

# Annual Report 2022



**PORTS  
OF JERSEY**

*Connecting our Island by  
air, by sea and by service,  
for a better future.*



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# Chairman's Introduction

Mark Chown



2022 has been a year of transition, during which Ports of Jersey concentrated on recovering from the devastating impact of the COVID pandemic on our industry.

We have been rebuilding our air connections to provide faster and easier travel, and planning a major redevelopment of St Helier Harbour's infrastructure to maintain a resilient and flexible freight operation which will ensure the continuance of essential lifeline services for Islanders.

## Recovery

The impact of the pandemic on the aviation sector has been stark, with many airlines reducing their services and others, such as Flybe, exiting the market. Nevertheless, with aviation passenger volumes in 2022 recovering, but still not matching pre-pandemic levels, we are confident that this trend will continue. Building on the close working relationships developed with our airline partners during the pandemic, we have secured new routes and signed new medium term agreements to increase our route network across the UK and into Europe.

Passenger numbers at the harbour were substantially ahead of 2021 but still substantially below 2019. This is largely due to the French day trip market, which has been affected by both the pandemic and by Brexit, as a passport is now needed to travel to Jersey.

The Government of Jersey's recent initiative to allow day trip passengers from France to enter Jersey using their French ID card is welcome and hopefully will increase volumes.

The picture for car vehicles and freight showed more resilience, both finishing the year only a few percentage points down on the comparative figure for 2019, underlining the lifeline nature of our freight services, and perhaps a modal shift towards UK passengers bringing their own vehicles by ferry rather than flying.

## Financial position

Ports of Jersey is proud not to have received any taxpayer support during the pandemic. Trading losses were inevitable given a largely fixed cost base and reduced activity levels in recent years. However, the business is in a good financial position, and we are ready to use our strengthening profits to improve our services, and to invest in our infrastructure for the benefit of Islanders.



*Building on the close working relationships developed with our airline partners during the pandemic, we have secured new routes and signed new medium term agreements to increase our route network across the UK and into Europe.*

We have already launched plans to regenerate St Helier Harbour, and we are finalising proposals for the airport. Delivery of both these masterplans will transform our facilities to meet the changing needs of the travelling public and of modern-day air and sea craft, while also respecting the historic fabric of Jersey's ports.

All our proposals put sustainability at their centre, as we move forward alongside Government to decarbonise travel.

## Sustainability

Sustainability is a major global challenge, particularly for the travel industry. We take our responsibility very seriously and want to be a leader in our industry and for our Island.

We are investing in sustainable air and sea travel and in supporting and encouraging new technologies that will reduce the impact of our activities on the environment. We will build sustainable infrastructure and support our partners to reduce emissions, while providing environmental leadership.

Last year we developed a sustainability strategy centred on climate change, biodiversity, waste and circularity, and people. The strategy has meaningful targets to ensure our actions have an impact that can be tracked, and is being embedded throughout our organisation.

We are, as described in the CEO's review, now active partners in some exciting projects which are creating the technology to move our industry to carbon net zero.

## New initiatives

Our success in developing routes and long-term agreements with major airline partners, British Airways and easyJet, should be a sign of their confidence in Jersey and in the benefits Ports of Jersey can bring to its Island home.

Our priority is to enhance connectivity which will encourage business investment, support efforts to maintain a dynamic tourism industry, and improve choice for consumers.

Our growing Marine Services business, using two vessels, the Duke and the Duchess, generated nearly £3 million income from projects across Europe this year. Demand remains high, especially in offshore wind operations, and a further vessel is expected to enter the fleet in 2023. This part of our business demonstrates a commendable entrepreneurial approach which uses the existing skills in our organisation, underpins our financial performance and supports investment in Harbour infrastructure.



***Sustainability is a major global challenge, particularly for the travel industry. We take our responsibility very seriously and want to be a leader in our industry and for our Island.***

## Working with Government

Our responsibilities are varied and encompass most Government departments and many of their strategic priorities. This year we have liaised regularly with the Department for the Economy on our plans for St Helier Harbour, new routes from Jersey Airport, the Ships' Registry and Jersey Coastguard.

The tragic maritime incident in St Ouen's Bay in December which saw the loss of three fishermen brought our service into sharp relief. Jersey Coastguard led the extensive search and rescue operation, and we continue to work closely with colleagues in the States of Jersey Police, the Government of Jersey and other agencies to understand the reasons for this very sad event and how lessons can be learned.

A further notable multi-agency search and rescue operation launched when a plane ditched into the sea off the south-east coast of Jersey. This utilised valuable support from rescue organisations in France, the UK and Guernsey, ending in a successful rescue of the two pilots involved.

We liaise with Home Affairs colleagues over security, resilience, and coastguard activities, and the independent Director of Civil Aviation reports to the External Relations Department.



Our responsibility for essential Island infrastructure involves the Infrastructure Minister and we developed the Ports Planet and People Plan to meet our environmental commitments and to support the Government's Carbon Neutral Roadmap, which outlines the Island's ambition to reach net zero by 2050.

## Investing in the future

2022 saw the end of COVID testing for arriving passengers, which enabled us to resume planning for the redevelopment of the airport. We will launch our revised plans in 2023. Work has already started to upgrade airport security scanning equipment which will be in operation well ahead of the June 2024 deadline. When fully operational this will enhance the customer experience.

We announced in 2022 a long-term development plan to transform Elizabeth Harbour, La Collette and Victoria Pier, the Old Harbours and La Folie, Albert Pier, and New North Quay.

The Harbour Master Plan proposes to start with the most immediate need, the redevelopment of the Island's lifeline for essential supplies, Elizabeth Harbour. Our freight operation is, at peak times, exceeding capacity and we need to consolidate roll-on roll-off and crane operations to Elizabeth Harbour to maintain a reliable, resilient freight service.

I hope next year's annual report will be able to update you on the work underway in the St Helier port area, and see us on our way to ensuring the harbour's long-term resilience, while also realising the area's potential as a leisure, cultural and tourism destination.

## Our People

I am conscious of the skill, loyalty and hard work our employees have demonstrated in 2022. We are incredibly lucky to have such a dedicated team who have dealt unwaveringly with the many challenges presented in 2022. On behalf of the Board, thank you to you all. I am confident that with your support we can now start to implement our plans for the future.

I am sorry to report that Charles Hammond, one of our non-executive directors, stood down from the Board in February 2023. Charles has been a valued and active member of the Board and we have benefited hugely from his experience and guidance in the ports sector. His job as CEO of Forth Ports has evolved such that he no longer feels able to devote the necessary time to his role at Ports of Jersey. I would like to thank him for his time with us and look forward to retaining contact in the future. Andrew Boustouler, our CFO, has regretfully also left us after a total of 23 years with Ports of Jersey and its predecessors. Andrew was universally liked and respected by his colleagues. He was instrumental in the incorporation of Ports of Jersey in 2015. I would like to thank him for his sound advice and counsel during my time on the Board and wish him well for his future business career.

I am delighted that Jenny Marek-Murray has been promoted to the position of CFO. She has been a key member of our team, previously as Deputy CFO and most recently as Director of Sustainability and Corporate Services, a role that she fulfilled with vigour and enthusiasm. I look forward to working with Jenny as we start to implement our ambitious growth and investment plans in the next few years.

## In Summary

To summarise, I am pleased that we have moved on from the disruption wrought by the COVID pandemic on the travel industry. Our airport has seen a strong return in passenger numbers, we have valuable new agreements with British Airways and easyJet, and we are ready to transform our harbour to make it fit for the future. I am confident that we will continue to see growth in passenger numbers, and I look forward to Ports of Jersey ensuring a resilient supply chain, securing and enhancing connectivity, working with Government to safeguard future ferry services and creating a harbour and airport that Islanders can be proud of.



DEPARTURES

# CEO's Review

Matt Thomas



Our goal is to enhance Jersey as a great place to live, visit and do business by keeping the Island reliably and well-connected. 100% of everything and everyone moving in and out of our Island does so through the airport and harbours, so we have an essential role to play in Jersey's economy, community, and society.

## A year of recovery

2022 has been a year of recovery. After redeploying up to a third of our employees to help the Covid response, with firefighters driving ambulances, security officers helping with customer care at the Hospital, and our customer service team supporting the Covid Helpline, we are now seeing a strong recovery in Jersey's connectivity.

Our airport has experienced the fourth fastest recovery of all airports in the UK, with Jersey's passenger numbers returning to 77% of pre-pandemic levels in 2022, an increase of 97% on the previous year.

We are reaping the benefits of the work that we undertook during the pandemic, when we worked closely with our airline partners to secure the resilience of our air links.

We have agreements in place with each of our major carriers, with BA now flying to Heathrow, easyJet introducing its first European route to Amsterdam, Blue Islands providing regional and inter-island connectivity and Jet2 supporting Jersey's in-bound tourism sector.

This constructive dialogue has established strong foundations for sustained future growth.

## Building connectivity

In 2022, we announced our five-year agreement with British Airways, which is projected to carry more than two million passengers between Jersey and British Airways' global hub in Heathrow, and estimated to deliver growth in GDP of £123 million per year by 2025, supporting 1,200 jobs.

It is a huge step in developing Jersey's strategic connectivity, and not only will give Islanders access to UK and rest of the world, it will also bring enormous benefits for our business and tourism sectors.

At the same time, we are thrilled to have secured easyJet's new summer service to Amsterdam, its first international route from the Island - joining existing services to London Gatwick, Luton, Manchester, Liverpool and Glasgow, as well as summer routes to Edinburgh and Belfast.



*As a small island, Jersey is highly dependent on transporting both freight and passengers through the harbour and airport, and moving towards carbon net-zero is a challenge for both the aviation and maritime industries. It is a challenge we are meeting head-on.*

This is a major milestone for Jersey's connectivity, providing direct access for Islanders to an additional global travel hub. Ports of Jersey has been working hard to expand Jersey's connectivity with mainland Europe, and this route will not only strengthen connections for Islanders, it will also increase travel options for continental visitors wishing to visit our Island.

We've also reached a five-year agreement which will see easyJet basing an aircraft in Jersey overnight. This will enable the airline to provide Jersey customers with a daily early departure to Gatwick, offering more travel options and a growing network of European transport connections which will improve resilience, expand choice for consumers, and facilitate new opportunities for business.

We are confident of further growth in 2023 and anticipate that our passenger numbers will rise to above pre-pandemic levels in 2024, giving islanders access to the rest of the world and bringing benefits for our business and tourism sectors.

The pandemic shone a light on the critical importance of secure connectivity for Islanders and our economy. We have managed to secure the resilience of our air links, and now our efforts have shifted to the key role that connectivity will play in the recovery of our economy.

## Sustainability

Ports of Jersey recognises that operating essential transport infrastructure can come at a high cost to the environment, so we are always looking for ways to reduce the environmental impacts of our activities.

This aligns with our Ports Planet and People Plan, which was created in 2021 by colleagues from across the organisation and puts sustainability at the heart of everything we do.



***It is a huge step in developing Jersey's strategic connectivity, and not only will give Islanders access to UK and rest of the world, it will also bring enormous benefits for our business and tourism sectors.***

It commits the organisation to playing a leading role in developing a sustainable future for our Island.

This report contains the first comprehensive update on progress against the targets in the plan.

The States Assembly has committed to meeting Net Zero commitments in line with both the Paris Agreement and Carbon Neutral Roadmap, and we are keen to explore new options for accelerating a move to sustainable aviation and marine fuel.

As a small island, Jersey is highly dependent on transporting both freight and passengers through the harbour and airport, and moving towards carbon net-zero is a challenge for both the aviation and maritime industries. It is a challenge we are meeting head-on.

## Net-zero challenge

We are working in partnership with Universal Hydrogen and Blue Islands to trial the use of green hydrogen as an alternative, fully decarbonised aviation fuel, which hopes to see Jersey taking a leading position in sustainable air travel within the UK and Europe. This alliance

demonstrates our determination to collaborate and innovate for the benefit of Islanders and the planet.

We led a ministerial delegation to Universal Hydrogen's Engineering and Design facility in Toulouse where we all gained a clear understanding of the full potential of hydrogen as a fuel for the aviation and maritime industries. We want to make hydrogen available as a fuel for aircraft operators at Jersey Airport by 2025.

At the same time, we are also working with marine hydrogen accelerator, OceansLab, to investigate the possibility of using hydrogen as a fuel for our next harbour tugboat.

This builds on our collaboration with Universal Hydrogen and Blue Islands to decarbonise aviation. By working with technical experts from OceansLab, Ports of Jersey will aim to make the same progress on decarbonising sea transport by using the clean energy technology developed for OceansLab's hydrogen-powered racing yacht for a new Ports of Jersey tugboat. The boat will be needed next year for towing, patrol, and maintenance duties around the harbour and technicians will work with OceansLab to test the applicability of hydrogen fuel cell technology to a small tug.

We want to be at the forefront of providing truly sustainable travel, and with Universal Hydrogen and OceansLab we are working towards this goal by sharing the knowledge and technology needed to use green hydrogen in the aviation and maritime industries.

### Future technology leaders

Ports of Jersey is also the local project partner in the Agile Integrated Airspace System (ALIAS) programme with Volant Autonomy, who specialise in guidance software for autonomous aircraft.

The programme incorporates drones, air-taxis and piloted aircraft working in unison to deliver economic and societal benefit to the Channel Islands. It's hoped the programme could lead to drones being used to improve connectivity between the Channel Islands, deliver critical medical supplies, and assist with Search and Rescue and Fisheries patrols.

We are excited to be part of a consortium which is investigating cutting edge technology. Two of our core business objectives are building connectivity and investing in Jersey's future, so ALIAS is a perfect fit for us.

### Investing in Jersey's future

Airports and harbours require continual capital investment to remain safe and to meet changing technical and community requirements, so we plan for the long term. We fund these activities entirely from our operations, and do not receive any government funding for these essential services.

We also manage several public service obligations on behalf of the Government, including Jersey Coastguard and Historic Harbours, and we are continually developing our services for the benefit of residents, visitors, and businesses.

Through our major project, the Harbour Master Plan, we have proposed the biggest capital investment since our incorporation. Working closely with stakeholders, it includes plans to regenerate and transform the Harbour, to modernise and replace ageing infrastructure, and to unlock the potential of our harbour estate for all, creating a vibrant destination that the Island can be proud of.



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*We will continue to strive to create an inspired and empowered workforce.*

We will link with Government's regeneration plans, connecting the Harbour with St Helier, investing significantly in our public realm, providing opportunities for the development of cultural destinations and complementing key projects, like the Jersey Development Company's Waterfront development.

At the same time, we are developing a plan for the Airport for its short, medium and long-term needs. We will be proposing a modern airport that captures the spirit and identity of our island and caters for all passengers, harnessing new digital technologies which improve efficiency and enhance the travel experience.

We have been discussing plans for the 1937 Arrivals building with Save Jersey's Heritage, consulting airlines to understand their aircraft fleet and landing requirements and liaising with Swissport, Customs and Special Branch to ensure any changes meet their operating needs.



## Search and rescue at sea

December 2022 saw a tragic marine incident. Our coastguards coordinated a major search and rescue operation after a collision at sea in St Ouen's Bay, which ultimately resulted in the loss of three lives. We extend our deepest heartfelt sympathies to all those affected.

Jersey Coastguard works closely with UK and French coastguards, sharing expertise and resources. The safe recovery of two people on board a light aircraft which ditched into the sea in November was made possible by our local search and rescue community as well as the partnerships with neighbouring Maritime Rescue Coordination Centres.

These relationships enable Jersey to call on additional air and sea search capability, including lifeboats, planes, helicopters, and offshore support vessels like MV Freja and Deep Cygnus, both of which were deployed after the collision at sea in December.

2022 was Jersey Coastguards' busiest year since the team started digitally recording search and rescue incidents in 2016. There were 206 search and rescue incidents recorded, 4,405 commercial vessel movements in and out of St Helier Harbour, and 345 deployments of pilots, providing navigational assistance to ships approaching and leaving the harbour.

## Purpose-led organisation

Last year, colleagues from across the business were involved in developing our purpose statement. Rather than thinking purely operationally, we want to place our organisational purpose at the core of everything we do and use it as the compass to guide decision-making and deliver wider stakeholder value.

We went through an inclusive process with our people considering why we're here, why we do what we do, and how we contribute to improving island life. Shaped by our workforce to reflect what they feel is important, our purpose statement is "Connecting our Island by air, by sea and by service, for a better future". We will continue work on how we can better bring it to life in our operations, decisions and future plans.

While our purpose provides the 'why', our Strategic Business Plan outlines what we want to achieve over the coming years.

## Going from strength to strength

Looking to the future, our five-year strategic business plan gives us the framework and the areas of focus to continue delivering our ambitions. Connectivity is critical to Jersey's economy and islanders' quality of life, whether to visit friends and relatives, to access specialist medical care and education, or to travel for pleasure or business. And we depend on our lifeline freight links for food, building materials and all other everyday items. And our attention remains on safeguarding and improving these connections for the island's benefit.

We will continue with our programmes to invest in Jersey's future, transforming our harbour and future-proofing the Airport, and developing our infrastructure to meet the needs of 21st century travellers and freight business.

We will continue to strive to create an inspired and empowered workforce. A significant focus of 2023 will be creating a diversity, equality and inclusion strategy and ensuring that we make the needed change to our business and supporting processes and policies. We will continue our work to cultivate a high-performing culture and develop a pipeline of future talent.

And we will continue our pledge to the hugely important role our airport and harbour have in meeting the sustainability challenge. We are committed to environmental leadership, incubating next generation technologies, building sustainable infrastructure and supporting our Island partners.

We pride ourselves in our central position in our community and are committed to continue making a positive difference to Island life. This will build on the community benefit that we have contributed since our incorporation in October 2015, supporting hundreds of local clubs and societies, raising money for local charities, supporting Jersey events and providing a wide-ranging educational programme on sea-safety. We look forward to you being a part of our future journey.

# Our Strategic Objectives

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## 2022 saw the launch of our new five-year business plan.

Guided by government policy and the objectives of incorporation, Ports of Jersey is committed to working in the best interests of our Island, with clear strategic priorities defining our intended future and how we can serve our community.

The pandemic had an unprecedented impact on our sector. We rose to the challenge - safeguarding our strategic connectivity, ensuring the resilience of our air and sea supply chains and supporting the island-wide response.

Now, as we look forward, our strategic business plan reflects our substantial ambitions for the future while also recognising the uncertainty that may impact Ports of Jersey and our sector, including:

- further disruption due to the pandemic
- the pace of recovery of customer demand to travel
- the risk of rationalisation of our key business partners
- economic growth both in Jersey and Europe
- and the transition to a decarbonised economy.

The plan is built on four pillars. These are:

- building critical connectivity
- investing in Jersey's future
- inspired, empowered people
- and sustainably making a difference.

These overarching pillars align the organisation's in our aims and activity, with comprehensive plans beneath them, being delivered by cross-organisational workstreams.

Our areas of focus under these pillars are:



## Building critical connectivity

- ▶ recovery in air connectivity
- ▶ enhanced ferry services
- ▶ resilient and flexible freight operations
- ▶ transformation of customer experience
- ▶ faster-easier-friendly travel



## Investing in Jersey's future

- ▶ future-proofing our Island's gateways
- ▶ transformation of the Harbour estate
- ▶ safeguarding key airport infrastructure
- ▶ ensuring 21st century travel experiences
- ▶ capturing the spirit of Jersey in all we do



## Inspired, empowered people

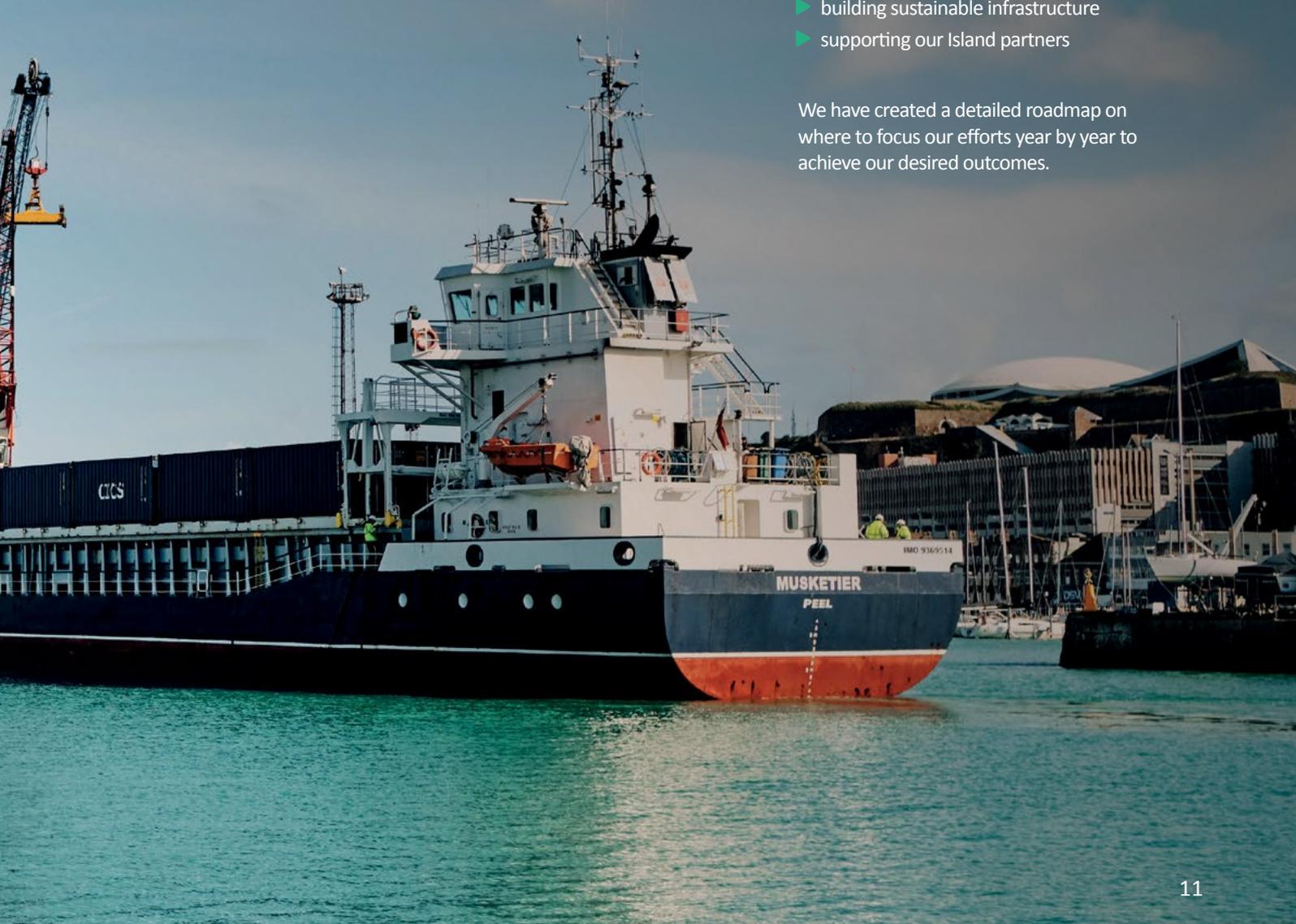
- ▶ ensuring our workforce is inclusive, diverse and engaged
- ▶ striving for a high-performing culture
- ▶ building a common sense of pride and belonging in our people
- ▶ committing to open and engaged communication with our people
- ▶ developing a pipeline of future talent



## Sustainably making a difference

- ▶ committed environmental leadership
- ▶ investing in our community
- ▶ incubating next generation technologies
- ▶ building sustainable infrastructure
- ▶ supporting our Island partners

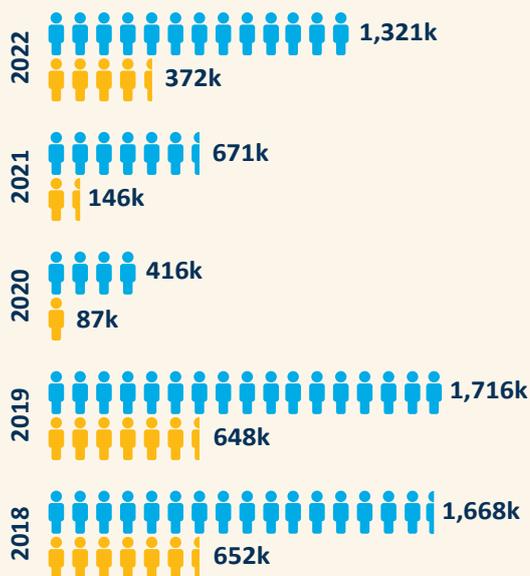
We have created a detailed roadmap on where to focus our efforts year by year to achieve our desired outcomes.



# Connectivity Report

## Passenger numbers

Passengers by air Passengers by sea



## Airline and ship movements

Airline movements Ship arrivals



## Jersey Airport

In 2022, we were pleased to see the continuing recovery of the travel industry. We welcomed 1.3m passengers through Jersey Airport, nearly double that of 2020, but still significantly down compared to our last “normal” year in 2019, where we saw more than 1.7 million passengers.

The recovery was stalled in the first quarter of 2022 due to the emergence of the Omicron Covid-19 variant. This brought with it the temporary reintroduction of a number of social distancing measures. In response to customer demand being eroded our airline partners reduced their flying schedules. By Easter concerns about Omicron eased and the pent-up demand for travel began to bounce back.

We have continued to work in 2022 to secure a diverse and robust route network to serve Islanders, visitors and our Island’s industries. Our Commercial Team secured a direct London Heathrow route with British Airways for the next five years, providing a choice between the main London hub airport, with easyJet continuing to provide a London Gatwick service.

Direct travel to EU destinations has continued to be a focus for our Commercial Team and they secured a good portfolio of routes, including, Palma, Malaga, Tenerife, Madeira, Ibiza, Barcelona and a weekly service to Rennes with Blue Islands. The demand for direct EU travel remains strong with routes being well received and with good load factors.

The peak summer months of July and August demonstrated the increase in confidence as we saw monthly volumes not achieved since April 2019. Our busiest day and weekend was the August Bank Holiday where more than 17,000 passengers travelled through Jersey Airport. It continues to be heartening to see Islanders and visitors excited to travel as well as the ease of travel returning as the most Covid-19 restrictions are rescinded.

As we moved past the peak summer months, demand stretched into the early autumn months up to October half term, before the expected seasonal reductions as we moved into winter.

The recovery in Jersey continues to exceed that at most UK locations. However, the aviation industry as a whole remains under immense pressure, not only from the pandemic recovery but also the cost of living crisis, with high inflation driving up running costs, against already low profit margins. Securing connectivity for our Island also comes at a price and we have supported airlines with incentives to ensure Jersey remains a commercially viable destination.

### Jersey Harbours

The pandemic continued to strongly impact our ferry passengers. The southern French route was down 51% to 175,000 passengers compared to 360,000 in 2019. This continued reduced volume is not only Covid-19 related but also materially impacted as a result of Brexit requiring passports to now travel between France and the Island.

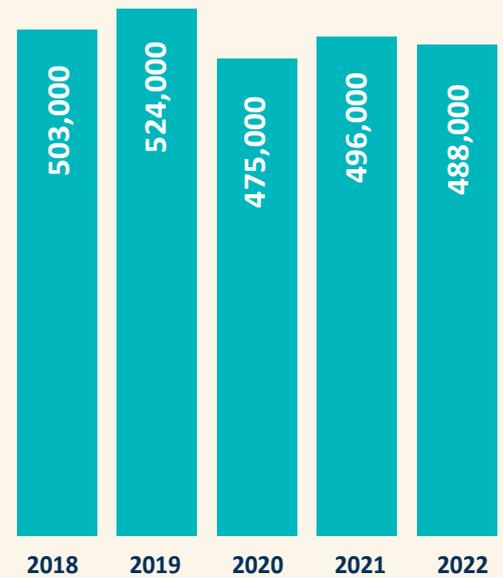
In comparison, the northern UK routes are exceeding 2019 volumes by 16%.

### Freight and Fuel

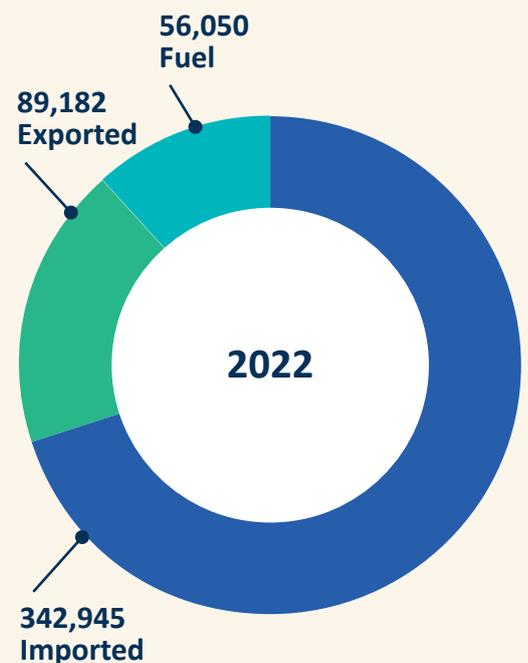
Our freight and fuel market remains stable and resilient, reflecting the necessity of this lifeline route to the Island. As Islanders, we still depend on our daily freight arrivals to provide the food we eat, the materials we need to build and the fuel we use to power our cars and heat our homes, as well as countless other commodities.

In 2022, we imported 398,000 tonnes and exported 89,000 tonnes of combined freight.

### Freight and fuel (tonnes)



### Freight movement (tonnes)



# Financial Review

Jenny Marek-Murray



Our proactive steps and the retreat of the pandemic have brought a hard-earned return to profitability.

## Overview

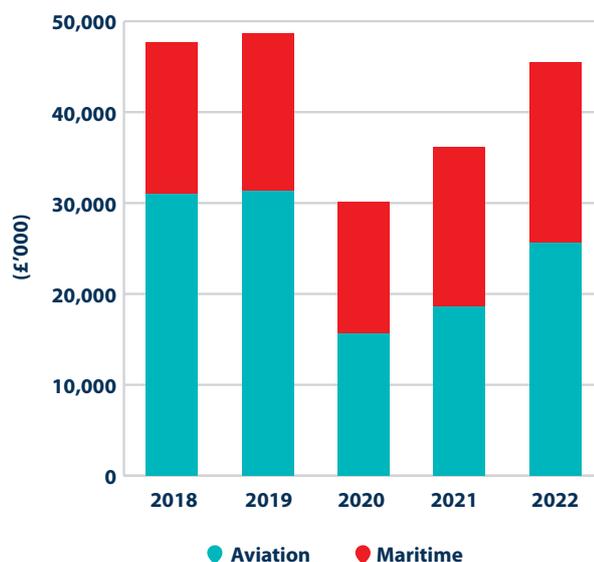
In the early months of 2022, the prevalence of the Omicron variant and remaining temporary social distancing measures continued to limit our carriers' schedules. This had an adverse effect on passenger volumes at the Airport and to a lesser extent at the Harbour. However, as Covid-19 concerns calmed towards the mid-year, the pent-up demand for travel began to show through. This trend continued for the rest of 2022 and into 2023.

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While we continue to operate in the wake of the pandemic environment, it is pleasing to note that the underlying robustness of customer demand brought a 26% increase in turnover for the year to £45.5m.**

The effects of travel restrictions have a direct and disproportionate impact on the aviation and maritime business sectors and consequently on the financial performance of the company. Total revenues were much improved over 2021, although these still remain below 2019's pre-pandemic levels. Increased passenger numbers, in addition to the proactive steps taken to mitigate the financial impact of the Covid-19 pandemic on the business, such as reducing our cost base, have resulted in a hard-earned return to profitability.

## Turnover

While we continue to operate in the wake of the pandemic environment, it is encouraging to see that the underlying robustness of customer demand brought a 26% increase in turnover for the year to £45.5m. This however hasn't yet regained pre-pandemic levels. It is important to put that into perspective. We had 3 years of sustained growth in turnover since 2016 until it was brought to a halt with the emergence of the global pandemic in 2020. During 2020-2022, the company had a shortfall of some £35m against the turnover levels that would otherwise have been expected.



While aviation passenger numbers were nearly double that of 2021 at 1.3m, these still remain 23% below 2019 volumes. Similarly, at the Harbour, an increase in traveling passengers to the UK, increased freight tonnage and fuel imports all contributed to turnover improving compared to prior year. It was clear over the pandemic that Harbour turnover was more robust, reflecting the criticality of the Island's freight connections.

## Headline EBITDA

These Financial Statements show a Headline EBITDA profit of £5.7m, an improvement of £6.4m on the 2021 loss of £0.7m but still significantly below the 2019 EBITDA profit of £12.4m that we enjoyed prior to the onset of the pandemic.

EBITDA is internationally recognised as a measurement of profit; being an indicator of the capability to fund investment from current cashflows. It is therefore particularly relevant for an infrastructure business such as the company which is tasked with funding a substantial long-term capital investment programme without recourse to Government of Jersey, as our shareholder.

The Headline EBITDA of £5.7m for 2022 shows the profitability of the company operating in its normal course of business and in fulfilment of its obligations. This has been struck before an exceptional marine charge, described below, which is separately identified in the financial statements.

The Company (£'000)		
2022	2021	Improvement
5,744	(692)	6,436

Airport (£'000)		
2022	2021	Improvement
840	(3,042)	3,882

Harbour (£'000)		
2022	2021	Improvement
4,904	2,350	2,554

The financial performance of the Airport is highly responsive to the volume of travelling passengers. The work undertaken in partnership with airline and concessionaire business partners as pandemic restrictions eased has seen an improvement of c.£4m in the EBITDA position for this element of our business. While many challenges remain for the aviation industry, the proactive action taken since the onset of the pandemic has positioned us well to return to a profitable position at the Airport, which will continue to grow as passenger volumes continue to do so.

While the maritime sector has also been impacted by the pandemic, the more diversified nature of these income streams provides a less volatile financial environment. The 62% uplift in EBITDA since 2021 includes the continued expansion of its business away from Jersey with the newly commissioned workboat (The Duchess) being introduced and fully utilised during 2022.

## Profit before Tax

Beyond Headline EBITDA, Depreciation and Asset Impairments are offset by an increase in the valuation of our investment properties. Operating profit was £1.9m, compared to a £4.3m loss in the prior year.

	2022	2021
	£'000	£'000
Headline EBITDA	5,744	(692)
Gains from changes in fair value of investment properties	2,987	5,094
Loss on disposal of fixed assets	(49)	(95)
Impairment of plant, property and equipment	(1,246)	(3,508)
Depreciation	(5,552)	(5,125)
<b>Operating profit/(loss)</b>	<b>1,884</b>	<b>(4,326)</b>
Exceptional marine costs	(1,218)	-
Other items	1,119	66
<b>Profit/(loss) before taxation</b>	<b>1,785</b>	<b>(4,260)</b>

Other items before tax of a material nature, relate to the valuation of finance lease receivable assets. The company holds three such assets that all relate to long term leases. The increase in their value, which has been taken to the comprehensive income statement, is due to a revaluation due to rental increases.

### Exceptional item

In December 2022, there was a collision between the Condor Goodwill ferry and the fishing boat L'Ecume II with the tragic loss of the latter vessel and crew. Responsibility for its recovery would typically lie elsewhere, however, due to the Pier Road explosion within days of the maritime accident the Government requested that the company carry out the first stage of the recovery operation. As this cost falls outside of the company's normal operations and responsibilities, it has been disclosed as an exceptional item. It is not envisaged that such costs will reoccur.

### Revaluation of Investment Properties and Impairments of Plant, Property and Equipment

As at 31 December 2022, the company held investment properties with a fair value of £71.9m. These are held on the balance sheet and not depreciated. They are however subject to revaluation to market value at each period end.

The 2022 revaluation resulted in an uplift in value of c.£3.0m. A review of our asset register identified Airport property assets as requiring impairment and accordingly the appropriate value adjustment has been made.

### Taxation

Upon incorporation, the company was designated a utility company pursuant to Article 123C of the Income Tax (Jersey) Law 1961 and is therefore liable to Jersey income tax at the rate of 20% on its trading income. Jersey rental income is also taxed at 20%.

The tax credit for 2022 is £1.68m.

A tax credit has arisen from utilised capital allowances and losses from the loss-making years of 2020 and 2021. As there is every expectation that the company will continue to make profits going forward, these losses have been accounted for as a deferred tax asset. This asset will be unwound against future tax charges.



### Cashflow

Net cashflow from operating activities for 2022 was an inflow of £11.4m, a significant improvement from prior year cash outflow of £0.2m. We have continued to support our customers where appropriate through extended credit terms, in alignment with the Island response to the pandemic. We work with these customers on a case-by-case basis.

Our prudent and proactive management of financial resources meant that we were well positioned to meet the financial challenges presented during the global pandemic.

We have invested more than £12.3m in our fixed assets as the business addressed critical infrastructure requirements and embraced opportunities to diversify income streams. These investments were managed within the company's operating cashflows.

The exceptional marine recovery costs reduced our cash flows by £1.2m.

Overall, the company ended the financial year with cash liquidity of £18.3m (2021: £19.3m).

## Capital Expenditure

As the pandemic effect continues to subside, we have begun to refocus on a growth strategy. Our financial objective remains to appropriately and sustainably finance the infrastructure developments, which are vital to facilitating the connectivity required to support sustainable growth in the economy of Jersey. We continue to invest in infrastructure and equipment that both safeguard the operational robustness of the organisation and responsibly diversify our revenue generating activities.

The principal items of capital expenditure during the year were:

Project	2022 £'000
Harbour Masterplan	5,379
Airport Masterplan	1,512
St Helier Marina	2,737
Other project <£500k	2,664
<b>Total</b>	<b>12,292</b>

The company also invested £6.9m, as an asset during construction, on the future redevelopments of both Elizabeth Harbour and Jersey Airport.

## Debt Financing

Any material borrowing by the company requires the consent of the Minister for Treasury and Resources pursuant to the Memorandum of Understanding between the Minister and the company dated February 2022.

The company secured a £40m Revolving Credit Facility (RCF) with three-year commitments from RBSI and Lloyds during 2020. As at 31 December 2022, the company had drawn £10m of borrowing under the RCF to fund capital investments. During 2022, the company exercised an option to increase the available RCF using an accordion option. This increased the total debt capacity to £60m. The balance of £50m remains available to be utilised to support our future investment programme and maintain liquidity as required.

The company has also exercised the option to extend the RCF for a further year so that the facility remains available until 2025.

## Pension

The company continues to participate in the Government sponsored Public Employee's Contributory Retirement Scheme (PECRS), the Public Employees' Pension Scheme (PEPS), as well as a Defined Contribution scheme which has been made available to a number of employees. During 2022, the company contributed £2.5m to these schemes.

## Looking Ahead

We continue seeing growing demand in our passenger numbers as we head into 2023 and remaining Covid-19 restrictions come to an end. It is anticipated that we meet pre-pandemic passenger volumes in 2024.

“  
*As we head into 2023, we are excited to see our Island's connectivity network continue to flourish with new European destinations being added*

We continue to focus on maintaining and expanding maritime and aviation connectivity. As we head into 2023, we are excited to see our Island's connectivity network continue to flourish with new European destinations being added, such as an Amsterdam service that launched in April 2023.

We are encouraged to see our Marine Services business continues to flourish. A third vessel, the Elisa, joined our fleet in April 2023 and was immediately deployed. It has been exciting to see the development of this business line providing opportunities to our dedicated teams to work off-Island on exciting projects as well as diversifying our income streams.

With the worst of the pandemic, hopefully, behind us, we are excited to start extensive investment programmes to safeguard our critical infrastructure in the long term. This summer, we will begin to transition to next generational security equipment, which over time will streamline security processes and improve the passenger experience. At the Harbour, we will see the initiation of the redevelopment of the Elizabeth Harbour, providing much needed capacity and resilience to our Island's lifeline supply chains.

We will continue to maintain our disciplined approach to risk management and careful contract selection, while operating sustainably. Notwithstanding the continued pressures around inflation and resource availability, we are confident that Ports of Jersey will continue to deliver controlled growth, increase operating margins and enhanced value to our shareholder and ultimately our Island community.

# Sustainability Report

Ports of Jersey is proud to present the first update on progress of our Ports’ Planet and People Plan, which was launched in March 2022.

We are committed to engaging in the progress of sustainability efforts within our business, our operations and our community. Our strategy is an employee led initiative, as they are the experts on our organisation, using their knowledge, experience, insights and sheer enthusiasm. Our strategy is a cross disciplinary framework that considers all elements of sustainability creating a holistic, joined up approach.

Our sustainability strategy is structured around four priority pillars that together define sustainability at Ports of Jersey.

This update provides a comprehensive report card that provides an overview of progress on key initiatives that are mapped to enable us to meet our strategic objectives.

The Ports’ Planet and People Plan strategy is aligned to the UN-SDGs (United Nations Sustainable Development Goals), these are 17 specific goals intended as a universal call to action to achieve a better and more sustainable future for all. The framework has been adopted by organisations around the world.

### Verified GHG Emissions Data – Scope 1 and Scope 2 Emissions % Change vs 2019

Jersey Airport achieved a 10.6% reduction (compared to 2019) in its absolute Scope 1 and Scope 2 GHG emissions which equates to an average of 2.6%. Jersey Harbours foot-printing methodology is being developed and verified.

2022 vs 2019 GHG Emissions Inventory	Verified GHG Emissions Results (tCO <sub>2</sub> e)				
	2019 GHG Inventory	2020 GHG Inventory	2021 GHG Inventory	2022 GHG Inventory	% Change on 2019 Baseline
Scope 1+2 Absolute GHG Emissions	690.04	653.98	640.93	616.96	-10.6%

## Our Four Pillars

### CLIMATE

We will transition to net zero



- We will reduce our greenhouse gas emissions
- We will partner to grow the renewable energy sector

### BIODIVERSITY

We will preserve Jersey’s water and promote thriving biodiversity



- We will protect and conserve water
- We will deliver biodiversity net gain

### WASTE AND CIRCULARITY

We will design out waste



- We will eliminate all avoidable waste to incineration
- We will ensure infrastructure is sustainable and circular by design

### PEOPLE

We will nurture our employees, support our local community and encourage sustainable tourism



- We will be a trusted brand in Jersey
- We will be an employer of choice in Jersey
- We will support Jersey to become an eco island

## How our priorities contribute to the Sustainable Development Goals

The Ports' Planet and People Plan reflects the sustainability goals that are most relevant to Ports of Jersey, our government and shareholder, our key stakeholders and our community.

Our priorities focus on the areas in which our organisation can have the greatest impact and influence in building a sustainable future. We have linked our priorities to the relevant Sustainable Development Goals.



Joe Lewis, from our Marine Operations, who recently passed the first part of overall training to qualify as a local marine pilot.



**Climate**  
We will transition to Net Zero



Goal	Target	Progress	Details	2023 Priorities
<b>We will reduce our own generated carbon emissions</b>	Be net zero by 2030	Ongoing	Carbon footprints prepared from 2019-2022 enabling prioritisation of key carbon emitting areas and strategies to reduce carbon emissions. Carbon footprints can now be monitored in real time in house. Initiation of fleet strategy to transition to non-high emissions vehicles by 2030. Applied for ACI Airport Carbon Accreditation Level 3.	As Harbour and Airport development plans are finalised ensure carbon reducing technologies are employed, such as transition away from oil central heating and consideration of reducing carbon from construction phases.
<b>We will support our business partners to reduce their Ports of Jersey related carbon emissions</b>	A 30% reduction by 2035, against 2019 levels	Ongoing	Entered into a partnership with Blue Islands and Universal Hydrogen to facilitate to conversion to hydrogen for aviation fuel. Part of the ALIAS partnership, working with UK partners to progress drone technology to de-carbonise supply chains and short travel options	Continued progress with established partnerships. As airport redevelopment plans are progresses ensure consideration of facilities required to enable transition to carbon neutral travel
<b>We will support our customers to reduce their Ports of Jersey related emissions</b>	A 30% reduction by 2030, against 2019 levels	Ongoing	Introduction of a Ports of Jersey specific carbon balancing app with Durrell to provide customers with the option to balance the carbon specific to their flight.	Awareness and education campaigns will be ongoing with increase in assets in terminals to show the contributions customers are making to Durrell rewild scheme
<b>We will reduce our high-emissions energy consumption</b>	A 20% reduction by 2030, against 2019 levels	Ongoing	Carbon footprints prepared from 2019-2022 enabling prioritisation of key carbon emitting areas and strategies to reduce carbon emissions. Carbon footprints can now be monitored in real time in house. Initiation of fleet strategy to transition to non-high emissions vehicles by 2030. Applied for ACI Airport Carbon Accreditation Level 3.	As Harbour and Airport development plans are finalised ensure carbon reducing technologies are employed, such as transition away from oil central heating and consideration of reducing carbon from construction phases



**Biodiversity**  
We will preserve Jersey's water and promote thriving biodiversity



Goal	Target	Progress	Details	2023 Priorities
<b>We will reduce our potable water use</b>	Reduce use by 20% by 2030, against 2030 levels	Ongoing	Review of quick win water savings across the estate completed and "hippo bags" deployed to reduce water volume in public toilets	As Harbour and Airport development plans are finalised ensure water saving technologies are employed, such a grey water collection for toilet flushing. Continue to address other priority areas to reduce water wastage such as marinas.
<b>We will regenerate the marine habitat across Ports of Jersey sites</b>	By 2030, increase marine habitats by 30%	Ongoing	Transition of St Catherine's Bay to eco-moorings launched with boat owners. Favourable responses. Prototype eco-moorings being tested.	Finalise form of eco-moorings to be used and deploy into St Catherine's Bay. Working alongside agencies to track sea grass growth and effects on biodiversity. Launch rewilding our marina's programme with local schools to design living tiles to be attached to marina walls to encourage biodiversity.
<b>We will regenerate the land habitat across Ports of Jersey sites</b>	By 2030, 30% of our land footprint	Ongoing	Audit of Ports of Jersey land estate to identify possible areas from regeneration. DVOR site in St Martin converted to wild-flower meadow and sponsorship to employees with vacant land areas that can be re-wilded.	As Harbour and Airport development plans are finalised ensure considerate use of land to promote areas of biodiversity and aid in mental well being for users of areas.

**Waste and Circularity**  
We will design out waste



Goal	Target	Progress	Details	2023 Priorities
<b>We will recycle all waste that is recyclable</b>	100% of recyclable waste is recycled by 2030	Ongoing	Have developed partnerships with main airlines so that they now separate onboard waste to enable recycling at Jersey Airport. Entered partnership with Parish of St Helier to collect Airport recycling.	Development of recycling facilities to be completed for town marinas. Review of recycling options within terminals for travellers
<b>We will adhere to circular design practices</b>	All development activity will use circular economy principles in 2022	Ongoing	Circular design policy developed throughout 2022 with PoJ employees. Harbour and Airport development plans considering the principles of circularity in their development	Circular design policy to be fully embedded into procurement processes and tender requirements
<b>We will consider climate change adaptation</b>	Incorporate climate change adaptation measures in relevant development activity in 2022	Ongoing	Harbour and Airport development plans considering the affects of climate change and ensuring adaptation measures included in designs.	Embed climate change adaptation considerations into relevant project designs, including embedding in procurement and tender processes

**People**  
We will transition to Net Zero



Goal	Target	Progress	Details	2023 Priorities
<b>We will support our community</b>	Investment minimum of 1,000 hours in local community projects from 2022	Ongoing	Throughout 2022, POJ employees have continued to contribute hours to local community projects, from running an eco-village at the Barclay's Jersey Boat Show, to working with Jersey Trees for Life and visiting schools to educate local islanders about sustainability and safety at sea. In 2022, 940 hours were contributed	Implementation of Uniti app, as used by our shareholder, to improve volunteering choices and efficiency of data capture
<b>We will provide connectivity to enhance Islanders' lives and to access essential services</b>	Ensure connectivity is maintained and improved	Ongoing	2022 was a fantastic year for building back Jersey's connectivity network post pandemic. A 5-year deal was secured with BA to maintain the LHR connection and an exciting development in Europe saw easyJet launch a direct route to Amsterdam from Spring 2023	Focus will continue in 2023 to open up Jersey to an extend direct European offering, building on the development of the easyJet Amsterdam route
<b>We will support our shareholder and sister entities to provide sustainable choices for Islanders, visitors and investors</b>	Work with partners to position Jersey as an Eco-destination and investment centre from 2022	Ongoing	The States' owned entities and the Government have established a forum to share ideas and identify opportunities to support the Island's carbon neutral roadmap	Opportunities will continue to be capitalised on for example working with JEC as we explore the development of sustainable aviation fuels
<b>We will embrace diversity and inclusion</b>	Ports of Jersey to reflect the diversity of our Island by 2028	Ongoing	In 2022 we commenced the process of understanding our baseline which included the introduction of diversity categories within our employee engagement survey which featured a strong response rate	In 2023 we will develop a 5 year D,E and I strategy that is customised for our business and our people to create a diverse workforce that feels included and that fosters a strong sense of belonging
<b>We will focus and invest in our employee wellbeing</b>	Set a benchmark in 2022 and achieve year on year improvement	Ongoing	Our wellbeing survey identified programmes that employees valued most and enabled us to customise the aspects of our offerings to better suit our needs	In 2023 we are enhancing key themes of wellbeing following our survey feedback and investing in a wider variety of mental health initiatives
<b>We will develop the skills and professional talents of our people</b>	Create pathways to attract, inspire, develop and retain talent to ensure all potential is achieved from 2023	Ongoing	In 2022, we focused on collaboratively defining our Purpose as well as strengthening personal development plans in all teams. We developed succession plans for high impact/ hard to recruit roles and launched Ports Pathway (apprenticeship scheme).	In 2023 we are embedding our purpose and developing a set of core values that will align our behavioural framework. Additionally, we are rolling out an all employee feedback skills programme to strengthen relationships and communication throughout the business

# Community Report

Corporate Social Responsibility plays an important role in our activities. Since incorporation in 2015, we have supported clubs, societies and events, raised money for charities, and maintained a wide-ranging educational programme. We estimate that this amounts to around £500k of community benefit each year.

“

*Our goal is to enhance Jersey as a great place to live, visit and do business.*

The impact of the pandemic was still evident in the early part of 2022 and affected our fundraising. Lower passenger numbers, combined with a move away from cash to card payment, meant that airport collections were lower than pre-pandemic levels. We committed to providing our four charity partners with a minimum donation of £3,000 and our people put in considerable fundraising efforts in the latter part of the year to help us achieve this.

November also saw us introduce ‘tap to donate’ enabling donations via credit and debit card, which will be available throughout our terminals in 2023.

Our goal is to enhance Jersey as a great place to live, visit and do business.



Air Traffic Controller Marc Hill at Everest Base Camp.

## Charity Partners 2022



## Charity Donations



**£15,030**  
Every Child Our Future



**£6,000**  
Trees for Life Jersey



**£4,500**  
Jersey Marine Conservation



**£3,000**  
Breast Cancer Support



**£6,612**  
BBC Children in Need



**£1,752**  
Beresford Street Kitchen



**£1,870**  
Caring Cooks of Jersey



**£1,772**  
Healing Waves



**£1,787**  
Dementia Jersey



**£3,600**  
Helping Wings



**£2,200**  
Brighter Futures



**£1,000**  
NSPCC Jersey



**£2,000**  
Wet Wheels Jersey



**£1,000**  
Jersey Child Care Trust

## Main Activities



**£3,000**  
Grant to Trees for Life to support volunteering days



**£1,500**  
Grant to Jersey Marine Conservation for Dolphin Survey



**£800**  
Berthing for Jersey Marine Conservation



**£10,000**  
Sponsoring Inspiring the Future programme for Every Child Our Future



**£2,470**  
Raised for Breast Cancer Support at Runway event



**£1,630**  
Raised for Mark Houghton climbing Kilimanjaro



**£4,800**  
Fundraising for Marc Hill trek to Everest Base Camp



**£250**  
Fundraising for Lorna Pirozzolo Breast Cancer Talk

# Community Support

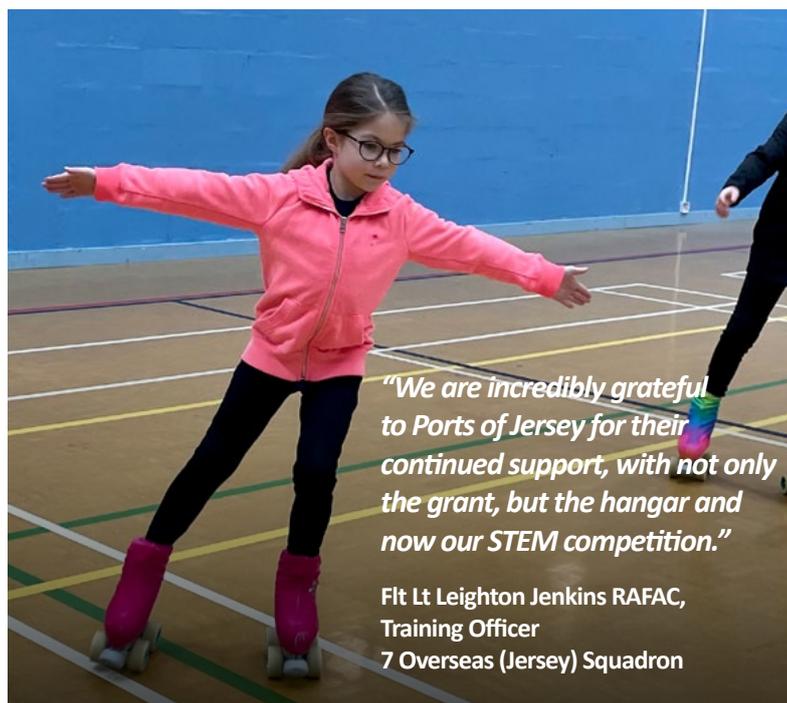
We support our community through educational programmes, sponsorship, and the personal involvement of our people.

## Educational Programmes

We want to inspire young people to consider careers in tourism, aviation and maritime industries. In 2022, we welcomed visits to our facilities, including St Peter's Girl Guides and D'Auvergne Additional Resource Centre.

*"It was fantastic! We were so impressed and appreciative of the time you spent with us, the resources you gave us, and the facilities the airport provides."*

Esther Mason,  
D'Auvergne Additional  
Resource Centre



*"We are incredibly grateful to Ports of Jersey for their continued support, with not only the grant, but the hangar and now our STEM competition."*

Flt Lt Leighton Jenkins RAFAC,  
Training Officer  
7 Overseas (Jersey) Squadron

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**£52,000**

Donated to charity

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**£14,030**

Donated to our charity partners

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Supporting work with more than  
**20 SCHOOLS**

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## Supporting our Community

We support charitable organisations, clubs and associations through property sponsorship, reduced parking and berthing costs.

# £322,000

Rent Concessions

# £134,000

Discounts and Donations in Kind

- Concessions for charities including RNLI Jersey, Jersey Lifeboat Association, Wet Wheels and Variety Sailing Trust
- Concessions for affiliated clubs including Jersey Rowing Club, St Helier Yacht Club and St Catherine's Sailing Club



*“We appreciate the kind financial donations that help us to fund key projects, but without a doubt, the general support we receive in the form of berths for our training craft, quayside accessibility and activity inclusion like Sea Perch and the Boat Show is invaluable.*

*It is my hope that over time we develop the relationship further, allowing our older cadets who are interested in maritime and aviation occupations access to work placement schemes and general visits, linking our vocational training in Marine engineering and aviation to opportunities with Ports of Jersey.*

*Thank you!”*

Lt (SCC) David Thompson RNR  
Commanding Officer - Jersey Sea & Royal Marines Cadets



### Air Training Corps 7 Overseas (Jersey) Squadron

- ▶ **£2,000** Grant for development of cadet programme
- ▶ **£1,530** Discounted services



### Sea Cadets Jersey

- ▶ **£2,000** Grant for development of cadet programme
- ▶ **£9,360** Discounted services

# Being part of Island life

We back events which support inclusion through sport, recreation, arts or culture, which care for people enjoying our skies, seas and shoreline, and which celebrate our industries.

This support may come as a grant or sponsorship, through donating employee expertise or company resources.

## £17,950 TOTAL GRANTS



### We supported

- Battle of Flowers Ariel Spectacular
- Jersey International Air Display
- Ukraine Appeal
- Grouville FC & JTC Jersey Wanderers FC
- Jersey Primary Schools Football Association Festival of Football
- Three primary school choirs for Christmas carol services



### We sponsored

- Jersey Marathon
- Jersey Triathlon
- Jersey Festival of Words
- Jersey Rugby Club Juniors and Minis
- Regent Skating Club
- Community public access defibrillator
- A staff member in British Championships Rowing
- Hobie 16 racers



### We got involved

- Purchased items from Finni's Ark wish list & volunteering day to help care for animals
- Worked with the Jersey Youth Service on a Multilingual Project
- Projects with Acorn / Jersey Employment Trust
- Berthing for Dragon Fish - Atlantic rowing team
- Donated a prize to 'Flying For Freedom'



### Grants we gave

- Grant to Trees for Life to support volunteering days £3,000
- Grant to Jersey Marine Conservation for Dolphin Survey £1,500
- Berthing for Jersey Marine Conservation £800





Supported more than  
**25 EVENTS**

## Volunteering

Each employee was offered one working day to volunteer in our community and this provided 940 hours of volunteering. Our people also gave 2,505 hours of their own time.

Together, this volunteering supported organisations including:

Battle of Flowers

Jersey International Air Display

Normandy Rescue

RNLI Jersey

Air Rescue Channel Islands

Wet Wheels

Helping Wings

TS Jersey Unit 447  
Sea Cadet Corps

Scout Association Jersey

Jersey Heritage

Jersey Rugby Club Minis  
and Juniors

Girl Guiding Jersey

The John Lobb Memorial Trust

**940 HRS**

of company time given to  
community projects

**2,405 HRS**

of people's own time for  
community volunteering

# Corporate Governance Report

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## Principles of Corporate Governance

As a Board, we recognise that applying sound governance principles in running the company is essential to provide a solid platform for growth and to maintain the trust of all our stakeholders.

The company has a Memorandum of Understanding (“MOU”) with its Shareholder which embraces a ‘no surprises’ culture and specifies those strategic and other issues for which the agreement of the Shareholder’s representative should be sought. The MOU has been reviewed in conjunction with the Shareholder and the revised document signed during 2022. The efficiency of the interaction with and the level of support and encouragement received from the Shareholder is vital in order that we can meet the challenge of the commercial and social objectives of incorporation.

Customer engagement is a key focus of the Company. We discuss service issues and costs with individual major carriers and marine traders through a combination of scheduled and ad-hoc meetings. We also inform and take the views of our many Harbour stakeholders through our Marina Development Group meetings and our participation in a range of group and club meetings. This engagement was fully demonstrated in 2022 as we undertook an extensive and inclusive Harbour Masterplan consultation. Furthermore, we are accountable to the Jersey Competition and Regulatory Authority (“JCRA”) for pricing decisions and the regulation of anti-competitive behaviour.

## The Board

The Board has arranged a schedule of meetings to consider strategy, performance and the framework of internal controls. We have a Board that has, and will, support and constructively challenge management to deliver the Board’s objectives. We have established Audit, Remuneration, Risk, Investment, Nomination, and Harbour and Airport Authorities Committees of the Board with formally delegated duties and responsibilities.

To enable the Board and its Committees to discharge their duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

As Chairman, I would like to reiterate my personal commitment to maintaining high standards of corporate governance and to being transparent about our arrangements.

### Mark Chown

Chairman  
25 April 2023

## Operation of the Board and its Committees

### The role of the Board

The Board is collectively responsible for promoting the success of the company. Its role can be summarised as:

- 1 to provide supervision and entrepreneurial leadership to the company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- 2 to develop and approve the strategic aims of the company and to ensure that the necessary financial and human resources are in place for the company to meet the objectives, and
- 3 to set the company's values and standards and ensure that its obligations to its stakeholders are understood and met.

Whilst the Board has delegated the normal operational management to the Chief Executive, there are a number of matters where the Board formally reserves the decision making authority. These include:

- A Responsibility and approval of overall direction, long term objectives and strategy
- B Extension of company's activities into new business areas
- C Decisions to cease operating all or a material part of the company's business
- D Major changes to corporate, management or control structure
- E Approval of all documents and plans required by the Shareholder
- F Approval of dividend policy and distribution
- G Risk management – appropriate level of risk exposure
- H Setting of financial and treasury policies
- I Decisions that do not adhere to policy
- J Board appointment and removals (including Company Secretary)
- K External auditor appointment and removal
- L Board remuneration policy
- M Introduction and material changes to incentive schemes
- N Approval of terms of reference for board committees
- O Retained authority over major financial or property matters (defined in a tiered delegations scheme)

### Composition of the Board

The Board normally comprises eight Directors, two of whom are Executive Directors, and six of whom are Non-Executive Directors, reflecting a blend of different experience and backgrounds. Appointments to the Board require the approval of the Shareholder. Each Non-Executive Director is deemed independent. Details of each of the Directors' experience and background are given in their biographies on page 33.

### Division of responsibilities

The division of responsibilities between the Chairman and Chief Executive Officer has been agreed by the Board.

The Senior Independent Director is Jeffrey Hume who is available to the Shareholder as an alternative communication channel if required.

### Non-Executive Directors

The Non-Executive Directors' letters of appointment set out the duties of the Director and commitment expected. They are expected to commit at least 24 days per annum to their role plus the necessary time to prepare and consider all relevant papers in advance of each meeting.

The Chairman has established a programme of progressively refreshing the Board. The tenures of new Non-Executive Directors will extend to no more than three terms each of three-years.

Key elements of the Non-Executive Director's role are:

- A Strategy – Constructively challenge and develop proposals.
- B Performance – Scrutinise the performance of management in meeting agreed goals and objectives and monitor reporting of performance.
- C Risk – Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust.
- D People – Determine appropriate levels of remuneration of Executive Directors and adopt a prime role in appointing Executive Directors and succession planning

### Development, information and support

The Directors are encouraged to attend training and continuing professional development courses as required.

The Company Secretary and supports the Chairman in ensuring that Board members receive the information and support they need in order to carry out their roles.

### Conflicts of interest

A process has been developed to identify any of the Directors' potential or actual conflicts of interest. There were no potential or actual conflicts of interest identified in the year.

### Performance evaluation

A comprehensive and independent Board Effectiveness Review has been undertaken in early 2022. The results show a high performing Board. A number of improvements were identified that will enable the Board to continue to evolve to face the future anticipated challenges of the Company. The recommendations have been incorporated into overall Board future succession planning and training regimes.

### Audit, Risk, Investment, Remuneration and Nomination Committees

Membership of all five Board Committees is composed solely of Non-Executive Directors. These Committee members are authorised to obtain, at the company's expense, professional advice on any matter within their terms of reference and to have access to sufficient resources in order to carry out their duties. A report of the Audit Committee is provided on page 42, the Directors' Remuneration Report on page 52, the report of the Risk Committee is provided on page 45, the report of the Investment Committee is provided on page 50 and the Nominations Committee Report on page 51.

### Insurance

The company maintains an appropriate level of directors' and officers' insurance in respect of legal actions against those individuals.

### Board and committee attendance

The number of formal scheduled Board and Committee meetings held and attended (in person or virtually) by Directors during the year to 31 December 2022 (excluding committee attendance by directors not as members but by invitation) was as follows (see table below).

	Board	Board Ad/ Hoc	Audit Committee	Risk Committee	HAAC	Nomination Committee	Remuneration Committee	Investment Committee
Mark Chown	10/10	1/1	5/5	3/3	4/4	1/1	1/1	5/5
Jeffrey Hume	10/10	1/1	5/5	-	-	1/1	4/4	-
Geoffrey Spence	10/10	1/1	-	-	-	-	-	5/5
Charles Hammond	7/10	0/1	-	-	-	-	2/4	2/5
Jane Smallman	9/10	1/1	-	3/3	-	1/1	3/4	-
Nicky Dunn	10/10	1/1	-	3/3	-	-	-	5/5
Matthew Thomas	10/10	1/1	-	-	4/4	-	-	-
Andrew Boustouler	8/10	1/1	-	-	4/4	-	-	-

Where Non-Executive Directors are unable to attend meetings, they are supplied with relevant papers and make appropriate comments which are then taken into account during the relevant meeting.



### Other authorities

Ports of Jersey has been appointed as both the Harbour and Airport Authority for Jersey, each of which hold different responsibilities under law. A Harbour and Airport Authorities Committee has been established to support the Board. It holds separate meetings under an independent chair. The report of the Harbours and Airport Authorities Committee is to be found on page 38.

Ports of Jersey is the Jersey Harbour Authority, appointed by the Minister under Art. 2(2) of the Harbours (Administration) (Jersey) Law 1961; and is also the Jersey Airport Authority, pursuant to Art.2(1) of the Aerodromes (Administration) (Jersey) Law 1952. The latter appointment was by ministerial decision (Ministerial Decision MD-E-2015-0083 dated 25 September 2015).

This has been the position since Ports of Jersey was incorporated in October 2015. Under the same laws, the Harbour Master and the Airport Director, as sworn officers, have a range of specific associated duties and powers that are similar to those of parish centeniers (and which in the case of the Harbour Master, extend to Jersey's territorial waters). The Harbour Master and Airport Director keep HAAC informed on the exercise of these duties and powers as part of the overall approach on safety and security, and they may or may not give rise to matters for the HAAC's or the Board's decision. There are also certain spheres which require the Harbour Master and Airport Director to report direct to the Minister in their capacity as statutory office holders.

In its capacity as the two 'Authorities', Ports of Jersey is responsible for policing, safety and security matters in both its airspace and territorial waters, and serves as duty holder in relation to Jersey's voluntary implementation of the UK Port Marine Safety Code. Ports of Jersey may also be entrusted by the Minister from time to time to carry out other duties under or pursuant to the two laws noted above.

Ports of Jersey by virtue of its being the Harbour Authority is also responsible for giving effect to the Government of Jersey's obligations under the 1974 International Convention for the Safety of Life at Sea (UN Treaty No. 18961), extended to Jersey by the UK Government and implemented by Orders made under the Shipping (SOLAS) (Jersey) Regulations 2004, to ensure the establishment, operation and maintenance of such search and rescue facilities in territorial waters as are deemed practicable and necessary.

The duties and responsibilities outlined above are also reflected by and in a set of public service obligations imposed on Ports of Jersey by Art.6 of the 2015 Incorporation Law. In summary, these are (a) coordinating maritime search and rescue within the Jersey region, (b) maintenance of aids to navigation, (c) custodianship of all harbours in Jersey, (d) enforcement of shipping legislation, (e) certain Port State Control functions, and (f) management of the Channel Islands Control Area. This final point (f), as it is a commercial operation, does not form part of HAAC's remit. Apart from point (c), these functions are discharged in accordance with an agreement with the Minister for Economic Development, Tourism, Sport and Culture which was put in place at the time of incorporation in 2015. We have recently confirmed with the Minister that it would be appropriate, given the passage of time, to review this agreement to ensure that it remains fit for purpose, in the same way that other agreements with Government of Jersey have been subject to recent similar review.

It is important to note that the public service obligations are not tied to the company's appointment as Airport Authority and Harbour Authority. They are an integral part of the legal structure at incorporation that was passed by the States Assembly in 2015. These laws sought explicitly to give Ports of Jersey commercial and regulatory responsibilities which would remain in place even if the Minister decided to appoint separate entities as the Airport and Harbour Authorities.

# Board of Directors

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## Mark Chown

Chairman

Appointed: November 2017

## Jeff Hume

Deputy Chair and Senior  
Independent Director

Appointed: January 2017

Mark has held senior positions within the aviation industry, as well as extensive business experience in the private equity, leisure and property sectors. He held senior executive and non-executive positions with Flybe Group plc for more than 18 years, until 2014.

With a BA (Econ) from Manchester University and a postgraduate qualification from the Manchester School of Management, Mark is a trained chartered accountant and has been a partner in an independent private equity firm.

Mark chaired the PoJL Nomination Committee. He is also a member of the Audit, Investment and Harbour and Airport Authorities Committees.

Jeff has held many senior independent director roles across a variety of companies, including telecommunications, insurance, engineering and social housing. He was also a member of the London Stock Exchange Primary Markets Group.

In his executive career Jeff has held senior management and financial positions in engineering, logistics, construction and water. He is a Fellow of both the Institute of Chartered Accountants and the Association of Corporate Treasurers.

Jeff chairs PoJL's Audit and Remuneration Committees. He is a member of the Nominations Committee.





**Geoffrey Spence**  
**Non-Executive Director**  
 Appointed: June 2018



**Dr Jane Smallman**  
**Non-Executive Director**  
 Appointed: March 2020



**Nicky Dunn, OBE**  
**Non-Executive Director**  
 Appointed: March 2020

Having spent many years in a variety of senior positions within investment banking, specialising in the financing of the utilities, energy and infrastructure industries and its major projects, Geoffrey also advised the UK Government and public sector on the commercial and financing aspects of these industries as well as being a Special Advisor to the Chancellor of the Exchequer on financial stability, business and EU policy. He was also a member of the UK Government’s Thames Estuary Commission.

Nowadays, he is a Director of a private, charitable acute Hospital in Nazareth, Israel and is a member of the Board of the Association of Consulting Engineers.

Geoffrey chairs the PoJL Investment Committee and sits on the Nomination Committee.

Jane is currently Trustee of the John Muir Trust, a Scottish based conservation charity dedicated to the experience, protection and repair of wild places.

She is a Fellow, and was a Trustee and a Past President of the Institute of Marine Engineering, Science & Technology (IMarEST). She is also a Trustee and Chair of the IMarEST Retirement Benefit Scheme. She is a Fellow and former Trustee of the Institution of Civil Engineers. Jane is also an Honorary Visiting Professor to the School of Engineering of the University of Edinburgh.

Jane chaired the PoJL Risk Committee and sat on the Remuneration Committee throughout 2022.

Nicky has extensive executive and non-executive experience in commercial leisure, together with significant non-executive experience in property and placemaking.

During her executive career, Nicky held senior positions for SMG (Now ASM global) the world’s largest venue operator.

She was Chair of The Titanic Foundation Ltd (Now Maritime Belfast) which built and owns the award-winning Titanic visitor attraction and other assets and developed a destination along the waterfront in Belfast. Nicky sat on the board of The London Legacy Development Company (Olympic Park) for nine years which oversees one of the largest and highest profile urban regeneration projects in the UK and Europe. She also chaired The London Stadium board and the Netball World cup, held in Liverpool in July 2019.

Nicky currently chairs The Jockey Club Live, is an NED of Todd architects and is a Trustee of The Young Vic Theatre.

In 2016, Nicky was awarded an OBE for Services to Tourism.

Nicky sits on the PoJL Risk and Investment Committees.



## Matt Thomas

Group Chief Executive Officer

Appointed: July 2019



## Jenny Marek-Murray

Chief Financial Officer

Appointed: February 2023

Matt brings significant international experience in the operation, development and financing of major infrastructure companies. In his previous role, he was CEO of the Shannon Group, the primary catalyst for economic development in the West of Ireland, incorporating airport, tourism, property and aerospace companies.

Prior to that he was Chief Commercial Officer of Vantage Airport Group based in New York, leading the \$4bn privatisation of LaGuardia Airport. He was also involved in the majority of Vantage's 30 airport projects across four continents, as well as being a director of a number of airports in the Vantage portfolio, including Nassau, Bahamas; Montego Bay, Jamaica and Santiago in Chile.

A qualified accountant, having trained in investment banking, Matt has also held senior management positions at Vancouver Airport, Liverpool John Lennon Airport (where he was CEO), Larnaca and Paphos in Cyprus as well as Copenhagen and Newcastle Airports.

Jenny was born and educated in Jersey before moving to the USA with her family where she gained a degree in Environmental Science at the University of Tampa. She went on to train and qualify as a Chartered Accountant in London before working within the travel industry in one of the Opodo Group subsidiaries.

She returned to Jersey in 2008 and began working for Jersey Harbours as Deputy Finance Director. On incorporation of Ports of Jersey in 2015, Jenny assumed the role of Deputy Chief Financial Officer. In February 2021, Jenny took on the new role of Director of Sustainability and Corporate Services and became Company Secretary in May 2019.

Jenny became Chief Financial Officer in February 2023.

# Compliance and Assurance Statement

## Open, Safe and Secure

Ports of Jersey places the safety and security of its passengers, employees and business partners at the heart of everything we do. As one of our strategic objectives, the continuous improvement of safety and security standards and compliance with regulatory requirements, and industry best practise, are core elements of business as usual.

The transport industry is one of the most intensely regulated sectors of business globally, particularly in relation to aviation. Ports of Jersey is certified to carry out its regulated functions, particularly in relation to decapitalise aviation, and there is an extensive programme of external audit carried out by the appropriate regulators. In respect of the maritime industry, where there are fewer requirements for regulatory audits, a number of discretionary audits and peer reviews are completed.

The principal regulatory authorities are:

- Channel Islands Office of the Director of Civil Aviation (DCA)
- United Kingdom Civil Aviation Authority (UK CAA)
- Department for Transport (DfT)
- European Union Aviation Safety Agency (EASA)
- UK Maritime and Coastguard Agency (MCA)

A dedicated team at Ports of Jersey provides independent assurance to The Board and its associated Committees on all the integrated operational management systems. The team provides expertise and a range of compliance disciplines relating to Aviation Safety (SMS) and Maritime Safety (SMS), Aviation and Maritime Security and Occupational Health and Safety. Further assurance is provided in relation to Cyber-Security, Data Protection, Insurance, Business Continuity, and Risk Management by the appropriate individuals within the business, including Head of Internal Audit, who is responsible for management and delivery of the Ports Internal Audit Programme.

In 2022, Ports of Jersey was subject to the following external audits as part of its compliance obligations:

Aviation External Audits / Reviews			
Audit Title	Audit Agency	Business Area	Audit Dates
Aeronautical Meteorological Service	UK Met Office	Airport (ANSP)	February 2022
Air Navigation Service Provision Certification (ANSP)	EASA	Airport (ANS)	April 2022
ATCO Training Organisation Certification (ATCO TO)	EASA/UK CAA Safety Regulation Group	Airport (ANS)	April 2022
Aviation Security	UK CAA or for UK DfT	Airport (Aerodrome)	April 2022 July 2022 Nov 2022
Air Navigation Service Provider Quality Management System ISO 9001:2015	TuV Nord	Airport (ANSP)	May 2022

Compliance and assurance evidence is compiled from multiple sources, including external (agency) audit, incident and accident investigation, peer-review and industry benchmarking, regular risk assessment and review, event and occurrence trending and internal audit.

All Airport and Maritime audits in 2022 were completed without significant (Level 1) non-conformities being recorded against the business.

It is the assessment of the Heads of Compliance for both the Airport and Harbour that Ports of Jersey complies:

- With the requirement of regulations associated with systems as listed above, and with its own policies for those systems.
- The management of Occupational Health and Safety at Ports of Jersey has been assessed as effective, and management arrangements are sufficient to ensure compliance with the published Ports of Jersey Health and Safety Policy and Health and Safety at Work (Jersey) Law 1989.
- The requirements of the Port Marine Safety Code and the International Ship and Port Facility Security Code.



*Ports of Jersey places the safety and security of its passengers, employees and business partners at the heart of everything we do.*

Maritime External Audits / Reviews			
Audit Title	Audit Agency	Business Area	Audit Dates
<b>Implementation of International Instruments Code (III Code)</b>	Maritime and Coastguard Agency	Maritime (external compliance)	July 2022
<b>Port Facility Security Assessment</b>	Department for Transport	Maritime (Security)	September 2022
<b>Port Marine Safety Code</b>	Marico Marine	Maritime (SMS)	October 2022
<b>Trinity House Inspection &amp; Audit of Aids to Navigation – 2022</b>	Trinity House	Maritime (Marine Services, Aids to Navigation)	November 2022
<b>MCA Peer review of Declared Facilities framework</b>	Maritime and Coastguard Agency	Maritime (Coastguard)	December 2022

# Harbours and Airport Authorities Committee

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The Harbours and Airport Authorities Committee (HAAC) supports and advises the Board in its management of Ports of Jersey's regulatory and other non-commercial functions which it is legally required to undertake. It also oversees operational safety at the Airport and the Harbour.

HAAC is convened under an independent chair, appointed by the Board of Ports of Jersey, and the membership includes the Airport Director and the Harbour Master as well as the Chairman, Chief Executive Officer, and the Chief Financial Officer of Ports of Jersey. Other non-executive directors of Ports of Jersey attend as desired or warranted, together with relevant senior members of Ports of Jersey staff including from Jersey Coastguard. This mix of attendees ensures that the HAAC's meetings and decisions are well-founded, and that the specialist or 'technical' voice may always be heard alongside the general.

HAAC also works with relevant external third parties. On the maritime side, Ports of Jersey's retained external maritime safety adviser is William Heaps, who also serves as our 'designated person' in respect of the Port Marine Safety Code. William performs a similar role at a number of major UK ports, and his deep and extensive experience of maritime safety is extremely valuable to Ports of Jersey's work. On the aviation side, similar external input on safety and security has been provided by the Deputy Director of Civil Aviation, which is a UK statutory role for the Channel Islands. Inez Bartolo retired from this role at the end of 2022, and the Airport team are grateful for the close working relationship that developed with Inez and her extensive experience of CAA regulation throughout the UK. We have now established a good working relationship with the new Director of Civil Aviation, John Nicholas, who took up his responsibilities in the second half of 2022. Like Inez, he too has been a CAA regulator, and we look forward to continuing to have a good and open relationship with him which is fundamental to successful and safe aviation operations.

Under Art 5(1) of the 2015 Incorporation Law, the primary object of Ports of Jersey is stated to be "to provide, or ensure the provision of, safe, secure and efficient port operations for Jersey, whether by itself or by any other person acting as its subsidiary, agent, employee or sub-contractor. Under Art.4(3) of the Incorporation Law, Ports of Jersey is required to exercise its powers so as not to conflict with the interests of aviation and maritime safety and security.

It is a principal duty of mine as the independent chair of HAAC to watch that this duty is never overlooked and that any potential conflict between the Company's commercial, and its statutory or regulatory, functions is identified and mitigated. I emphasise that the Board and the teams at both the Airport and the Harbour have always in my experience operated in full cognisance of this; and it is, I believe, very well embedded in Ports of Jersey's culture. The very nomenclature of the public service obligations could be said to back that up, although pressures inevitably arise from time to time with particular stakeholders or interest groups. The model established in 2015 by the States Assembly has had a few vocal critics, but in truth it is really not different in degree from pre-incorporation arrangements, where there was equal chance of tension between the commercial and the regulatory. However, HAAC now provides a layer of governance and accountability under law which was not present pre 2015.



HAAC had four scheduled meetings in 2022, plus several ad hoc meetings convened to address specific matters. Some of those were convened by notice as formal meetings, while others were simply meetings of members of the committee, whose outcomes would, if necessary, be ratified on the next formal occasion.

Regular items of business during the year focused on:

- considering William Heaps’s ‘Designated Person’ reports on our compliance with the Port Marine Safety Code
- reviewing quarterly Health and Safety reports for both the Airport and Harbour (including the outlying harbours)
- quarterly reviews of the operational risk registers for both Airport and Harbour including ‘deep dives’ in some given areas. This is at the heart of our role
- being briefed and considering follow-up action on specific safety and security problems and incidents, including not only at sea or in the air but also those affecting public safety in and around company land and facilities as well as Jersey’s beaches, coastline and the outlying harbours; and
- receiving reports from the Airport Director and Harbour Master on activity in the preceding period, including reporting by the Coastguard.



Key in all these spheres is the need for assurance, on the part of HAAC itself, and thence for the Board, that operational risk and safety are being addressed consistently, continuously and thoroughly, that a safety ‘culture’ is embedded in operations, and that both incidents and reported near misses are therefore appropriately recorded for review including from a ‘lessons to be learned’ perspective (regardless of any other necessary investigation for incidents of particular seriousness or import).

During 2022, in addition to standing items as shown above, specific matters considered by HAAC included:

- the positive impact of the aviation organisational structure’s having been changed to one of integrated operations (as also reported last year)
- management of risk as aviation recovered from the special difficulties of 2020 and 2021. A number of specific risk issues were considered relating to general aviation and the Civil Aviation Authority’s role in its oversight
- the ongoing position regarding PFOS contamination, including how latest work had indicated that this was not a problem confined to the Airfield
- the outcome of William Heaps’s review undertaken in autumn 2021 of our compliance with the Port Marine Safety Code. His welcome conclusion was that we were compliant in all material respects. We carefully considered a number of recommendations he made about the way a couple of things were done, including the way we recorded potential or possible breaches of the Code, and received assurance that necessary action had been taken
- the company’s drugs and alcohol policy, in respect of both the aviation and the maritime domains. We have resolved a way forward on this, with the aim of tightening and clarifying the rules, notably for air crew. Some law change will be needed, but this has yet to be implemented
- the Beach Lifeguard Service, which, although provided under contract with the Minister, is subject in practice to day-to-day oversight by Jersey Coastguard. Our review came to the view that the arrangements work well and are valued by those who rely on them
- disposal of dredged material. This arose as an agenda item as a consequence of a dredge of St Aubin’s Harbour. The Committee received good assurance as to the methods of disposal in designated areas at sea
- and, the Deputy Director of Civil Aviation’s valedictory, which was highly positive. She noted the company’s strong compliance culture and its ability to address challenges, and gave strong praise to the Airport Director and his staff.



In last year's report, I added to a similar list ongoing consideration of a serious incident on 10 November 2021 when the Jersey Lifeboat Association's Sir Max Aitken III hit rocks at speed on the south coast of the Island while responding to an incident at sea. Shortly afterwards, the Committee accepted the Harbour Master's advice that the seriousness of this warranted an independent investigation into the causes of the incident, and after careful consideration, recommended to the Board that, pending the outcome of an investigation, public safety warranted a temporary freeze on the Jersey Lifeboat Association's 'declared facility' Search and Rescue status pending a full audit by Jersey Coastguard of the Association's processes, procedures and practices. This approach was adopted in accordance with procedures specified in the UK Coastguard's Declared Facility Framework, which is the basis for Jersey Coastguard's own framework document for Search and Rescue, adapted for Jersey circumstances and conditions. Shortly before the end of 2021, a draft of the independent report into the incident was received. I reported last year that resolution of all matters arising had begun, and continued, in dialogue with both the Minister and the JLA itself. I report a year later that the process is still continuing.

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*I wish to thank all members of staff who are involved in the broad set of matters within the scope and remit of HAAC for their hard work, diligence and professionalism in working to keep Jersey's Airport and Harbour, and its air space and territorial waters, safe, secure and well-managed.*

We continue to engage with the JLA and others with the objective that the JLA vessels and its operations can reach and demonstrate the required performance level such that we can again certify them as declared assets. That outcome must be in Jersey's best interests.

In December 2022, we received the dreadful news of the collision between the fishing vessel, L'Ecume II, and the Commodore Goodwill off the west coast of Jersey, which led to the loss of the three members of the L'Ecume crew. The investigation into the incident is continuing in conjunction with States of Jersey Police and the Bahamian Maritime Authority with which Commodore Goodwill is registered.

I wish to thank all members of staff who are involved in the broad set of matters within the scope and remit of HAAC for their hard work, diligence and professionalism in working to keep Jersey's Airport and Harbour, and its air space and territorial waters, safe, secure and well-managed. This is for the benefit of all port users whether travellers, seafarers or aviators, or simply those reliant on the Island's two transport gateways for the delivery of the necessities of life. I thank them, too, for support to me in my independent role as chair of the HAAC. Their work is more often than not unsung but of the first importance to the sustainability of the whole community of the Island which depends entirely upon the two gateways which they work to keep open, safe and secure.

**John Mills CBE**

Independent Chair

Harbour and Airport Authorities Committee

25 April 2023

# Audit Committee Report

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As Chair of the Audit Committee, I am pleased to report on its work for the year ended 31st December 2022 and the publication of this Annual Report.

The primary responsibilities of the Audit Committee are to provide governance over the appropriateness of the company's financial reporting, including the adequacy of related disclosures, the performance of the external audit function, the management of financial risks and the company's related systems of internal control.

The Committee has monitored the organisation in addressing points noted in the external auditors' management letter.

The company's internal audit adds value, providing support to address on-going financial risks identified by both the organisation and external auditors.

The company has a separate Risk Committee and the Chairs of these Committees co-ordinate their activities and, where appropriate, share information. The Committee also provides assurance to the Investment Committee in respect of financial controls required to ensure effective execution of financing structures for masterplans.

I am satisfied that the Committee received sufficient, reliable and timely information from management to enable it to fulfil its responsibilities.

**Jeffrey Hume**  
Committee Chair  
25 April 2023



### Membership and expertise

During the year to 31 December 2022 the Audit Committee comprised Jeffrey Hume and Mark Chown. All Non-Executive Directors are invited to Committee meetings and attend as they see fit.

The members of the Committee are considered to be independent and have considerable financial and commercial experience gained through a variety of corporate and professional appointments. In particular, the Board considers that Jeffrey Hume has the recent and relevant financial experience required by corporate best practice. The Chief Financial Officer has been invited to attend every meeting.

The Chief Executive and Head of Internal Audit also attend meetings, contributing to the debates. In addition, the Committee members meet with operational and finance team members.

### External Audit

In accordance with good corporate governance and following a comprehensive tender process the Company appointed Grant Thornton to succeed EY, who had audited the business since incorporation in 2015. We thank EY for their valuable service. Grant Thornton demonstrated clear insight into the intricacies of the organisation and have experience of working with other of the Government's Arms-Length Organisations.

The Committee has assessed the effectiveness of Grant Thornton's audit work in relation to the 2022 financial year and are pleased to recommend to the Board that they be reappointed as auditors for the 2023 financial year.

### Internal Audit

The Committee oversees and receives reports from Internal Audit on key financial risks and related processes. The Head of Internal Audit also has responsibilities in relation to operational regulatory compliance. Therefore we took the decision to outsource the substantive elements of this internal audit to BDO under his management. They had previously conducted ad-hoc audits for us. The reviews completed in 2022 focussed on the key revenue assurance and investment property process which had been raised in the previous year end external audit report.

In addition, we received from the Head of Internal Audit a gap analysis on our Annual Report against recent C&AG best practice recommendations.

### Meetings held

The Committee held five meetings during 2022. The Audit Committee has also formally met twice so far in 2023, the second of which was to review and recommend approval of the 2022 Annual Report to the Board. The Committee has met Grant Thornton without management being present and the Committee chair has also met the Grant Thornton Audit Partner independently.

At the board meeting following each committee meeting, Directors receive a report on the work of the Committee, outlining key matters and making appropriate recommendations.

### Financial reporting – significant issues

- A** The L'Ecume II tragedy – In December 2022 a ferry boat and a fishing vessel collided with loss of life. The company chartered a specialised vessel to conduct a search and recovery mission. This was outside of both the company's obligations and its normal operations. The Committee concluded that the £1.2m cost should be presented as an exceptional charge in the 2022 Income Statement. This falls outside both Operating Profit and the new category of Headline EBITDA.
- B** Investment properties – Their fair values at 31 December 2022. This category of assets is reviewed quarterly. Our RICS led internal team, supported by external Chartered Surveyors, concluded at an uplift of £3.0m as at December 2022 including portfolio changes during the year.
- C** Trade Receivables – The company provided support to a number of its customers during the pandemic with a flexible approach to credit terms, which they have mainly adhered to. We considered the limited visibility remaining over those customers' future trading environments and endorsed management's judgements on the extent to which the amounts remaining due should continue to be impaired for financial reporting purposes.
- D** Provisions for claims – The adequacy of provisions in relation to the legacy fire-fighting foam contamination of ground water. We considered the current circumstances and endorsed management's judgement that after absorbing expenditure during the year, the provision should continue to be held at £0.6m.
- E** Assets under construction – In 2017 the company announced it was planning to develop an integrated airport terminal. The project came to a halt due to a combination of the pandemic and a positive change in the air regulatory position. A new and different masterplan is in development and therefore the remaining £1.2m has been written off.
- F** Insurance claims – The company is pursuing claims under its insurance policies for compensation against the business interruption caused by Covid-19. In 2021 we were awarded £1.6m in respect to the Maritime part of the business up to September 2020. The claim is ongoing. No further amounts have been accrued at this time as the outcome remains uncertain.



SPEED	TIME	DISTANCE	DEPTH
10.0	00.00	0.00	10.0
10.0	00.10	0.10	10.0
10.0	00.20	0.20	10.0
10.0	00.30	0.30	10.0
10.0	00.40	0.40	10.0
10.0	00.50	0.50	10.0
10.0	01.00	1.00	10.0
10.0	01.10	1.10	10.0
10.0	01.20	1.20	10.0
10.0	01.30	1.30	10.0
10.0	01.40	1.40	10.0
10.0	01.50	1.50	10.0
10.0	02.00	2.00	10.0
10.0	02.10	2.10	10.0
10.0	02.20	2.20	10.0
10.0	02.30	2.30	10.0
10.0	02.40	2.40	10.0
10.0	02.50	2.50	10.0
10.0	03.00	3.00	10.0
10.0	03.10	3.10	10.0
10.0	03.20	3.20	10.0
10.0	03.30	3.30	10.0
10.0	03.40	3.40	10.0
10.0	03.50	3.50	10.0
10.0	04.00	4.00	10.0
10.0	04.10	4.10	10.0
10.0	04.20	4.20	10.0
10.0	04.30	4.30	10.0
10.0	04.40	4.40	10.0
10.0	04.50	4.50	10.0
10.0	05.00	5.00	10.0
10.0	05.10	5.10	10.0
10.0	05.20	5.20	10.0
10.0	05.30	5.30	10.0
10.0	05.40	5.40	10.0
10.0	05.50	5.50	10.0
10.0	06.00	6.00	10.0
10.0	06.10	6.10	10.0
10.0	06.20	6.20	10.0
10.0	06.30	6.30	10.0
10.0	06.40	6.40	10.0
10.0	06.50	6.50	10.0
10.0	07.00	7.00	10.0
10.0	07.10	7.10	10.0
10.0	07.20	7.20	10.0
10.0	07.30	7.30	10.0
10.0	07.40	7.40	10.0
10.0	07.50	7.50	10.0
10.0	08.00	8.00	10.0
10.0	08.10	8.10	10.0
10.0	08.20	8.20	10.0
10.0	08.30	8.30	10.0
10.0	08.40	8.40	10.0
10.0	08.50	8.50	10.0
10.0	09.00	9.00	10.0
10.0	09.10	9.10	10.0
10.0	09.20	9.20	10.0
10.0	09.30	9.30	10.0
10.0	09.40	9.40	10.0
10.0	09.50	9.50	10.0
10.0	10.00	10.00	10.0

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# Risk Committee Report

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The Board is responsible for overseeing the management of risk by approving the risk management policy and governing its implementation. It ensures that risks are managed in an appropriate way by approving risk management procedures, reviewing risk reports and monitoring metrics.

The Board is supported by the Risk Committee, which is appointed to review all aspects of risk faced by the company, and its processes, structures and accountabilities for identifying, managing and mitigating risk across the whole range of its business. The identification, evaluation, review and management of risks is the responsibility of Executives, Senior Management and departmental teams who have the appropriate expertise within their areas of operations.

The Risk Committee met three times during the year and received papers as and when necessary. The following independent Non-Executive Directors served as committee members during the year:

Jane Smallman, Committee Chair  
Mark Chown  
Nicky Dunn

The meetings of the Risk Committee are also attended, by invitation, by other Non-Executive members of the Board, including the Chair of the Audit Committee. Risk matters of significance are also addressed directly by the Board, the Chair taking the lead in the discussion. The Chief Executive Officer and the Chief Financial Officer also attend Risk Committee meetings.

Whilst the Risk Committee has responsibility for overall risk management, a decision was taken by the Board in 2020 to focus the role of the Risk Committee to address the organisation's exposure to corporate risks. The management of operational risks will be the focus of attention of the Harbour and Airport Authority Committee. This allocation provides greater strategic clarity and enables more detailed consideration of the relevant topics by each committee.

At each of its meetings, the Committee received and reviewed the Organisational Risk Management Reports, which include both corporate risks as well as an overview of Operational risks. Main Corporate Risks are reviewed on a deep dive basis, including relevant Senior Managers, on a rotating basis during the year.

Outside the rotating reviews the Committee also reviewed:

- Corporate and Air Navigation Services Cyber Security
- Data Protection/ GDPR Compliance
- Holistic Risk Review
- Insurance Policy Coverage
- Emerging risks in respect of the Harbour Master Plan

## Cyber security management

Cyber risk remains the top corporate exposure globally. The Risk Committee continued to take keen interest in the measures taken by Ports of Jersey to manage cyber security during 2022. A cyber maturity assessment was completed by KPMG during the year and it demonstrated a meaningful improvement since the previous assessment in 2019. The key areas of improvement identified were:

- the appointment of a dedicated full-time Chief Information Security Officer
- Evidence of clear drive and commitment from directors and managers to support and recognise the security risk carried by the organisation
- Increased security awareness across the business

## Holistic Risk Review

During 2022 the Committee partook in a holistic risk review workshop with Halex Consulting. The purpose was to review the current risk register and identify any gaps. The workshop provided a good overview and provided suitable assurance to the Committee as to the effectiveness of the PoJ Risk Framework and registers.

**Jane Smallman**  
Committee Chair  
25 April 2022

# Risk Management Statement

The company’s approach to risk is defined in its risk management policy, which outlines the roles and responsibilities for the identification, evaluation and management of risks throughout the business.

The primary feature of our risk management process is the use of agreed, defined matrices, which allow a business wide systematic approach to the evaluation, scoring and escalation of identified risks. This provides the Board and Risk Committee with assurance that they may compare all assessed risks, knowing that they have been evaluated against the same set of perspectives and associated severity ratings.

Set out below are the principal risks to the organisation and the mitigation measures to manage them, which are either in place or planned. This list is not exhaustive and is not set out in any order of priority.

The Committee has identified the following seven spheres or categories of risk as the main ones faced by the company, together with principal mitigations

Risk Area	Principal Mitigations	
<p><b>Operational Safety and Resilience</b></p> 	<p>The company’s primary statutory objective is to provide, or ensure the provision of, safe, secure and efficient port operations for Jersey.</p>	<ul style="list-style-type: none"> <li>All key operational areas are audited regularly in order to meet this objective, both through internal analysis and external inspection, and to ensure continual compliance with all regulatory and safety requirements imposed upon the company by the various regulators and agencies in the UK, the EU and the Channel Islands. Please see the Compliance and Assurance Statement on page 36.</li> <li>Regulatory compliance teams work with and support employees who have specific regulatory assurance responsibilities. Detailed attention is paid to comprehensive incident investigation and ensuring that effective mitigations are put in place to prevent recurrence. The company operates a ‘Just Culture’ which promotes an excellent reporting culture, both from company employees and stakeholders.</li> <li>A similar system operates for all internal health and safety matters, including a refreshed Health &amp; Safety Committee with representation of defined responsibilities across all business areas. To ensure that safety performance is given the highest priority.</li> <li>Aviation and Maritime Safety Review Boards take place on a quarterly basis (including both Operational and Occupational Safety) which supplement monthly Harbour and Airport Management Group performance meetings chaired respectively by the Harbour Master and the Airport Director.</li> <li>The Harbour and Airport Authorities Committee oversee safety, risk and compliance of our operations, meeting quarterly and more often as required.</li> <li>It is the company’s objective to have zero unplanned downtime in Maritime and Aviation operational infrastructure, and to have in place tested contingency measures to mitigate against events impacting passenger and freight operations with minimal disruption.</li> <li>As well as power-dependent critical assets being linked to back-up supplies, there is a fully operational and approved back-up facility for Air Traffic Services to manage Channel Island airspace, and a remote digital Air Traffic Tower contingency facility, the first approved for operational use in the UK.</li> <li>In respect of harbour vessel traffic services (VTS) and Coastguard, the St Helier VTS has a fully operational standalone installation in the VTS Tower at the pierheads which mirrors the capabilities of the Maritime Operations Centre. Operations can be transferred between each independent site in under 10 minutes.</li> <li>There are comprehensive planned preventative and reactive maintenance programmes at both Airport and Harbour. We contribute significantly to Jersey-wide emergency and business continuity planning.</li> </ul>

Risk Area	Principal Mitigations	
<p><b>Commercial Growth Risk</b></p> 	<p>Ports of Jersey is a commercially driven and customer focused business. Prior to the global pandemic, over 2 million passengers passed through our gateways each year, along with every item of freight that is imported into or exported from Jersey.</p> <p>The pandemic had a devastating effect on the demand for travel, impacting both aviation and maritime sectors, with the consequential loss of services, carriers, and business partners. Industry projections suggest it will be several years before passenger volumes again reach the levels seen in 2019.</p>	<ul style="list-style-type: none"> <li>Locally, longer-term agreements are in place with key airline carriers and concessions and an Operating Agreement is in place with Condor until March 2025.</li> <li>Regular formal and informal meetings take place to review performance, develop shared objectives, track post pandemic recovery plans and take agreed actions where necessary.</li> <li>Customer satisfaction is monitored regularly, and measurable customer service standards set. In the latter part of 2021, a new customer feedback process was developed, and this was launched in early 2022 with the objective of improving the customer feedback process through providing a consistent method of collecting, managing and reporting on feedback. This is an integral part of the company's requisite reporting to the Jersey Competition Regulatory Authority (JCRA).</li> <li>Relevant senior managers develop and maintain the company's relationship with major customers such as airlines, shippers and ferry operators. These relationships are being further developed beyond a commercial remit through the operational teams.</li> <li>At an industry level, we regularly consult with and receive information from key industry bodies such as the Airport Operators Association, the Airports Council International and the British Ports Association which provide early insight for any changes or developments that may affect us.</li> </ul>
<p><b>Financial Risk</b></p> 	<p>Ports of Jersey does not receive any financial support from taxpayers' funds, we depend solely on the revenues we generate to meet our obligations. These include a range of public service obligations such as running the Coastguard and maintaining Jersey's historic harbours.</p>	<ul style="list-style-type: none"> <li>There is an established financial model for all budget forecasting and monitoring income and expenditure. The capital plan is kept under regular review to ensure it is affordable and best supports the delivery of our business objectives. An appropriate debt funding facility has been put in place, further to approval from the Shareholder, to support short term liquidity requirements.</li> <li>Appropriate close liaison is maintained with those in the Government of Jersey who have responsibility for its shareholder function. We also keep a watch on policy and legislative developments that could impact adversely upon the company. We also seek to build on the existing relationship with our economic regulator, the JCRA, a key aim of which includes that our regulated prices change in line with inflation.</li> <li>Annual external audit combined with an internal audit programme provide independent assurance of effective financial governance controls.</li> </ul>
<p><b>Investment Risk</b></p> 	<p>Major Capital investment programmes to develop the Island's Airport and Maritime infrastructure are underway. As well as enhancing the current ports user experience, these will future-proof the Island's gateways. The delivery of our capital programme is underpinned by comprehensive planning activities which extend throughout the organisation.</p>	<ul style="list-style-type: none"> <li>All developments are subject to a robust project governance framework from inception to completion. This is led by a project management office with all roles within projects well defined and in line with international best practice.</li> <li>To further bolster Capital Expenditure governance, there are monthly Capital Project Management Group meetings. These review and monitor Capital investment programmes, with performance reports which thereafter feed into monthly Harbour and Airport Management Group performance meetings.</li> <li>Capital expenditure planning includes ensuring that asset life cycles are satisfactorily captured in replacement programmes.</li> <li>Continual investment in our core ICT and applications infrastructure provides ever increasing resilience and added functionality. This includes the ability for employees to work remotely, either elsewhere on our estate or if appropriate, at locations such as from home. This allows elements of the business the flexibility to operate effectively from almost any location.</li> </ul>

Risk Area	Principal Mitigations	
<p><b>People Risk</b></p> 	<p>Our employees are, far and away, our most precious and critical asset. We are proud of the talent our employees have and the specialist skills they possess, which we are committed to nurturing.</p>	<ul style="list-style-type: none"> <li>• Considerable attention is paid to motivation, pay, terms and conditions, training and workplace wellbeing across the business. We aim for these to be in line with, or better, than market norms where they can be judged.</li> <li>• Succession plans are in place for all critical areas, and we have Apprentice and Trainee programmes within various areas of the business.</li> <li>• Training budgets are considerable and kept under regular review. Special programmes have been instituted to seek to attract, reward and retain people with key skills.</li> <li>• A management training programme was undertaken during 2021 and continued into 2022 to build on our managers core skills in the development of their respective teams.</li> </ul>
<p><b>Sustainability Risk</b></p> 	<p>Core to our business strategy are the four pillars of Sustainability – Climate, Biodiversity, People &amp; Community, Waste &amp; Circularity.</p>	<ul style="list-style-type: none"> <li>• The travel industry is under ever increasing scrutiny regarding the impact it has upon the planet. Ports of Jersey are committed to driving forward initiatives to reduce and mitigate not only its own impact, but also those of our business partners. We align ourselves with the Government of Jersey Carbon Neutral Roadmap and European Aviation's commitment to carbon neutrality by 2050 in line with the Toulouse Declaration.</li> <li>• A Sustainability Management Group meets regularly to ensure the organisation progresses its sustainability ambitions, encapsulated in the "Ports' Planet and People Plan", providing updates to the Management groups and the Board. The ambitions of this plan are also a key part of the organisation's 5-year strategic business plan.</li> </ul>
<p><b>Cyber Risk</b></p> 	<p>The importance of managing cyber risk has been increasingly recognised and a wide range of counter measures are in place to detect and repel malicious interventions in the company's systems.</p>	<ul style="list-style-type: none"> <li>• Cyber risk and cyber strategy are overseen by the Information Governance Committee. This committee sits quarterly and consists of senior stakeholders from across the business.</li> <li>• Penetration testing and vulnerability scans are undertaken frequently ensuring systems are secure and up to date.</li> <li>• Supply chain security assessments are conducted as part of the procurement process.</li> <li>• The cyber threat landscape is continually monitored, and controls are added/ updated as required. Employee training has been stepped up to help avert unwitting compromise of the company's IT systems.</li> <li>• The Committee has established a rolling review programme with the aim of ensuring that all angles to this complex problem are covered.</li> </ul>
<p><b>Covenant Risk</b></p> 	<p>The organisation is subject to obligations under law and with its agreements with its shareholder.</p>	<ul style="list-style-type: none"> <li>• The Board and its associated committees review company performance in relation to its statutory obligations.</li> <li>• Statutory obligations are an embedded element of organisational business plans.</li> <li>• Regulatory audits are completed and where there is no specific regulatory audit required discretionary audits and peer reviews are completed by appropriate third parties. The outcomes of audits and reviews are monitored by the Board and its associated committees.</li> <li>• The Board Chair and Executives have regular contact with Ministers and their Accounting Officers ensuring the organisation fulfils its obligations as required.</li> </ul>



# Desk Information

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Flight	Destination	STD	Status
SI4419	Guernsey	12:05	Go to Security
LM2264	Birmingham	13:40	Desk open at 12:10
LM2370	Southampton	13:40	Desk open at 12:10
BA1345	London Heathrow	13:50	Desk open at 11:50
EZY892	London Gatwick	14:00	Desk open at 12:00
EZY7024	Liverpool	14:55	Desk open at 12:55
EZY2312	London Luton	15:35	Desk open at 13:35
EZY1874	Manchester	16:35	Desk open at 14:35
EZY896	London Gatwick	16:50	Desk open at 14:50
SI4433	Guernsey	17:30	Desk open at 16:00

# Investment Committee Report

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As Chair of the Investment Committee, I am pleased to report below on its work for the year ended 31 December 2022.

The main responsibilities of the Committee are;

- To provide advice as to the appropriateness of the company's governance over significant capital investment.
- The remit of the Committee says that the focus will be on economic, commercial and reputational risks presented by significant capital investment in core infrastructure of the company and purely commercial investment.
- Monitor the progress and implementation of such investments, including due diligence required, their performance and any change in risk profile or expected return.
- Monitor the organisation's capability to sponsor and manage such investments.
- To complement the work of the Risk and Audit Committees.

During the year to 31 December 2022 the members of the Committee were Geoffrey Spence, Mark Chown, Nicky Dunn and Charles Hammond. All other Non-Executive Directors had open invitations to attend meetings as they saw fit.

All members of the Committee are considered to be independent with considerable appropriate experience and expertise gained through a variety of corporate and professional appointments.

During 2022 the Committee focussed significant resource on oversight of the development of plans to redevelop Elizabeth Harbour to future proof Jersey's life-line services for the long-term. Reviews and monitoring were undertaken in respect of suitability of design, stakeholder management, public consultation, appropriate governance arrangements and required funding structures, with external expertise participating in meetings as required.

2022 also saw the start of preliminary studies for an Airport Redevelopment Plan, as previous plans are no longer appropriate due to changes in regulation. The Committee was kept apprised of progress during this feasibility stage.

Further, the Committee has reviewed a number of investment cases which aim to diversify or provide resilience to the organisation's income streams. The most material of these investment cases were:

- Oversight and award of airport hangarage commercial tender.
- Marine Services Expansion.

The Committee has also regularly reviewed the organisation's capital cashflow forecasts cognisant of the ongoing effects of Covid-19 recovery and the effect on company revenues.

In the year ahead emphasis will continue on the Harbour Masterplan. Planning for the Elizabeth Harbour was submitted in January. The Committee will provide critical oversight to refining and finalising the green book appraisal to enable confirmation of funding requirements and appropriate funding and governance structures, which can then be executed once planning permission is received.

There will also be continued focus on the Airport Redevelopment Plans as the organisation moves from feasibility studies to recommended development plans. As with the Harbour Masterplan, as plans are developed the Committee will provide critical oversight, ensuring its input is provided at key decision points, that the plans are consistent, robustly considered and cognisant of the needs of all relevant stakeholders

**Geoffrey Spence**  
Committee Chair  
25 April 2023

# Nominations Committee Report

The Nominations Committee is responsible for (i) reviewing the structure, size and composition of the Board, (ii) leading the process for potential appointments, and (iii) overseeing succession planning in respect of the Directors and senior executives.

The Committee meets at least once a year and its members during 2022 were the following Non-Executive Directors (NED's)

Mark Chown (Chair)  
Jeffrey Hume  
Geoffrey Spence

The Committee's focus in 2022 has been on both a Board and Executive Effectiveness Review.

The Effectiveness Reviews have been essential in enabling the Committee to ascertain any gaps in capability and provided recommendations to develop and ensure that appropriate leadership is in place to deliver the strategic business plan. The Committee members held a number of formative discussions throughout 2022; they met formally in November, and in early 2023, to oversee a restructure of the Executive Team to ensure the organisation is set up to succeed in the future as it pursues its commercial developments.

## Non-Executive

Acknowledging the Board's wish to comply with the provisions of the UK Corporate Governance Code in respect of tenure, the Board continues with its plan for an orderly succession process. The Nomination Committee has continued to analyse the current NED's skills and experience against the developing governance needs of the business.

The Committee re-appointed Mark Chown, Jeffrey Hume, Jane Smallman and Nicky Dunn for a further 3 year non-executive rotation. All are within the recommended nine years as noted in the UK Corporate Governance Code.

Additionally, the Committee re-appointed John Mills to Chair the Harbour and Airport Authorities committee for further year.

Following 5 years of dedicated service Charles Hammond resigned as a Non-Executive Director effective 28 February 2023 due to commitments with his full time CEO responsibilities and leading role in U.K. Major Ports Group. The Committee are grateful for his invaluable input during his tenure as a Non-Executive Director and are pleased that Ports of Jersey will continue to benefit from Charles' extensive knowledge and experience on a consultancy basis. The Committee will confirm requirements and go out to market to secure a replacement Non-Executive appointment in early 2023.

## Mark Chown

Chair  
25 April 2023



# Remuneration Report

The Committee sets the remuneration policy, pension rights and compensation payments for the Executive Directors and the company's Chair. Additionally, it approves the remuneration for other key individuals in the Executive team and oversees the employee benefit structure as a whole; keeping the company's remuneration policies under review. The Committee does not consider any changes to the remuneration of the Non-Executive Directors.

The Committee members during 2022 were Jeffrey Hume (Chair), Charles Hammond and Jane Smallman, all of whom are independent Non-Executive Directors.

## Remuneration Policy

Our policy is to reward all employees in a way which is designed to attract and retain high quality people and motivate them to deliver the business strategy, promoting the interests of and delivering for stakeholders. Additionally, it should, where appropriate, recognise the delivery and level of accountabilities associated with the leadership and management of the company.

## Directors' Remuneration

The total remuneration of the Directors for the year ended 31 December 2022 was:

	Salary/ Fees £'000	Performance Related Pay 2022 £'000	Pension Contribution £'000	2022 Total £'000	2021 Total £'000	Notes
<b>Executive Directors</b>						
M Thomas (CEO)	253	139	40	432	361	
A Boustouler (CFO)	179	30	27	236	230	a
<b>Non-Executive Directors</b>						
M Chown (Chair)	60	-	-	60	50	
J Hume (Deputy Chair, SID)	40	-	-	40	35	
C Hammond	28	-	-	28	25	
G Spence	29	-	-	29	25	
J Smallman	29	-	-	29	25	
N Dunn	28	-	-	28	25	
<b>Total</b>	<b>646</b>	<b>169</b>	<b>67</b>	<b>882</b>	<b>776</b>	

a) Andrew Boustouler left the company at the end of January 2023.

The Committee approves the design of any performance-related schemes for the Executive Directors, including requisite performance targets, and any annual payments under such schemes.

Any changes to Directors' remuneration for the year are subject to agreement with the Minister for Treasury and Resources in the capacity as shareholder of the company on behalf of the Government of Jersey.

## Executive Directors performance related pay

We have in place an Executive Directors' incentive scheme which can provide a non-pensionable bonus of up to 55% of base salary, excluding any allowances, for the Chief Executive and up to 30% for the Chief Financial Officer. The scheme specifics, which we have set, are confirmed by the Minister acting as the Shareholder.

Performance related pay is linked to meeting a balanced set of financial, operational and strategic objectives for the year. The objectives entailed clear deliverables. In the forgoing table the amounts earned by the Executive Directors are reflected in the periods during which they were earned as opposed to when the qualifying periods ended.

### Ancillary benefits

Both Executive Directors are members of the Jersey Public Employees' Pension Scheme (PEPS) against which, in common with other employees, the company contributes 16%. The Chief Executive is provided with private health cover, but neither receives company cars nor a car allowance. Non-Executive Directors are reimbursed for any travel and other out-of-pocket expenses in accordance with company policy but receive no other payments.

### Senior Leadership Team

An Executive Effectiveness Review took place in the second half of the year which has led to a number of changes in the participants and roles within the Senior Leadership Team. These were in order that the company is best set up to deliver its strategic business plan. The Committee considered and approved the related changes in remuneration.

### Other Employee Pay

The Committee held formative discussions with Senior Management regarding the environment and approach for the 2023 pay award and contributed broad guidance on how to frame an offer that might be acceptable to both our employees and the unions that represent them. It was important to recognise the rapid increase and spike in inflation with its impact on cost of living. This had to be balanced against the company's affordability, with the continuing impact of the pandemic upon the company's income, the inflationary impact on our other costs, and our ability to maintain service and finance our infrastructure investment plans.

After consultation with our employees and the unions we reached an agreed general increase for 2023 of 8.25% per annum.

### Comparative information

The table below compares the total remuneration of the CEO with the rest of the employees in the organisation at the 25th, 50th and 75th percentiles. This development mirrors that required of all UK listed companies. It has also been prompted by 'best practice' advice published by Jersey's Comptroller & Auditor General.

The employee remuneration figures include salary, any allowances received and contributions to the company's pension schemes. We increased the strength of our Security Team during the year.

2022 Full Time Employees	2022	
	Individual Total Remuneration	Ratio to CEO Total Remuneration
25th percentile	£35,271	12.24
Median	£52,611	8.21
75th percentile	£81,677	5.29

### Jeffrey Hume

Committee Chair  
25 April 2023

# Directors' Report

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## Introduction

The Directors of the company present their report and the audited financial statements of the company for the period ended 31 December 2022.

## Principal Activity

The principal activity of the company is the management, development and operation of Jersey Airport, the Port of St Helier, together with historic harbours and associated maritime and aeronautical assets, including the territorial coastguard service.

## Directors of the company

The Directors of the company are:

**Mark Chown**, Chair  
**Jeffrey Hume**, Deputy Chair and Senior Independent Director  
**Nicky Dunn**, OBE  
**Geoffrey Spence**  
**Jane Smallman**  
**Matthew Thomas**, Chief Executive  
**Jenny Marek-Murray**, Chief Financial Officer  
(appointed 02 February 2023)

Charles Hammond, OBE and Andrew Boustouler, previously serving as Directors, have resigned from the Board.

## Provision of information to Auditors

So far as each of the Directors at the time of this annual report is approved are aware:

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

## Future developments

A more detailed review of the Company's principal activities, results and future developments are described in the CEO and CFO's review on pages 6 to 13 and pages 14 to 17 respectively.

## Post balance sheet date events

There were no new significant events affecting the company after the 2022 year end.

## Re-appointment of auditors

The auditors, Grant Thornton, who were appointed during the period, have indicated their willingness to continue in office. A resolution is to be proposed at the Annual General Meeting for their reappointment as the Independent Auditor of the Company.

## Forward looking statements

Certain statements in this annual report are forward looking. Where the financial report includes forward-looking statements, these are made by the Directors in good faith based on the information available to them at the time of their approval of this report. Such statements are based on current expectations and are subject to a number of risks and uncertainties, including both economic and business risk factors that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements.

The report was approved and authorised by the Board and was issued on behalf of the Board.

**Mark Chown**  
Chair  
25 April 2023

**Jenny Marek-Murray**  
Company Secretary  
25 April 2023



# Statement of Directors' Responsibilities

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The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The Companies (Jersey) Law 1991 requires the Directors to prepare financial statements for each financial period in accordance with any generally accepted accounting principles. The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 ("FRS 102") the Financial Reporting Standard applicable in the UK and Republic of Ireland, issued by the Financial Reporting Council.

The Directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware if any relevant audit information and to establish that the Company's auditors are aware of that information.

**Jenny Marek-Murray**  
Chief Financial Officer  
25 April 2023



# Independent Auditor's Report to the Members of Ports of Jersey Limited

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## Opinion

We have audited the financial statements of Ports of Jersey Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income/(Loss), Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the Company financial statements are not in agreement with the accounting records; or
- we have not received proper returns adequate for our audit from branches not visited by us; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

### Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 56, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with UK GAAP, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and Republic of Ireland, Companies (Jersey) Law 1991 and Jersey Income Tax Legislation.
- We understood how the company is complying with those legal and regulatory frameworks by, making inquiries of management. We corroborated our inquiries through a review of board minutes, reports and papers provided to the Board and Sub-Committees.
- We identified whether there is culture of honesty and ethical behaviour and whether there is a strong emphasis of prevention and deterrence of fraud.
- We identified areas of the above laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management. We discussed the policies and procedures regarding compliance with laws and regulations with the Directors and management and corroborated our enquiries through review of compliance reports, business risk assessments, and board minutes;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet
  - potential management bias in determining accounting estimates, especially in relation to the calculation of the fair value of investment properties, impairment of intangible assets, and other provisions.
  - transactions with related parties

- We assessed the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement teams
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - Knowledge of industry in which the client operates
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the entity's operation, including the nature of its revenue sources, services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the applicable statutory provisions
  - the entity's control environment.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Alexander Ross Langley

For and on behalf of  
Grant Thornton Limited  
Chartered Accountants  
St Helier, Jersey  
25 April 2023

## Statement of Comprehensive Income/(Loss) for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Turnover</b>	4	<b>45,506</b>	<b>36,179</b>
Operating costs (excluding depreciation)	6	(39,761)	(36,871)
<b>Headline EBITDA</b>		<b>5,745</b>	<b>(692)</b>
Gains from changes in fair value of Investment Property	12	2,987	5,094
Loss on disposal of fixed assets	11	(49)	(95)
Impairment of plant, property and equipment	11	(1,246)	(3,508)
Depreciation	11	(5,552)	(5,125)
<b>Operating Income/(Loss)</b>		<b>1,885</b>	<b>(4,326)</b>
Exceptional marine costs	14	(1,218)	-
Finance lease income		333	336
Finance lease modification in respect to gain	13	1,199	-
Interest income	8	123	1
Interest expense	8	(509)	(210)
Realised loss on financial investments	15	-	(61)
Unrealised loss on foreign exchange		(27)	-
<b>Income/(Loss) before taxation</b>		<b>1,786</b>	<b>(4,260)</b>
<b>Taxation</b>	9	<b>1,629</b>	<b>(753)</b>
<b>Income/(Loss) for the financial period</b>		<b>3,415</b>	<b>(5,013)</b>
Other Comprehensive Income:			
Change in fair value of cash flow hedges		(549)	1,236
Cash flow hedges reclassified to turnover		-	(118)
Cash flow hedges reclassified to PPE		-	(209)
Tax charge		110	(190)
<b>Total Comprehensive Profit/(Loss)</b>		<b>2,976</b>	<b>(4,294)</b>

# Statement of Financial Position as at 31 December 2022

	Note	As at 31 December 2022 £'000	As at 31 December 2021 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Tangible assets	11	85,005	79,268
Investment property	12	71,871	68,884
Finance lease receivable	13	3,647	2,457
Deferred tax asset	23	1,675	-
Unrealised gain on forward foreign exchange contracts	22	-	295
		<b>162,198</b>	<b>150,904</b>
<b>Current assets</b>			
Trade and other receivables	17	5,859	7,356
Finance lease receivable assets	13	336	327
Inventories	16	327	316
Cash and cash equivalents	18	18,261	19,303
Unrealised gain on forward foreign exchange contracts	22	77	331
		<b>24,860</b>	<b>27,633</b>
<b>Total assets</b>		<b>187,058</b>	<b>178,537</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	19	(12,133)	(6,463)
Revolving Credit Facility	21	(10,000)	(10,000)
		<b>(22,133)</b>	<b>(16,463)</b>
<b>Non-current liabilities</b>			
Provisions	20	(600)	(600)
Deferred tax liability	23	-	(125)
		<b>(600)</b>	<b>(725)</b>
<b>Total liabilities</b>		<b>(22,733)</b>	<b>(17,188)</b>
<b>Net assets</b>		<b>164,325</b>	<b>161,349</b>

## Statement of Financial Position as at 31 December 2022

	Note	As at 31 December 2022 £'000	As at 31 December 2021 £'000
<b>Shareholder's equity</b>			
Called up share capital	24	1	1
Incorporation reserve		137,350	137,350
Retained earnings		26,880	23,465
Cash flow hedge		94	533
<b>Total shareholder's equity</b>		<b>164,325</b>	<b>161,349</b>

Approved and authorised by the Board and signed on its behalf on 25 April 2023.

**Mark Chown**  
Chair  
25 April 2023

**Matthew Thomas**  
Chief Executive  
25 April 2023

## Statement of Changes in Equity for the Period Ended 31 December 2022

	Called up share capital £'000	Incorporation Reserve £'000	Profit and loss reserve £'000	Cash flow hedge reserve £'000	Total £'000
<b>2022</b>					
At 1 January 2022	1	137,350	23,465	533	161,349
Profit for the financial period	-	-	3,415	-	3,415
Other comprehensive loss	-	-	-	(439)	(439)
<b>At 31 December 2022</b>	<b>1</b>	<b>137,350</b>	<b>26,880</b>	<b>94</b>	<b>164,325</b>

	Called up share capital £'000	Incorporation Reserve £'000	Profit and loss reserve £'000	Cash flow hedge reserve £'000	Total £'000
<b>2021</b>					
At 1 January 2021	1	137,350	28,478	(186)	165,643
Loss for the financial period	-	-	(5,013)	-	(5,013)
Other comprehensive income	-	-	-	719	719
<b>At 31 December 2021</b>	<b>1</b>	<b>137,350</b>	<b>23,465</b>	<b>533</b>	<b>161,349</b>

The Incorporation Reserve consists of the value of assets transferred from the Government of Jersey to Ports of Jersey Limited on 1 October 2015, in accordance with the Air and Sea Ports Incorporation (Transfer) (Jersey) Regulations 2015.

## Statement of Cash Flows for the Year Ended 31 December 2022

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Cash flows from operating activities</b>			
Headline EBITDA	a	5,745	(692)
Gain/(loss) on terminated hedges		-	170
Loss/(gain) on matured hedged transactions		-	(118)
(Increase)/decrease in inventories		(11)	7
(Increase)/decrease in debtors		1,497	493
Increase/(decrease) in creditors		5,366	(57)
Exceptional marine costs	14	(1,218)	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>11,379</b>	<b>(197)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(12,292)	(12,945)
Loss on disposal of tangible asset		(49)	-
Additions to investment property		-	(33)
Finance lease interest received		333	336
Interest received	8	123	1
Unrealised loss on foreign exchange		(27)	-
Proceeds on disposal of investments		-	6,057
<b>Net cash (outflow) from investing activities</b>		<b>(11,912)</b>	<b>(6,584)</b>
<b>Cash flows from financing activities</b>			
Interest payable	8	(509)	(210)
Utilisation/(Repayment) of Revolving Credit Facility		-	10,000
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(509)</b>	<b>9,790</b>
<b>Change in cash during the period</b>		<b>(1,042)</b>	<b>3,009</b>
Cash at 1 January		19,303	16,294
<b>Cash at 31 December</b>		<b>18,261</b>	<b>19,303</b>

## Notes to the Statement of Cash Flows

### a) Reconciliation of EBITDA to net cash inflow from operating activities

	Note	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Operating profit		1,855	(4,326)
<i>Adjustments for:</i>			
Depreciation	11	5,552	5,125
Loss on disposal of tangible asset	11	49	95
Gains on fair value of investment property	12	(2,987)	(5,094)
Impairment of plant, property and equipment	11	1,246	3,508
<b>Headline EBITDA</b>		<b>5,745</b>	<b>(692)</b>

### b) Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
Cash and cash equivalents	19,303	(1,042)	18,261
Borrowings	(10,000)	-	(10,000)
<b>Net Debt</b>	<b>9,303</b>	<b>(1,042)</b>	<b>8,261</b>

# Notes to the Financial Statements

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## 1. Basis of Preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified for the revaluation of investment properties.

The Company and its dormant subsidiaries are private companies limited by shares and incorporated in Jersey Channel Islands. The address of its registered office:

Jersey Airport  
St Peter  
Jersey JE1 1BY

The Company was incorporated on 16th September 2015 and assets were transferred from the Government of Jersey on 1st October 2015. These financial statements are the financial statements of Ports of Jersey Limited (“the Company”) for the year to 31 December 2022. These financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”).

The Company is a wholly-owned subsidiary of the Government of Jersey and is included in the consolidated financial statements of the States of Jersey, which are publicly available.

The financial statements were approved by the Directors on 25 April 2023.

The principal accounting policies, which have been applied consistently throughout the period, are set out below.

### Going concern

The Directors have prepared the financial statements on a going concern basis, which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Demand over the years for the company’s core services and those of its predecessor operations within Government has been reasonably stable except for when affected by the Covid pandemic. Therefore, the company has consistently traded profitably, with the exception of 2020 and 2021.

In assessing the going concern status of the Company, the Directors have considered the on going impact of COVID-19 on the cash flow and liquidity of the Company, for a period of at least 12 months from the date of signing of the Company’s financial statements, and the corresponding impact of financial covenants associated with the Company’s financing arrangements.

The Company’s Strategic Business Plan estimates a return to pre-pandemic levels of profitability by 2025, and demonstrates the company has resilience, with a strategic shareholder and an experienced board and management.

During 2020 the Company secured a £40m revolving credit facility to provide security as the pandemic continued. This facility was extended to £60m during 2022. At year end the company had drawn down £10m of funds from this facility and held £18.3m in cash. The revolving credit facility has enabled the company to invest in income generating projects to diversify its revenues, such as the expansion of the marine services fleet.

As the covid recovery continues, the Directors have a reasonable expectation that sufficient funds are available to meet the Company’s liabilities as they fall due up to 25 April 2024. Accordingly these financial statements have been prepared on that basis.

## 2. Summary of Significant Accounting Policies

### 2.1 Turnover

The Company operates a number of revenue streams and accordingly applies methods of revenue recognition based on the principles set out in section 23 of FRS102. The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation in the contract has been performed ( so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's principal activity of the operation and management of the Ports of Jersey, and comprises:

Revenue type	Based on	Point of recognition
<b>Airport, Harbour and other traffic charges:</b>		
Passenger charges	Volume	On passenger landing/departing
Aircraft and vessel charges	Weight	On use of facilities
Freight and fuel charges	Weight and type	On provision of goods/services
Channel Islands Control Area (CICA)	Cost recovery of being an air navigation service provider	Straight line on contracted value
<b>Property, marinas and operational facilities:</b>		
Property letting income	Lease agreement	Recognised straight line over period
Marina and mooring rentals	Location and length of vessel	Recognised straight line over period
Usage and charges of operational systems	Usage	On provision of services
Other invoiced sales	Various	On provision of goods/services
<b>Retail:</b>		
Concession fees	% of turnover	As concession earns relevant income
<b>Car parking:</b>		
Airport car parking	Date of parking	When space occupied
Harbour car parking	Period of permit	Recognised straight line over period

## 2.2 Government Grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions are met. Grants are revenue in nature and are credited to the income statement so as to match them with the expenditure to which they relate.

During 2022, the Company received monies from the Government of Jersey in respect of the Jersey International Air Display (2022: £0k, 2021: £65k) organising the air display. The Company provides an assurance statement to the Government of Jersey at the end of the year to confirm that all terms and conditions have been adhered to and that the grants has been fully utilised.

As at 31 December 2022 there are no unfulfilled conditions and other contingencies attaching to grants that have been recognised in income.

During the year the Company has not directly benefited from other forms of government assistance.

## 2.3 Tangible Assets

Terminal complexes, airfield assets, maritime infrastructure, plant and equipment and company occupied properties are stated at cost less accumulated depreciation. Assets in the course of construction are stated at cost less provision for impairment (if any). Assets in the course of construction are reclassified within tangible assets when substantially all the activities necessary to get the asset ready for use are complete. Where appropriate, cost includes relevant borrowing costs, own labour costs of construction and related project management costs, and directly attributable overheads. Costs that are associated with projects that are in the early stages of planning are capitalised where the Directors are satisfied that it is probable the necessary consents will be received and the resources will be available to achieve a successful delivery of an asset such that future commercial returns will flow to the Company.

Depreciation is provided on tangible assets, other than land, and assets in the course of construction, to write off the costs of the assets, less estimated residual value, on a straight-line basis over their expected useful life as follows:

<b>Asset Type</b>	<b>Depreciation rate</b>
Terminal buildings & satellite structures	20-50 years
Runway surfaces	20-30 years
Runway bases	20-50 years
Maritime piers and quays	20-50 years
Taxiways and aprons	20-50 years
Baggage systems	10 years
Security equipment	10 years
Other plant and equipment including runway lighting, buoys and beacons, cranes and building plant	10-15 years
Motor vehicles	5-10 years
Marine vehicle	10-20 years
Office equipment	10 years
Computer equipment	10 years
Computer software	5-10 years

The Company assesses, at each balance sheet date, whether there is an indication that an asset's residual value and/or useful life may not be appropriate. If such indication exists, the useful lives and residual values are reviewed, and adjusted if appropriate. As at 31 December 2022 there have not been any material revisions to the useful lives and residual values of the tangible assets.

The Company assesses, at each balance sheet date, whether there is an indication that an asset may be impaired, or if a previously recognised impairment requires reversing. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the asset does not generate cash flows that are independent of other assets, the recoverable amount of the income-generating unit to which the asset belongs is estimated. Recoverable amount is the higher of an asset's net realisable value and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit and loss account in those expense categories consistent with the function of the impaired asset.

## 2.4 Impairment of Tangible Assets

In applying the policy for impairment of tangible assets, as set out in note 2.3 above, the following approach is adopted. For the purposes of assessing impairment risk, a valuation exercise is undertaken utilising a depreciated replacement cost methodology which is carried out by valuation specialists to provide a depreciated replacement cost valuation against which the current carrying value of the assets of the business are compared. The valuation exercise is carried out on a five-year cycle with an interim valuation taken in the intervening years. In years where no valuation exercise is carried out, an indexation methodology, as provided by the valuation specialists, is applied to relevant assets subject to a review of any observed factors that would potentially trigger a formal update of the valuation outside of the normal periodic cycle. Consideration is given to both the nature of the business and the basis of determining recoverable amount under FRS102 (being references to "Public Benefit Entity" and "Depreciated Replacement Cost" respectively). Ports of Jersey may be termed a Public Benefit Entity which has assets held not purely for their earning potential but for their service potential (FRS102 27.20A) that is, the capacity to provide services that contribute to achieving an entity's objectives as set out in the Air and Sea Ports (Incorporation) (Jersey) Law 2015. A valuation assessment is produced in accordance with the appropriate accounting standards methodology but acceptable under FRS102, (primarily depreciated replacement cost methodology) and the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book. In the absence of any contrary factors, management will look to the depreciated replacement cost methodology as the principal evidence for the purposes of assessing the appropriateness of any impairment adjustment in response to applicable impairment indicators.

## 2.5 Investment properties

Property (including land held for development) is classified as investment property if:

- It is not occupied by the company or used by the company for the provision of operational ports services that are material in nature (e.g. stevedoring);
- It is a defined area (land, buildings, jetties, and other fixed structures) and one or more users pay an amount, whether rental or commercial revenue for use of that area for a period of one or more years; and
- Any "ancillary services" provided by the company at the property are insignificant to the arrangements as a whole. Ancillary services are deemed to be significant when they take place within the property, the value of the services exceeds one quarter of the estimated rental value of the property and they are provided under a non-cancellable contract.

Completed Investment Property and that in the course of construction is measured at fair value, with the exception of underlying land, which is included at carrying value before construction commenced.

Valuations are conducted annually. Gains and losses arising on the fair value of investment property are recognised in the profit and loss account.

## 2.6 Leases

### Operating leases

#### i) Company as lessor

Leases where the Company retains substantially all the risks and rewards of ownership are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognised over the lease term on a straight line basis as with income.

#### ii) Company as lessee

Rental cost under operating leases are charged to the profit and loss account in equal instalments over the period of the lease.

### Finance leases

#### i) Company as lessor

Amounts due from lessees under financial leases are recorded as receivables at the amount of the company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate on the company's net investment outstanding in respect of the leases.

#### ii) Company as lessee

Assets held under finance leases are recognised as assets of the company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease obligation. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction in the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's policy on borrowing costs.

## 2.7 Inventories

Consumables consist of engineering spares and other consumable stores and are valued at the lower of costs and net realisable value.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its net realisable value, and the impairment loss is recognised immediately in profit or loss.

## 2.8 Debtors

Trade debtors are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for the impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

## 2.9 Creditors

Trade creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

## 2.10 Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

## 2.11 Employee benefits

### i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

A liability for holiday pay accrual is recognised to the extent of any unused holiday pay entitlement which has been accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

### ii) Defined contribution pension scheme

The Company participates in 2 multi-employer defined contribution pension scheme operated by the Government of Jersey. Also 1 independent defined contribution pension scheme. Contributions to the Company's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

### iii) Termination obligations

Termination obligations are recognised when employment is terminated by the company before the normal retirement date, or whenever an employee accepts voluntary release in exchange for these benefits. The company recognises a provision for termination payments when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without realistic possibility of withdrawal or providing termination payments as a result of an offer made to encourage voluntary release. Other employee benefits are recognised when there is deemed to be a present obligation.

## 2.12 Current and deferred taxation

Taxation expense/credit for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Current or deferred taxation assets and liabilities are not discounted.

### i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

### ii) Deferred tax

Deferred tax arises from timing differences that are the difference between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except that deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## 2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

## 2.14 Dividends and reserves

A dividend distribution to the Company's shareholder is recognised as a liability in the Company's financial statements in the year in which the shareholder's right to receive payment of the dividend is established by approval of the dividend by the Board.

The Company's reserves are as follows

- Called up share capital reserve represents the nominal value of shares issued.
- Incorporation reserve represents the value of assets transferred from the Government of Jersey to the Company on 1 October 2015.
- Profit and loss reserve represents the cumulative profits or losses, net of dividends paid and other adjustments.
- Cash flow hedge reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective.

## 2.15 Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

## 2.16 Foreign Exchange Derivatives

The Company uses forward foreign exchange currency contracts to reduce exposure to future foreign currency cash flows arising from certain contracts, Euro income streams and forward purchases of equipment in Euros. Such derivative financial instruments are initially measured at fair value on the date on which the derivative contract is entered into and are subsequently measured at fair value through profit or loss unless the derivative contract is part of a hedging relationship. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles. Hedge accounting is applied prospectively from the date that the derivative is documented as an economic hedge.

The Company's functional and presentation currency is Great British Pound (£).

## 2.17 Hedge Accounting

As part of its risk management strategy the company applies hedging strategies using derivative instruments. At inception, the Company formally documents how the hedging relationship meets the hedge accounting criteria. It also records the economic relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

The fair value of the forward foreign currency contracts is calculated by reference to current foreign currency contracts with similar maturity profiles.

When the hedged item is a forecast transaction, the Company also assesses whether the transaction is highly probable and presents an exposure to variations in cashflows that could ultimately affect the income statement. In addition to the above information, hedge documentation for such transactions also describes the nature and specifics of the forecast transactions and explains the Company's rationale as to why it was concluded the transactions to be highly probable.

## 2.18 Cash Flow Hedges

Applying cash flow hedge accounting enables the Company to reduce the cash flow fluctuations arising from foreign exchange. From an accounting point of view, a cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised forecast transaction and could affect profit and loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in Other Comprehensive Income within equity (Cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately in operating costs in the income statement.

When the hedged cash flow affects the income statement, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the income statement.

When a hedging instrument expires, is sold, terminated, exercised or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss that has been recognised in OCI at that time remains in OCI and is recognised when the hedged forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that reported in OCI is immediately transferred to the income statement.

### 2.19 Disclosure Exemptions

The company's financial statements are separate financial statements. The company is exempt from the requirement to prepare consolidated financial statements as the Companies (Jersey) Law 1991 does not require the preparation of consolidated financial statements.

As a result of the parent being the Government of Jersey, the Company has taken advantage of the following exemptions:

FRS 102.33.11 - Exemption from related party disclosure requirements 33.9 in relation to a state that has control, joint control or significant influence over the reporting entity.

## 3. Significant Accounting Judgements and Estimates

In applying the Company's accounting policies, management have made estimates and judgements. Actual results may, however, differ from the estimates calculated and management believes that the following are the more significant judgements impacting these financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised.

### Estimates:

#### 3.1 Investment properties

Investment properties were valued at fair value at 31 December 2022 internally by a qualified Chartered Surveyor. The valuations were prepared in accordance with the appraisal and valuation manual issued by the Royal Institute of Chartered Surveyors. Valuations were carried out having regard to comparable market evidence. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence. See note 12 for the significant methods and assumptions used.

#### 3.2 Useful lives of tangible fixed assets

Tangible fixed assets are depreciated on a systematic basis based on management's best estimates of the asset's useful life. This estimate is based on a variety of factors such as the expected use, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. See note 2.3 for the significant methods and assumptions used.

### Judgements:

#### 3.3 Tangible Assets

As part of the annual review of property, plant, and equipment, a number of airport assets were identified as requiring impairment. As per policy a judgement was made regarding the recoverable amount for each asset, and the remaining value impaired accordingly.

#### 3.4 Classification of investment property

Property has been classified as investment property, according to the criteria in note 2.5, in accordance with the principles set out in FRS 102. That is, properties where their cash flows (from rental or sale) are largely independent of those from other assets held by the entity.

#### 3.5 Classification of finance lease receivables

Property has been classified as a finance lease, where the Company retains the legal title to an asset but passes substantially all the risks and rewards of ownership to the lessee in return for a stream of rentals. The Company considers any leases with over 30 years outstanding at the end of the accounting period when considering the classification.

#### 3.6 Classification of Public Employees Pension Scheme (PEPS)

The PEPS Scheme has been accounted for as a defined contribution scheme as the Government of Jersey is legally responsible for the scheme, opposed to Ports of Jersey. Ports of Jersey has no influence over the contribution rates set.

### 3.7 Impairment of receivables

The company has supported a number of its customers through extended credit terms in alignment with the Island's response to the pandemic. Where there is limited visibility of their individual trading environments the company has made appropriate provision against the carrying value of the amounts remaining due for financial reporting purposes.

## 4. Turnover

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Turnover is analysed as follows:		
Airport and Harbour charges	18,225	12,730
Channel Islands Control Area (CICA)*	5,921	5,987
Marina charges	4,276	3,904
Sale of services	3,337	1,000
Concessions	5,102	2,923
Car parking	1,653	990
Property income due under operating leases	4,630	4,510
Recharges**	1,197	1,080
Other Income	1,165	1,425
<b>Turnover (excluding Insurance Claims)</b>	<b>45,506</b>	<b>34,549</b>
Insurance Claims***	-	1,630
<b>Turnover</b>	<b>45,506</b>	<b>36,179</b>

\* CICA income relates to recharge of costs incurred to be an Air Navigation Services Provider (ANSP) as regulated by the European Union Aviation Safety Agency (EASA).

\*\* Recharges mainly consist of utility costs recharged to tenants.

\*\*\* Insurance claims income relates to receipts in relation to the Company's Business Interruption policy. The policy covers the first 48 months of business interruptions from the onset of the COVID pandemic. The income received to date is an initial payment on account as dialogue with the insurers continues.

## 5. Operating Leases

Amounts receivable under operating leases at 31 December 2022:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Future minimum lease payments:		
Not later than one year	4,779	4,412
Later than one year and not later than five years	10,518	10,854
Later than five years	22,395	23,329
	<b>37,692</b>	<b>38,595</b>

Operating leases relate to property leases on buildings and land. Rentals are reviewed periodically every 1-5 years (dependent on specific lease) and increased in accordance with prevailing Jersey RPI or market value. No contingent rental has been recognised in the income statement.

## 6. Operating Costs (excluding depreciation)

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Wages and salaries	19,603	17,334
Social security costs	1,080	960
Pension costs	2,533	2,234
Other staff related costs	418	12
	<b>23,634</b>	<b>20,540</b>
General expenses	16,127	16,331
	<b>39,761</b>	<b>36,871</b>
	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Operating costs include:</b>		
Staff training and development	269	259
Rentals under operating leases		
- Other operating leases	1,672	204
Services provided by the company's auditor		
- Audit fees	135	155
Foreign Exchange (Gains)/ Losses	(2)	(44)

The operating lease charge relates to a property lease which is cancellable within one year.

### Employee information

The number of full time equivalent ("FTE") employees as at 31 December 2022 analysed by function was:

	Year ended 31 December 2022	Year ended 31 December 2021
Operational	256	236
Other	67	55
	<b>323</b>	<b>291</b>

As the Covid recovery continued during 2022, resources were increased in particular in areas that are customer facing, such as security.

## 7. Directors' Emoluments

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Directors' emoluments</b>		
Salaries and incentive payments	1,039	767
Pensions and benefits	67	63
<b>Directors' emoluments</b>	<b>1,106</b>	<b>830</b>
Other key management personnel	1,259	1,017
<b>Total key management personnel compensation</b>	<b>2,365</b>	<b>1,847</b>

## 8. Net Interest (Payable)/Receivable

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Interest payable</b>		
Interest on bank borrowings	(509)	(210)
<b>Interest receivable</b>		
Interest receivable on money markets and bank deposits	123	1
<b>Net interest receivable/(payable)</b>	<b>(386)</b>	<b>(209)</b>

## 9. Taxation on Profit

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
<b>Current tax</b>		
Total current tax charge/(credit)	62	-
Prior year adjustment	-	(29)
	62	(29)
<b>Deferred tax</b>		
Deferred tax on timing differences	(1,691)	918
Prior year adjustment	-	(136)
	(1,691)	782
<b>Total tax charge/(credit) for the period</b>	<b>(1,629)</b>	<b>753</b>

### Reconciliation of tax charge

The company is taxed as a utility company under Article 123C(3) of the Income Tax (Jersey) Law 1961. Accordingly, the company is liable to Jersey income tax at the standard rate of 20% on its trading income. Jersey source rental income is also taxed at the rate of 20%.

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Profit before tax	1,786	(4,260)
Tax on profit at 20%	357	(852)
Effect of:		
Non-Taxable (gains)/losses on investment property	(597)	(1,019)
Non-Taxable impairment on assets	249	
Other Permanent differences	53	1,871
Deferred tax	(1,691)	782
Payment in (surplus)/excess to provision	-	(29)
<b>Total tax charge for the period</b>	<b>(1,629)</b>	<b>753</b>

## 10. Investments in Subsidiaries

At 31 December 2022, the company had investments in the following subsidiary undertaking:

Subsidiary Undertakings	Holding	%
PFD Limited	Ordinary Shares	100
Ports of Jersey (Services) Ltd	Ordinary Shares	100

At 31 December 2022, there were no separate assets or liabilities reported by these entities and as such there are no subsidiary balances or transactions that form part of the consolidated results of the group.

All subsidiaries are incorporated and operate in Jersey, Channel Islands.

## 11. Tangible Assets

	Operational Land	Buildings	Structures	Plant and equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>						
At 1 January 2022	10,156	31,143	26,972	38,050	4,432	110,753
Additions	-	-	-	-	12,583	12,583
Transfers	1	1,397	4,377	1,485	(7,260)	-
Disposals	-	-	(57)	-	-	(57)
<b>At 31 December 2022</b>	<b>10,157</b>	<b>32,540</b>	<b>31,292</b>	<b>39,535</b>	<b>9,755</b>	<b>123,279</b>
<b>Depreciation</b>						
At 1 January 2022	-	11,981	7,222	12,281	-	31,484
Charge for the period	-	874	1,441	3,237	-	5,552
Impairment	-	1,246	-	-	-	1,246
Disposals	-	-	(8)	-	-	(8)
<b>At 31 December 2022</b>	<b>-</b>	<b>14,101</b>	<b>8,655</b>	<b>15,518</b>	<b>-</b>	<b>38,274</b>
<b>Net book value</b>						
<b>At 31 December 2021</b>	<b>10,156</b>	<b>19,162</b>	<b>19,750</b>	<b>25,769</b>	<b>4,432</b>	<b>79,269</b>
<b>At 31 December 2022</b>	<b>10,157</b>	<b>18,439</b>	<b>22,637</b>	<b>24,017</b>	<b>9,755</b>	<b>85,005</b>

A review of our asset register identified Airport property assets as requiring impairment and accordingly the appropriate value adjustment has been made.

## 12. Investment Property

<b>2022</b>	<b>Completed Investment property £'000</b>	<b>Assets in the course of construction £'000</b>	<b>Total £'000</b>
<b>Valuation</b>			
At 1 January 2022	68,884	-	68,884
Increase/(decrease) in fair value of investment properties	2,987	-	2,987
<b>At 31 December 2022</b>	<b>71,871</b>	<b>-</b>	<b>71,871</b>

<b>2021</b>	<b>Completed Investment property £'000</b>	<b>Assets in the course of construction £'000</b>	<b>Total £'000</b>
<b>Valuation</b>			
At 1 January 2021	63,757	-	63,757
Additions	-	33	33
Transfers	33	(33)	-
Increase/(decrease) in fair value of investment properties	5,094	-	5,094
<b>At 31 December 2021</b>	<b>68,884</b>	<b>-</b>	<b>68,884</b>

The fair value of the Company's investment property at 31 December 2022 has been arrived at on the basis of a valuation carried out at that date internally, by a chartered surveyor, in accordance with the RICS Valuation Standards 6th Edition ("the Red Book"). The valuer has an appropriate recognised professional qualification, and recent experience in the locations and categories of the locations being valued.

The valuation was arrived at by reference to market evidence of transaction prices for similar properties, land valuations and discounted cash flow methods. Where there were outstanding or forecoming reviews, rental value has been assessed in accordance with the terms of occupational lease review provisions. Otherwise, rental values have been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

The key unobservable inputs are the yields and or discount rates. The %s used were in the ranges:

Commercial property:	<b>2022</b> <b>7%-10% (yield)</b>	<b>2021</b> 7%-10% (yield)
Car parks:	<b>10% (discount rate)</b>	10% (discount rate)

### 13. Finance Lease Receivables

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2022	2,784	2,784
Gain arising on lease modification	1,199	-
<b>At 31 December 2022</b>	<b>3,983</b>	<b>2,784</b>

#### Amounts receivable under finance leases at 31 December 2022

	<b>2022</b>		<b>2021</b>	
	<b>PV of minimum lease payments</b>	<b>Gross Investment</b>	<b>PV of minimum lease payments</b>	<b>Gross Investment</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Not later than one year	336	339	327	330
Later than one year and not later than five years	1,084	1,354	954	1,318
Later than five years	2,563	19,982	1,503	19,742
	<b>3,983</b>	<b>21,675</b>	<b>2,784</b>	<b>21,390</b>
Future interest amounts		<b>(17,692)</b>		<b>(18,606)</b>
		<b>3,983</b>		<b>2,784</b>

These finance lease receivables represent three properties which are held by tenants under long leases and where substantially all the risks and rewards of ownership have been passed to those tenants in exchange for lease payments.

### 14. Exceptional Marine Costs

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Search and recovery costs	1,218	-
<b>At 31 December 2022</b>	<b>1,218</b>	<b>-</b>

In December 2022, there was a catastrophic collision between a ferry and a local fishing vessel with tragic loss of life. The company, in its capacity as Jersey Coastguard, carried out its mandated responsibility to provide search and rescue services. Due to special circumstances the Government of Jersey requested the company to additionally carry out the first stage of a recovery operation. This additional cost, which falls outside of the company's normal operations and responsibilities, has in these circumstances been presented as an exceptional item.

## 15. Financial Investments

	2022 £'000	2021 £'000
At 1 January 2022	-	6,118
Disposal Proceeds	-	(6,057)
Realised Gains/(losses)	-	(61)
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>

## 16. Inventories

	2022 £'000	2021 £'000
<b>Raw material and consumables</b>	<b>327</b>	<b>316</b>

The replacement cost of raw materials and consumables at 31 December 2022 was not materially different to the amount at which they are included in the financial statements.

## 17. Trade and Other Receivables

	2022 £'000	2021 £'000
<b>Due within one year:</b>		
Trade debtors	4,011	5,407
Tax	334	334
Other debtors	-	142
Prepayments and accrued income	1,514	1,473
	<b>5,859</b>	<b>7,356</b>

Trade receivables are net of provisions applied in line with policy.

## 18. Cash and Cash Equivalents

	2022 £'000	2021 £'000
Cash at bank	18,261	19,303

The Directors consider that the carrying value of the cash and cash equivalents are at amortised cost.

Cash at bank represents amounts held on operating bank accounts which generally earn interest at floating rates based on the prevailing bank base rate and are subject to interest rate risk. The company has access to an overdraft facility up to £3m with RBSI, at 31 December 2022 (2021: Nil) no funds had been drawn down. Further, the company has a purchase card debt limit with RBSI for up to £45,000. In October 2020 the Company secured a £60m revolving credit facility split equally with RBSI and Lloyds Bank. At 31 December 2022 £10m of this facility had been drawn down.

## 19. Creditors: Amounts Falling Due within One Year

	2022 £'000	2021 £'000
Trade creditors	821	494
Accruals and deferred income	10,227	4,921
Capital creditors	180	424
Tax	62	-
Other creditors	843	625
	<b>12,133</b>	<b>6,463</b>

## 20. Provisions for Liabilities

	2022 Other provisions £'000	2021 Other provisions £'000
At 1 January 2022	600	600
Amounts paid	(138)	(65)
Charged/(credited) to profit and loss account	138	65
<b>At 31 December 2022</b>	<b>600</b>	<b>600</b>

Other provisions relates to a number constructive obligations based on offers made to property owners and ongoing costs that have been assessed in conjunction with the relevant legal advisors and represents the present value of the maximum amount of projected cash outflow for the relevant claims. As the Directors consider that it is highly likely that the full outflow will ultimately be incurred there is no adjustment necessary to reduce the projected cash outflow as a result of any residual estimation uncertainty. The projected outflows are expected to arise over a period in excess of ten years.

## 21. Revolving Credit Facility

Any material borrowing by the Company requires the consent of the Minister for Treasury & resources pursuant to the Memorandum of Understanding between the Minister and the Company dated October 2015.

The Company secured a £40m RCF with three-year commitments from RBSI and Lloyds during 2020, this facility was extended to £60m during 2022. As at 31st December 2022 the Company had drawn £10m of borrowing under the RCF to fund capital investments. The balance of £50m remain available to be utilised to support our future investment programme and maintain liquidity as required.

The Company has also exercised the option to extend the RCF for a further year so that the facility remains available until 2025.

## 22. Cash Flow Hedging

The Company uses forward foreign currency contracts to reduce exposure to future foreign currency cash flows arising from certain contracts Euro income streams and forward purchases of equipment in Euros. Such hedging instruments are initially measured at fair value with the effective portion of the gain or loss taken to Other Comprehensive Income and any ineffective portion taken to profit and loss. Forward foreign currency contracts are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of the forward foreign currency contracts is calculated by reference to current foreign currency contracts with similar maturity profiles.

The total amount of Euros covered by the forward foreign currency contracts at 31 December 2022 was €6,300,000 (2021: €13,659,900) and they exchange Euros into Sterling rates as listed in the below table.

Hedge accounting is applied prospectively from the date that the forward foreign currency contract is documented as an hedge. In this case, the movement in the fair value of the contracts considered to be an effective hedge is recognised in Other Comprehensive Income.

The company is holding the following foreign exchange forward contracts:

<b>As at 31 December 2022</b>	<b>&lt; 1 Year</b>	<b>Total</b>	
Foreign exchange forward exchange contracts (highly probable forecast revenues):			
Notional amount (in £000s)	5,916	<b>5,916</b>	
Fair value (in £000s)	77	<b>77</b>	
Average forward rate (EUR/GBP)	1.133		
<hr/>			
<b>As at 31 December 2021</b>	<b>&lt; 1 Year</b>	<b>Years 1-2</b>	<b>Total</b>
Foreign exchange forward exchange contracts (highly probable forecast revenues):			
Notional amount (in £000s)	5,916	5,715	<b>11,631</b>
Fair value (in £000s)	331	295	<b>626</b>
Average forward rate (EUR/GBP)	1.133	1.119	
<hr/>			
		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
Financial assets at fair value through profit or loss			
<b>Current assets</b>			
Forward foreign currency contracts		77	331
<b>Non-current assets</b>			
Forward foreign currency contracts			295
		<b>77</b>	<b>626</b>
<hr/>			

## 23. Deferred Tax

	2022	2021
	£'000	£'000
Accelerated capital allowances	(125)	(2,190)
Tax losses	299	2,182
Unutilised capital allowances	1,391	8
Net gain on cash flow hedges in other comprehensive income	110	(125)
	1,675	(125)

## 24. Called Up Share Capital

	2022	2021
	£'000	£'000
<b>Called up, allotted and fully paid</b>		
1,000 ordinary shares of £1.00 each	1	1

## 25. Commitments

	2022	2021
	£'000	£'000
<b>Capital</b>		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	8,947	4,896
	8,947	4,896

## 26. Pension Costs

The Company's principal participation in pension is through the Public Employees Pension Scheme (PEPS), operated by the Government of Jersey. The retirement benefits of PEPS are calculated with reference to the retiring employee's average salary and length of service. However, the benefits are subject to a cap on the employers' contributions of 16.5% of salaries.

In the event that the costs of the schemes' retirement benefits are such that the cap would be exceeded, the employer has the right to unilaterally reduce the benefits. Ports of Jersey currently contribute 16% of employees' salaries to the scheme. As the Government of Jersey are legally responsible for the scheme Ports of Jersey accounts for this scheme as a defined contribution scheme. The cumulative contributions of employers and employees to the scheme as at 31 December 2022 was £3.1m (2021:£3.2m). The directors consider that no significant actuarial surplus or deficit attributable to the Ports of Jersey exists in PEPS at 31 December 2022.

The company is also a participating employer in the Public Employees' Contributory Retirement Scheme (PECRS) operated by the Government of Jersey. The scheme is accounted for as a defined contribution scheme as the employer is not responsible for meeting any deficits in the scheme, rather only a fixed amount is payable by the employer.

Further information on these schemes can be found in the financial statements of Government of Jersey.

Post incorporation a sum of £20.7M was paid in respect to pension liabilities for a pre-1987 pension scheme. This was part of the terms of incorporation for the transfer of the Company's employees' benefits to the newly formed entity. The Company does not have any liability as at the period 31 December 2022 for the pre-1987 scheme.

Copies of the latest Annual Accounts of the schemes, and of the Government of Jersey, may be obtained from Government of Jersey, Treasury and Exchequer, 19-21 Broad Street, St Helier, Jersey, JE2 3RR.

During 2020 the Company open a new defined contribution pension scheme, administered by Rossborough Financial Services Ltd. The cumulative contributions of employers and employees into this scheme as at 31 December 2022 was £0.4m (2021:£0.2m).

## 27. Ultimate Parent Undertaking

The immediate parent undertaking is States of Jersey Investments Limited. The ultimate parent undertaking and controlling party is Government of Jersey.

## 28. Contingent Liabilities

As at 31 December 2022, there were no contingent liabilities.

## 29. Post Balance Sheet Events

There were no new significant events affecting the company after the 2022 year end.

# Corporate Information

## Ultimate Shareholder

Government of Jersey

## Board

<b>Mark Chown</b>	Chair
<b>Jeffrey Hume</b>	Deputy Chair and Senior Independent Director
<b>Nicky Dunn OBE</b>	Non-Executive Director
<b>Dr Jane Smallman</b>	Non-Executive Director
<b>Geoffrey Spence</b>	Non-Executive Director
<b>Matthew Thomas</b>	Chief Executive
<b>Jenny Marek-Murray</b>	Chief Financial Officer

## Company Secretary

Jenny Marek-Murray

## Registered Office

Jersey Airport  
St Peter  
Jersey JE1 1BY

## Auditors

Grant Thornton Limited  
2nd Floor  
Kensington Chambers  
Jersey JE1 1ET

## Bankers

HSBC  
Halkett Street  
St Helier  
Jersey JE4 8NJ

## Solicitors

Carey Olsen  
47 Esplanade  
St Helier  
Jersey JE1 0BD

## Ports Executive Team

<b>Matthew Thomas</b>	Chief Executive
<b>Jenny Marek-Murray</b>	Chief Financial Officer
<b>Robin MacRae</b>	Airport Director
<b>Captain William Sadler</b>	Harbour Master
<b>Hannah Gleave</b>	Chief People and Sustainability Director



