487	7,195	7,095

13. Statement of control

The States of Guernsey Agriculture and Countryside Board – Dairy Trading Account is wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of the States of Guernsey Agriculture and Countryside Board has been delegated to the members of the Board who have been appointed by the States of Guernsey.

BOARD OF ADMINISTRATION - ALDERNEY AIRPORT

REVENUE ACCOUNT

Year Ended 31 December 2002

	2002	2001
	£	£
INCOME		
Traffic receipts, rents, etc.	371,585	341,545
EXPENDITURE		
Administration		
Staff	16,504	15,976
Supplies and services	204,729	169,163
	<u>221,233</u>	<u>185,139</u>
Aerodrome Fire Service		
Staff	375,816	359,555
Supplies and services	55,801	20,143
	<u>431,617</u>	<u>379,698</u>
Airport Infrastructure		
Premises	49,889	45,363
Supplies and services	3,281	1,308
	<u>53,170</u>	<u>46,671</u>
Navigational Services		
Staff	153,086	147,706
Supplies and services	25,499	13,592
	<u>178,585</u>	<u>161,298</u>
TOTAL EXPENDITURE	884,605	772,806
OPERATING SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR FUNDED BY THE BOARD OF ADMINISTRATION	<u>(£513,020)</u>	<u>(£431,261)</u>

BOARD OF ADMINISTRATION - ALDERNEY AIRPORT

CAPITAL ACCOUNT Year Ended 31 December 2002

	£	2002	£	2001	£
EXPENDITURE					
Aerodrome Fire Service					
Fire appliances replacement (AFC 13.6.01 : £263,314)		263,314		-	
Rescue equipment replacement (AFC 19.12.01 : £5,560)		5,559		-	
			268,873		-
Airport Infrastructure					
Hangar door repair / replacement (AFC 17.5.00 : £25,321)		575		10,855	
Runway and taxi surface resealing (AFC 25.7.01 : £578,802)		8,682		566,654	
Vehicle replacement (AFC 28.8.02 : £14,925)		14,925		-	
			24,182		577,509
Navigational Services					
Air Traffic Control recorder - replacements (AFC 21.2.01 : £50,548)		2,054		43,899	
LITAS / APAPI units - replacement (AFC 14.6.00 : £39,300)		6,652		-	
Meteorological equipment - replacement (AFC 8.1.02 : £39,500)		32,273		-	
			40,979		43,899
Other Capital Expenditure per 2001 accounts			-		8,294
TOTAL CAPITAL EXPENDITURE FOR THE FINANCIAL YEAR FUNDED BY THE BOARD OF ADMINISTRATION			£334,034		£629,702

Ports Financial Summary And Commentary

Principal Activities

The Airport provides for the safe and expeditious movement of commercial and private aircraft, passengers and cargo to, from and on the island at the most cost effective basis. The airport also ensures that policies, facilities and services are commensurate with the requirements of the island in respect of Air Transport Services, General Aviation and standards set by the United Kingdom's Civil Aviation Authority.

The Harbours provide a commercial sea-passenger and freight handling facility for the commercial operators, including the provision of berthing and/or marina facilities for local and visiting yachtsmen together with berthing and handling facilities for the local fishing fleet. The Harbours also provide essential service to ensure adequate facilities and handling for the commercial sea transport requirements of the island, and, so far as is possible, adequate and safe facilities for private (leisure) boat owners, and for the local fishing fleet.

Summary of Ports Holding Account

	£000
Balance on PHA b/fwd 1 Jan 2002	25,787
Total net revenue contribution for 2002	3,043
Investment Income for 2002	1,041
Capital Withdrawals for 2002	(5,516)
Balance b/fwd 1 Jan 2003	24,355
Capital Spend on existing and new capital projects to 31 st Dec 2004	(30,583)
Net revenue contribution 2003 & 2004	6,750
Investment Income for 2003 & 2004 (est £500k pa)	1,000
Predicted Balance on PHA as at 31st Dec 2004	1,522

As at 1st January 2003, the balance on the Ports Holding Account stood at £24.3m. Approved capital works to date, will reduce this sum by £17.8m by the end of 2004. In addition, and being minded of the ports capital programme, additional requests totalling £12.6m are forecast to be brought before the Board for approval before 31st December 2004.

The net contribution to the Ports Holding Account over the next 2 years is anticipated to be £6.7m.

As a result it can be deduced that the Ports Holding Account will be able to service demands placed upon it until 31st December 2004.

A balance sheet for each of the ports will be constructed for the year ended 31 December 2003, and as a result the Board will seek the cessation of the existing Loan arrangements.

The exact effect of this is unknown at this time, however preliminary estimates have indicated that the cost of depreciation (which will replace the existing loan charges) will be in the order of half the existing level of loan charges against the Ports (this latter sum was £2.6m in 2002). Nonetheless, there will be no net effect on the Ports Holding Account as a result of the change in accounting method. Reduced loan charges and the effect of introduction of depreciation will have a benefit on the accounts of the Airport and Harbour, which will return greater surpluses to the PHA. However, the PHA will no longer attract income from loans offered to the Ports, but instead attract greater surpluses from the Ports operations.

Clearly further analysis will be required once a depreciation model is fully constructed, which task is likely by July 2003.

Ports Capital Programme

A summary of the requested Capital allocation is detailed on pages 22-23. This shows the introduction of 10 new capital projects totalling £621k since last years Policy Planning update. However, some of these projects were added to the capital programme in June 2002 as part of the 2003 budget setting process.

A total of £20.2m of Capital projects is forecast over the next 5 years (compared with £39.0 this time last year), comprising £13.5m at Guernsey Airport, and £6.7m at the Harbours. Included in the total programme amount are several large projects as follows:

Replacement of Airport Apron	£	5.0m
Resurfacing Runway	£	3.0m
Improvements to No5/No6 Berths	£	2.0m
St Sampson's Harbour Marina Development	£	2.2m (previously £1.8m)
Total	£	12.2m

Of the remaining £8.0m, projects valuing £2.5m are attributable to the Harbours and £5.5m is attributable to the Airport.

Open Capital Votes

A further £15.1m of expenditure is likely to be required in order to complete current approved capital votes at the Airport, and £2.7m of expenditure will be required at the Harbours.

Currently none of these open capital votes are overspent, however the Board has already been advised of a potential overspend on New Jetty Cladding Replacement.

A report quantifying the extent of that overspend is due within the next few months, and until that is received it is not possible to estimate the final cost of the works. The Advisory & Finance has already been made aware of a potential for overspend on this particular vote.

BOARD OF ADMINISTRATION - GUERNSEY AIRPORT

REVENUE ACCOUNT

Year Ended 31 December 2002

	2002		2001	
	£	£	£	£
INCOME				
Advertising, picketing, etc.	138,151		118,879	
Airport development charge	739,284		-	
Car parking fees	275,990		243,069	
Rents	1,026,288		963,935	
Traffic receipts	4,526,646		4,549,090	
TOTAL INCOME		6,706,359		5,874,973
EXPENDITURE				
Administration				
Premises	28,506		10,374	
Staff	246,201		248,533	
Supplies and services	176,316		163,004	
Insurance, rates and taxes	265,552		112,228	
	716,575		534,139	
Aerodrome Fire Service				
Staff	1,137,803		1,068,870	
Supplies and services	121,079		107,059	
	1,258,882		1,175,929	
Airport Infrastructure				
Premises	155,082		158,482	
Staff	530,507		433,786	
Supplies and services	98,431		102,549	
Maintenance of property	215,148		215,320	
	999,168		910,137	
Navigational Services				
Staff	1,896,651		1,840,902	
Supplies and services	286,831		261,570	
	2,183,482		2,102,472	
Recovery from Alderney Airport	(112,800)		(108,500)	
TOTAL EXPENDITURE		5,045,307		4,614,177
OPERATING SURPLUS FOR THE FINANCIAL YEAR BEFORE CAPITAL CHARGES AND EXCEPTIONAL EXPENDITURE		1,661,052		1,260,796
CAPITAL CHARGES				
Interest	569,883		389,200	
Redemption	768,022		569,750	
		1,337,905		958,950
EXCEPTIONAL EXPENDITURE				
Civil Aviation Authority Compliance				
Revised airport safety zone (see note)				
Property acquisition and demolition	327,073		697,178	
Roadways rerouteing	630,848		9,482	
		957,921		706,660
OPERATING SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR TRANSFERRED TO THE PORTS HOLDING ACCOUNT		(£634,774)		(£404,814)

BOARD OF ADMINISTRATION - GUERNSEY AIRPORT

CAPITAL ACCOUNT Year Ended 31 December 2002

	2002		2001	
	£	£	£	£
EXPENDITURE				
Administration				
Computer network server replacement (AFC 5.6.02 : £19,000)		18,978		-
Aerodrome Fire Service				
Fire appliance cab upgrade - vehicle 2 (AFC 19.1.00 : £79,122)	79,122		-	
Fire appliance replacement (AFC 13.6.01 : £175,776)	175,045		-	
		254,167		-
Airport Infrastructure				
Emergency gate roadways - upgrade (Phase II) (AFC 31.1.01 : £28,454)	1,246		22,287	
Rescue equipment replacement (AFC 19.12.01 : £17,272)	17,271		-	
Runway Extension - feasibility study (AFC 23.5.01, 5.12.01 and 18.09.02 : £148,350)	75,000		68,161	
Technical building air conditioning replacement (AFC 30.7.02 : £53,000)	29,925		-	
Terminal building redevelopment (Vote 31.1.01 and AFC : 27.3.01 (consultants fees) and Vote 26.4.02 : £19,529,393)	3,629,119		1,368,337	
Vehicle replacement (AFC 28.8.02 : £14,925)	14,925		-	
		3,767,486		1,458,785
Civil Aviation Authority Compliance				
Revised airport safety zone (see note)				
Value of land acquired		125,952		30,821
Navigational Services				
DVOR / DME replacement (AFC 12.4.00 : £567,892)	111,175		261,426	
Instrument landing system replacement (AFC 11.7.01 and 3.7.02 : £527,870)	109,800		-	
IRVR replacement (Vote: 15.3.00 : £135,539)	6,830		101,334	
Primary Radar replacement (Vote 14.12.95 : £1,659,997)	49,515		4,200	
Recorders replacement (AFC 21.2.01 : £145,945)	6,934		130,504	
		284,254		497,464
Other Capital Expenditure per 2001 accounts		-		3,242,399
TOTAL CAPITAL EXPENDITURE FOR THE FINANCIAL YEAR		£4,450,837		£5,229,469
FUNDED BY LOAN FROM THE PORTS HOLDING ACCOUNT				

Note: In order to comply with Civil Aviation Authority recommendations, the Board is required to enlarge the airport safety zone, necessitating the purchase of properties within this zone. The value of the land acquired is treated in the normal manner by means of a loan from the Ports Holding Account. The additional costs of acquisition, demolition of properties and rerouting of the roadways are treated as exceptional expenditure in the Revenue Account and therefore, effectively written off in the year of acquisition.

BOARD OF ADMINISTRATION - HARBOUR OF ST. PETER PORT

REVENUE ACCOUNT Year Ended 31 December 2002

	2002	2001
	£	£
INCOME		
Facilities charges	2,609,565	2,333,143
Marina and Moorings fees: local	1,154,334	1,064,655
visitors	358,032	347,911
Pilotage dues	343,461	326,996
Less payments to pilots	(339,332)	(322,909)
Rents, etc	584,586	485,838
Shipping dues	920,780	739,795
Ships Registry Fees	82,075	86,535
Less transfer to General Revenue Account	(27,755)	(16,160)
Sundries	50,013	65,412
TOTAL INCOME	5,735,759	5,111,216
EXPENDITURE		
Administration		
Staff	1,452,860	1,469,276
Supplies and services	191,303	158,661
Contracted-out work	29,922	26,074
Insurance, rates and taxes	53,051	45,755
Less recoveries	(37,360)	(41,140)
	1,689,776	1,658,626
Harbour Infrastructure		
Premises	425,967	426,470
Staff	203,430	138,794
Supplies and services	114,837	163,835
Less recoveries	(31,451)	(98,121)
	712,783	630,978
Marina and Moorings		
Premises	63,827	60,916
Staff	313,509	352,907
Supplies and services	374,915	289,562
Less recoveries	(30,998)	(31,157)
	721,253	672,228
Navigational Services		
Staff	342,551	281,341
Supplies and services	83,971	60,351
	426,522	341,692
Ships Registry		
Premises	4,685	9,639
Staff	37,835	47,741
Supplies and services	11,800	12,995
	54,320	70,375
TOTAL EXPENDITURE	3,604,654	3,373,899
OPERATING SURPLUS FOR THE FINANCIAL YEAR BEFORE CAPITAL CHARGES	2,131,105	1,737,317
CAPITAL CHARGES		
Interest	505,768	532,900
Redemption	442,247	423,500
	948,015	956,400
OPERATING SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR TRANSFERRED TO THE PORTS HOLDING ACCOUNT	£1,183,090	£780,917

BOARD OF ADMINISTRATION - HARBOUR OF ST. PETER PORT

CAPITAL ACCOUNT

Year Ended 31 December 2002

	2002		2001	
	£	£	£	£
EXPENDITURE				
Harbour Infrastructure				
Derrick crane, No. 4 berth refurbishment (Vote 30.5.01 : £236,410)	15,272		201,244	
Fork lift replacement (AFC 19.6.02 : £23,000)	22,695		-	
New jetty cladding replacement (AFC 10.1.01 (consultants fees) : £56,900 and Vote 1.11.01 : £3,282,473)	878,443		42,316	
Shot blasting equipment and compressors (AFC 26.2.02 : £22,970)	22,700		-	
Ro-Ro ramp 1 corrosion protection/paint (AFC 29.8.01 (consultants fees) : £10,670 and Vote 27.11.02 : £306,364)	9,700		-	
		948,810		243,560
Other Capital Expenditure per 2001 accounts		-		154,493
TOTAL CAPITAL EXPENDITURE FOR THE FINANCIAL YEAR FUNDED BY LOAN FROM THE PORTS HOLDING ACCOUNT		£948,810		£398,053

BOARD OF ADMINISTRATION - HARBOUR OF ST. SAMPSON

REVENUE ACCOUNT

Year Ended 31 December 2002

	2002	2001
	£	£
INCOME		
Facilities charges	515,532	522,108
Marina and Moorings fees	24,450	21,561
Rents, etc	33,258	30,578
Sundries	11,517	12,360
TOTAL INCOME	584,757	586,607
EXPENDITURE		
Administration		
Premises	1,768	-
Staff	151,292	137,621
Supplies and services	767	1,198
Insurance, rates and taxes	3,490	1,835
	157,317	140,654
Harbour Infrastructure		
Premises	59,628	46,455
Staff	87,409	80,193
Supplies and services	44,865	41,653
Less recoveries	(1,107)	(584)
	190,795	167,717
Marina and Moorings		
Supplies and services	195	8,667
Navigational Services		
Supplies and services	6,688	5,728
TOTAL EXPENDITURE	354,995	322,766
OPERATING SURPLUS FOR THE FINANCIAL YEAR BEFORE CAPITAL CHARGES AND EXCEPTIONAL EXPENDITURE	229,762	263,841
CAPITAL CHARGES		
Interest	127,349	125,900
Redemption	144,644	117,500
	271,993	243,400
EXCEPTIONAL EXPENDITURE		
Deepwater berths and land reclamation studies	20,850	84,239
OPERATING SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR TRANSFERRED TO THE PORTS HOLDING ACCOUNT	(£63,081)	(£63,798)

CAPITAL ACCOUNT

Year Ended 31 December 2002

	2002	2001
	£	£
EXPENDITURE		
Marina and Moorings		
Longue Hougue marina (AFC 7.3.01 : £450,000)	112,406	190,294
Sampling programme - consultants fees (AFC 31.1.01 and 15.1.03 : £42,000)	3,972	25,618
TOTAL CAPITAL EXPENDITURE FOR THE FINANCIAL YEAR FUNDED BY LOAN FROM THE PORTS HOLDING ACCOUNT	£116,378	£215,912

BOARD OF ADMINISTRATION - PORTS HOLDING ACCOUNT

	2002		2001	
	£	£	£	£
Balance at 1 January		25,787,291		27,789,556
Revenue Account - Operating Surplus / (Deficit)				
Airport	(634,774)		(404,814)	
Harbour of St. Peter Port	1,183,090		780,917	
Harbour of St. Sampson	(63,081)		(63,798)	
		485,235		312,305
Investment Interest received		1,041,140		1,370,114
Capital Charges				
Interest		1,203,000		1,048,000
Redemption		1,354,913		1,110,750
Capital Expenditure				
Airport	(4,450,837)		(5,229,469)	
Harbour of St. Peter Port	(948,810)		(398,053)	
Harbour of St. Sampson	(116,378)		(215,912)	
		(5,516,025)		(5,843,434)
Balance at 31 December		<u>£24,355,554</u>		<u>£25,787,291</u>

Notes:

- a) The total of outstanding loans made by the Ports Holding Account to the Ports was as follows:

	2002	2001
	£	£
Airport	12,797,052	9,114,237
Harbour of St. Peter Port	6,203,287	5,696,724
Harbour of St. Sampson	1,287,981	1,328,487
	<u>£20,288,320</u>	<u>£16,139,448</u>

- b) An independent valuation of the Ports assets has been carried out by the firms of King Sturge (property values) and Edward Ruston Son & Kenyon Limited (plant and machinery values). The main basis of valuation is Depreciated Replacement Cost. The value of the assets of the Ports at 31 December 2002 has been calculated as £156 million.

States of Guernsey Water Board

Statement of activities and performance

Year ended 31 December 2002

Principal purpose

States of Guernsey Water Board delivers to its customers a reliable supply of high quality drinking water in sufficient quantity that satisfies normal daily demand at lowest cost consistent with meeting a high level of customer service and confidence.

Environmental catchment protection is monitored, storage is maintained at maximum possible levels and treatment techniques and delivery systems are the most appropriate to meet international standards.

A ten year Business Plan, covering the period 2003 to 2013, has been produced by the Board which sets out the Board's objectives and resources needed. A higher level of investment has been identified in being necessary for the future development of the Board.

Financial summary

	2002 £'000	2001 £'000	Change %
Income			
Unmeasured	2,755	2,732	+0.8
Measured	2,573	2,544	+1.1
Other trading (net)	<u>275</u>	<u>179</u>	+53.6
Total operating income	<u>5,603</u>	<u>5,455</u>	+2.7
Expenditure			
Operating	2,062	1,934	+6.6
Management	<u>1,051</u>	<u>992</u>	+5.9
Total expenditure	<u>3,113</u>	<u>2,926</u>	+6.4
Operating surplus before depreciation	<u>2,490</u>	<u>2,529</u>	-1.5
Surplus on sale of fixed assets	5	8	
Net interest received	82	144	
Depreciation, transfers and provisions	<u>(1,550)</u>	<u>(1,584)</u>	
Retained surplus for the year	<u>1,027</u>	<u>1,097</u>	
Capital expenditure (gross)	<u>4,149</u>	<u>3,053</u>	

The main focus of capital expenditure was the purchase of Best's Quarry for use as a reservoir and as a site for the future centralisation of the Board's operational and administrative activities. Rehabilitation and renewal of the distribution pipe network to improve the reliability of mains and reduce discolouration of water supplies continued: over 14 kilometres of main was completed during the year. A more detailed summary of capital expenditure during the year is appended to the financial statements.

States of Guernsey Water Board

Statement of activities and performance - continued *Year ended 31 December 2002*

Operational performance	2002	2001	Change %
Number of customers			
Paying by rateable value	13,462	13,641	-1.3
Paying by measure	<u>9,783</u>	<u>9,344</u>	+4.7
Total	<u>23,245</u>	<u>22,985</u>	+1.1
Volume supplied in million litres (partially weather related)			
Delivered to customers paying by measure	2,274ML	2,280ML	-0.3
Delivered to other customers	1,937ML	1,808ML	+7.1
Operational use, firefighting and losses	<u>988ML</u>	<u>779ML</u>	+26.8
Total put into supply	<u>5,199ML</u>	<u>4,867ML</u>	+6.8
Service (partially weather related)			
Restrictions on supply	None	None	
Burst mains - trunk mains	15	10	+50.0
- smaller mains	<u>59</u>	<u>60</u>	-1.7
- total	<u>74</u>	<u>70</u>	+5.7
Discolouration – claims paid	£ <u>553</u>	£ <u>198</u>	+179.3
Unit costs (partially weather related)			
Water production	£ 205/ML	£ 198/ML	+3.5
Water distribution	£22/ customer	£20/ customer	+10.0

Other matters

Facilities for customers to pay water charges by direct debit were introduced during 2001 and by 31st December 2002 over 18% of water charge accounts were paid by this method. The Board will actively promote direct debit payments during 2003 with an expectation that 30% of customers will adopt this method of payment.

During the second half of 2002 the Board and management prepared a ten year Business Plan. It is anticipated that this plan, together with certain financial recommendations, will be presented to the States of Deliberation in the form of a Policy Letter, in the Spring of 2003.

States of Guernsey Water Board

Statement of activities and performance - continued *Year ended 31 December 2002*

Board members and principal officers

During 2002:

Board Members were:

Deputy EW Walters, President (until May 2002)
Deputy MEW Burbridge, President (from June 2002)
Deputy PN Bougourd, Vice-President
Deputy J Le Sauvage
Deputy R Bisson
Deputy T Le Pelley
Mr H Turian
Mr G Wherry

Principal Officers were:

CH Gaudion, Chief Executive (until June 2002)
AA Redhead, Technical Director
(Acting Chief Executive from July 2002)
K Carter, Chief Accounting Officer
G Johns, Water Production Director
M Wadley, Water Distribution Director
C Guilbert, Administration Manager

States of Guernsey Water Board

Statement of responsibilities for the preparation of financial statements

The Board is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Board and of the surplus or deficit of the Board for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. It is also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of the States Water Board to identify and install a system of internal controls, including financial control, which is adequate for its own purposes, and to safeguard the assets of the States of Guernsey in their care and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

The States Water Board internal financial procedures include:

- An annual budget to allocate, control and monitor the use of capital and revenue resources, analysed by department and type of income/expenditure.
- The production of quarterly management accounts enabling income and expenditure to be monitored against budget.
- The production of monthly management accounting reports on capital expenditure, cashflow and distribution stock.
- Authorisation and control of the placing of orders.
- Authorisation and control of payments made.
- Regular review of debts, income and expenditure by type and department.
- Regular review of charges for water supplies and other services.
- Review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department.
- Consideration of all audit reports by the Board.

The Board strives to ensure that all staff with financial responsibilities have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The Board's internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to independent external audit by auditors appointed by the States of Guernsey.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the States of Guernsey Water Board

We have audited the financial statements of The States of Guernsey Water Board for the year ended 31 December 2002 which comprise the revenue account, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Board and auditors

As described in the statement of responsibilities for the preparation of financial statements, the Board is responsible for the preparation of the financial statements in accordance with applicable Guernsey law and United Kingdom accounting standards. Our responsibility is to audit the financial statements in accordance with relevant Guernsey legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report if, in our opinion, the statement of activities and performance is not consistent with the financial statements, if the Board has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the statement of activities and performance for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with UK Auditing Standards 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 Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board'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 of the state of the Board's affairs as at 31 December 2002 and of its surplus for the year then ended.

KPMG
Chartered Accountants

20 March 2003

States of Guernsey Water Board

Revenue account for the year ended 31 December 2002

Income	<i>Notes</i>	2002 £	2001 £
Water supplies			
Unmeasured		2,754,661	2,732,424
Measured		<u>2,573,204</u>	<u>2,543,891</u>
		5,327,865	5,276,315
Net surplus on other trading activities before management expenses and depreciation	2	<u>275,338</u>	<u>178,565</u>
Total operating income		<u>5,603,203</u>	<u>5,454,880</u>
Operating expenses			
Water production		1,068,016	962,557
Water distribution		519,895	458,596
Water quality control		377,739	362,260
Property maintenance		<u>96,397</u>	<u>150,074</u>
		<u>2,062,047</u>	<u>1,933,487</u>
Management expenses			
General and financial management		298,450	298,372
Income collection		253,303	238,706
Technical and customer services		271,148	239,707
Administration, information technology, public relations and office expenses		<u>227,769</u>	<u>215,240</u>
		<u>1,050,670</u>	<u>992,025</u>
Total expenditure		<u>3,112,717</u>	<u>2,925,512</u>
Operating surplus before depreciation and surplus on sale of fixed assets		2,490,486	2,529,368
Depreciation	4 & 5	(831,517)	(759,145)
Net surplus on sale and scrap of fixed assets	4	4,878	8,412
Net depreciation in value of sinking fund investment	6	-	(2,421)
Operating surplus for the year		1,663,847	1,776,214
Net interest receivable	3	<u>81,555</u>	<u>143,605</u>
Surplus for the year		1,745,402	1,919,819
Transfer to general reserve	4 & 10	(673,361)	(749,267)
Transfer to property development fund reserve		(45,010)	(79,926)
Transfer from property development fund reserve	10	<u>1,541,702</u>	-
Retained surplus for the year, transferred to revenue account reserve		£ <u>2,568,733</u>	£ <u>1,096,626</u>

All material activities derive from continuing operations.

States of Guernsey Water Board

Balance sheet at 31 December 2002

	Notes	2002 £	2001 £
Tangible fixed assets	5	<u>23,902,513</u>	<u>20,638,682</u>
Consolidated sinking fund			
States of Guernsey – contributions and interest	6	<u>226,508</u>	<u>226,508</u>
Current assets			
Stocks		568,339	506,676
Debtors and prepayments	7	855,849	899,664
Balances due from States Treasury:			
Funds held for capital expenditure	13	832,809	1,142,916
Property development fund	10 & 13	-	1,496,692
Cash at bank and in hand	13	<u>201,255</u>	<u>95,663</u>
		<u>2,458,252</u>	<u>4,141,611</u>
Creditors: amounts falling due within one year	8	<u>469,715</u>	<u>634,645</u>
Net current assets		<u>1,988,537</u>	<u>3,506,966</u>
Total assets less current liabilities		26,117,558	24,372,156
Creditors: amounts falling due after more than one year	9	<u>243,200</u>	<u>243,200</u>
Total net assets		£ <u>25,874,358</u>	£ <u>24,128,956</u>
Reserves			
Property development fund		-	1,496,692
General reserve		6,742,149	6,068,788
Revenue account		<u>19,132,209</u>	<u>16,563,476</u>
Total Reserves	10	£ <u>25,874,358</u>	£ <u>24,128,956</u>

These financial statements were approved by the States of Guernsey Water Board on 20th March 2003.

Signed on behalf of the Board

MEW Burbridge
President

States of Guernsey Water Board

Cash flow statement for the year ended 31 December 2002

	Notes	2002 £	2001 £
Net cash inflow from operating activities	<i>11</i>	<u>2,307,708</u>	<u>2,682,716</u>
Returns on investments and servicing of finance			
Interest received	<i>3</i>	90,107	152,177
Interest paid	<i>3</i>	(8,552)	(8,572)
Sinking fund interest reinvested	<i>3</i>	<u>-</u>	<u>(9,443)</u>
Net cash inflow from returns on investments and servicing of finance		<u>81,555</u>	<u>134,162</u>
Capital expenditure and financial investment			
Payment to acquire tangible fixed assets		(4,149,210)	(3,053,411)
Less: customer contributions to mains		<u>52,760</u>	<u>148,457</u>
Additions to fixed assets		(4,096,450)	(2,904,954)
Receipts from sales of tangible fixed assets		<u>5,980</u>	<u>8,412</u>
Net cash outflow from investing activities		<u>(4,090,470)</u>	<u>(2,896,542)</u>
Management of liquid resources			
Decrease in amounts held with States Treasury	<i>12</i>	<u>1,806,799</u>	<u>12,091</u>
Financing			
Repayment of loan	<i>12</i>	<u>-</u>	<u>(600)</u>
Increase/(decrease) in cash	<i>12 & 13</i>	£ <u>105,592</u>	£ <u>(68,173)</u>

States of Guernsey Water Board

Notes to the financial statements

1. Principal accounting policies

The following accounting policies are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Stock

Stock which consists of materials for capital projects and consumables is valued at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Work of a capital nature undertaken by the Board is capitalised at cost of materials, supplies and services used plus associated costs of labour.

The Board accounts for disposal proceeds on property in the profit and loss account. They are then transferred to the property development fund reserve, which provides for future property expenditure. An amount has been transferred from the property development fund reserve to fund a capital purchase during the year.

Depreciation

Depreciation is calculated at the following annual rates so as to write off the cost of tangible fixed assets over their anticipated useful lives using the straight-line method. The calculations are based on capital expenditure incurred at the commencement of the accounting period with the exception of motor vehicles where depreciation is also charged on additions during the accounting period.

	Estimated life in years	Depreciation % per annum
Dam	50	2
Mains	50 – 10	2 – 10
Land and quarries	Nil	Nil
Structures and buildings	50 – 10	2 – 10
Fixed plant	20 – 10	5 – 10
Distribution meters	10	10
Office furniture, fittings and equipment	10 – 5	10 – 20
Mobile plant and equipment	5	20
Motor vehicles	5	20

Following a review by the Board in 2001, it was agreed to change the remaining estimated useful life of the dam to 50 years. It was previously 167 years, giving an annual depreciation rate of 0.6%.

The accounting records for mains analyse expenditure by reference to the year in which it was incurred without identifying individual items of expenditure.

The historical cost depreciation charge is inadequate to provide for the replacement of fixed assets, therefore, to meet this future expenditure; an annual transfer is made to the general reserve.

States of Guernsey Water Board

Notes to the financial statements - continued

1. Principal accounting policies - continued

Revenue

Operating revenue includes the estimated value of unbilled supplies as at 31 December 2002 amounting to £406,517 (2001: £399,609) calculated by reference to the value at which supplies will be invoiced. This total estimated value of unbilled supplies is included in debtors.

Deferred income

Deferred income relates to income levied for service charges in advance of supply.

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the Board benefits from the employees' services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

2. Net surplus on other trading activities before management expenses and depreciation

	2002 £	2001 £
Mains and service laying trading account (a):		
Charges for capital works (b)	302,629	369,741
Charges for maintenance works	124,609	105,530
Charges for other works	<u>103,283</u>	<u>96,827</u>
	530,521	572,098
Expenditure	<u>(379,463)</u>	<u>(437,032)</u>
Contribution to management expenses and Depreciation	151,058	135,066
Miscellaneous income:		
Standard charges for service laying	176,421	130,459
Charges for work at ascertained cost	27,456	94,095
Property rental income	18,468	15,881
Miscellaneous sales	<u>15,343</u>	<u>13,463</u>
	237,688	253,898
Expenditure	<u>(113,408)</u>	<u>(210,399)</u>
Contribution to management expenses and depreciation	<u>124,280</u>	<u>43,499</u>
Net surplus on other trading activities before management expenses and depreciation	£ <u>275,338</u>	£ <u>178,565</u>

States of Guernsey Water Board

Notes to the financial statements - continued

2. Net surplus on other trading activities before management expenses and depreciation – continued

- (a) The Board operates a trading account for the provision of fully inclusive mains and services laying teams. This enables the Board to manage the costs of direct labour by charging a standard hourly rate irrespective of whether the work relates to a department within the Board or to an external consumer.
- (b) Charges for capital works include some works partly or wholly financed by consumer contributions as stated in the additional information to the financial statements.

3. Net interest receivable

	2002 £	2001 £
Interest income:		
Consolidated sinking fund (note 6)	-	9,443
Deposit & business accounts	<u>90,107</u>	<u>142,734</u>
	<u>90,107</u>	<u>152,177</u>
Interest expense:		
Loans	<u>(8,552)</u>	<u>(8,572)</u>
	<u>£ 81,555</u>	<u>£ 143,605</u>

4. Depreciation

	2002 £	2001 £
Depreciation charge for the year (note 5)	831,517	759,145
Net surplus on sale or scrap of moveable fixed assets	<u>(4,878)</u>	<u>(8,412)</u>
	826,639	750,733
Transfer to general reserve (note 10)	<u>673,361</u>	<u>749,267</u>
	<u>£ 1,500,000</u>	<u>£ 1,500,000</u>

The transfer to the general reserve is required because the provision for depreciation under the historic cost convention is inadequate to meet the future replacement cost of assets.

States of Guernsey Water Board

Notes to the financial statements - continued

5. Tangible fixed assets

	1 January 2002 £	Additions £	Disposals £	31 December 2002 £
<i>Cost</i>				
Dam	309,360			309,360
Mains	18,283,040	1,360,260		19,643,300
Land and quarries	335,561	2,219,604		2,555,165
Structures and buildings	2,882,539	151,816		3,034,355
Fixed plant	3,952,448	155,332		4,107,780
Distribution meters	1,115,034	50,386		1,165,420
Office furniture, fittings and equipment	474,682	50,727	12,433	512,976
Mobile plant and equipment	347,352	32,687		380,039
Motor vehicles	<u>564,379</u>	<u>75,638</u>	<u>37,628</u>	<u>602,389</u>
	£ <u>28,264,395</u>	£ <u>4,096,450</u>	£ <u>50,061</u>	£ <u>32,310,784</u>
	1 January 2002 £	Charge for the year £	Disposals £	31 December 2002 £
<i>Depreciation</i>				
Dam	148,891	3,343		152,234
Mains	3,219,635	312,562		3,532,197
Structures and buildings	784,349	51,887		836,236
Fixed plant	1,883,602	166,365		2,049,967
Distribution meters	762,572	111,503		874,075
Office furniture, fittings and equipment	282,859	65,537	11,331	337,065
Mobile plant and equipment	228,720	28,656		257,376
Motor vehicles	<u>315,085</u>	<u>91,664</u>	<u>37,628</u>	<u>369,121</u>
	<u>7,625,713</u>	<u>831,517</u>	<u>48,959</u>	<u>8,408,271</u>
Net book value	£ <u>20,638,682</u>			£ <u>23,902,513</u>

Some properties have been identified by the Board as assets surplus to the Board's requirements. These properties have a negligible net book value. The Board is proposing to sell these properties as the opportunity arises.

States of Guernsey Water Board

Notes to the financial statements - continued

6. Consolidated sinking fund – contributions and interest	2002 £	2001 £
Balance brought forward at 1 January	226,508	219,486
Net depreciation in value of sinking fund investment	-	(2,421)
Interest received reinvested in sinking fund (note 3)	-	9,443
Balance carried forward at 31 December	£ 226,508	£ 226,508

The consolidated sinking fund contributions and interest comprises funds held by the States Treasury on behalf of the Board. These funds are invested by the States Treasury and any gains or losses are passed on to the Board. During 2002 the Board decided to redeem all outstanding loans with effect from 1 January 2003.

7. Debtors and prepayments	2002 £	2001 £
Estimated value of unbilled supplies	406,517	399,609
Consumers' accounts outstanding	391,927	434,780
Other debtors and prepayments	57,405	65,275
	£ 855,849	£ 899,664

8. Creditors: amounts falling due within one year	2002 £	2001 £
General creditors	295,096	539,925
Deferred income	174,619	94,720
	£ 469,715	£ 634,645

9. Creditors: amounts falling due after more than one year	Issued	Redeemable	2002 £	2001 £
Loans falling due in five years or more:				
Description				
Consolidated Sinking Fund				
3.75% Water	1933	1943/2008	22,000	22,000
3% Water	1937	1946/2011	80,000	80,000
3.5% Water	1938	1947/2012	55,000	55,000
4% Water	1940	1949/2014	80,000	80,000
			237,000	237,000
Redeemable by annual drawings				
3.25% Water	1935	1944/2009	6,200	6,200
			£ 243,200	£ 243,200

All Water Loans were redeemed at par with effect from 1 January 2003.

States of Guernsey Water Board

Notes to the financial statements - continued

10. Reserves

	Property Development Fund £	General Reserve £	Revenue Account £	Total £
Balance 1 January 2002	1,496,692	6,068,788	16,563,476	24,128,956
Surplus for the year	-	-	1,745,402	1,745,402
Provision for future replacement of assets (note 4)	-	673,361	(673,361)	-
Transfer to property development fund	45,010	-	(45,010)	-
Transfer from property development fund	(1,541,702)	-	1,541,702	-
Balance 31 December 2002	£ -	£ 6,742,149	£ 19,132,209	£ 25,874,358

The general reserve is required to fund the asset base of the Board (note 4).

11. Reconciliation of operating surplus to net cash inflow from operating activities

	2002 £	2001 £
Operating surplus for the year	1,663,847	1,776,214
Net depreciation in value of sinking fund investment	-	2,421
Depreciation charges and surplus on sale of moveable fixed assets (notes 4 and 5)	826,639	750,733
(Increase) in stock	(61,663)	(12,138)
Decrease / (increase) in debtors and prepayments	43,815	(91,485)
(Decrease) / increase in creditors due within one year	(164,930)	256,971
Net cash inflow from operating activities	£ 2,307,708	£ 2,682,716

12. Reconciliation of net cash flow to movement in net funds

	£
Increase in cash in the year	105,592
Net decrease in balances with States Treasury	(1,806,799)
Cash to repay loans	-
Change in net funds	(1,701,207)
Net funds at 1 January 2002	2,492,071
Net funds at 31 December 2002	£ 790,864

States of Guernsey Water Board

Notes to the financial statements - continued

13. Analysis of changes in net funds

	At 1 January 2002 £	Cash flows £	At 31 December 2002 £
Cash at bank and in hand	95,663	105,592	201,255
Property development fund	1,496,692	(1,496,692)	-
Cash held with States Treasury	<u>1,142,916</u>	<u>(310,107)</u>	<u>832,809</u>
	2,735,271	(1,701,207)	1,034,064
Debt due after more than one year	<u>(243,200)</u>	-	<u>(243,200)</u>
Total	£ <u>2,492,071</u>	£ <u>(1,701,207)</u>	£ <u>790,864</u>

14. Pension Fund

The employees of the States of Guernsey Water Board are members of the States of Guernsey Superannuation Scheme. This is a defined benefits pension scheme, funded by contributions from both employer and employee at rates which are determined periodically on the basis of actuarial advice and which are calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives. The report by the actuaries on the valuation of the Superannuation Fund at 31 December 2001 indicated that a surplus existed. However, the contribution rate to the Fund was increased with effect from 1 January 2003 from 8.25% for 2002 to 8.35% for 2003. Employees contribute at a rate of 6%. The surplus is being amortised over the expected service lives of all the employees within the scheme.

Further details relating to the funding of the Superannuation Scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

The total amount of superannuation contributions for the year ended 31 December 2002 was £133,075 (2001: £133,846) which were all paid during the year.

Whilst the Board continues to account for its defined benefit pension obligations under Statement of Standard Accounting Practice 24 "Accounting for Pension Costs", the following additional information has been provided to satisfy the transitional arrangements of Financial Reporting Standard 17 "Retirement Benefits". As the scheme is a multi employer arrangement, the Board is unable to identify its share of underlying assets and liabilities of the scheme or the implications of the surplus on the Board, as required by Financial Reporting Standard 17.

States of Guernsey Water Board

Notes to the financial statements - continued

15. Commitments

Commitments at 31 December for which no provision has been made in these financial statements were as follows:

	2002 £	2001 £
Revenue contracted	17,868	-
Capital contracted	<u>83,286</u>	<u>134,318</u>
	£ <u>101,154</u>	£ <u>134,318</u>

16. Related party transactions

After making appropriate enquiries in accordance with Guidance Notes issued by the States Treasurer on 27 March 1996, the Board are of the opinion that there have been no related party transactions in the current or preceding financial years.

Of the States Water Board's annual income and expenditure, less than 20% of their respective value is due to transactions with other States entities.

17. Contingencies

During the year the Board concluded a contractual claim against it relating to delays on the Northern Ring Main project. The Board successfully reclaimed some of these costs from the pipe supplier who had supplied some sub-standard pipes.

18. Statement of control

The States Water Board is wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of the States Water Board has been delegated to the members of the Board who have been appointed by the States of Guernsey.

States of Guernsey Water Board

Additional information

The additional information on the following two pages has been prepared from the accounting records of the Board. While it does not form part of the financial statements, it should be read in conjunction with them and the auditors' report thereon.

States of Guernsey Water Board Fixed asset additions during 2002

	£	£
Water distribution		
Rehabilitation of mains		
Preparatory works for future contracts and completion of previous contracts	36,659	
St. Martin & St. Andrew (Les Moulpieds – Les Huriaux, Rue Frairies & Les Buttes)	320,803	
St Pierre du Bois, St. Saviour & Castel (Rue des Annevilles – Route de Plaisance, Rue de La Porte – Rue a L'or & Route de La Tourelle)	304,395	
St. Peter Port (Corbinerie – Les Croutes, Grange & Tower Hill areas)	270,506	
Vale & St. Sampson (Landes du Marche, Camp du Roi, Capelles area & Abreuveurs Road)	<u>180,395</u>	
Total rehabilitation of mains	<u>1,112,758</u>	
Renewal of mains		
Rue du Clercs & Rue du Campere, St. Pierre du Bois	25,672	
New mains, St. Peter's Church area	7,134	
Replace fittings, Fort George area, St. Peter Port	5,096	
Replacement of mains by insertion of structural lining:		
Rocquettes Lane, St. Peter Port	29,232	
Rue de Closel, Vale	22,117	
Rue du Rignet, St. Saviour	11,949	
Other replacements	10,940	
Other minor renewals	<u>9,726</u>	
Total renewal of mains	<u>121,866</u>	
Extension of Mains and General Distribution		
Pipework, fencing & clean tanks, Forest Road reservoir	104,155	
Mains requisitioned by customers	90,281	
Purchase and installation of Meters	50,386	
Rationalisation of Mains	16,784	
Other Schemes in progress	<u>3,584</u>	
Total Extension of Mains and General Distribution	<u>265,190</u>	
Total Water Distribution		1,499,814
Water Resources		
Purchase St. Andrew quarry	663,122	
Soil stabilisation, Juas reservoir	99,848	
Side slope stabilisation etc, St. Andrew quarry	98,672	
Electricity sub-station & pump starter house, St. Andrew reservoir	35,018	
Security fencing, Juas reservoir	25,990	
Automatic bleed valve, Grosse Hougue reservoir	11,618	
Improve pipework and controls prior to SCADA connection, Jamblin reservoir	8,761	
Replace inlet structure cover & frame, La Charroterie pumping station	6,667	
New raw water pumping station, Valniquets, Pleinmont, Torteval	6,100	
Diversion of Vrangue stream 12" inlet pipe, Barkers quarry, St. Sampson	5,608	
Other Schemes in progress	<u>43,047</u>	
Total Water Resources		<u>1,004,451</u>
Carried forward		2,504,265

States of Guernsey Water Board

Fixed asset additions during 2002

	£	£
Brought forward		2,504,265
Water Treatment		
Pilot membrane plant, St. Saviour water treatment works	39,222	
Carbon plant, Juas reservoir	24,790	
Lime dosing equipment, St. Saviour water treatment works	16,763	
Sundry Renewals and Other Schemes in Progress	<u>18,326</u>	
Total Water Treatment		99,101
Capital expenditure for general purposes		
Purchase of land adjacent to St. Andrew quarry	1,375,497	
Motor vehicles	75,638	
Computer projects	39,283	
Mobile plant & equipment	32,687	
Improvements to land & property	13,353	
Office furniture and equipment	<u>9,386</u>	
Total General		<u>1,545,844</u>
Gross Total Capital Expenditure		4,149,210
Less: Consumers' contributions to capital mains		<u>52,760</u>
Fixed Asset Additions		4,096,450
Sale of vehicles and equipment – net proceeds		<u>5,980</u>
Net Fixed Asset Additions		£ <u>4,090,470</u>

The States are asked to decide:-

Whether they are of the opinion to approve:-

(1) the following Accounts for the year 2002-

1. States Advisory and Finance Committee;
2. States Agriculture and Countryside Board;
3. States Arts Committee;
4. States Board of Administration;
5. States Board of Health;
6. States Board of Industry;
7. States Cadastre Committee;
8. States Children Board;
9. States Civil Defence Committee;
10. States Civil Service Board;
11. States Education Council;
12. States Gambling Control Committee;
13. Guernsey Social Security Authority;
14. States Heritage Committee;
15. States Committee for Home Affairs;
16. States Committee for Horticulture;
17. States Housing Authority
18. States Income Tax Authority;
19. Island Development Committee;
20. Island Reception Committee;
21. States Liberation Celebrations Committee;
22. States Overseas Aid Committee;
23. States Probation Service Committee;
24. States Public Assistance Authority;
25. States Public Thoroughfares Committee;
26. States Recreation Committee;
27. States Sea Fisheries Committee;
28. States Traffic Committee;
29. States Tourist Board;
30. States Transport Board;
31. Committees' Capital Income and Expenditure;
32. Miscellaneous Accounts;
33. States Agriculture and Countryside Board – Dairy Trading Account;
34. Alderney Airport;
35. States Board of Administration as respects the Ports;
36. States Water Board.

(2) To appoint the firm of KPMG as auditors of all States accounts for the year ending 31 December, 2003.

APPENDICES

AUDITORS' REPORT TO THE BOARD OF ELIZABETH COLLEGE - GUERNSEY

We have audited the financial statements of Elizabeth College which comprise the revenue account, statement of total recognised gains and losses, balance sheet, cash flow statement, related notes 1 to 11 and the detailed revenue account which have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of the Board of Directors and auditors

The Board of Directors is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the revenue surplus or deficit of the College for that period and are in accordance with applicable laws. In preparing those financial statements the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue its operations.

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College. The Board of Directors is also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 Board of Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed. In this matter we draw particular attention to notes 1(b) and 3 to the financial statements:

Notes 1(b) and 3 to the financial statements explain that the historic main College buildings and playing fields are not included in fixed assets; that the costs of furniture and equipment and of minor improvements and maintenance to all buildings and grounds are written off through the revenue account when incurred; and that no depreciation is provided for on other freehold properties as it is the College's policy to maintain the properties in such a condition that the estimated residual values are at least equal to their book values. We concur with these accounting policies.

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 of the state of affairs of the grant-aided sector of the College as at 31 August 2002 and of its revenue surplus for the year then ended.

BDO GUERNSEY LIMITED

CHARTERED ACCOUNTANTS
Commerce House
Guernsey

26 November 2002

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ELIZABETH COLLEGE - GUERNSEY
REVENUE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2002

	Note		2001
INCOME	2		
States Block Grant		1,673,975	1,619,035
Fees receivable		1,244,573	1,140,086
Sundry income		74,426	72,594
		<hr/>	<hr/>
		2,992,974	2,831,715
EXPENDITURE			
School and departmental expenses	2,187,721	2,025,789	
Youth training expenses	7,885	11,229	
Administrative expenses	527,146	537,830	
Maintenance of buildings and grounds	260,663	248,293	
		<hr/>	<hr/>
		(2,983,415)	(2,823,141)
OPERATING SURPLUS	2	9,559	8,574
Interest receivable		5,660	20,046
Interest payable		(417)	-
REVENUE SURPLUS FOR THE FINANCIAL YEAR TRANSFERRED TO CAPITAL ACCOUNT	6	<hr/> £ 14,802 <hr/>	<hr/> £ 28,620 <hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than the revenue surplus for the financial year.

A statement of movements on reserves is included in note 6 to the financial statements.

Notes 1 to 11 form an integral part of these financial statements.

ELIZABETH COLLEGE – GUERNSEY**BALANCE SHEET****31 AUGUST 2002**

	Note		2001
FIXED ASSETS			
Tangible assets	3	2,383,291	2,383,291
CURRENT ASSETS			
Stock		7,255	5,913
Debtors	4	705,498	454,552
Cash at bank and in hand		77,316	84,563
		<hr/>	<hr/>
		790,069	545,028
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Sundry creditors	5	(444,501)	(314,262)
		<hr/>	<hr/>
NET CURRENT ASSETS		345,568	230,766
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,728,859	2,614,057
CREDITOR – AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR	6	(100,000)	-
		<hr/>	<hr/>
		£ 2,628,859	£ 2,614,057
		<hr/>	<hr/>
REPRESENTED BY:-			
RESERVES	7		
Capital account		2,353,859	2,339,057
Maintenance reserve		275,000	275,000
		<hr/>	<hr/>
		£ 2,628,859	£ 2,614,057
		<hr/>	<hr/>

APPROVED BY THE BOARD OF DIRECTORS*The Very Reverend F M Trickey*.....
Chairman*26 November 2002*

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Notes 1 to 11 form an integral part of these financial statements.

ELIZABETH COLLEGE – GUERNSEY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2002

	Note		2001
NET CASH INFLOW FROM OPERATING ACTIVITIES	8	68,226	78,793
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	14,910		17,721
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		14,910	17,721
INVESTING ACTIVITIES			
Amounts advanced to non grant-aided sector	(190,383)		(210,079)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(190,383)	(210,079)
NET CASH OUTFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(107,247)	(113,565)
FINANCING			
Loan from States Recreation Committee		100,000	-
DECREASE IN CASH FOR THE YEAR		£ (7,247)	£ (113,565)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Decrease in cash for the year		(7,247)	(113,565)
Cash at bank and in hand at 1 September 2000		84,563	198,128
Cash at bank and in hand at 31 August 2001		£ 77,316	£ 84,563

Notes 1 to 11 form an integral part of these financial statements.

ELIZABETH COLLEGE – GUERNSEY**NOTES TO THE FINANCIAL STATEMENTS****31 AUGUST 2002****1. ACCOUNTING POLICIES****(a) CONVENTION**

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the Board of Directors has adopted within that convention are set out below.

(b) TANGIBLE FIXED ASSETS AND DEPRECIATION

As referred to in note 3, the historic main College buildings and playing fields are not included in fixed assets. No depreciation is provided on other freehold properties as it is the College's policy to maintain the properties in such a state of repair that the estimated residual values are at least equal to the properties' book values.

Maintenance expenditure and the costs of minor improvements to all buildings and grounds are written off through the revenue account when incurred. Expenditure on furniture and equipment is also written off through the revenue account when incurred.

(c) PRIZE FUNDS AND BEQUESTS

Prize funds and other charitable bequests are not included in these financial statements as they do not constitute part of the day-to-day activities of the College.

2. INCOME AND OPERATING SURPLUS

The College's income and operating surplus derive wholly from continuing activities.

3. TANGIBLE FIXED ASSETS

The historic College buildings, being those situated at the College's original site situated in the Grange and in College Street, and the College Field playing fields and pavilion at Kings Road, were gifted to the College at no cost. No value is attributed to these assets within the total value of tangible fixed assets included in the balance sheet.

In choosing to exclude these assets, the Board of Directors has taken advantage of the exemptions available within Statement of Recommended Practice No. 2 – Accounting by Charities, as the assets are considered to be inalienable (in other words assets which the College is prohibited by virtue of its statutes from disposing of) and it would not be possible to determine a current market valuation without incurring significant expenditure.

Other College buildings are included in the financial statements at cost. These buildings comprise the modern buildings on the main College site off the Grange and the modern changing room and groundsmen's buildings at the College Field.

ELIZABETH COLLEGE – GUERNSEY

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2002

3. TANGIBLE FIXED ASSETS (continued)

The policy of the Board of Directors is that all College properties should be maintained to the highest standards, such that the useful economic life of all properties is considered to be in excess of 50 years. The Board also considers that the aggregate residual value of those College properties which are included within the financial statements at cost is in excess of their aggregate cost, and therefore no depreciation has been provided on freehold property. In accordance with the requirements of Financial Reporting Standard No. 15 - Tangible Fixed Assets, the Board carries out annual impairment reviews to ensure that the carrying value of the College's freehold properties is not greater than their value in use or net realisable value.

As an indication of the relative value of the College's freehold property assets, and the values at which they are included within the financial statements, the following table sets out (a) the cost values at which the properties are included within the accounts and (b) their current insurance values, updated from January 1998 when the properties were last valued for insurance purposes by a qualified Quantity Surveyor. All figures exclude land.

	<i>Cost</i>	<i>Insurance Valuation</i>
Main College site		
- Historic buildings	-	9,700,000
- Modern buildings	2,318,451	12,400,000
College Playing Fields		
- Old pavilion	-	285,000
- Modern buildings	64,840	370,000
	<hr/>	<hr/>
	£ 2,383,291	£ 22,755,000
	<hr/>	<hr/>

4. DEBTORS

2001

Amounts due within one year

Fee debtors	10,961	10,676
Accrued income	4,442	13,692
Current account – College non-grant aided sector	520,134	382,811
Other debtors and prepayments	116,901	47,373
	<hr/>	<hr/>
	652,438	454,552

Amounts due after more than one year

Loan account – College non-grant aided sector	53,060	-
	<hr/>	<hr/>
	£ 705,498	£ 454,552
	<hr/>	<hr/>

The current account is interest free, unsecured and repayable upon demand.

The loan account is interest free and unsecured. The loan relates to financial assistance provided by the grant-aided sector of the College in connection with the conversion of the non-grant aided sector's property at King's Road for use as staff accommodation to be occupied by teaching staff employed by the grant-aided sector. It is intended that the loan be repaid out of future rental income arising from the use of the property as teaching staff accommodation.

ELIZABETH COLLEGE - GUERNSEY**NOTES TO THE FINANCIAL STATEMENTS****31 AUGUST 2002****5. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

		2001
Trade creditors	278,161	217,054
Other creditors and accruals	166,340	97,208
	<hr/> £ 444,501	<hr/> £ 314,262

6. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Loan – States of Guernsey Recreation Committee

Repayable by instalments:

- Due within five years	40,000	-
- Due after more than five years	60,000	-
	<hr/> £ 100,000	<hr/> £ -

The loan was advanced to the College in connection with the replacement of the artificial sports surface at Memorial Field, work on which commenced in September 2002. The loan bears interest at a rate of 5% and is repayable in equal capital instalments over 10 years from 31 December 2003. The loan is secured by a registered bond in the sum of £100,000 over the Acorn House premises, Kings Road, which forms part of the fixed assets of the non-grant aided sector of the College.

7. RESERVES

	<u>Capital Account</u>	<u>Maintenance Reserve</u>	<u>Total</u>
Balance at 1 September 2001	2,339,057	275,000	2,614,057
Transfer from revenue account	14,802	-	14,802
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2002	£ 2,353,859	£ 275,000	£ 2,628,859

8. RECONCILIATION OF OPERATING DEFICIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

		2001
Operating surplus	9,559	8,574
(Increase)/decrease in stock	(1,342)	32
(Increase)/decrease in operating debtors	(69,813)	10,000
Increase in operating creditors	129,822	60,187
	<hr/>	<hr/>
Net cash inflow from operating activities	£68,226	£ 78,793

ELIZABETH COLLEGE – GUERNSEY

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2002

9. PENSION COSTS

The employees of Elizabeth College are members of the States of Guernsey Superannuation Scheme. This is a defined benefit pension scheme, funded by contributions from both employer and employee, at rates which are determined on the basis of actuarial advice and which are calculated to spread the expected costs of benefits to employees over the period of those employees' expected working lives.

The States of Guernsey Superannuation Scheme is a multi-employer scheme and the level of contributions made to the scheme by each employer will be affected by actuarial risks relating to the employees of other employers. It is also not possible for the underlying pension assets and liabilities within the Scheme relating to the employees of Elizabeth College to be determined on a reasonable and consistent basis. The Board of Directors have therefore taken advantage of the exemption available under paragraph 9(b) of Financial Reporting Standard No. 17 – Retirement Benefits from the requirement to make the full disclosures that would normally apply to an employer operating a defined benefits scheme on behalf of its employees.

The total amount of superannuation contributions payable for the year ended 31 August 2002 was £332,952 (2001 : £319,725). At 31 August 2002 the amount of outstanding contributions not paid over to the Scheme was £ 172,121 (2001 : £149,324).

The last actuarial valuation of the Scheme was conducted at 31 December 1998. At that date the actuarial value of the assets relating to the "Teachers pool" within the overall Scheme represented 98.8% of the actuarial valuation of the liabilities relating to that group. The balance of liabilities amounted to £1.38m and is being met by additional contributions from employers over the remaining working lifetimes of the current members of the group. The current rate of the employer's contributions in respect of teachers is 14.7% of pensionable salary.

At 31 December 1998 the actuarial value of the assets relating to the "Public servants pool" within the overall Scheme, to which the College's administration and teaching ancillary staff belong, represented 116.2% of the actuarial valuation of the liabilities relating to that group. The current rate of the employer's contributions in respect of administration and teaching ancillary staff is 6.25% of pensionable salary.

Further details relating to the funding of the superannuation scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

10. CONTROLLING PARTY

Throughout the year the College was under the control of the Board of Directors acting in concert. In the opinion of the Board of Directors there is no controlling party as defined by Financial Reporting Standard No. 8 - Related Party Disclosures, as no party has the ability to direct the financial and operating policies of the College with a view to gaining economic benefits from their direction.

11. RELATED PARTY TRANSACTIONS

The College operates a central accounting system administered by the Bursar which covers both the grant-aided and non grant-aided sectors of the College's activities. All operating receipts and all operating expenditure related to the College's activities, whether related to the grant-aided sector or otherwise, pass through common bank accounts, all of which are included in the balance sheet within these financial statements. The net movement arising from cash transactions relating to non-grant aided activities is disclosed in the cash flow statement as a movement on a notional current account operated between the two sectors. At each year end the account balances within the central accounting system, including individual debtor and creditor account balances, are allocated as appropriate into the financial statements of the different sectors.

During the year ended 31 August 2002 an amount of £25,000 (2001: £25,000) has been charged from the grant-aided sector of the College to the non grant-aided sector in relation to the employment expenses of administrative and accounting staff, a proportion of whose duties relate solely to the non grant-aided sector of the College's activities.

ELIZABETH COLLEGE – GUERNSEY**DETAILED REVENUE ACCOUNT****FOR THE YEAR ENDED 31 AUGUST 2002**

		2001
INCOME		
States Block Grant	1,673,975	1,619,035
Fees receivable	1,244,573	1,140,086
Hire of facilities	57,153	53,633
Other income	17,273	18,961
	<hr/>	<hr/>
	2,992,974	2,831,715
	<hr/>	<hr/>
EXPENDITURE		
SCHOOL AND DEPARTMENTAL EXPENSES		
Teachers' salaries	1,635,017	1,488,157
Teachers' superannuation	207,851	193,915
Teaching ancillary salaries and superannuation	97,903	94,986
Departmental expenses	206,311	199,468
Other school expenses	16,319	25,993
Examination fees	24,320	23,270
	<hr/>	<hr/>
	2,187,721	2,025,789
	<hr/>	<hr/>
YOUTH TRAINING EXPENSES	7,885	11,229
	<hr/>	<hr/>
ADMINISTRATIVE EXPENSES		
Services	167,941	160,289
Administration salaries and superannuation	170,439	159,492
School administration	31,947	38,790
General expenses	78,681	82,601
Rates, insurance and taxes	61,525	45,526
Discounts given	31,628	33,210
Inspection costs	-	18,504
Appointment of Principal	-	13,054
Audit and accountancy	6,335	5,890
Bad debts	3,650	5,474
Recharge to non grant-aided sector	(25,000)	(25,000)
	<hr/>	<hr/>
	527,146	537,830
	<hr/>	<hr/>
MAINTENANCE OF BUILDINGS AND GROUNDS		
Maintenance of playing fields	69,339	73,507
Maintenance of other areas	191,324	174,786
	<hr/>	<hr/>
	260,663	248,293
	<hr/>	<hr/>
OPERATING SURPLUS	£ 9,559	£ 8,574
	<hr/>	<hr/>

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

**Statement of activities and performance
Year ended 31 December 2002**

Financial highlights

The Guernsey Insurance Fund had an operating surplus of £9.5m (2001: £8.2m). In addition to the operating surplus, net income from investments fell by 10% to £9.0m (2001: £10.0m).

During the year, contribution income grew by 7.6% to £43.7m (2001: £40.6m), reflecting a continued increase in the number of people working in Guernsey and Alderney together with increased earnings from a buoyant economy.

The largest economic sector remains the financial sector, which accounts for a quarter of the employed population and represents 30% of the total income received from employers and employees.

Benefit expenditure increased by 6.4% to £56.2m, above the 5% general increase in benefit rates. The number of new claims processed by the staff during the year increased to 22,142. At the year-end there were 14,157 benefit claims in payment, of which 87% were to people in receipt of old age pension.

With net assets of £301m (2001: £348m), expenditure cover fell from 6.3 years to 5.1 years. The fall was attributable to the continued decline in world markets during the year, with the Fund's investment portfolio (including cash invested but excluding investment property) valued at £271m (2001: £319m, 2000: £359m).

New monies totalling £9m were added to the investment portfolio during the year, in addition to the £8.3m investment income reinvested.

Activities during 2002

The Authority's policy initiatives in 2002 were informed by the findings of the Townsend Centre for International Poverty Research. These included a finding of significant levels of poverty among single pensioners. In response to this, the Authority has embarked on a strategy of strengthening the single rate of old age pension relative to the increase of pension in respect of a dependant wife. With many more single pensioners than married couples, this is an expensive strategy to pursue but the Authority is convinced that it is right and will make it a feature of its benefit uprating policy for the medium term. The financial impact of this will be observed in the accounts by way of increases in old age pension expenditure markedly above the general increase in retail prices.

The Authority was pleased to make good progress with its proposals for achieving gender equality in the social insurance scheme. This is an important policy area which the Authority has been keen to address for several years, but which has been lower priority than the specialist health insurance scheme and the long-term care insurance scheme. The gender equality proposals were published on 28 March 2003 (Billet d'Etat V of 2003).

The Authority restructured its technological migration project, to recommence in July 2002. Regrettably, the project suffered a further suspension while awaiting delivery of a new generation of the Curam infrastructure, on which the Authority's new server systems will be based. The project will now recommence in April 2003. The Authority is committed to migrate from its old mainframe systems to the client server platform. Although the two suspensions of this major undertaking have been frustrating, the Authority considers that the right course of action has been taken on both occasions and will be to the benefit of the final product.

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

**Statement of activities and performance - continued
Year ended 31 December 2002**

Activities during 2002 - continued

In 2002, the Authority successfully implemented its new finance and ordering package, using the Sun Systems product.

Future developments

For the Guernsey Insurance Fund, the Authority's focus in 2003 will be gaining the support of the States for its gender equality reforms ensuring that the consequential legislative and administrative changes are made in order for the most important changes to take effect from 1 January 2004. These will include the proposed cessation of the option for married women to pay reduced rate contributions. If approved by the States this will increase contribution income by around £2.6m per year and increase the States grant to the Fund by around £1.5m per year. The reforms will, however, substantially increase future benefit entitlements.

The Authority will have continuing regard to the findings of the Townsend Centre on International Poverty research in recommending new rates of old-age pension and other benefits to apply from 1 January 2004.

The Authority will resume the technological migration of its computer systems from mainframe to server platforms and expects substantial progress to be made in 2003.

Statistics

Benefits	No of claimants as at:		No of new cases during the year	
	31/12/02	31/12/01	2002	2001
Old Age Pension	12,360	12,069	1,034	1,008
Widows Benefits	498	504	161	111
Invalidity Benefit	583	595	347	293
Sickness Benefit	227	313	10,509	10,745
Unemployment Benefit	94	84	988	820
Travel Allowance Grant	N/A	N/A	6,363	5,348
Limited Medical Benefit	N/A	N/A	1	5
Industrial Medical Benefit	N/A	N/A	1,587	1,760
Industrial Injury Benefit	16	24	192	163
Industrial Disablement Benefit	258	257	12	17
Maternity Allowance	120	109	360	356
Maternity Grant	N/A	N/A	187	207
Death Grant	N/A	N/A	401	434
Guardian's Allowance	0	1	0	0
Children' Special Allowance	1	2	0	0
Total	14,157	13,958	22,142	21,267

States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority

Statement of activities and performance - continued
Year ended 31 December 2002

Number of contributors (as at week 36)

	2002	2001	2000	1999	1998
Employers	2,490	2,537	2,612	2,695	2,688
Employed					
Male	15,283	14,984	14,836	14,688	14,715
Female	13,671	13,360	13,560	13,509	13,361
	28,954	28,344	28,396	28,197	28,076
Self-employed	3,425	3,454	3,458	3,421	3,422
Non-employed	5,024	5,116	5,199	5,026	4,980
Total	37,403	36,914	37,053	36,644	36,498

From the beginning of 2001, the Earnings Threshold was removed and Non-reckonable contributions were no longer collected from contributors' earnings between the Earnings Threshold and the Lower Earnings Limit.

Contribution rates

	2002	2001	2000	1999	1998
Employers	4.1%	4.1%	4.1%	4.1%	4.1%
Employed					
Full rate	3.2%	3.2%	3.2%	3.2%	3.2%
Reduced rate	0.5%	0.5%	0.5%	0.5%	0.5%
Self-employed	6.3%	6.3%	6.3%	6.3%	6.3%
Non-employed	5.7%	5.7%	5.7%	5.7%	5.7%

Note: These rates are additional to the contribution rates applicable to the Guernsey Health Service Fund and specified in the accounts for that Fund

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Statement of activities and performance - continued
Year ended 31 December 2002

Five-year performance

	2002 £	2001 £	2000 £	1999 £	1998 £
Income	68,670,165	63,737,145	58,784,596	55,469,821	51,793,501
Expenditure	59,134,342	55,554,292	52,849,823	49,634,653	46,776,846
Operating surplus	9,535,823	8,182,853	5,934,773	5,835,168	5,016,655
Investments					
Property	7,950,000	7,540,000	8,070,000	8,060,000	7,715,537
Cash invested	18,042,113	19,646,987	21,608,092	23,130,836	33,895,889
Listed investments and accrued income	252,613,156	299,695,028	331,243,418	323,898,484	255,077,140
	278,605,269	326,882,015	360,921,510	355,089,320	296,688,566
Investment performance					
Investment income	8,980,282	10,039,381	10,041,816	11,013,468	10,454,104
Realised gains/(losses)	(14,284,583)	1,855,151	12,558,096	9,180,735	11,586,984
Unrealised gains/(losses)	(51,739,802)	(42,321,955)	(20,489,353)	31,995,793	5,296,014
Impairment of investments	-	(5,467,793)	-	-	-
Total return on investments	(53,044,103)	(35,895,216)	(2,110,559)	52,189,996	27,337,102
Expenditure cover					
Reserves	301,371,135	348,469,415	376,711,778	368,656,446	310,286,820
Expenditure	59,134,342	55,554,292	52,849,823	49,634,653	46,776,846
Number of years cover	5.1	6.3	7.1	7.4	6.6

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Statement of activities and performance - continued
Year ended 31 December 2002

Principal officers

During 2002 principal officers were:

President	Deputy Owen Le Tissier
Vice President	Deputy Andrew Sauvarin
Authority Members	Deputy Mary Lowe Deputy Pat Robilliard Deputy Daniel Le Cheminant Roy Le Prevost John Guilbert
Administrator	Malcolm Nutley

States of Guernsey – Guernsey Insurance Fund

Controlled and managed by the Guernsey Social Security Authority

Statement of responsibilities for the preparation of financial statements

The Guernsey Social Security Authority (“the Authority”) is required to prepare financial statements for each financial year which give a true and fair view of the disposition of the net assets of the Guernsey Insurance Fund at the end of the financial year and of the income and expenditure of the Guernsey Insurance Fund for that period. In preparing those financial statements, the Authority is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so.

The Authority is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Guernsey Insurance Fund and enable them to ensure that the financial statements comply with Section 100(3) of The Social Insurance (Guernsey) Law, 1978. It is also responsible for safeguarding the assets of the Guernsey Insurance Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of the Authority to identify and install a system of internal controls, including financial control, which is adequate for its own purposes, and to safeguard the assets of General Insurance Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The authority is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

The Authority’s internal financial procedures include:

- an annual budget and planning process to allocate, control and monitor the use of resources;
- a requirement to table at a meeting of the Authority;
 - the annual audit report together with the audited financial statements;
 - the annual report of observations and recommendations produced by the external auditors;
 - the annual policy and resource plan;
 - the quarterly management accounts;
- by Law, an actuarial review to determine the adequacy of the contribution rates must be undertaken at least once every five years and submitted to the Authority and the States of Guernsey;
- a regular review of the performance and security of the Guernsey Insurance Fund by the Authority and Combined Actuarial Performance Services Limited;
- a review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department;
- a requirement for internal audit reports to be tabled at a meeting of the Authority;

The Authority strives to ensure that all staff with financial responsibilities have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The Authority’s internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to an independent external audit by auditors appointed by the States of Guernsey.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the Guernsey Social Security Authority

We have audited the financial statements of States of Guernsey – Guernsey Insurance Fund for the year ended 31 December 2002 which comprise the fund account, the balance sheet and the related notes 1 to 13.

Respective responsibilities of the Authority and auditors

As described in the statement of responsibilities the Authority is responsible for preparing the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Guernsey by law, the UK Auditing Practices Board and by our profession's ethical guidelines.

We report to you our opinion as to whether the financial statements give a true and fair view of the disposition of the net assets and surplus of the Guernsey Insurance Fund and are properly prepared in accordance with its accounting policies. We also report if, in our opinion, the Authority has not kept proper accounting records or if we have not received all of the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with UK auditing standards 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 Authority in the preparation of the financial statements and of whether the accounting policies are appropriate to the Guernsey Insurance Fund'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 of the disposition of the net assets of the Guernsey Insurance Fund as at 31 December 2002 and of its surplus for the year then ended and have been properly prepared in accordance with its accounting policies.

KPMG
Chartered Accountants

2 April 2003

**States of Guernsey –
Guernsey Insurance Fund**
Controlled and managed by the
Guernsey Social Security Authority

Fund account
for the year ended 31 December 2002

	Notes	2002	2001
		£	£
Income			
Contributions from insured persons and employers	1	43,749,727	40,608,626
Grant – States of Guernsey	1	<u>24,920,438</u>	<u>23,128,519</u>
		68,670,165	63,737,145
Expenditure			
Benefits payable	2	56,217,691	52,813,790
Administration	3	4,620,140	4,606,727
Recoveries	4	<u>(1,703,489)</u>	<u>(1,866,225)</u>
		59,134,342	55,554,292
Operating surplus for the year		9,535,823	8,182,853
Investing activities			
Income from invested funds	5	9,364,385	10,457,327
Investment management expenses	5	<u>(384,103)</u>	<u>(417,946)</u>
		8,980,282	10,039,381
Realised loss on disposal		(14,284,583)	1,855,151
Movement in unrealised gain on investment		(51,739,802)	(47,789,748)
Movement in unrealised gain on investment property		<u>410,000</u>	<u>(530,000)</u>
		(56,634,103)	(36,425,216)
Net decrease in fund during the year		(47,098,280)	(28,242,363)
Net assets of the fund at 1 January 2002		<u>348,469,415</u>	<u>376,711,778</u>
Net assets of the fund At 31 December 2002		£ <u>301,371,135</u>	£ <u>348,469,415</u>

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Balance sheet
at 31 December 2002

			2002		2001
	Note	£	£	£	£
Fixed assets					
Tangible assets	6	5,944,987		5,730,097	
Investment property	7	7,950,000		7,540,000	
Investment portfolio	8	<u>270,655,269</u>		<u>319,342,015</u>	
			284,550,256		332,612,112
Current assets					
Debtors and prepayments	9	15,475,163		12,668,333	
Balances with States Treasury		7,706,232		7,732,807	
Cash at bank and in hand		<u>365,193</u>		<u>323,224</u>	
		23,546,588		20,724,364	
Creditors: amounts falling due within one year	10	<u>(6,725,709)</u>		<u>(4,867,061)</u>	
Net current assets			<u>16,820,879</u>		<u>15,857,303</u>
Total net assets			£ <u>301,371,135</u>		£ <u>348,469,415</u>
Reserves			£ <u>301,371,135</u>		£ <u>348,469,415</u>

The financial statements were approved by the Guernsey Social Security Authority on 2 April 2003.

Signed on behalf of the Authority

Deputy OD Le Tissier
President

M Nutley
Administrator

States of Guernsey – Guernsey Insurance Fund

Controlled and managed by the
Guernsey Social Security Authority

Notes to the financial statements

1. Accounting policies

The following accounting policies are prepared in accordance with UK accounting standards. The particular policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, adjusted by the revaluation of listed investments and investment property.

Contributions

Contributions represent the amount of cash received before 1 February of the following year in respect of the financial year ended 31 December 2002 and amounts received relating to prior financial periods not accounted for in those periods.

Grant – States of Guernsey

The grant received from the States of Guernsey is based on a fixed percentage of contributions, accounted for in the relevant period.

Benefits payable

Benefits are accounted for on an accruals basis in whole weeks.

Guernsey Insurance Fund

No account is taken of future benefit entitlements.

The adequacy of the Guernsey Insurance Fund is, however, subject to actuarial review at least once every five years to determine the adequacy of contribution rates. The last such review was for the period from 1 January 1994 to 31 December 1998 and was published in the Billet D'État XIV2000.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. The costs of computer development projects are capitalised as and when they are considered to be material on an individual project basis.

Depreciation is provided on cost at the following annual rates so as to write off the assets over their anticipated useful lives:

	Estimated life in years	Depreciation % per annum
Freehold land and buildings	80	1.25 straight line
Furniture and fittings – pre 1999	20+	10 reducing balance
Furniture and fittings – 1999 onwards	10	10 straight line
Office equipment	5	20 straight line
Computer development	7	14.29 straight line
Computer equipment and software – 1997 onwards	3	33.33 straight line

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

1. Accounting policies – continued

Investments

Listed investments are included in the financial statements at mid-market prices ruling at the balance sheet date. Listed investments quoted in foreign currencies and foreign exchange contracts have been translated into sterling at rates of exchange ruling at the balance sheet date.

Investment property

The investment property is stated at open market value.

Investment income

Interest receivable is included in the financial statements on an accruals basis and is gross of withholding tax suffered at source.

Dividends are recognised in the financial statements when the underlying investments become ex-dividend.

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the Authority benefits from the employee's services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

2. Benefits payable	2002	2001
	£	£
Old age pension	46,177,708	43,220,235
Widows	2,001,398	1,953,985
Survivor's grant	49,382	36,106
Invalidity	3,469,485	3,296,339
Sickness	1,601,434	1,505,848
Unemployment	238,601	195,087
Travel allowance grant	1,192,038	1,151,291
Limited medical	4,541	4,028
Industrial medical	129,727	130,832
Industrial injury	176,520	190,861
Industrial disablement	525,893	484,737
Maternity benefit	501,771	500,856
Death grant	147,554	140,179
Guardians' allowance	474	1,485
Child's special allowance	1,165	1,921
	£ 56,217,691	£ 52,813,790

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

3. Administration expenses

	2002 £	2001 £
Salaries and pension costs	2,891,504	2,847,373
Computer expenses	483,163	691,470
Administration expenses	423,056	370,379
Depreciation	411,331	416,036
Legal and professional expenses	36,524	41,988
Property expenses	187,148	167,926
Audit fee	9,025	7,444
Previous auditors' fees for other services	<u>178,389</u>	<u>64,111</u>
	£ 4,620,140	£ 4,606,727

4. Recoveries

	2002 £	2001 £
Amounts received from:		
Non Contributory Services	1,151,200	1,181,979
Guernsey Health Service Fund	360,213	496,409
Other States of Guernsey entities	<u>192,076</u>	<u>187,837</u>
	£ 1,703,489	£ 1,866,225

5. Net income from invested funds

	2002 £	2001 £
Income		
Overseas interest from fixed interest securities	1,034,888	1,909,154
Overseas dividends from equities	1,298,091	1,060,656
Less: withholding tax suffered	(146,869)	(210,328)
UK interest from fixed interest securities	824,286	1,115,233
UK dividends from equities	4,558,630	4,672,370
Interest on short term deposits	1,224,347	1,367,102
Underwriting commission	29,883	21,146
Property rental	<u>541,130</u>	<u>521,994</u>
	9,364,385	10,457,327
Expenditure		
Investment manager's fees	363,240	404,215
Property expenses	<u>20,863</u>	<u>13,731</u>
	(384,103)	(417,946)
Net income	£ 8,980,282	£ 10,039,381

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

6. Tangible assets

	1 January 2002 £	Additions £	31 December 2002 £
<i>Cost</i>			
Freehold land and buildings	3,618,534	-	3,618,534
Furniture, fittings and office equipment	672,946	38,529	711,475
Computer equipment and software	1,569,264	185,154	1,754,418
Computer development	<u>4,449,616</u>	<u>402,538</u>	<u>4,852,154</u>
	£ 10,310,360	£ 626,221	£ 10,936,581
	1 January 2002 £	Charge for the year £	31 December 2002 £
<i>Depreciation</i>			
Freehold land and buildings	667,814	45,342	713,156
Furniture, fittings and office equipment	406,039	72,856	478,895
Computer equipment and software	1,066,015	293,133	1,359,148
Computer development	<u>2,440,395</u>	<u>-</u>	<u>2,440,395</u>
	4,580,263	411,331	4,991,594
Net book value	£ 5,730,097		£ 5,944,987

Freehold land and buildings comprises Edward T Wheadon House, which was valued at 31 December 2002 by Lovell & Partners Limited, a firm of estate agents and valuers, at an open market value of £10,180,000.

Costs of £2,440,395 (2001: £2,099,221) associated with the technological migration project are included within computer development costs. No depreciation will be charged on these costs until the new system is available for use.

7. Investment property

	2002 £	2001 £
At valuation	£ 7,950,000	£ 7,540,000
At historic cost	£ 3,146,034	£ 3,146,034

The freehold property "Arnold House" was valued by Lovell & Partners Limited, a firm of estate agents and valuers, on 24 June 2002 at £7,950,000. The property is currently let on a 42 year lease from 14 June 1989 on a full repairing and insuring basis, subject to the tenant's 21-year lease extension option.

The annual rental is £534,000 and rent reviews are to open market value every 3 years. The next review is scheduled for June 2004.

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

8. Investment portfolio

	2002		2001	
	£	£	£	£
United Kingdom Fixed interest	20,937,581		21,654,427	
United Kingdom Equities	140,079,616		171,256,413	
Overseas Fixed interest	17,446,519		26,915,502	
Overseas Equities	<u>73,169,436</u>		<u>78,453,524</u>	
		251,633,152		298,279,866
Cash balances with States				
Treasury	16,962,355		18,709,595	
Cash balances	<u>1,079,758</u>		<u>937,392</u>	
		18,042,113		19,646,987
Accrued income		<u>980,004</u>		<u>1,415,162</u>
		£ <u>270,655,269</u>		£ <u>319,342,015</u>
	Investments	Cash balance	Accrued income	Total
	£	£	£	£
As at 1 January 2002	298,279,866	19,646,987	1,415,162	319,342,015
New monies invested	-	9,000,000	-	9,000,000
Acquisition of investments	251,087,420	(251,087,420)	-	-
Disposal of investments	(231,709,749)	231,709,749	-	-
Investment income	-	8,772,797	(435,158)	8,337,639
Realised loss on disposals	(14,284,583)	-	-	(14,284,583)
Changed in market value of investments	<u>(51,739,802)</u>	<u>-</u>	<u>-</u>	<u>(51,739,802)</u>
As at 31 December 2002	£ <u>251,633,152</u>	£ <u>18,042,113</u>	£ <u>980,004</u>	£ <u>270,655,269</u>

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

9. Debtors and prepayments

	2002 £	2001 £
Contributions receivable	10,875,236	9,851,501
Benefits prepaid	1,509,001	1,541,203
Administration expenses prepaid	112,952	422,432
Recoveries due from Non Contributory Services	1,043,441	250,072
Recoveries due from Guernsey Health Service Fund	1,148,471	86,076
Recoveries due from other States of Guernsey entities	284,704	81,548
Investment income	4,706	4,382
States of Guernsey	358,438	431,119
Trade debtors	<u>138,214</u>	<u>-</u>
	£ 15,475,163	£ 12,668,333

During the year the Authority's procedures for payment of expenses changed. Payments are now made by the General Insurance Fund and are recharged to the Guernsey Health Fund and Non Contributory Services. This has resulted in increased debtor and creditor figures at the year end (see also note 10).

10. Creditors: amounts falling due within one year

	2002 £	2001 £
Contributions payable to Guernsey Health Service Fund	4,492,916	4,393,839
Benefits payable	-	174,166
Other creditors and accruals	113,833	299,056
Bank overdraft	400,367	-
Trade creditors	<u>1,718,593</u>	<u>-</u>
	£ 6,725,709	£ 4,867,061

**States of Guernsey –
Guernsey Insurance Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

11. Pension Fund

The employees of the Guernsey Social Security Authority are members of the States of Guernsey Superannuation Scheme. This is a defined benefits pension scheme, funded by contributions from both employer and employee at rates which are determined periodically on the basis of actuarial advice, and which are calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives. The report by the actuaries on the valuation of the Superannuation Fund at 31 December 2001 indicated that a surplus existed. However, the contribution rate to the Fund was increased with effect from 1 January 2003 from 8.25% for 2002 to 8.35% for 2003. Employees contribute at a rate of 6%. The surplus is being amortised over the expected service lives of all the employees within the scheme.

Further details relating to the funding of the Superannuation Scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

The total amount of Superannuation contributions for the year ended 31 December 2002 was £168,961 (2001: £159,377) of which General Insurance Fund contributed £105,755 (2001: £103,955), which were all paid during the year.

Whilst the Guernsey Social Security Authority continues to account for its defined benefit pension obligations under Statement of Standard Accounting Practice 24 "Accounting for Pension Costs", the following additional information has been provided to satisfy the transitional arrangements of Financial Reporting Standard 17 "Retirement Benefits". As the scheme is a multi employer arrangement, the Authority is unable to identify its share of underlying assets and liabilities of the scheme or the implication of the surplus on the Authority, as required by Financial Reporting Standard 17.

12. Related party transactions

The Authority is of the opinion that there have been no disclosable related party transactions with members and senior management in this financial year (2001: none).

Of the Authority's annual income and expenditure, less than 20% of their respective value for both 2001 and 2002 is due to transactions with other States entities, except as disclosed in notes 1 and 4.

13. Statement of control

The Guernsey Insurance Fund is controlled and managed by the Guernsey Social Security Authority, as required by Section 100(1) of the Social Insurance (Guernsey) Law, 1978, as amended. The members of the Guernsey Social Security Authority have been appointed by the States of Guernsey.

States of Guernsey – Non Contributory Services Controlled and managed by the Guernsey Social Security Authority

Statement of activities and performance
Year ended 31 December 2002

Financial highlights

Benefit expenditure on non-contributory services increased by 3.7% in 2002 to £18.61m (2001:£17.95m). This increase includes the general increase in benefit rates by approximately 4%.

Overall, supplementary benefit expenditure increased by 3.5% to £9.53m (2001: £9.21m) against a backdrop of a fairly static claimant base.

In 2002, family allowance expenditure increased by 1.7% to £6.83m (2001: £6.72m). The allowance was increased by just under 3% to £10.80 per child per week with the number of children for whom the benefit was paid being marginally down on the previous year.

Attendance allowance expenditure increased by 5% to £1.19m (2001:£1.13m) with invalid care allowance expenditure increasing by just under 1% to £0.54m. Historically, the average annual increase has been significantly higher than the present increases and the Authority will continue to advertise the benefits to ensure that lack of knowledge is not a factor in the low level of increase.

Expenditure for the first full year of operation of the benefit with regard to concessionary TV Licences, which commenced on 1 April 2001, stood at £0.40m. Just over 3,200 individuals over the age of 75 were issued with a free licence.

The Authority makes annual grants to a number of local charities to support their provision of social welfare, the charities being specified by resolution by the States. In 2002, and in response to the findings of the Townsend Centre for International Poverty Research, the Authority improved its support to charities by increasing the overall grant by 11% to £150,000, focusing on pre-school playgroups which provide facilities for underprivileged children.

Activities during 2002

The Projet de Loi entitled ‘The Long-term Care Insurance (Guernsey) Law, 2002’ was approved by the States on 24 April 2002 (Billet d’État VI of 2002). The new scheme, which is due to commence in April 2003, will reduce expenditure on the non-contributory services account, as the long-term care insurance scheme, having its own separate fund and accounts, will replace the means-tested assessment of people in private sector residential and nursing homes. The Authority was very pleased to see this new legislation obtain strong support from the States. This was a major milestone on the way to addressing fairly the problems of funding residential and nursing care, problems which have been taxing the Authority and the wider States for many years.

The Survey of Guernsey Living Standards, commissioned by the Advisory and Finance Committee and undertaken by the Townsend Centre for International Poverty Research, was published early in 2002. The report identified significant levels of relative poverty in Guernsey, estimating that 16% of residents, comprising 3000 households, are poor. Single parents and single pensioners were identified as two groups particularly subject to poverty.

States of Guernsey – Non Contributory Services

**Controlled and managed by the
Guernsey Social Security Authority**

Statement of activities and performance - continued

Year ended 31 December 2002

Activities during 2002 – continued

In response to the Townsend Centre's findings, the Authority proposed increases in the supplementary benefit requirement rates of single householders, well in excess of the general increase in retail prices. Furthermore, the Authority proposed a substantial increase in the benefit limitation. These new rates took effect from 1 January 2003, so the financial impact will be noted in next year's accounts, not these.

Future developments

The Authority will be one of the lead committees in formulating policy to address the poverty issue. While some of the remedies involve services provided by other States committees, increased benefit payments will inevitably be an important part of the response to the findings. In addition to the moves already made in the supplementary benefit rates, an increased budget and promotion of the medical expenses assistance scheme is expected to be approved.

Statistics

	No. of claimants as at:		No. of new cases	
	31.12.02	31.12.01	2002	2001
Supplementary Benefit	1,753	1,767	1,724	1,691
Family Allowances	6,806	6,917	456	539
Attendance Allowance	389	375	149	137
Invalid Care Allowance	209	222	55	71

Five-year performance

	2002 £	2001 £	2000 £	1999 £	1998 £
Supplementary Benefit	9,534,565	9,212,757	8,540,094	8,163,105	8,046,080
Family Allowance	6,831,848	6,717,691	6,474,717	6,078,813	6,063,790
Attendance Allowance	1,194,888	1,135,182	1,090,864	1,004,331	913,698
Invalid Care Allowance	539,357	535,790	528,808	512,192	484,521
Travel expenses assistance scheme	59,181	60,596	42,238	34,730	37,365
Medical expenses assistance scheme	56,199	48,863	39,533	29,009	43,085
Charitable grants	150,000	135,388	130,928	128,237	112,755

**States of Guernsey –
Non Contributory Services
Controlled and managed by the
Guernsey Social Security Authority**

Statement of activities and performance - continued
Year ended 31 December 2002

Principal officers

During 2002 principal officers were:

President	Deputy Owen Le Tissier
Vice President	Deputy Andrew Sauvarin
Authority Members	Deputy Mary Lowe Deputy Pat Robilliard Deputy Daniel Le Cheminant Roy Le Prevost John Guilbert
Administrator	Malcolm Nutley

States of Guernsey – Non Contributory Services Controlled and managed by the Guernsey Social Security Authority

Statement of responsibilities for the preparation of financial statements

The Guernsey Social Security Authority (“the Authority”) is required to prepare financial statements for each financial year which give a true and fair view of the disposition of the net assets of Non Contributory Services and of the income and expenditure of Non Contributory Services for that period. In preparing those financial statements, the Authority is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so.

The Authority is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Non Contributory Services. It is also responsible for safeguarding the assets of the Non Contributory Services and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of the Authority to identify and install a system of internal controls, including financial control, which is adequate for its own purposes, and to safeguard the assets of the Non Contributory Services and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The authority is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

The Authority’s internal financial procedures include:

- an annual budget and planning process to allocate, control and monitor the use of resources;
- a requirement to table at a meeting of the Authority;
 - the annual audit report together with the audited financial statements;
 - the annual report of observations and recommendations produced by the external auditors;
 - the annual policy and resource plan;
 - the quarterly management accounts;
- a review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department;
- a requirement for internal audit reports to be tabled at a meeting of the Authority;

The Authority strives to ensure that all staff with financial responsibilities have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The Authority’s internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to an independent external audit by auditors appointed by the States of Guernsey.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the Guernsey Social Security Authority

We have audited the financial statements of Non Contributory Services for the year ended 31 December 2002 which comprise the income and expenditure account, the balance sheet and the related notes 1 to 12.

Respective responsibilities of the Authority and auditors

As described in the statement of responsibilities the Authority is responsible for preparing the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Guernsey by law, the UK Auditing Practices Board and by our profession's ethical guidelines.

We report to you our opinion as to whether the financial statements give a true and fair view of the disposition of the net assets and income and expenditure of the Non Contributory Services and are properly prepared in accordance with its accounting policies. We also report if, in our opinion, the Authority has not kept proper accounting records or if we have not received all of the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with UK Auditing Standards 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 Authority in the preparation of the financial statements and of whether the accounting policies are appropriate to the Non Contributory Services' 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 of the disposition of the net assets of the Non Contributory Services as at 31 December 2002 and of its income and expenditure for the year then ended and have been properly prepared in accordance with its accounting policies.

KPMG
Chartered Accountants

2 April 2003

**States of Guernsey –
Non Contributory Services
Controlled and managed by the
Guernsey Social Security Authority**

**Income and expenditure account
for the year ended 31 December 2002**

			2002		2001
	Note	£	£	£	£
Income					
Grant – States of Guernsey	1 & 2	19,920,853		19,352,416	
Bank interest receivable		<u>6,679</u>		<u>12,335</u>	
Total income			19,927,532		19,364,751
Expenditure					
Supplementary benefit	3	9,534,565		9,212,757	
Family allowance		6,831,848		6,717,691	
Attendance and invalid care allowance		1,734,245		1,670,972	
Concessionary television licences		397,483		237,570	
Travel expenses assistance scheme		59,181		60,596	
Medical expenses assistance scheme		56,199		48,863	
Special Christmas payment		<u>100</u>		<u>150</u>	
		18,613,621		17,948,599	
Charitable grants	5	150,000		135,388	
Administration	6	1,261,238		1,378,091	
Recoveries	7	<u>(97,327)</u>		<u>(97,327)</u>	
		1,313,911		1,416,152	
Total expenditure			19,927,532		19,364,751
Operating result for the financial year			£ <u><u>-</u></u>		£ <u><u>-</u></u>

**States of Guernsey –
Non Contributory Services
Controlled and managed by the
Guernsey Social Security Authority**

Balance sheet
at 31 December 2002

			2002			2001	
	<i>Note</i>	£	£	£		£	£
Current assets							
Debtors and prepayments	8	492,838		1,045,924			
Cash at bank and in hand	9	<u>592,405</u>		<u>145,000</u>			
			1,085,243			1,190,924	
Creditors: amounts falling due within one year	10		<u>1,085,243</u>			<u>1,190,924</u>	
Net current assets			£ <u> </u>			£ <u> </u>	
Revenue account			£ <u> </u>			£ <u> </u>	

These financial statements were approved by the Guernsey Social Security Authority on 2 April 2003.

Signed on behalf of the Authority

Deputy OD Le Tissier
President

M Nutley
Administrator

States of Guernsey – Non Contributory Services Controlled and managed by the Guernsey Social Security Authority

Notes to the financial statements

1. Accounting policies

The following accounting policies are prepared in accordance with UK accounting standards. The particular policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Grant – States of Guernsey

The grants received from the States of Guernsey are set at a level equal to expenditure accounted for in the relevant period.

Benefits payable

Benefits are accounted for on an accruals basis in whole weeks.

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the Authority benefits from the employee's services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

Assets held in fiduciary capacity

Assets held in a fiduciary capacity for charitable settlements are not included in the balance sheet. These assets amounted to £10,199 at 31 December 2002 (2001: £10,113).

2. Grant - States of Guernsey

It is the practice of the States to match the expenditure of Non Contributory Services with grants. The income received from the States in the financial year may therefore be analysed in the same manner, and under the same headings as the expenditure. It is expected that this practice will continue for the foreseeable future.

3. Supplementary Benefit

	2002 £	2001 £
Benefit and fuel allowance	6,057,048	5,885,133
UK rehabilitation centres	478,935	440,201
Residential and nursing homes	1,898,812	1,853,002
Special grants (note 4)	1,205,432	1,163,289
Maintenance recoveries	<u>(105,662)</u>	<u>(128,868)</u>
	£ 9,534,565	£ 9,212,757

States of Guernsey – Non Contributory Services

Controlled and managed by the
Guernsey Social Security Authority

Notes to the financial statements - continued

4. Special Grants

	2002 £	2001 £
Exceptional needs	5,069	6,479
Funeral	39,150	35,304
Handicapped persons	275,097	235,333
Medical - Chiropody	63,225	60,081
- Dental	163,539	150,923
- Hearing aids	10,047	12,791
- Medical treatment	438,461	439,616
- Medical sundries	27,848	24,083
- Ophthalmic	53,481	64,591
- Physiotherapy	71,193	78,119
Surgical and medical requisites	55,284	49,994
Sundries (not medical)	2,156	3,930
Travelling expenses	882	2,045
	£ 1,205,432	£ 1,163,289

5. Charitable grants

	2002 £	2001 £
Guernsey Citizens Advice Bureau	21,120	12,941
Relate	17,240	16,750
The Salvation Army (Clifton Community Centre)	15,440	15,000
The Samaritans	4,120	4,001
Guernsey Welfare Service Limited	36,370	35,665
The Methodist Church (Wesley)	16,000	12,441
Women's Royal Voluntary Service	23,500	22,840
Guernsey Women's Refuge Limited	16,210	15,750
	£ 150,000	£ 135,388

**States of Guernsey –
Non Contributory Services
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

6. Administration

	2002 £	2001 £
Recharged from Guernsey Insurance Fund:		
Salaries and pension costs	726,350	706,710
Computer expenses	237,598	342,674
Property expenses and sundries	128,785	132,595
Bank charges	<u>58,467</u>	<u>-</u>
	1,151,200	1,181,979
Legal and professional fees	49,694	71,383
Administration expenses	33,817	102,170
Medical reports	23,027	20,070
Audit fee	<u>3,500</u>	<u>2,489</u>
	£ 1,261,238	£ 1,378,091

The General Insurance Fund charges Non Contributory Services rental on the office space. This rental is paid by the Board of Administration as detailed in note 7.

7. Recoveries

	2002 £	2001 £
Rent received from the Board of Administration	£ 97,327	£ 97,327

8. Debtors and Prepayments

	2002 £	2001 £
Allowances paid in advance	492,838	519,941
States of Guernsey grants	-	432,411
Other debtors and prepayments	<u>-</u>	<u>93,572</u>
	£ 492,838	£ 1,045,924

**States of Guernsey –
Non Contributory Services
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

9. Cash at bank and in hand

	2002 £	2001 £
Current account	90,848	-
Call account	<u>501,557</u>	<u>145,000</u>
	£ <u>592,405</u>	£ <u>145,000</u>

10. Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	-	130,521
Benefits and allowances payable	6,550	773,624
Other creditors and accruals	2,047	36,707
States of Guernsey grants	33,205	-
Guernsey Insurance Fund recharges payable	<u>1,043,441</u>	<u>250,072</u>
	£ <u>1,085,243</u>	£ <u>1,190,924</u>

During the year the Authority's procedures for payment of expenses changed. Payments are now made directly by the General Insurance Fund and are recharged to Non Contributory Services.

11. Related party transactions

The Authority is of the opinion that there have been no related party transactions with members or senior management in this financial year (2001: none).

Of the Authority's annual income and expenditure, less than 20% of their respective value for both 2001 and 2002 is due to transactions with other States entities, except as disclosed in notes 2, 6 and 7.

12. Statement of control

Non Contributory Services is wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of Non Contributory Services has been delegated to the members of the Guernsey Social Security Authority, who have been appointed by the States of Guernsey.

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

**Statement of activities and performance
Year ended 31 December 2002**

Financial highlights

The Guernsey Health Service Fund had an operating surplus of £2.2m (2001: £1.5m). In addition to the operating surplus, net income from investments remained static at £0.6m (2001: £0.6m).

During the year, contribution income grew by 7% to £17.5m (2001: £16.3m), reflecting a continued increase in the number of people working in Guernsey and Alderney and increased earnings from a buoyant economy. Overall benefit expenditure increased by 4.5% to £20.9m (2001: £20m).

Despite increased scrutiny on prescribing practices by the Prescribing Support Unit, a body jointly funded by the Authority and the Board of Health, the cost of drugs and medicines over the last five years, has increased on average by 8% per annum. Over the same period, the number of items prescribed has increased by 16.5%, an average annual increase of 3.3%.

2002 saw a marginally more favourable position, with drugs expenditure increasing by 6.3% (2001: 8.5%). The year saw nearly one million items prescribed, a 3.0% increase on the previous year (2001: 5.1%). The continually increasing number of prescription items is a major issue for the Authority.

Expenditure relating to the specialist health insurance scheme increased by 2.8%, to £6.9m, (2001: £6.7m). Under the terms of the agreement, contract prices were increased by 2.6% in line with the retail price index ('RPI'). Additional expenditure of £21,759 (2001: £10,220) was incurred in relation to the agreed sharing of the Medical Specialist Group's medical insurance cover, where the annual increase in costs exceeds RPI.

Consultation grant expenditure increased by 1% to £2.1m. As the grant per consultation has remained fixed for a number of years, rising costs are solely due to increased demand, which contributed to a 5% increase in nurse consultation costs, doctor consultations remaining static.

Expenditure cover increased from 10.4 months to 11.2 months, with net assets of £20.0m (2001: £17.9m). The strengthening of reserves is mainly attributable to favourable operating results which saw continued growth in contribution income with a less pronounced increase in benefit expenditure than in previous years. This positive contribution to reserves was tempered by a significant increase in unrealised capital losses of £0.7m, with world markets remaining depressed.

Activities during 2002

The Authority remains firmly committed to ensuring value for money from the pharmaceutical service and to that end continues to support the operations of the Prescribing Support Unit.

Throughout 2001, the Authority, working jointly with the Board of Health, negotiated the scope and cost of a replacement contract with the Medical Specialist Group to replace the current contract on its expiry at the end of 2002. This has been a major activity comprising a full review of the range of specialist medical services to be covered and the medical manpower requirements to deliver those services to contractual maximum waiting times that have halved compared with the current contract.

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

**Statement of activities and performance - continued
Year ended 31 December 2002**

Future developments

On 28 February 2002 (Billet d'Etat III of 2002) the States approved proposals for new specialist health insurance scheme contracts with the Medical Specialist Group, the Guernsey Physiotherapy Group and Alderney Doctors. Following this approval of the heads of agreement, the Authority and the Board of Health embarked on an intensive period of negotiations with the providers to agree the details of commercial contracts. The contracts with the Medical Specialist Group and the Guernsey Physiotherapy Group were signed on 19 December 2002. The new contracts move the specialist health insurance scheme into a new era, following successful completion of the initial seven year contracts which started in 1996. The new contracts have a fifteen year term, with major review points at the five year intervals. The contract price varies in accordance with agreed terms, depending on the number of specialists employed and, in the case of the physiotherapy contract, the number and grade of physiotherapist employed.

The new contracts incorporate much reduced maximum waiting times for specialist treatment in Guernsey. From 1 January 2003, after allowing a one year period to staff up, the maximum waiting time for a specialist consultation, following referral from a GP, will be eight weeks.

The Authority has informed the States of its intention to investigate the merits of moving the pharmaceutical service away from generally open-list prescribing to a so-called white-list of approved drugs and medicines. Consultation with the professions is currently in progress and the Authority intends reporting back to the States during 2003.

Statistics

	Ordinary prescriptions	Exempt prescriptions	Total prescriptions	Average basic cost
Drugs and Medicines				
2001	493,961	472,210	966,171	£10.65
2002	497,754	497,582	995,336	£11.16
Appliances				
2001	557	2,328	2,885	£68.71
2002	814	2,826	3,640	£60.15

**States of Guernsey –
Guernsey Health Service Fund**
Controlled and managed by the
Guernsey Social Security Authority

Statement of activities and performance - continued
Year ended 31 December 2002

Specialist Health Insurance Scheme

	MSG		Ophthalmology		Physiotherapy	
	Inpatient and day case episodes	Outpatient consultations	Inpatient and day case episodes	Outpatient consultations	Inpatient hours of treatment	Outpatient hours of treatment
2001	11,702	37,534	1,056	6,853	6,391	3,316
2002	11,935	39,433	969	6,873	7,058	2,550
% increase	2%	5%	(8%)	0%	10%	(23%)
Inpatient and day case episodes do not include well babies, patients admitted to Day Patient Unit for pre-op checks, private or amenity patients and are for Princess Elizabeth Hospital, Castel Hospital and King Edward Hospital episodes.						

Consultation grants

	L'Aumone	Queens Road	Healthcare	Island Sports Medicine and Rehabilitation Centre	Miscellaneous Guernsey	Alderney	TOTAL
2001							
Doctor	71,052	69,125	76,858	472	-	12,557	230,064
Nurse	18,742	17,275	25,857	-	191	168	62,233
Total 2001	89,794	86,400	102,715	472	191	12,725	292,297
2002							
Doctor	70,386	70,020	76,970	252	149	12,698	230,475
Nurse	19,444	19,053	26,512	-	-	131	65,140
Total 2002	89,830	89,073	103,482	252	149	12,829	295,615
% (decrease)/increase	0%	3%	1%	(47%)	(22%)	1%	1%

Contribution rates

	2002	2001	2000	1999	1998
Employers	1.3%	1.3%	1.3%	1.3%	1.3%
Employed					
Full rate	1.3%	1.3%	1.3%	1.3%	1.3%
Reduced rate	1.3%	1.3%	1.3%	1.3%	1.3%
Self-employed	2.6%	2.6%	2.6%	2.6%	2.6%
Non-employed					
Full rate	2.6%	2.6%	2.6%	2.6%	2.6%
Over 65s	1.0%	1.0%	1.0%	1.0%	1.0%

States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority

Statement of activities and performance – continued

Year ended 31 December 2002

Five-year performance

	2002 £	2001 £	2000 £	1999 £	1998 £
Drugs and medicines	11,858,910	11,159,940	10,290,216	9,864,909	8,786,281
% annual increase	6.3%	8.5%	4.3%	12.3%	6.7%
Income	23,782,886	22,229,015	20,522,209	19,440,559	18,119,729
Expenditure	21,549,288	20,736,658	19,521,991	18,808,314	17,460,929
Operating surplus	2,233,598	1,492,357	1,000,218	632,245	658,800
Investment income	603,603	595,650	592,242	611,772	807,766
Investments					
Cash invested	4,985,206	4,814,338	3,430,907	4,940,944	5,114
Listed investments	8,441,388	7,151,275	7,940,328	4,125,419	8,428,572
	13,426,594	11,965,613	11,371,235	9,066,363	8,433,686
Expenditure cover					
Reserves	20,042,605	17,909,412	16,398,943	14,670,067	13,173,456
Expenditure	21,549,288	20,736,658	19,521,991	18,808,314	17,460,929
Number of months cover	11.2	10.4	10.1	9.4	9.1

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Statement of activities and performance - continued
Year ended 31 December 2002

Principal officers

During 2002 principal officers were:

President	Deputy Owen Le Tissier
Vice President	Deputy Andrew Sauvarin
Authority Members	Deputy Mary Lowe Deputy Pat Robilliard Deputy Daniel Le Cheminant Roy Le Prevost John Guilbert
Administrator	Malcolm Nutley

States of Guernsey – Guernsey Health Service Fund Controlled and managed by the Guernsey Social Security Authority

Statement of responsibilities for the preparation of financial statements

The Guernsey Social Security Authority (“the Authority”) is required to prepare financial statements for each financial year which give a true and fair view of the disposition of the net assets of the Guernsey Health Service Fund and of the income and expenditure of the Guernsey Health Service Fund for that period. In preparing those financial statements, the Authority is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so.

The Authority is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Guernsey Health Service Fund and enable them to ensure that the financial statements comply with Section 100(3) of The Social Insurance (Guernsey) Law, 1978 and Section 1(4) of The Health Service (Benefit) (Guernsey) Law, 1990. It is also responsible for safeguarding the assets of the Guernsey Health Service Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of the Authority to identify and install an appropriate system of internal controls, including financial controls, which is adequate for its own purposes, and to safeguard the assets of Guernsey Health Service Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The authority is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

The Authority’s internal financial procedures include:

- an annual budget and planning process to allocate, control and monitor the use of resources;
- a requirement to table at a meeting of the Authority;
 - the annual audit report together with the audited financial statements;
 - the annual report of observations and recommendations produced by the external auditors;
 - the annual policy and resource plan;
 - the quarterly management accounts;
- by Law, an actuarial review to determine the adequacy of the contribution rates must be undertaken at least once every five years and submitted to the Authority and the States of Guernsey;
- a regular review of the performance and security of the Guernsey Health Service Fund by the Authority and Combined Actuarial Performance Services Limited;
- a review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department;
- a requirement for internal audit reports to be tabled at a meeting of the Authority;

The Authority strives to ensure that all staff with financial responsibilities have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The Authority’s internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to an independent external audit by auditors appointed by the States of Guernsey.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the Guernsey Social Security Authority

We have audited the financial statements of Guernsey Health Service Fund for the year ended 31 December 2002 which comprise the fund account, the balance sheet and the related notes 1 to 10.

Respective responsibilities of the Authority and auditors

As described in the statement of responsibilities the Authority is responsible for preparing the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibilities, as independent auditors, are established in Guernsey by law, the UK Auditing Practices Board and by our profession's ethical guidelines.

We report to you our opinion as to whether the financial statements give a true and fair view of the disposition of the net assets and surplus of the Guernsey Health Service Fund and are properly prepared in accordance with its accounting policies. We also report if, in our opinion, the Authority has not kept proper accounting records or if we have not received all of the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with UK auditing standards 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 Authority in the preparation of the financial statements and of whether the accounting policies are appropriate to the Guernsey Health Service Fund'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 of the disposition of the net assets of the Guernsey Health Service Fund as at 31 December 2002 and of its surplus for the year then ended and have been properly prepared in accordance with its accounting policies.

KPMG
Chartered Accountants

2 April 2003

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Fund account
for the year ended 31 December 2002

	<i>Note</i>	2002	2001
		£	£
Income			
Health Service Fund allocation	<i>1</i>	17,487,416	16,344,864
Grant – States of Guernsey	<i>1</i>	<u>6,295,470</u>	<u>5,884,151</u>
		23,782,886	22,229,015
Expenditure			
Drugs and medicines	<i>2</i>	11,858,910	11,159,940
Specialist Health Insurance scheme	<i>3</i>	6,897,240	6,710,340
Consultation grants		2,103,504	2,087,404
Administration	<i>4</i>	<u>689,634</u>	<u>778,974</u>
		21,549,288	20,736,658
Operating surplus for the year		2,233,598	1,492,357
Investing activities			
Income from invested funds		595,535	603,146
Investment management expenses and rebates		<u>8,068</u>	<u>(7,496)</u>
		603,603	595,650
Unrealised loss on investment portfolio		<u>(704,008)</u>	<u>(577,538)</u>
		(100,405)	18,112
Net increase in fund during the year		2,133,193	1,510,469
Net assets of the fund at 1 January 2002		17,909,412	16,398,943
Net assets of the fund at 31 December 2002		£ 20,042,605	£ 17,909,412

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Balance sheet
at 31 December 2002

	<i>Note</i>	2002	2001
		£	£
Fixed assets			
Investment portfolio	<i>1 & 5</i>	13,426,594	11,965,613
Current assets			
Debtors and prepayments	<i>6</i>	4,634,129	4,588,323
Balances with States Treasury		2,680,252	2,178,994
Cash at bank and in hand	<i>7</i>	<u>514,246</u>	<u>440,862</u>
		7,828,627	7,208,179
Creditors: amounts falling due within one year	<i>8</i>	<u>1,212,616</u>	<u>1,264,380</u>
Net current assets		<u>6,616,011</u>	<u>5,943,799</u>
Total net assets		<u>20,042,605</u>	<u>17,909,412</u>
Reserves		£ <u>20,042,605</u>	£ <u>17,909,412</u>

The financial statements were approved by the Guernsey Social Security Authority on 2 April 2003.

Signed on behalf of the Authority

Deputy OD Le Tissier
President

M Nutley
Administrator

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements

1. Accounting policies

The financial statements are prepared in accordance with the particular accounting policies described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of listed investments and in accordance with applicable UK accounting standards.

Health Service fund allocation

Income to the Guernsey Health Service Fund represents an allocation to that Fund of specific proportions of contribution income. The contribution income represents the amount of cash received before 1 February in the following year in respect of the financial year ended 31 December 2002 and amounts received relating to prior financial periods not accounted for in those periods. The rate of contributions for the Guernsey Health Service Fund was increased from 1 January 1996. These changes were ratified by Ordinances XXI, 1995 and VII, 1996.

Grant – States of Guernsey

The grant received from the States of Guernsey is based on a fixed percentage of contributions, accounted for in the relevant period.

Guernsey Health Service Fund

No account is taken of future benefit entitlements.

The adequacy of the Guernsey Health Service Fund is, however, subject to actuarial review at least once every five years to determine the adequacy of contribution rates. The last review was made as at 31 December 1996 and was published in the Billet D'État XXII 1998.

Investments

Listed investments are included in the balance sheet at mid-market prices ruling at the balance sheet date.

Investment income

Dividends are recognised in the financial statements when the underlying investments become ex-dividend.

Other investment income is accounted for on a receivable basis.

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

1. Accounting policies - continued

Benefits payable

Benefits payable are included on an accruals basis, based on returns submitted by doctors and pharmacists in respect of the year.

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the authority benefits from the employees' services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

2. Drugs and medicines

	2002 £	2001 £
Drugs and medicines	12,432,384	11,679,893
Appliances	274,288	244,357
Oxygen service	<u>190,097</u>	<u>205,712</u>
	12,896,769	12,129,962
Prescription charges receivable	(1,027,307)	(961,161)
Board of Health- reciprocal treatment	<u>(10,552)</u>	<u>(8,861)</u>
	£ 11,858,910	£ 11,159,940

3. Specialist Health Insurance Scheme

	2002 £	2001 £
Specialist medical benefit	6,086,889	5,921,819
Ophthalmic benefit	551,375	537,403
Physiotherapy benefit	328,052	319,263
Alderney hospital benefit	22,604	22,031
Board of Health recoveries	<u>(91,680)</u>	<u>(90,176)</u>
	£ 6,897,240	£ 6,710,340

During the year ended 31 December 1995 the Fund signed the following contracts:

A seven year contract, commencing on 1 January 1996, with the Medical Specialist Group Clinic at a 1994 base cost of £4,730,000 per annum, rising with RPI and other possible contingencies. The contract is for the supply of various medical services to the Bailiwick, excluding Sark.

A seven year contract, commencing on 1 January 1996, with the Eye Clinic at a 1994 base cost of £430,000 per annum, rising with RPI and other possible contingencies. The contract is for the supply of various ophthalmic services to the Bailiwick, excluding Sark.

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

3. Specialist Health Insurance Scheme - continued

During the year ended 31 December 1997 the Fund signed the following contracts:

A five year contract, commencing on 1 January 1998, with the Guernsey Physiotherapy Group at a base cost of £289,000 per annum, rising with RPI and other possible contingencies. The contract is for supply of various physiotherapy services to the Bailiwick, excluding Sark.

A seven year contract back dated to 1 January 1996, with the Partners of The Island Medical Centre and The Eagle Medical Practice at a base cost of £18,700 per annum rising with RPI and other possible contingencies. The contract is for the supply of acute medical treatment in the Mignot Memorial Hospital, Alderney.

The level of contributions the Fund receives has been raised on actuarial advice from 1 January 1996 to allow the Fund to meet these increased obligations.

On 19 December 2002 the States of Guernsey signed new contracts with the Medical Specialist Group and the Guernsey Physiotherapy Group. These contracts are for 15 year terms with major reviews after each 5 year period.

The new contract with the Medical Specialist Group will be based on a per-Consultant contracted price basis. This price will be £231,818 per Consultant per annum. This fee will be adjusted annually commencing on 1 January 2003 and on 1 January of each successive year to take account of any increase or decrease in the Guernsey RPI.

The new contract with the Guernsey Physiotherapy Group will be based on a per-physiotherapist and per-assistant price, with different rates applying to different grades of physiotherapist. The maximum contract price for the first 5 years of the contract is £1,326,839 p.a., based on 2003 costs. This allows for the complete transfer of the Board of Health physiotherapy services.

The level of contributions and States grant the Fund receives has been raised based on actuarial advice from 1 January 2003 to allow the Fund to meet these increased obligations.

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements – continued

4. Administration

	2002 £	2001 £
Recharged from Guernsey Insurance Fund:		
Salaries and pension costs	194,944	203,950
Computer expenses	134,059	261,324
Property expenses and sundries	<u>31,210</u>	<u>31,135</u>
	360,213	496,409
Recharges from the Board of Health	130,798	122,656
Prescription pricing fees	138,845	128,347
Administration expenses	30,486	28,903
Legal and professional fees	19,100	170
Audit fee	3,500	2,489
Previous auditors' fees for other services	<u>6,692</u>	<u>-</u>
	£ 689,634	£ 778,974

5. Investment portfolio

	2002 £	2001 £	2001 £
United Kingdom fixed interest	3,449,393	3,265,546	
United Kingdom equities	<u>4,991,995</u>	8,441,388	<u>3,885,729</u>
			7,151,275
Cash balances with States Treasury	6,278,091	4,607,278	
Cash balances	<u>(1,292,885)</u>	<u>4,985,206</u>	<u>207,060</u>
			4,814,338
	£ 13,426,594		£ 11,965,613
	Investments £	Cash balance £	Total £
As at 1 January 2002	7,151,275	4,814,338	11,965,613
New monies invested	-	2,000,000	2,000,000
Acquisition of investments	1,994,121	(1,994,121)	-
Investment income	-	164,989	164,989
Unrealised loss on investment portfolio	<u>(704,008)</u>	<u>-</u>	<u>(704,008)</u>
As at 31 December 2002	£ 8,441,388	£ 4,985,206	£ 13,426,594

**States of Guernsey –
Guernsey Health Service Fund
Controlled and managed by the
Guernsey Social Security Authority**

Notes to the financial statements - continued

6. Debtors and prepayments

	2002 £	2001 £
Share of contributions due from Guernsey Insurance Fund	4,492,916	4,393,839
States of Guernsey grant	58,110	122,451
Investment income	180	9,984
Benefits prepaid	<u>82,923</u>	<u>62,049</u>
	£ 4,634,129	£ 4,588,323

7. Cash at bank and in hand

	2002 £	2001 £
Current account	10,511	20,862
Call account	<u>503,735</u>	<u>420,000</u>
	£ 514,246	£ 440,862

8. Creditors: amounts falling due within one year

	2002 £	2001 £
Benefits payable	-	1,115,604
Other creditors and accruals	64,145	62,700
Guernsey Insurance Fund recharges payable	<u>1,148,471</u>	<u>86,076</u>
	£ 1,212,616	£ 1,264,380

During the year the Authority's procedures for payment of expenses changed. Payments are now made directly by the General Insurance Fund and are recharged to the Guernsey Health Fund.

9. Related party transactions

The Authority is of the opinion that there have been no disclosable related party transactions with members and senior management in this financial year (2001: none).

Of the Authority's annual income and expenditure, less than 20% of their respective value for both 2002 and 2001 is due to transactions with other States entities, except as disclosed in notes 1 and 4.

10. Statement of control

The Guernsey Health Service Fund is controlled and managed by the Guernsey Social Security Authority, as required by Section 7 of the Health Service (Benefit) (Guernsey) Law, 1990. The members of the Guernsey Social Security Authority have been appointed by the States of Guernsey.

AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF LADIES' COLLEGE - GUERNSEY

We have audited the financial statements of Ladies College which comprise the income and expenditure account, statement of total recognised gains and losses, balance sheet, related notes 1 to 6 and the detailed income and expenditure account which have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of the Board and auditors

The Board are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the results of the College for that year. In preparing those financial statements the Board are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material 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 College will continue its operations.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed. In this matter we draw attention to note 1(b) to the financial statements. This note states that all capital expenditure is written off through the profit and loss account when incurred. We concur with this accounting policy.

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 of the state of the College's affairs as at 31 August 2002, and of its results for the year then ended.

BDO Guernsey Limited

CHARTERED ACCOUNTANTS
Commerce House
Guernsey

6 March 2003

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THE LADIES' COLLEGE - GUERNSEY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2002

	Note		2001
INCOME	2		
States grant		633,127	581,434
States contribution to staff superannuation		190,013	164,990
Fees receivable :			
- special place holders	440,355		411,800
- fee payers	1,174,035		1,047,988
		<hr/>	<hr/>
		1,614,390	1,459,788
Lunchtime supervision		2,418	2,878
Bank interest received		9,289	14,383
Student registration fees		9,691	11,912
Miscellaneous income		14,401	-
		<hr/>	<hr/>
		2,473,329	2,235,385
EXPENDITURE			
School expenditure		(2,416,684)	(2,234,931)
		<hr/>	<hr/>
OPERATING SURPLUS			
FOR THE YEAR	2	£ 56,645	£ 454
		<hr/>	<hr/>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than the operating surplus for the year.

Notes 1 to 6 form an integral part of these financial statements.

THE LADIES' COLLEGE - GUERNSEY

BALANCE SHEET

31 AUGUST 2002

	Note		2001
CURRENT ASSETS			
Debtors	3	78,342	89,895
Bank balances		332,525	272,073
Cash in hand		50	98
		<hr/>	<hr/>
		410,917	362,066
CURRENT LIABILITIES			
Creditors	4	14,366	22,533
Fees re Autumn Term received in advance		113,608	113,235
		<hr/>	<hr/>
		(127,974)	(135,768)
		<hr/>	<hr/>
NET CURRENT ASSETS		£ 282,943	£ 226,298
		<hr/>	<hr/>
REPRESENTED BY:-			
CAPITAL ACCOUNT			
At 1 September 2001		226,298	225,844
Operating surplus for the year		56,645	454
		<hr/>	<hr/>
At 31 August 2002		£ 282,943	£ 226,298
		<hr/>	<hr/>

Deputy W M Bell

Chairman of the Board of Governors

6 March 2003

Date

Notes 1 to 6 form an integral part of these financial statements.

THE LADIES' COLLEGE - GUERNSEY

NOTES TO THE FINANCIAL STATEMENTS

31 AUGUST 2002

1. ACCOUNTING POLICIES

(a) CONVENTION

These financial statements are prepared in accordance with the historical cost convention. The principal accounting policies which the Board have adopted within that convention are set out below.

(b) CAPITAL EXPENDITURE

All capital expenditure is written off in the year in which it is incurred, thus the balance sheet of the College does not disclose fixed assets.

(c) BANK INTEREST AND INVESTMENT INCOME

Bank interest and investment income is accounted for on a received basis.

2. INCOME AND OPERATING SURPLUS FOR THE YEAR

Income and operating surplus for the year derive wholly from continuing activities.

3. DEBTORS

2001

Grant receivable	35,959	-
Fees receivable	10,168	3,654
Deposit paid re portacabins	-	60,801
Other debtors	19,715	25,440
Prepayment – building works	12,500	-
	<hr/>	<hr/>
	£ 78,342	£ 89,895
	<hr/>	<hr/>

4. CREDITORS

School and administrative expenses	£ 14,366	£ 22,533
	<hr/>	<hr/>

5. CONTROLLING PARTIES

Throughout the year the College was under the control of the Board of Governors acting in concert. In the opinion of the Board of Governors there is no controlling party as defined by Financial Reporting Standard No. 8 - Related Party Disclosures as no party has the ability to direct the financial and operating policies of the College with a view to gaining economic benefit from their direction.

6. RELATED PARTY TRANSACTIONS

There were no material related party transactions.

THE LADIES' COLLEGE - GUERNSEY

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2002

	Upper <u>School</u>	Lower <u>School</u>	<u>Total</u>	2001 <u>Total</u>
INCOME				
States grant	633,127	-	633,127	581,434
States contribution to staff superannuation	155,001	35,012	190,013	164,990
Fees receivable	1,150,902	463,488	1,614,390	1,459,788
Lunchtime supervision	-	2,418	2,418	2,878
Student registration fees	9,691	-	9,691	11,912
Bank interest received	6,047	3,242	9,289	14,383
Miscellaneous income	14,401	-	14,401	-
	<hr/> 1,969,169	<hr/> 504,160	<hr/> 2,473,329	<hr/> 2,235,385
EXPENDITURE				
Teachers' salaries	1,221,804	283,262	1,505,066	1,370,234
Maintenance wages	89,143	34,417	123,560	123,389
Office and administration salaries	66,288	33,144	99,432	90,597
Staff superannuation	155,001	35,012	190,013	164,990
Books, stationery, other teaching materials, and laboratory expenditure	84,187	19,819	104,006	85,465
Examination fees	26,516	-	26,516	22,249
Sport and expedition expenditure	31,076	6,000	37,076	37,119
Staff training	17,047	-	17,047	6,764
Electricity, oil, gas, water and telephone	22,238	12,285	34,523	32,502
Rates, taxes and insurance	13,303	6,652	19,955	17,386
Routine maintenance of buildings and grounds	38,007	11,242	49,249	73,222
Routine maintenance of equipment	24,903	5,551	30,454	36,966
Fixed asset acquisition costs	136,606	7,564	144,170	132,658
Laboratory/Art Block conversion	-	-	-	7,060
General administrative expenses	21,320	11,872	33,192	32,285
Audit fee	2,425	-	2,425	2,045
	<hr/> 1,949,864	<hr/> 466,820	<hr/> 2,416,684	<hr/> 2,234,931
OPERATING SURPLUS FOR THE YEAR	<hr/> £ 19,305	<hr/> £ 37,340	<hr/> £ 56,645	<hr/> £ 454

States of Guernsey Recreation Committee

- Beau Sejour Centre

Statement of activities and performance

Year ended 31 December 2002

Principal purpose

Beau Sejour Centre ("the Centre") is the Island's principal centre for sports and leisure. It provides a variety of sporting and recreational activities which are available to the local population and visitors to the Island.

Facilities provided include swimming (both competitive and leisure), indoor sports (squash, badminton, football etc.) fitness and health suites including saunas, steam room and solarium. The Centre provides leisure facilities such as a cinema, live theatre, restaurant and bar. In addition the Centre is, by virtue of the scope of its facilities, a venue for conferences, exhibitions and dinner dances.

Financial summary

	2002 £'000	2001 £'000
Operating income		
Admissions and memberships	60	100
Sports	565	727
Health and fitness	359	429
Entertainment	270	446
Trading areas	<u>289</u>	<u>615</u>
Total operating income	<u>1,543</u>	<u>2,317</u>
Total operating expenditure (excluding depreciation)	<u>2,660</u>	<u>3,023</u>
Operating deficit on ordinary activities (excluding depreciation)	<u>(1,117)</u>	<u>(706)</u>

Operational performance

2002 was a difficult trading year for the Centre with disruption being caused by the redevelopment programme.

The MOT gym suffered disruption in the form of both total and partial closures while fitness classes had to be held in the Sarnia Room, as the Fitness Studio was unavailable. The Sir John Loveridge Hall was closed for four months during the summer to allow a new semi-sprung floor to be laid. The swimming pool, and surrounding area, was also closed for four months while being extensively refurbished. During this period, and in conjunction with the Education Council, the use of school swimming pools allowed the Centre to offer limited recreational swimming to the public.

The Freedom membership scheme started the year at 1,111 and rose slightly to 1,233 members at the year-end. Income from Freedom memberships is included within Health & Fitness (£200,474) and Sports (£22,275). The total number of members at the year-end was 3,326 and income, adjusted for deferred memberships, stood at £258,241 (£292,000).

States of Guernsey Recreation Committee - Beau Sejour Centre

Statement of activities and performance - continued

Year ended 31 December 2002

Other matters

Following the approval of the policy letter detailing major refurbishment work to the Centre in March 2001 and the subsequent appointment of a contractor in November 2001, work on the £9 million refurbishment continued throughout 2002.

The Centre continued the operational partnership with DC Leisure Management Ltd who has been able to use its extensive experience of managing UK leisure centres to the benefit of the Centre. It is intended that this partnership will continue to review all operating activities, staffing issues and marketing activity as part of an ongoing process of streamlining the business.

The Centre did not experience any significant levels of staff turnover during the year and reported sickness levels remained at a controllable level. Staff costs decreased by 7% in 2002, to £1,752,162. This decrease was due, largely, to fewer casual staff being employed as parts of the Centre were closed, or operated at a lower level, due to the refurbishment.

Board members and principal officers

During 2002:

Board Members were:

Deputy I Rihoy – President (term expired 31 May 2002)
Deputy P Sirett – President (elected 1 June 2002)
Deputy P Sirett – Vice President (term expired 31 May 2002)
Deputy K Prevel – Vice President (elected 1 June 2002)
Deputy M Lowe
Douzaine Representative M O'Hara
Douzaine Representative J Cleal (elected 1 June 2002)
Mr R Roussel
Mr S Falla

Principal officers were:

D Chilton – Director of Recreation
D Ferguson – Centre Manager
A Collenette – Operations Manager
S Wilcocks – Technical Services Manager
K Gallienne – Finance, Administration and IT Manager
P Weaver – Events Manager
G Merrien – Health and Fitness Manager
A Knott – Trading Areas Manager
S Herridge – Sales and Marketing Manager
A Frankland – Swimming Development Officer
M Cotter – Duty Manager
L Darling – Duty Manager
A Collenette – Duty Manager
P Gallienne – Duty Manager

States of Guernsey Recreation Committee - Beau Sejour Centre

Statement of responsibilities for the preparation of financial statements

The Recreation Committee (“the Committee”) is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Centre and of the surplus or deficit of the Centre for that period. In preparing those financial statements, the Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to do so.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Centre. It is also responsible for safeguarding the assets of the Centre and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of the Committee to identify and install a system of internal controls, including financial control, which is adequate for its own purposes and to safeguard the assets of the States of Guernsey (including those of the Centre) in their care and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Committee is also responsible for the economical, efficient and effective management of public funds and other resources entrusted to it.

The Committee and specifically the Centre’s internal financial controls include:

- An annual budget and planning process to allocate, control and monitor the use of resources.
- Co-ordination and co-operation with the States Audit Commission, whose primary objective is to ensure good management of the States of Guernsey finances.
- Review and appraisal of the adequacy and application of internal controls in conjunction with the States Internal Audit Department.
- The requirement for all audit reports to be tabled at a meeting of the Committee to ensure that its members are aware of their financial affairs.

The Committee strives to ensure that all staff with financial responsibilities have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The Committee’s internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to independent external audit by auditors appointed by the States of Guernsey.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the States of Guernsey Recreation Committee – Beau Sejour Centre

We have audited the financial statements of the Centre for the year ended 31 December 2002 which comprise the revenue account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Committee and auditors

As described in the statement of responsibilities for the preparation of the financial statements the Committee is responsible for the preparation of the financial statements in accordance with applicable Guernsey law and UK accounting standards. Our responsibility is to audit the financial statements in accordance with relevant Guernsey legal and regulatory requirements and UK auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report if, in our opinion, the Committee has not kept proper accounting records or if we have not received all of the information and explanations we require for our audit.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with UK Auditing Standards 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 Committee in the preparation of the financial statements and of whether the accounting policies are appropriate to Beau Sejour Centre'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 of 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 of the state of the Centre's affairs as at 31 December 2002 and of its deficit for the year then ended.

KPMG
Chartered Accountants

29 May 2003

States of Guernsey Recreation Committee - Beau Sejour Centre

Revenue account
for the year ended 31 December 2002

		2002	2001
		£	£
	Note		
Operating income	2	1,543,364	2,317,260
Operating expenses			
Direct costs	3	1,655,931	2,073,582
Central services expenses	4	1,004,207	949,411
Depreciation	1 & 5	<u>323,574</u>	<u>275,145</u>
		(2,983,712)	(3,298,138)
Operating deficit on ordinary activities		(1,440,348)	(980,878)
Other income			
Net surplus on sale of fixed assets		<u>723</u>	<u>326</u>
Deficit for the year	9	£ (1,439,625)	£ (980,552)

All material activities derive from continuing operations.

States of Guernsey Recreation Committee - Beau Sejour Centre

Balance sheet at 31 December 2002

	Notes	2002 £	2001 £
Tangible fixed assets	<i>1 & 5</i>	<u>9,477,687</u>	<u>3,602,314</u>
Current assets			
Stocks	<i>1 & 6</i>	51,248	56,064
Debtors and prepayments	<i>7</i>	143,447	212,946
Cash at bank and in hand		<u>4,939</u>	<u>4,939</u>
		<u>199,634</u>	<u>273,949</u>
Creditors: amounts falling due within one year	<i>8</i>	<u>(271,144)</u>	<u>(167,887)</u>
Net current (liabilities) / assets		<u>(71,510)</u>	<u>106,062</u>
Total net assets		£ 9,406,177	£ 3,708,376
Reserves	<i>9</i>	£ 9,406,177	£ 3,708,376

These financial statements were approved by the Recreation Committee on 29 May 2003.

Signed on behalf of the Committee

P Sirett
President

States of Guernsey Recreation Committee - Beau Sejour Centre

Cash flow statement for the year ended 31 December 2002

	Notes	2002 £	2001 £
Net cash outflow from operating activities		(939,201)	(865,177)
Capital expenditure			
Purchase of tangible fixed assets	(6,207,867)	(936,701)	
Disposal of tangible fixed assets	<u>9,642</u>	<u>326</u>	
Net cash outflow from investing activities		<u>(6,198,225)</u>	<u>(936,375)</u>
Net cash outflow before financing		(7,137,426)	(1,801,552)
Financing			
Capital funding		6,150,465	824,996
Revenue funding		<u>1,173,452</u>	<u>810,034</u>
Movement in Reserves		£ <u>186,491</u>	£ <u>(166,522)</u>

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements
year ended 31 December 2002

1. Accounting policies

The financial statements are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that support will continue to be provided by the States of Guernsey (see note 13).

Stock

Stock is valued at the lower of cost and net realisable value.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated at the following annual rates so as to write off the cost of tangible fixed assets over their anticipated useful lives using the straight line method:

	Estimated life in years	Depreciation % per annum
Freehold land and buildings	50	2
Plant, equipment, furniture, fixtures and fittings and catering equipment	10	10
Office equipment	10 – 5	10 – 20
Motor vehicles and weight training equipment	5	20
Water flumes	25	4
Soft play equipment	3	33.33
Outdoor facilities	80	1.25
Sports equipment	5	20

Sports equipment

Sports equipment and maintenance equipment purchased prior to 1998 is dealt with on a renewals basis (the assets being replaced when required) under which no depreciation is charged. This departure from Financial Reporting Standard No 15 “Tangible Fixed Assets” is not regarded as having a material impact on the results of the Centre.

Funding

On 30 November 2000 (Billet d’Etat XXIII) the States resolved that funding for Beau Sejour Centre should be included within a single overall General Revenue budget heading for the Recreation Committee, with effect from 2001. The effect of the revision to the funding arrangements is shown in note 9 of the financial statements.

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements - continued
year ended 31 December 2002

1. Accounting policies - continued

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the Centre (Committee) benefits from the employees' services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

2. Operating income

	2002 £	2001 £
Admission and membership charges	60,288	99,755
Sports	564,794	726,767
Health and fitness	359,107	429,011
Entertainment	269,682	446,078
Trading areas	<u>289,493</u>	<u>615,649</u>
	£ 1,543,364	£ 2,317,260

3. Direct costs

	2002 £	2001 £
Sports		
Salaries, wages and superannuation	651,997	675,214
Maintenance and general expenses	<u>114,595</u>	<u>116,104</u>
	<u>766,592</u>	<u>791,318</u>
Health and fitness		
Salaries, wages and superannuation	180,129	208,927
Maintenance and general expenses	<u>30,706</u>	<u>42,332</u>
	<u>210,835</u>	<u>251,259</u>
Entertainment		
Salaries, wages and superannuation	197,596	213,923
Cinema	3,169	6,039
Theatre and concerts	112,622	151,476
Maintenance and general expenses	<u>21,424</u>	<u>46,036</u>
	<u>334,811</u>	<u>417,474</u>
Trading areas		
Cost of sales – bar, catering and shop	166,173	340,471
Salaries, wages and superannuation	146,112	222,143
Maintenance and general expenses	<u>31,408</u>	<u>50,917</u>
	<u>343,693</u>	<u>613,531</u>
	£ 1,655,931	£ 2,073,582

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements - continued
year ended 31 December 2002

4. Central services expenses

	2002 £	2001 £
Business development		
Salaries, wages and superannuation	42,442	34,746
Advertising and general expenses	<u>40,651</u>	<u>34,561</u>
	<u>83,093</u>	<u>69,307</u>
Repairs and maintenance		
Salaries, wages and superannuation	357,563	364,020
Reapportioned wages	(70,441)	(77,651)
Fuel, light and power	146,204	143,708
General expenses	<u>118,247</u>	<u>108,606</u>
	<u>551,573</u>	<u>538,683</u>
Finance, administration and information technology		
Salaries, wages and superannuation	169,093	162,857
Insurance	61,521	24,129
Rates	23,078	23,694
Postage, printing, telephone and stationery	28,338	26,510
Training, travel and entertainment	8,362	23,499
Computer charges	24,129	28,565
Advisory and Finance service charge	-	7,850
Consultancy charges	15,214	8,561
Audit fee	9,111	4,818
Professional fees	-	3,200
General expenses	27,561	25,651
Bad debts	<u>3,134</u>	<u>2,087</u>
	<u>369,541</u>	<u>341,421</u>
	£ 1,004,207	£ 949,411

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements - continued
year ended 31 December 2002

5. Tangible fixed assets

	1 January 2002 £	Additions £	Disposals £	31 December 2002 £
<i>Cost</i>				
Freehold land and buildings	4,285,408	6,081,741	-	10,367,149
Plant and equipment	1,722,314	19,827	9,642	1,732,499
Furniture, fixtures and fittings	1,102,210	23,503	-	1,125,713
Office equipment	346,985	48,556	-	395,541
Catering equipment	159,374	10,664	-	170,038
Motor vehicles	5,950	-	5,950	-
Weight training equipment	94,664	21,076	-	115,740
Outdoor facilities	2,502	-	-	2,502
Water flumes	359,068	-	-	359,068
Soft play equipment	26,976	-	-	26,976
Sports equipment	115,147	2,500	-	117,647
Maintenance equipment	<u>8,635</u>	<u>-</u>	<u>-</u>	<u>8,635</u>
	£ 8,229,233	£ 6,207,867	£ 15,592	£ 14,421,508
<i>Depreciation</i>				
Freehold land and buildings	1,475,874	138,500	-	1,614,374
Plant and equipment	1,515,405	56,603	722	1,571,286
Furniture, fixtures and fittings	921,989	41,795	-	963,784
Office equipment	277,123	27,563	-	304,686
Catering equipment	130,164	6,252	-	136,416
Motor vehicles	6,061	(111)	5,950	-
Weight training equipment	72,255	9,180	-	81,435
Outdoor facilities	2,501	-	-	2,501
Water flumes	171,580	14,363	-	185,943
Soft play equipment	17,044	6,511	-	23,555
Sports equipment	35,705	22,491	-	58,196
Maintenance equipment	<u>1,218</u>	<u>427</u>	<u>-</u>	<u>1,645</u>
	4,626,919	323,574	6,672	4,943,821
Net book value	£ 3,602,314			£ 9,477,687

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements - continued
year ended 31 December 2002

6. Stocks

	2002 £	2001 £
Consumables	40,531	36,180
Goods for resale	<u>10,717</u>	<u>19,884</u>
	£ 51,248	£ 56,064

7. Debtors and prepayments

	2002 £	2001 £
Trade debtors	84,552	146,801
Other debtors and prepayments	<u>58,895</u>	<u>66,145</u>
	£ 143,447	£ 212,946

8. Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	118	41
Accruals	177,723	49,086
Deferred income	<u>93,303</u>	<u>118,760</u>
	£ 271,144	£ 167,887

9. Reserves

	General reserve £	Revenue Account £	Total £
Balance 1 January 2002	5,194,610	(1,486,234)	3,708,376
Capital funding	6,150,465	-	6,150,465
Deficit for year	-	(1,439,625)	(1,439,625)
Revenue funding	-	1,173,452	1,173,452
Non-cash movements	-	(186,491)	(186,491)
Balance 31 December 2002	<u>11,345,075</u>	<u>(1,938,898)</u>	<u>9,406,177</u>

The general reserve is required to fund the asset base of the Centre.

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements - continued
year ended 31 December 2002

10. Cash flow statement

*Reconciliation of operating deficit to net cash
Inflow/(outflow) from operating activities*

	2002 £	2001 £
Operating deficit	(1,440,348)	(980,878)
Depreciation charge	323,574	275,145
Decrease in stocks	4,816	13,512
Decrease/(increase) in debtors	69,500	(80,053)
Increase/(decrease) in creditors	<u>103,257</u>	<u>(92,903)</u>
Net cash outflow from operating activities	£ (939,201)	£ (865,177)

11. Pension Fund

The employees of Beau Sejour Centre are members of the States of Guernsey Superannuation Scheme. This is a defined benefits pension scheme, funded by contributions from both employers and employees at rates which are determined periodically on the basis of actuarial advice and which are calculated to spread the expected costs of benefits payable to employees over the period of those employees' expected service lives. The report by the actuaries on the valuation of the Superannuation Fund at 31 December 2001 indicated that a surplus existed. However, the contribution rate to the Fund was increased with effect from 1 January 2003 from 6.25% for 2002 to 7.35% for 2003. Employees contribute at a rate of 6%. The surplus is being amortised over the expected service lives of all the employees within the scheme.

Further details relating to the funding of the Superannuation Scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

The total amount of the Committee's superannuation contributions for the year ended 31 December 2002 was £69,704 (2001: £68,469), which were all paid during the year. At 31 December 2002 there were no outstanding contributions due (2001: £nil).

Whilst the States of Guernsey Recreation Committee continues to account for its defined benefit pension obligations under Statement of Standard Accounting Practice 24 "Accounting for Pension Costs", the following additional information has been provided to satisfy the transitional arrangements of Financial Reporting Standard 17 "Retirement Benefits". As the scheme is a multi employer arrangement, the Authority is unable to identify its share of underlying assets and liabilities of the scheme or the implication of the surplus on the Board, as required by Financial Reporting Standard 17.

States of Guernsey Recreation Committee - Beau Sejour Centre

Notes to the financial statements - continued

year ended 31 December 2002

12. Related party transactions

After making appropriate enquiries in accordance with Guidance Notes issued by the States Treasurer on 27 March 1996, the Committee are of the opinion that there have been no related party transactions in the current or preceding financial years.

Of the Beau Sejour Centre's annual income and expenditure, less than 20% of their respective value is due to transactions with other States entities.

13. Statement of control

Beau Sejour Centre is wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of Beau Sejour Centre has been delegated to the members of the Recreation Committee who have been appointed by the States of Guernsey.

14. Funding

The States of Guernsey through the budgetary arrangements agreed with the Recreation Committee have undertaken to provide sufficient financial support to enable the Beau Sejour Centre to operate on a going concern basis for the foreseeable future.

Royal Court Fund

Statement of responsibilities for the preparation of financial statements

The States Treasurer is responsible for the preparation of an income and expenditure account for each financial year which fairly summarise the transactions made during the year and for selecting suitable accounting policies. In preparing that account the States Treasurer is expected to:

- apply suitable accounting policies on a consistent basis;
- make judgements and estimates that are reasonable and prudent; and
- prepare the income and expenditure account on a going concern basis, unless it is inappropriate to do so.

The States Treasurer acknowledges responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Royal Court Fund.

It is the responsibility of the Royal Court Fund to identify and install a system of internal controls, including financial control, which is adequate for its own purposes. Thus the Royal Court Fund is responsible for safeguarding the assets in its care and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the Bailiff and Jurats of the Royal Court- Royal Court Fund

We have audited the income and expenditure account and related notes 1 and 2 which have been prepared under the accounting policies set out therein.

Respective responsibilities of the States Treasurer and auditors

As described in the statement of responsibilities for the annual accounts, the States Treasurer is responsible for the preparation of accounts for each financial year which fairly summarise the transactions made during that year and for selecting suitable accounting policies. Our responsibility, as independent auditors, are established the UK Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts fairly summarise the transactions made during that year and are prepared in accordance with the accounting policies set out on page 4. We also report if, in our opinion, the Royal Court Fund has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

Basis of audit opinion

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and of whether the accounting policies are appropriate to the Royal Court Fund'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 as to whether the accounts are free of 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 accounts.

Opinion

In our opinion the accounts fairly summarise the transactions of the Royal Court Fund for the year ended 31 December 2002 and have been properly prepared in accordance with the accounting policies set out therein.

KPMG
Chartered Accountants

29 May 2003

Royal Court Fund

Income and expenditure account *for the year ended 31 December 2002*

	<i>Note</i>	2002 £	2001 £
Income			
Grant from States General Revenue Account		<u>10,000</u>	<u>50,000</u>
Expenditure			
Garage - Rent		-	33,600
Grants - Remembrance Day service		168	104
- Wreaths		85	140
Library		-	15,114
Swearing in – Deputy Bailiff		1,167	-
Sundries		<u>359</u>	<u>711</u>
		<u>1,779</u>	<u>49,669</u>
Surplus for the financial year, transferred to the States General Revenue Account		£ <u>8,221</u>	£ <u>331</u>

The income and expenditure account was approved on 29 May 2003 by:

DM Clark
States Treasurer

Royal Court Fund

Notes to the income and expenditure account
year ended 31 December 2002

1. Accounting policy

Income and expenditure account

Income and expenditure are included on a cash basis.

2. Garage rent and library expenditure

With effect from 1 January 2002, the garage rent and library expenditure are being funded from the budget of the Advisory and Finance Committee.

STATES OF ALDERNEY

STATEMENT OF RESPONSIBILITIES OF THE POLICY AND FINANCE COMMITTEE AND THE STATES TREASURER

The States Treasurer is responsible for preparing accounts for each financial year which present fairly, in all material respects, the transactions of the States of Alderney for that period and are in accordance with the applicable law. In preparing those accounts he is required to:

select suitable accounting policies and apply them consistently and

make judgements and estimates that are reasonable and prudent.

The Policy and Finance Committee acknowledges that it is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the States of Alderney and to enable them to ensure that the accounts comply with The Government of Alderney Law 1987. They are also responsible for safeguarding the assets of the States of Alderney and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS REPORT TO THE POLICY AND FINANCE COMMITTEE

We have audited the financial statements of the States of Alderney for the year ended 31 December 2002 which comprise the revenue account, the capital account, the summary of balances and the related notes 1 to 3.

Respective duties of the States Treasurer and the auditors

As described in the Statement of Responsibilities of the Policy and Finance Committee and the States Treasurer, the States Treasurer is responsible for the preparation of accounts for each financial year which fairly summarise the transactions made during that year and for selecting suitable accounting policies. Our responsibilities, as independent auditors, are established by the UK Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the accounting policies set out in note 1. We also report to you if, in our opinion, the Treasurer has not kept proper accounting records, or if we have not yet received all the information and explanations we require for our audit.

Basis of Opinion

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made in the preparation of the accounts, and whether the accounting policies are appropriate to the States of Alderney'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 as to whether the accounts 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 accounts.

Opinion

In our opinion the accounts fairly summarise the transactions made during the year ended 31 December 2002 and have been properly prepared in accordance with the accounting policies set out in note 1.

KPMG
CHARTERED ACCOUNTANTS

Guernsey

19th March 2003

STATES OF ALDERNEY

NOTES TO THE ACCOUNTS

1 PRINCIPAL ACCOUNTING POLICIES

- a. General revenue account receipts and payments arising in the month following the year end are brought into account in the accounting year to which they relate.
- b. Capital expenditure from general revenue account votes is written off in the year in which it is incurred. Depreciation is therefore not provided.

2 PENSION COSTS

The States provide pension arrangements to the majority of full time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of actuaries. The assets of this scheme are held separately from those of the States in an independently administered fund and are invested in a With Profits Deferred Annuity Policy with Norwich Union.

The most recent valuation of the scheme was carried out by the scheme actuary – Norwich Union – as at 1 January 2000. The valuation which was conducted using the projected unit credit method showed that the value of the scheme's assets was £1,723,000 representing 100% of past service liabilities after allowing for expected future increases in earnings. The principal actuarial assumptions for valuation were:

Rate of increase in salaries	-	6%
Investment return	-	8%
Rate of increase in pensions	-	4%

An employer's contribution rate of 14.1% of pensionable salaries was recommended by the actuary. After discussion with the actuary and reviewing his assumptions on early retirement the States decided to pay employer's contributions at the rate of 9.6% until the date of the next valuation of the scheme. In addition employees contribute 6% of pensionable salary.

The pension contribution charge for the year was £84,370 (2001: £82,243). There were no outstanding contributions due at 31 December 2002.

The next full actuarial review is due as at 1 January 2003. This review has not yet been completed and accordingly the additional disclosures required by the transitional provisions of FRS 17 are not available at the time of preparation of these financial statements. It is the intention of the States Treasurer to ensure full compliance with FRS 17 in future periods.

3 RELATED PARTY TRANSACTIONS

The States has a majority share-holding in Alderney Electricity Ltd and purchases electricity, oil and specialist electrical services from the Company. In 2002 the value of these purchases was £52,648. The States has provided goods and services to the Company during 2002 to the value of £17,999.

STATES OF ALDERNEY

SUMMARY OF GENERAL REVENUE INCOME AND EXPENDITURE

Committees	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
INCOME ON REVENUE ACCOUNT				
Building and Development Control Committee	11,458	12,000	12,000	5,632
General Services Committee	492,171	488,150	500,800	484,509
Policy and Finance Committee	1,474,215	1,465,925	1,077,150	1,086,093
Total Income on Revenue Account	1,977,844	1,966,075	1,589,950	1,576,234
Net revenue cash allocation from States of Guernsey	656,515	795,120	899,000	834,111
	2,634,359	2,761,195	2,488,950	2,410,345

Committees	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
EXPENDITURE ON REVENUE ACCOUNT				
Building and Development Control Committee	30,491	35,000	34,000	46,915
General Services Committee	1,477,027	1,611,095	1,673,825	1,462,305
Policy and Finance Committee	1,126,841	1,115,100	944,850	901,125
Total Expenditure on Revenue Account	2,634,359	2,761,195	2,652,675	2,410,345
<i>Less</i>				
Use of Accumulated Unspent Balances	-	-	(163,725)	-
	2,634,359	2,761,195	2,488,950	2,410,345

BUILDING AND DEVELOPMENT CONTROL COMMITTEE

INCOME ON REVENUE ACCOUNT

Heads of Credit	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Planning fees	11,458	12,000	12,000	5,632
TOTAL REVENUE INCOME CARRIED TO SUMMARY ACCOUNT	11,458	12,000	12,000	5,632

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Administration				
Staff, supplies and services	28,761	30,000	29,000	26,163
Conservation	-	-	-	14,154
Planning records system	1,730	4,700	4,700	6,598
Planning inquiry	-	300	300	-
TOTAL REVENUE EXPENDITURE CARRIED TO SUMMARY ACCOUNT	30,491	35,000	34,000	46,915

GENERAL SERVICES COMMITTEE

INCOME ON REVENUE ACCOUNT

Heads of Credit	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Agriculture								
Rents	3,338		3,750		3,600		3,739	
Fees and charges	1,107		1,000		1,500		868	
Slaughterhouse fees	1,475		1,100		1,100		1,175	
		5,920		5,850		6,200		5,782
Gardens, Cemetery and Church								
Burial plots		630		900		900		627
Health And Welfare								
Jubilee Home								
Residents fees, etc.		46,161		50,000		70,000		53,724
Public Services								
Administration								
Hire vehicle fees	2,728		2,200		2,200		2,310	
Properties - General								
Rent	15,900		16,500		12,500		13,192	
Properties - Housing								
Rent	207,713		196,000		194,000		188,443	
Sewage, Sanitation and Refuse								
Cesspit emptying fees	7,703		9,100		9,100		8,646	
		234,044		223,800		217,800		212,591
Recreation								
Campsite								
Campsite fees (net)	3,243		2,500		2,500		2,247	
Rent of showers	308		200		200		100	
	3,551		2,700		2,700		2,347	
Island Hall								
Island Hall rents	8,077		9,500		9,500		8,005	
		11,628		12,200		12,200		10,352
Harbour								
Administration								
Facilities charges	28,861		30,000		33,000		29,829	
Sundries	5,081		6,000		8,000		5,823	
	33,942		36,000		41,000		35,652	
Less concessions on charges	(1,177)		(800)		(1,000)		(767)	
	32,765		35,200		40,000		34,885	
Cranes								
Dues	41,901		48,000		48,000		52,299	
Moorings and Navigation								
Fees	95,043		90,000		84,000		91,342	
Pilotage fees	25,068		20,000		20,000		22,787	
	120,111		110,000		104,000		114,129	
Less pilots remuneration	(6,828)		(6,000)		(6,500)		(5,703)	
concessions on charges	(5,101)		(2,500)		(2,500)		(4,629)	
	108,182		101,500		95,000		103,797	
Quays and Buildings								
Rent	10,940		10,700		10,700		10,452	
		193,788		195,400		193,700		201,433
TOTAL REVENUE INCOME CARRIED TO SUMMARY ACCOUNT		492,171		488,150		500,800		484,509

GENERAL SERVICES COMMITTEE

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Agriculture								
Staff	74,743		85,000		78,000		78,285	
Supplies and services	13,648		15,000		22,000		16,874	
Bovine Spongiform Encephalopathy - Compensation	2,393		3,000		3,000		1,050	
Disposal costs	366		2,000		3,500		445	
Dairy and land management compensation	63,160		65,000		65,000		29,368	
Foot and mouth insurance	805		805		750		805	
Slaughterhouse	2,489		2,500		3,000		2,316	
Veterinary services	576		2,000		2,000		1,088	
		158,180		175,305		177,250		130,231
Gardens, Cemetery and Church								
Staff	17,734		20,000		28,700		17,128	
Supplies and services	2,696		2,000		4,000		1,569	
	20,430		22,000		32,700		18,697	
Less recoveries	(1,487)		(1,000)		(2,000)		(960)	
		18,943		21,000		30,700		17,737
Fieldwork Scheme								
Staff	935		5,000		11,000		15	
Supplies and services	72		500		1,000		72	
		1,007		5,500		12,000		87
Sea Fisheries								
Staff	13,500		13,500		13,500		13,275	
Supplies and services	3,043		3,500		3,500		2,247	
		16,543		17,000		17,000		15,522
Civil Emergency								
Premises	1,203		3,000		3,000		2,285	
Supplies and services	4,028		4,000		3,000		7,039	
Environmental monitoring	13,500		13,500		13,500		13,348	
Responses to major incidences	1,904		3,500		1,000		37,562	
		20,635		24,000		20,500		60,234
Health and Welfare								
Administration								
Supplies and services	792		500		2,500		207	
Welfare Services								
Other social and care support	3,551		6,000		8,000		5,383	
Out-relief and welfare support	22,111		20,000		20,000		16,403	
	25,662		26,000		28,000		21,786	
Less recoveries	(1,512)		(2,000)		(2,000)		(599)	
	24,150		24,000		26,000		21,187	
Home Carers Service								
Staff	2,271		5,125		5,125		1,336	
Less recoveries	(1,244)		(2,500)		(2,500)		(685)	
	1,027		2,625		2,625		651	
Jubilee Home								
Premises	8,776		11,000		13,500		11,113	
Staff	85,164		90,000		96,500		83,301	
Supplies and services	9,951		12,000		16,000		13,923	
	103,891		113,000		126,000		108,337	
Less recoveries	(2,338)		(3,000)		(3,000)		(4,144)	
	101,553		110,000		123,000		104,193	

GENERAL SERVICES COMMITTEE

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Education and Health								
Grant to Alderney playschools		350		500		500		350
Mignot Memorial Hospital - Insure buildings		1,234		1,250		1,250		1,234
School bus subsidy		10,053		10,000		7,800		8,469
Youth employment scheme		1,987		3,000		3,000		2,006
		<u>13,624</u>		<u>14,750</u>		<u>12,550</u>		<u>12,059</u>
		141,146		151,875		166,675		138,297
Public Services								
Administration								
Staff		75,218		77,000		76,000		71,295
Supplies and services		13,869		15,000		15,000		14,362
		<u>89,087</u>		<u>92,000</u>		<u>91,000</u>		<u>85,657</u>
Properties - General								
Staff		104,416		104,000		123,400		115,185
Supplies and services		73,285		60,000		60,000		80,588
		<u>177,701</u>		<u>164,000</u>		<u>183,400</u>		<u>195,773</u>
Less recoveries		(13,527)		(20,000)		(35,000)		(15,772)
		<u>164,174</u>		<u>144,000</u>		<u>148,400</u>		<u>180,001</u>
Properties - Housing								
Staff		47,457		92,500		107,000		58,784
Supplies and services		47,379		32,000		50,000		42,977
		<u>94,836</u>		<u>124,500</u>		<u>157,000</u>		<u>101,761</u>
Roads, Coasts and Beaches								
Staff		87,758		120,000		156,500		79,623
Supplies and services		151,448		170,000		170,000		140,569
		<u>239,206</u>		<u>290,000</u>		<u>326,500</u>		<u>220,192</u>
Less recoveries		(3,439)		(6,000)		(6,000)		(6,154)
		<u>235,767</u>		<u>284,000</u>		<u>320,500</u>		<u>214,038</u>
Sewage, Sanitation and Refuse								
Staff		158,848		153,000		143,750		156,017
Supplies and services		39,599		35,000		35,000		45,067
Refuse separation / recycling		29,626		49,000		49,000		9,803
		<u>228,073</u>		<u>237,000</u>		<u>227,750</u>		<u>210,887</u>
Less recoveries		(3,346)		(10,000)		(30,000)		(6,827)
		<u>224,727</u>		<u>227,000</u>		<u>197,750</u>		<u>204,060</u>
Vehicle Fleet								
Staff		13,404		15,000		7,850		11,005
Supplies and services		22,724		25,000		25,000		21,788
		<u>36,128</u>		<u>40,000</u>		<u>32,850</u>		<u>32,793</u>
Less recoveries		(3,540)		(4,000)		(3,500)		(2,874)
		<u>32,588</u>		<u>36,000</u>		<u>29,350</u>		<u>29,919</u>
Fire Brigade and Cliff Rescue								
Staff		18,189		25,000		27,500		20,085
Supplies and services		12,794		14,000		14,000		16,253
		<u>30,983</u>		<u>39,000</u>		<u>41,500</u>		<u>36,338</u>
		872,162		946,500		985,500		851,774

GENERAL SERVICES COMMITTEE

EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Recreation								
Administration								
Official entertainments and presentations	9,611		10,000		5,500		5,078	
Grants - sporting and cultural activities	2,532		3,000		3,000		6,280	
	<u>12,143</u>		<u>13,000</u>		<u>8,500</u>		<u>11,358</u>	
Camp Site								
Camp site expenses	1,385		3,000		3,000		2,118	
	<u>1,385</u>		<u>3,000</u>		<u>3,000</u>		<u>2,118</u>	
Children's Playground								
Supplies and services	284		1,000		2,000		250	
	<u>284</u>		<u>1,000</u>		<u>2,000</u>		<u>250</u>	
Island Hall								
Premises	7,613		6,000		4,000		8,561	
Staff	19,413		20,000		18,800		18,371	
Supplies and services	2,991		3,500		3,500		10,060	
	<u>30,017</u>		<u>29,500</u>		<u>26,300</u>		<u>36,992</u>	
		43,829		46,500		39,800		50,718
Harbour								
Administration								
Staff	148,702		153,000		150,500		143,903	
Supplies and services	19,884		22,300		22,300		20,825	
Insurance	5,112		5,115		5,200		5,112	
	<u>173,698</u>		<u>180,415</u>		<u>178,000</u>		<u>169,840</u>	
<i>Less recoveries</i>	(51,937)		(52,000)		(52,000)		(60,886)	
	<u>121,761</u>		<u>128,415</u>		<u>126,000</u>		<u>108,954</u>	
Cranes								
Staff	37,203		43,000		45,400		38,948	
Supplies and services	9,295		12,000		13,000		11,162	
	<u>46,498</u>		<u>55,000</u>		<u>58,400</u>		<u>50,110</u>	
<i>Less recoveries</i>	(2,215)		(3,500)		(3,500)		(2,812)	
	<u>44,283</u>		<u>51,500</u>		<u>54,900</u>		<u>47,298</u>	
Moorings and Navigation								
Supplies and services	21,514		20,500		20,500		23,172	
Wrecks and salvage	2,186		2,000		2,000		2,000	
	<u>23,700</u>		<u>22,500</u>		<u>22,500</u>		<u>25,172</u>	
Quays and Buildings								
Premises	14,838		21,000		21,000		16,281	
	<u>14,838</u>		<u>21,000</u>		<u>21,000</u>		<u>16,281</u>	
		204,582		223,415		224,400		197,705
TOTAL REVENUE EXPENDITURE CARRIED TO SUMMARY ACCOUNT		1,477,027		1,611,095		1,673,825		1,462,305

POLICY AND FINANCE COMMITTEE

INCOME ON REVENUE ACCOUNT

Heads of Credit	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Company registrations	15,249		10,000		15,000		14,865	
Court receipts	31,719		25,000		22,000		29,645	
Duty free concession	33,370		33,500		24,000		24,000	
Housing loan interest	1,431		2,000		4,000		3,426	
Interest receivable	27,803		10,000		12,500		11,084	
Permits and licences	9,080		9,000		9,000		9,355	
Post Office - share of dividend	38,876		31,750		50,000		31,750	
Numismatic revenues	69,963		80,000		30,000		82,355	
Occupiers rates	185,187		186,000		182,000		178,051	
Rents	24,444		24,445		24,500		24,444	
Royalties and fees	3,503		3,000		5,000		3,162	
Sundry sales and charges	7,781		7,500		5,000		8,062	
Television tender payments	970		1,000		2,000		648	
	449,376		423,195		385,000		420,847	
<i>Less transfer to currency reserve</i>	(32,001)		(30,000)		(15,000)		(26,972)	
		417,375		393,195		370,000		393,875
Gambling, Licensing and Control								
Licences and application fees		410,650		520,650		255,650		105,650
Grants								
Lottery profits		2,329		2,330		4,500		4,022
Promotion and Marketing								
Accommodation permits	2,376		2,250		2,000		2,125	
Hire of marquee (net)	-		-		-		612	
Sale of advertising space	12,131		12,500		15,000		13,055	
		14,507		14,750		17,000		15,792
Property Transfer Duties								
Conge	580,288		500,000		400,000		535,108	
Leasehold duty	37,066		35,000		30,000		27,383	
Transfer duty	12,000		-		-		4,263	
		629,354		535,000		430,000		566,754
TOTAL REVENUE INCOME CARRIED TO SUMMARY ACCOUNT		1,474,215		1,465,925		1,077,150		1,086,093

POLICY AND FINANCE COMMITTEE EXPENDITURE ON REVENUE ACCOUNT

Heads of Charge	Accounts 2002		Probable Outturn 2002		Budget Estimate 2002		Accounts 2001	
	£	£	£	£	£	£	£	£
Administration								
Premises	12,880		11,500		11,500		13,336	
Staff	369,115		361,500		374,250		372,202	
Supplies and services	80,721		90,000		90,000		92,729	
Audit fees and expenses	10,292		11,000		8,800		10,256	
Breakwater/harbour investigations	22,472		8,000		8,000		10,877	
Breakwater maintenance contribution	15,000		15,000		15,000		15,000	
Census expenses	6,475		3,000		500		827	
Health and safety regulation	-		-		8,000		-	
Insurance	12,474		9,500		9,600		9,552	
Marketing costs - Forts	-		-		4,000		-	
Meteorological station	-		200		200		-	
States members expenses (Vote 2.10.96)	2,733		5,000		10,000		2,210	
Supplementary pensions	834		1,400		1,000		1,342	
Unforeseen expenditure	-		20,000		20,000		-	
	532,996		536,100		560,850		528,331	
Less recoveries	(12,364)		(13,000)		(13,000)		(13,905)	
		520,632		523,100		547,850		514,426
Administration of Justice								
Supplies and services		13,337		15,000		15,000		13,054
Gambling, Licensing and Control								
Cost of regulation		399,169		387,000		180,000		211,019
Grants								
Alderney Library (Vote 4.3.81)	1,000		1,000		1,000		1,000	
Alderney week	2,000		2,000		2,000		2,000	
Alderney Wildlife Trust	15,000		15,000		15,000		-	
Butes Centre Trust	-		-		1,000		-	
Minor grants	3,448		9,000		9,000		2,088	
St. John Ambulance Brigade (Vote 13.11.91)	10,000		10,000		10,000		10,000	
St. John Ambulance Brigade - new ambulance	10,000		-		-		-	
		41,448		37,000		38,000		15,088
Promotion and Marketing								
Administration								
Premises	3,642		5,500		4,500		5,345	
Staff	32,990		34,000		33,000		31,019	
Supplies and services	7,089		12,500		15,500		6,779	
	43,721		52,000		53,000		43,143	
Promotions								
Supplies and services	88,095		81,000		81,000		79,477	
Events services	10,191		10,000		10,000		13,678	
Promotion of local trade and industry	10,248		10,000		20,000		11,240	
	108,534		101,000		111,000		104,395	
		152,255		153,000		164,000		147,538
TOTAL REVENUE EXPENDITURE CARRIED TO SUMMARY ACCOUNT		1,126,841		1,115,100		944,850		901,125

STATES OF ALDERNEY CAPITAL ACCOUNT SUMMARY

Committees	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
INCOME ON CAPITAL ACCOUNT	£	£	£	£
General Services Committee	8,360	5,020	4,000	9,614
Policy and Finance Committee	89,662	103,415	58,415	494,564
Total Income on Capital Account	98,022	108,435	62,415	504,178
Excess of Expenditure over Income on Capital Account recovered from the States of Guernsey	638,570	1,413,314	1,882,085	12,111
	736,592	1,521,749	1,944,500	516,289

Committees	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
EXPENDITURE ON CAPITAL ACCOUNT	£	£	£	£
General Services Committee	687,866	1,441,172	1,944,500	516,289
Policy and Finance Committee	48,726	80,577	-	-
Total Expenditure on Capital Account	736,592	1,521,749	1,944,500	516,289

GENERAL SERVICES COMMITTEE

INCOME ON CAPITAL ACCOUNT

Heads of Credit	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Sale of vehicles	1,020	1,020	-	-
Sewerage Law contributions	7,340	4,000	4,000	9,614
TOTAL CAPITAL INCOME CARRIED TO SUMMARY ACCOUNT	8,360	5,020	4,000	9,614

EXPENDITURE ON CAPITAL ACCOUNT

Heads of Charge	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Per published accounts 2001	-	-	-	133,779
Agriculture				
Replacement verge cutter (S of A 18.12.01, S of G 20.2.02)	8,766	8,766	-	-
Slaughterhouse				
Electrics rewiring (S of A 18.12.01, S of G 16.1.02)	-	3,000	-	-
Pig scalders - replacement (S of A 18.12.01, S of G 16.1.02)	6,081	6,081	-	-
Harbour				
Commercial buildings (inner harbour) - redevelopment	-	-	10,000	-
Crawler crane - replacement (S of A 19.9.01, S of G 19.9.01)	21,141	13,799	-	245,211
Fenders - replacement (S of A 26.6.02, S of G 9.7.02)	-	9,000	-	-
Marine radio transceiver - upgrade	-	5,000	-	-
Navigation lights (S of A 26.1.02, S of G 13.3.02)	11,519	15,276	-	-
New firemain and repairs	-	-	100,000	-
New fisherman's shed (S of A 26.6.01, S of G 24.10.01)	2,677	4,000	-	-
Health and Welfare				
Jubilee Home				
Convert to sheltered accommodation (S of A 18.7.01, S of G 27.6.01)	101,410	112,243	-	51,469
Royal Connaught Nursing Home				
Purchase and renovations (S of A 10.11.99, S of G 19.10.99)	8,781	9,065	-	21,408

GENERAL SERVICES COMMITTEE

EXPENDITURE ON CAPITAL ACCOUNT

Heads of Charge	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Public Services				
Land and Property				
Airport				
Acquisition and preparation of land (S of A 3.4.01, S of G 24.4.01)	805	5,245	-	24,755
Crusher site infrastructure (S of A 24.7.02, S of G 24.7.02)	20,044	89,590	-	-
Fire station relocation	-	120,000	85,000	-
Island Hall				
Renovations - survey costs (S of A 24.8.00, S of G 19.10.00)	-	201	-	16,869
Repairs and conversion (net cost)	-	-	430,000	-
St. Anne's Church roof - repairs	-	-	35,000	-
States Housing				
Alexandra Court - new windows (S of A 29.1.02, S of G 13.3.02)	15,694	16,000	-	-
New States houses (S of A 22.5.02, S of G 24.4.02)	203,205	431,562	280,000	5,968
Whitegates Cottage - renovations (S of A 29.1.02, S of G 13.3.02)	26,212	26,400	-	-
States Offices				
Fire alarm system (S of A 17.6.98, S of G 23.9.98)	786	796	-	3,492
St Anne's House - repairs	-	-	65,000	-
Vicarage - replacement (S of A 17.4.02)	180,043	251,584	195,000	1,236
Sewage, Sanitation and Refuse				
Bio shredder (S of A 11.9.02, S of G 2.10.02)	20,000	-	-	-
La Vallee sewer upgrade	-	-	16,000	-
Refuse disposal - incinerator and related facilities	-	200,000	700,000	-
Sewer pump replacements - Banquage/Braye (S of A 5.11.97, S of G 7.10.97)	-	14,941	-	-
Waste Strategy Review (S of A 14.8.01, S of G 19.9.01)	1,898	1,898	-	12,102
Waste Strategy - review of options (S of A 24.7.02, S of G 18.9.02)	23,926	50,000	-	-
Vehicles and Plant				
Fire tender - replacement	-	15,000	15,000	-
Sewerage cart /tipper lorry - replacement (S of A 20.11.02, S of G 13.11.02)	5,997	-	-	-
Vehicles - replacement (S of A 18.12.01, S of G 16.1.02)	28,881	31,725	13,500	-
TOTAL CAPITAL EXPENDITURE CARRIED TO SUMMARY ACCOUNT	687,866	1,441,172	1,944,500	516,289

POLICY AND FINANCE COMMITTEE

INCOME ON CAPITAL ACCOUNT

Heads of Credit	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Loan repayments -				
Alderney Football Association	416	415	415	416
Alderney Snooker Club	2,946	2,950	3,000	-
Premium on grant of lease - Old Vicarage	-	-	-	305,025
Sale of freeholds - Le Banquage	86,250	100,000	55,000	189,123
Sale of States properties	50	50	-	-
TOTAL CAPITAL INCOME CARRIED TO SUMMARY ACCOUNT	89,662	103,415	58,415	494,564

EXPENDITURE ON CAPITAL ACCOUNT

Heads of Charge	Accounts 2002	Probable Outturn 2002	Budget Estimate 2002	Accounts 2001
	£	£	£	£
Computers - network upgrade (S of A 26.1.98, S of G 23.9.98)	-	2,577	-	-
Fort Tourgis - consultancy and marketing costs (S of A 17.4.02, S of G 25.6.02)	18,726	48,000	-	-
Loan to Alderney Snooker Club (S of A 18.7.01, S of G 22.8.01)	30,000	30,000	-	-
TOTAL CAPITAL EXPENDITURE CARRIED TO SUMMARY ACCOUNT	48,726	80,577	-	-

SUMMARY OF BALANCES AT 31 DECEMBER 2002

<u>Loans made and not repaid</u>	Balance of Loans 01.01.02	Repayments 2002	Balance 31.12.02
	£	£	£
Alderney Football Association (Vote 05.06.91)	<u>2,102</u>	<u>416</u>	<u>1,686</u>
	Capital advance 2002	Repayments 2002	Balance 31.12.02
	£	£	£
New Alderney Snooker Club (Vote 16.07.01)	<u>30,000</u>	<u>2,946</u>	<u>27,054</u>
<u>LE BANQUAGE HOUSING LOANS SCHEME</u>			2002
<u>CAPITAL ACCOUNT</u>			£
Balance of funds at 01.01.02 and at 31.12.02			<u>299,099</u>
			<u>299,099</u>
<u>BORROWERS ACCOUNT</u>			
Balance with borrowers at 01.01.02			39,782
Instalment of loans repaid during 2002			<u>9,069</u>
Balance with borrowers at 31.12.02			<u>30,713</u>
Balance not lent at 31.12.02			<u>268,386</u>
			<u>299,099</u>
<u>COINS IN CIRCULATION ACCOUNT</u>			
Value of coins in circulation at 01.01.02			828,792
Value of coins issued in 2002			<u>145,645</u>
Value of coins in circulation at 31.12.02			<u>974,437</u>
<u>CURRENCY RESERVE FUND</u>			
Balance at 01.01.02			391,998
Transfer from General Revenue of face value of base metal coins issued in 2002			<u>32,001</u>
			<u>423,999</u>

INVESTMENTS

<u>2001</u>			<u>2002</u>		
SHARES	£		SHARES	£	
<u>34,730</u>	<u>39,860</u>	<u>Alderney Electricity Ltd.</u>	<u>34,730</u>	<u>39,860</u>	
		Ordinary Shares at £1 each fully paid at cost			
		Balance at 01.01.02 and 31.12.02			
		<u>Alderney Electricity Ltd.</u>			
		7% Cumulative Preference shares			
		at £1 each fully paid at cost			
<u>10,950</u>	<u>5,499</u>	Balance at 01.01.02 and 31.12.02	<u>10,950</u>	<u>5,499</u>	
<u>2001</u>			<u>2002</u>		
SHARES	£	<u>Alderney Golf Club</u>	SHARES	£	
<u>650</u>	<u>650</u>	Shares at £1 each fully paid at cost	<u>650</u>	<u>650</u>	
		Balance at 01.01.02 and 31.12.02			
<u>2001</u>			<u>2002</u>		
SHARES	£	<u>Royal Connaught Residential Home Ltd</u>	SHARES	£	
<u>2</u>	<u>2</u>	Shares at £1 each fully paid at cost	<u>2</u>	<u>2</u>	
		Balance at 01.01.02 and 31.12.02			

SUMMARY OF BALANCES AT 31 DECEMBER 2002

<u>2001</u> £	Bank accounts	<u>2002</u> £
989	<u>Daisy Hansen St Anne's School Trust</u>	
34	Balance at 01.01.02	1,023
1,023	Interest received	11
	Balance at 31.12.02	1,034
580	<u>States of Alderney Queens Silver Jubilee Fund</u>	
20	Balance at 01.01.02	600
600	Interest received	7
	Balance at 31.12.02	607
10,152	<u>The Anne French Hospital Annexe Fund</u>	
346	Balance at 01.01.02	10,498
10,498	Interest received	236
	Balance at 31.12.02	10,734
1,069	<u>The Anne French Room Fund</u>	
36	Balance at 01.01.02	1,105
1,105	Interest received	12
	Balance at 31.12.02	1,117
13,718	<u>States of Alderney Education Committee</u>	
487	<u>(ex - Tostevin Trust)</u>	
14,205	Balance at 01.01.02	14,019
186	Interest received	381
14,019		14,400
	Educational Grants	2,554
	Balance at 31.12.02	11,846
2,848	<u>Alderney Education Committee CAYOC Account</u>	
6,000	Balance at 01.01.02	240
142	Grant from Guernsey Education Council	6,000
8,990	Interest received	43
8,750		6,283
240	Grants to Youth Organisations	5,575
	Balance at 31.12.02	708
11,884	<u>States of Alderney Interest on Investments Account</u>	
425	<u>(Educational Bequests)</u>	
12,309	Balance at 01.01.02	12,309
-	Interest received	373
12,309		12,682
	Grants	477
	Balance at 31.12.02	12,205
1,525	<u>The Packe History Trust</u>	
52	Balance at 01.01.02	1,552
1,577	Interest received	17
25		1,569
1,552	History prize	25
	Balance at 31.12.02	1,544
255	<u>Alderney Pilotage Board</u>	
9	Balance at 01.01.02	264
264	Interest received	3
	Balance at 31.12.02	267

SUMMARY OF BALANCES AT 31 DECEMBER 2002

<u>2001</u> £	Bank accounts	<u>2002</u> £
13,953	<u>The Mary Roylance Jubilee Home Fund</u>	
582	Balance at 01.01.02	14,420
14,535	Interest received	452
115		14,872
14,420	Residents' amenities	103
	Balance at 31.12.02	14,769
14,885	<u>The Mary Roylance Mignot Memorial Hospital Fund</u>	
703	Balance at 01.01.02	15,588
15,588	Interest received	582
	Balance at 31.12.02	16,170
2,422	<u>Mignot Memorial Hospital Equipment Fund</u>	
74	Balance at 01.01.02	864
2,496	Interest received	22
1,632		886
864	Purchase of Equipment	-
	Balance at 31.12.02	886
31,124	<u>St Anne's Trust</u>	
1,453	Balance at 01.01.02	32,577
32,577	Interest received	1,141
	Balance at 31.12.02	33,718

STATES OF ALDERNEY WATER BOARD

STATEMENT OF THE BOARD'S RESPONSIBILITIES

The States of Alderney Water Board ('the Board') acknowledges that it is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Board and of the surplus or deficit of the Board for that period. In preparing those financial statements the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Board will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. They are also responsible for safeguarding the assets of the Board and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE BOARD

We have audited the financial statements of the States of Alderney Water Board for the year ended 31 December 2002 which comprise the revenue account, the balance sheet and the related notes 1 to 5.

Respective duties of the Board and the auditors

As described above the Board is responsible for the preparation of financial statements for each financial year which fairly summarise the transactions made during that year and for selecting suitable accounting policies. Our responsibilities, as independent auditors, are established by the UK Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the accounting policies set out in note 1. We also report to you if, in our opinion, the Board has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Basis of opinion

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination of 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 Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board'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.

STATES OF ALDERNEY WATER BOARD

Opinion

In our opinion the financial statements give a true and fair view of the states of the States of Alderney Water Board's affairs at 31st December 2002 and of its surplus for the year then ended.

KPMG
CHARTERED ACCOUNTANTS

Guernsey

25th March 2003

STATES OF ALDERNEY WATER BOARD

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2002

	Notes	£	2002	£	£	2001	£
REVENUE							
Unmetered supplies		184,600			182,762		
Metered supplies		33,722			34,329		
Service charges		846			1,514		
				219,168			218,605
EXPENSES							
OPERATING AND MAINTENANCE EXPENSES							
Salaries and wages		116,400			113,060		
Water treatment charges		9,054			10,297		
Fuel and electricity		25,466			22,711		
Maintenance		21,123			11,958		
Superannuation	2	8,508			7,429		
Depreciation	1 & 5	9,778			12,206		
		190,329			177,661		
ADMINISTRATION AND GENERAL EXPENSES							
Wages and administration charge		10,921			10,308		
Rents, rates and taxes		2,501			2,300		
Insurance		2,443			1,455		
Motor vehicle expenses		2,613			2,837		
Postage and telephone		2,034			1,765		
Printing and stationery		1,606			556		
Accountancy and audit		2,127			1,900		
Bank charges		493			582		
Travelling and general expenses		1,074			831		
Consultancy fees and expenses		2,175			1,523		
Bad debts written off		-			76		
		27,987			24,133		
				218,316			201,794
OPERATING SURPLUS				852			16,811
OTHER INCOME							
Sale of vehicle				2,500			-
Interest receivable				16,947			20,006
SURPLUS FOR THE YEAR				20,299			36,817
BALANCE BROUGHT FORWARD				571,225			534,408
BALANCE CARRIED FORWARD				£591,524			£571,225

The Water Board has no recognised gains or losses other than the surplus for the year

Notes 1 to 5 form part of these financial statements

STATES OF ALDERNEY WATER BOARD

BALANCE SHEET AS AT 31ST DECEMBER 2002

	Notes	£	2002	£	£	2001	£
ASSETS EMPLOYED							
FIXED ASSETS	1 & 5			200,440			186,314
CURRENT ASSETS							
Stock	1	21,351				13,195	
Debtors		40,290				37,524	
Bank balances - deposit		413,667				393,730	
Bank balances - current		21,315				36,738	
		<u>496,623</u>				<u>481,187</u>	
LIABILITIES FALLING DUE WITHIN ONE YEAR							
Creditors		<u>19,253</u>				<u>9,990</u>	
				477,370			471,197
				<u>£677,810</u>			<u>£657,511</u>
FINANCED BY							
RESERVES							
General	3			86,286			86,286
Revenue Account				<u>591,524</u>			<u>571,225</u>
				<u>£677,810</u>			<u>£657,511</u>

Notes 1 to 5 form part of these financial statements.

The financial statements were approved by the States of Alderney Water Board on 25th March 2003 and are signed on its behalf by:

E. W. N. Sebire
Chairman

STATES OF ALDERNEY WATER BOARD

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the States of Alderney Water Board's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Fixed assets

Fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated at the following annual rates so as to write off the cost of fixed assets over their anticipated useful lives using the straight line method

	%
Mains and services	2.50
Buildings	2.50
Machinery	6.66
Tools and equipment	10.00
Motor vehicle	33.33
Consumers' meters	10.00

Calculation of depreciation is based on capital expenditure incurred at the commencement of the accounting period.

Stock

Stock is valued at the lower of cost and net realisable value.

Cash flow statement

Under Financial Reporting Standard No 1 the States of Alderney Water Board is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

2 PENSION COSTS

The Board is a member of a pension scheme providing benefits based on final pensionable pay. Because the Board is unable to identify its share of the scheme assets and liabilities on a consistent basis, as permitted by FRS 17 'Retirement benefits' the scheme will be accounted for by the Board when the accounting standard is fully adopted by the Board as if the scheme was a defined benefit scheme.

The employees of the States of Alderney Water Board are members of the States of Alderney pension scheme. The States provide pension arrangements to the majority of full time employees through a defined benefit scheme and the related costs are assessed in accordance with the advice of actuaries. The assets of this scheme are held separately from those of the States in an independently administered fund.

The scheme is adequately funded, and a contribution rate of 9.6% has been agreed with the Actuary. The pension cost charge to the Water Board for the year was £12,238 (2000 £11,007).

STATES OF ALDERNEY WATER BOARD

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 GENERAL RESERVE

The General Reserve is an historic record of States of Alderney investment into the Water Board in the early years of operation.

4 RELATED PARTY TRANSACTIONS

In 2002 Mr E.W.N. Sebire was Chairman of the General Services Committee and the Water Board. The States has a majority share-holding in Alderney Electricity Ltd and appoints annually a director to the board and this position was held by Mr J. Postlethwaite.

The Water Board purchases electricity, oil and specialist electrical services from Alderney Electricity Ltd. In 2002 the value of these purchases was £25,308.

The States of Alderney General Services Committee is appointed by the States of Alderney to act as the Water Board. The old van which had been fully depreciated was sold to the General Services Committee for £2,500.

5 FIXED ASSETS

	At 1st January 2002	Additions	Disposals and amounts written off	At 31st December 2002
	£	£	£	£
COST				
Land	10	-	-	10
Mains & Services	240,689	-	-	240,689
Buildings	10,363	-	-	10,363
Machinery	10,959	3,394	-	14,353
Tools & Equipment	1,645	6,604	-	8,249
Motor Vehicle	0	12,981	-	12,981
Consumer Meters	10,790	925	-	11,715
	274,456	23,904	-	298,360
DEPRECIATION				
Mains & Services	69,979	6,037	-	75,016
Buildings	7,071	259	-	7,330
Machinery	5,155	829	-	5,984
Tools & Equipment	792	853	-	1,645
Motor Vehicle	0	721	-	721
Consumer Meters	6,145	1,079	-	7,224
	88,142	9,778	-	97,920
NET BOOK AMOUNT	£ 186,314		£	200,440

States of Guernsey Board of Administration – Works Department

Statement of activities and performance

Year ended 31 December 2002

Principal activities

The States of Guernsey Board of Administration – Works Department (“the Department” or “States Works Department”) operates as a trading organisation which contracts with mainly States’ clients to deliver a wide range of services. Those services demand the effort of a predominately manual labour force utilising specialist plant and equipment to maintain the public services of the Island.

Financial highlights

	2002 £’000	2001 £’000
Income	6,572	6,826
(Deficit)/surplus	(62)	167
Capital expenditure	811	1,208

Income has fallen in 2002 from the high achieved in 2001, which was enhanced due to the exceptional income from foot and mouth precautionary measures. New income sources associated predominantly with the waste sector have provided further opportunities for the Department in 2002.

Although the Department operates as a trading organisation, the surpluses generated are primarily utilised for capital expenditure on facilities to benefit the services delivered to our customers. The increased commitment to capital investment over the past five years has improved the reliability of the vehicle fleet and created a modern and energy efficient depot, but this has also had a dramatic impact on depreciation charges in the accounts. This level of spending has also significantly reduced our financial reserves, thus reducing interest receivable. As a consequence the effect of these changes has been an increase in costs in the past year of £192,513 and this has contributed significantly to the trading deficit of £62,076.

Although there is a trading deficit the Department has generated a positive cash flow of £313,514. The Department’s trading position is, however, still sensitive to changes in income but the Board is more confident, that as a result of the Department’s investments and the ongoing policy of seeking appropriate business opportunities, a stable trading position can be maintained for the future.

Operational Performance

Overheads

	2002	2001
Numeric ration: Support staff/Operational Staff	14.4%	15.3%
Cost ratio: Support staff/Operational Staff	21.3%	21.1%

Effort

	2002	2001
Income/Employee	£ <u>40,918</u>	£ <u>43,058</u>

States of Guernsey Board of Administration – Works Department

Statement of activities and performance - continued

Year ended 31 December 2002

Operational Performance – continued

Emergency Call-Out

	2002	2001
Number of calls	335	410
Man hours worked	1,234	1,524

Non Scheduled Work

New jobs raised	4,580	4,659
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Developments in 2002

The Department designed and constructed the Waste Separation facility at Fontaine Vinery for the Board of Administration. This project, combined with the success in winning the St Peter Port domestic refuse collection contract for a seven year period, has provided the Department with new streams of income in a developing market sector.

States of Guernsey Board of Administration – Works Department

Statement of activities and performance - continued
Year ended 31 December 2002

Board members and principal officers

The States Works Department is responsible to the Board of Administration

During 2002:

Board Members were:

Deputy RC Berry OBE, President Board of Administration
Deputy ME Best, Vice President & Departmental Representative
Deputy PN Bougourd (Joined 26 June 2002)
Deputy MA Ozanne
Deputy Mrs P Robilliard
Deputy LS Trott
Douzaine Representative Mr D Grut (Retired 26 June 2002)
Advocate PJG Atkinson
Mr RHH Barneby (Joined 25 September 2002)
Mr M Collins (Retired 25 September 2002)
Mr GR Dorey

Principal officers were:

Mr RT Kirkpatrick, Chief Executive, Board of Administration
Mr S Smith, Deputy Chief Executive, Board of Administration
Mr C Le Ray, Finance Director, Board of Administration
Mr DR Parish, General Manager, States Works Department
Mr BG Langlois, Financial Controller, States Works Department
Mr NJ Dorey, Project Manager, States Works Department
Mr JD McEwan, Contract Manager, States Works Department

States of Guernsey Board of Administration – Works Department

Statement of responsibilities for the preparation of financial statements

The Board of Administration (“the Board”) is responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the States Works Department and of the surplus or deficit of the States Works Department for that period. In preparing those financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the States Works Department. It is also responsible for safeguarding the assets of the Department and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of internal financial controls

It is the responsibility of each States Committee to identify and install a system of internal controls, including financial control, which is adequate for its own purposes and to safeguard the assets of the States Works Department in their care and hence for taking reasonable steps for the prevention of fraud and other irregularities.

The Board of Administration is also responsible for the economic, efficient and effective operations and management of the States Works Department.

It is acknowledged that the States Works Department is subject to financial and manpower restrictions. Nevertheless the Board of Administration has a duty to ensure that they fulfil their obligations to install and maintain adequate internal controls and safeguard the States resources for which they are responsible.

The States Works Department internal financial controls and monitoring procedures include:

- Annually reported and approved budgets monitored against monthly management accounts with additional operational detail reported in a detailed quarterly report which monitors actual income and expenditure against that anticipated. All such detail is regularly reviewed at meetings of the Board of Administration to ensure that all Committee members are informed of the Department’s financial affairs.
- Client invoices are subjected to a range of pre-determined computerised integrity checks prior to despatch in order to ensure accuracy.
- The control of materials and stores purchases are managed using a computerised job-costing programme with specific authorisation limits for purchases and segregated areas of responsibility for processing of payments, all of which maintain detailed audit trails.
- Manpower expenditure is monitored and controlled at source via time sheets, which are authorised, and the computerised job costing and financial accounts packages, which check validity, and permits reconciliation with the wage bill.

States of Guernsey Board of Administration – Works Department

Statement of responsibilities for the preparation of financial statements - continued

Statement of internal financial controls - continued

- Capital expenditure authorisation is subject to strict valuation guidelines and purchase procedures.
- Regular independent review and appraisal of the soundness, adequacy and application of internal controls by the States Internal Audit Department.

The Board strives to ensure that all staff with financial responsibility in the States Works Department have the necessary integrity, skills and motivation to discharge their duties with the proficiency which the community has the right to expect.

The States Works Department's internal controls and accounting policies have been and are subject to continuous review and improvement.

In addition the financial statements are subject to an independent external audit by auditors appointed by the States.



2 Grange Place
The Grange
Guernsey, Channel Islands
GY1 4LD

Independent auditors' report to the States of Guernsey Board of Administration – Works Department

We have audited the financial statements of The States of Guernsey Board of Administration – Works Department for the year ended 31 December 2002 which comprise the revenue account, the balance sheet, the cash flow statement and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the Board and auditors

As described in the statement of responsibilities for the preparation of financial statements, the Board is responsible for the preparation of the financial statements in accordance with applicable Guernsey law and United Kingdom accounting standards. Our responsibility is to audit the financial statements in accordance with relevant Guernsey legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view. We also report if, in our opinion, the statement of activities and performance is not consistent with the financial statements, if the Board has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the statement of activities and performance for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with UK Auditing Standards 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 Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board'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 of the state of the Board's affairs as at 31 December 2002 and of its deficit for the year then ended.

KPMG

Chartered Accountants

10 April 2003

States of Guernsey Board of Administration – Works Department

Revenue account *for the year ended 31 December 2002*

	Notes	2002 £	2001 £
Income	2	<u>6,548,558</u>	<u>6,761,750</u>
Expenses			
Labour and direct materials	3	4,676,354	4,818,697
Transport, plant and equipment maintenance	4	649,224	593,719
Building maintenance and charges	5	346,581	257,691
Administration and general	6	<u>961,993</u>	<u>988,292</u>
		<u>6,634,152</u>	<u>6,658,399</u>
Operating (deficit)/surplus		(85,594)	103,351
Interest received from States Treasury		<u>23,518</u>	<u>64,090</u>
(Deficit)/surplus for the financial year	11	£ <u>(62,076)</u>	£ <u>167,441</u>

All material activities derive from continuing operations.

There are no recognised gains or losses or other movements in reserves for the current or preceding financial years other than as stated in the revenue account.

States of Guernsey Board of Administration – Works Department

Balance sheet *at 31 December 2002*

	<i>Notes</i>	2002 £	2001 £
Tangible fixed assets	7	<u>4,596,989</u>	<u>4,125,310</u>
Current assets			
Stocks and work in progress	8	160,357	154,106
Debtors and prepayments	9	1,303,966	1,253,340
Balances due from States Treasury		<u>292,900</u>	<u>929,937</u>
		<u>1,757,223</u>	<u>2,337,383</u>
Creditors: amounts falling due within one year	10	(227,470)	(273,875)
Net current assets		<u>1,529,753</u>	<u>2,063,508</u>
Total net assets		£ <u>6,126,742</u>	£ <u>6,188,818</u>
Reserves	11	£ <u>6,126,742</u>	£ <u>6,188,818</u>

These financial statements were approved by the Board of Administration on 8 April 2003.

RC Berry OBE
President

States of Guernsey Board of Administration – Works Department

Cash flow statement *for the year ended 31 December 2002*

	<i>Notes</i>	2002 £	2001 £
Net cash inflow from operating activities	<i>12</i>	<u>180,748</u>	<u>101,691</u>
Returns on investments and servicing of finance			
Interest received		<u>23,518</u>	<u>64,090</u>
Net cash inflow from returns on investments and servicing of finance		<u>23,518</u>	<u>64,090</u>
Capital expenditure and financial investment			
Payment to acquire tangible fixed assets		(855,667)	(1,208,069)
Receipts from sales of tangible fixed assets		<u>14,364</u>	<u>530</u>
Net cash outflow from investing activities		<u>(841,303)</u>	<u>(1,207,539)</u>
Management of liquid resources			
Decrease in amounts held with States Treasury		<u>637,037</u>	<u>1,041,758</u>
Movement in cash		£ <u><u>-</u></u>	£ <u><u>-</u></u>

States of Guernsey Board of Administration – Works Department

Notes to the financial statements

1. Principal accounting policies

The following accounting policies are prepared in accordance with applicable UK accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Revenue

Revenue comprises amounts in respect of services provided and goods supplied in the year.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation

Depreciation is calculated at the following annual rates so as to write off the cost of tangible fixed assets over their anticipated useful lives using the straight-line method.

	Estimated life in years	Depreciation % per annum
Plant, tools and equipment	10-3	10-33.33
Motor vehicles	10-3	10-33.33
Office equipment	5	20
Buildings and fittings	50-10	2-10
Land		0.00

Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value.

Pension costs

The costs of the defined benefit scheme are charged to the revenue account over the period during which the Board benefits from the employee's services. Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs.

States of Guernsey Board of Administration – Works Department

Notes to the financial statements - continued

2. Income

	2002 £	2001 £
Maintenance - Building and properties	1,742,461	1,421,857
- Highways	1,712,451	1,718,786
- Sewers and pump stations	821,093	902,301
- Vehicles and plant	521,740	495,918
- Land areas	1,383,510	1,420,829
Transport services	82,968	102,416
Island wide emergencies and call outs	67,289	73,138
Administrative services	<u>217,046</u>	<u>626,505</u>
	£ 6,548,558	£ 6,761,750

3. Labour and direct materials

	2002 £	2001 £
Labour charges:		
Wages and employers superannuation	<u>3,289,785</u>	<u>3,329,303</u>
Direct materials:		
Materials and services	922,430	969,303
Stores	300,134	207,396
Sub contractors	176,132	325,757
Less: discounts received	<u>(12,127)</u>	<u>(13,062)</u>
	<u>1,386,569</u>	<u>1,489,394</u>
	£ 4,676,354	£ 4,818,697

4. Transport, plant and equipment maintenance

	2002 £	2001 £
Vehicles - Fuel and maintenance	204,578	220,230
- Depreciation	190,570	110,974
Plant and tools - maintenance	90,298	101,700
- replacements	74,578	60,749
- depreciation	48,716	49,097
Contractors charges	11,101	18,745
Garage expenses	18,078	16,459
Other costs	<u>11,305</u>	<u>15,765</u>
	£ 649,224	£ 593,719

States of Guernsey Board of Administration – Works Department

Notes to the financial statements - continued

5. Building maintenance and charges

	2002 £	2001 £
La Hure Mare	151,510	127,007
Burnt Lane Depot	75,111	36,037
Stones Yard Depot	6,137	30,107
Saumarez Park Depot	2,055	1,244
Post Office Garage	11,048	11,325
Other sites	2,847	2,300
Buildings and fittings depreciation	<u>97,873</u>	<u>49,671</u>
	£ 346,581	£ 257,691

6. Administration and general

	2002 £	2001 £
Salaries, wages and employers superannuation	704,040	717,069
Travel and collection charges	48,154	30,515
Post, stationery and telephone	43,665	41,876
Computer charges	63,944	119,108
Insurance	50,022	41,370
Audit fee	6,000	5,784
Sundry office expenses	12,413	19,229
Office and equipment depreciation	38,432	13,907
Profit on disposal of fixed assets	(5,965)	(517)
Bad debts provided for and written off	<u>1,288</u>	<u>(49)</u>
	£ 961,993	£ 988,292

7. Tangible fixed assets

	1 January 2002 £	Additions £	Written off/ Disposals £	31 December 2002 £
<i>Cost</i>				
Plant, tools and equipment	614,312	13,281	32,766	594,827
Motor vehicles	1,628,521	293,862	140,786	1,781,597
Office equipment	204,993	44,942	23,854	226,081
Buildings and fittings	3,022,969	503,582	-	3,526,551
Land	<u>649,220</u>	<u>-</u>	<u>-</u>	<u>649,220</u>
	£ 6,120,015	£ 855,667	£ 197,406	£ 6,778,276

States of Guernsey Board of Administration – Works Department

Notes to the financial statements - continued

7. Tangible fixed assets - continued

	1 January 2002 £	Charge for the year £	Disposals £	31 December 2002 £
<i>Depreciation</i>				
Plant, tools and equipment	478,854	48,715	24,380	503,189
Motor vehicles	1,101,977	190,570	140,778	1,151,769
Office equipment	58,039	38,432	23,850	72,621
Buildings and fittings	355,835	97,873	-	453,708
Land	-	-	-	-
	<u>1,994,705</u>	<u>375,590</u>	<u>189,008</u>	<u>2,181,287</u>
Net book value	£ <u>4,125,310</u>			£ <u>4,596,989</u>

8. Stock and work in progress

	2002 £	2001 £
Stock	132,413	107,300
Work in progress	<u>27,944</u>	<u>46,806</u>
	£ <u>160,357</u>	£ <u>154,106</u>

9. Debtors and prepayments

	2002 £	2001 £
Trade debtors	153,161	142,045
Balance due from States Departments	1,146,442	1,108,820
Prepayments and other debtors	<u>4,363</u>	<u>2,475</u>
	£ <u>1,303,966</u>	£ <u>1,253,340</u>

10. Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	209,267	206,555
Accruals	<u>18,203</u>	<u>67,320</u>
	£ <u>227,470</u>	£ <u>273,875</u>

States of Guernsey Board of Administration – Works Department

Notes to the financial statements - continued

11. Reserves

	Revenue account £
Balance 1 January 2002	6,188,818
Deficit for financial year	<u>(62,076)</u>
Balance 31 December 2002	£ <u>6,126,742</u>

12. Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities

	2002 £	2001 £
Operating (deficit)/surplus	(85,594)	103,351
Depreciation charges and surplus on sale of tangible fixed assets	369,625	223,132
(Increase)/decrease in stocks and work in progress	(6,251)	47,848
Increase in debtors	(50,627)	(197,178)
Decrease in creditors due within one year	<u>(46,405)</u>	<u>(75,462)</u>
Net cash inflow from operating activities	£ <u>180,748</u>	£ <u>101,691</u>

13. Reconciliation of net cash flow to movement in net funds

	2002 £	2001 £
Movement in cash	-	-
Decrease in liquid resources	<u>(637,037)</u>	<u>(1,041,758)</u>
	<u>(637,037)</u>	<u>(1,041,758)</u>
Net funds at 1 January	<u>929,937</u>	<u>1,971,695</u>
Net funds at 31 December	£ <u>292,900</u>	£ <u>929,937</u>

14. Analysis of changes in net funds

	At 1 January 2002 £	Cash flows £	At 31 December 2002 £
Cash held with States Treasury	£ <u>929,937</u>	£ (637,037)	£ <u>292,900</u>

States of Guernsey Board of Administration – Works Department

Notes to the financial statements - continued

15. Capital commitments

	2002 £	2001 £
Contracted for but not provided	£ <u>38,890</u>	£ <u>232,450</u>

16. Pension Fund

The employees of the States of Guernsey Works Department are members of the States of Guernsey Superannuation Scheme. This is a defined benefits pension scheme, funded by contributions from both employer and employee at rates which are determined periodically on the basis of actuarial advice and which are calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives. The report by the actuaries on the valuation of the Superannuation Fund at 31 December 2001 indicated that a surplus existed. However, the contribution rate to the Fund was increased with effect from 1 January 2003 from 8.25% for 2002 to 8.35% for 2003. Employees contribute at a rate of 6%. The surplus is being amortised over the expected service lives of all the employees within the scheme.

Further details relating to the funding of the Superannuation Scheme are provided in the Superannuation Fund section of the accounts of the States of Guernsey.

The total amount of superannuation contributions for the year ended 31 December 2002 was £228,990 (2001: £228,489) which were all paid during the year.

Whilst the Board continues to account for its defined benefit pension obligations under Statement of Standard Accounting Practice 24 "Accounting for Pension Costs", the following additional information has been provided to satisfy the transitional arrangements of Financial Reporting Standard 17 "Retirement Benefits". As the scheme is a multi employer arrangement, the Board is unable to identify its share of underlying assets and liabilities of the scheme or the implications of the surplus on the Board, as required by Financial Reporting Standard 17.

17. Related party transactions

The Department are of the opinion that there have been no related party transactions in the current or preceding financial years apart from with other States entities.

Of the States of Guernsey Board of Administration – Works Department annual income, 90% (2001: 92%) of the value is due to transactions with other States entities. This includes aggregate value of transactions with the Public Thoroughfares Committee totalling 36% (2001: 37%) of the Department's annual income.

Less than 20% of the value of the Department's annual expenditure is due to transactions with other States entities.

18. Statement of control

The States of Guernsey Board of Administration – Works Department is wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of the States of Guernsey Board of Administration – Works Department has been delegated to the members of the Board who have been appointed by the States of Guernsey.