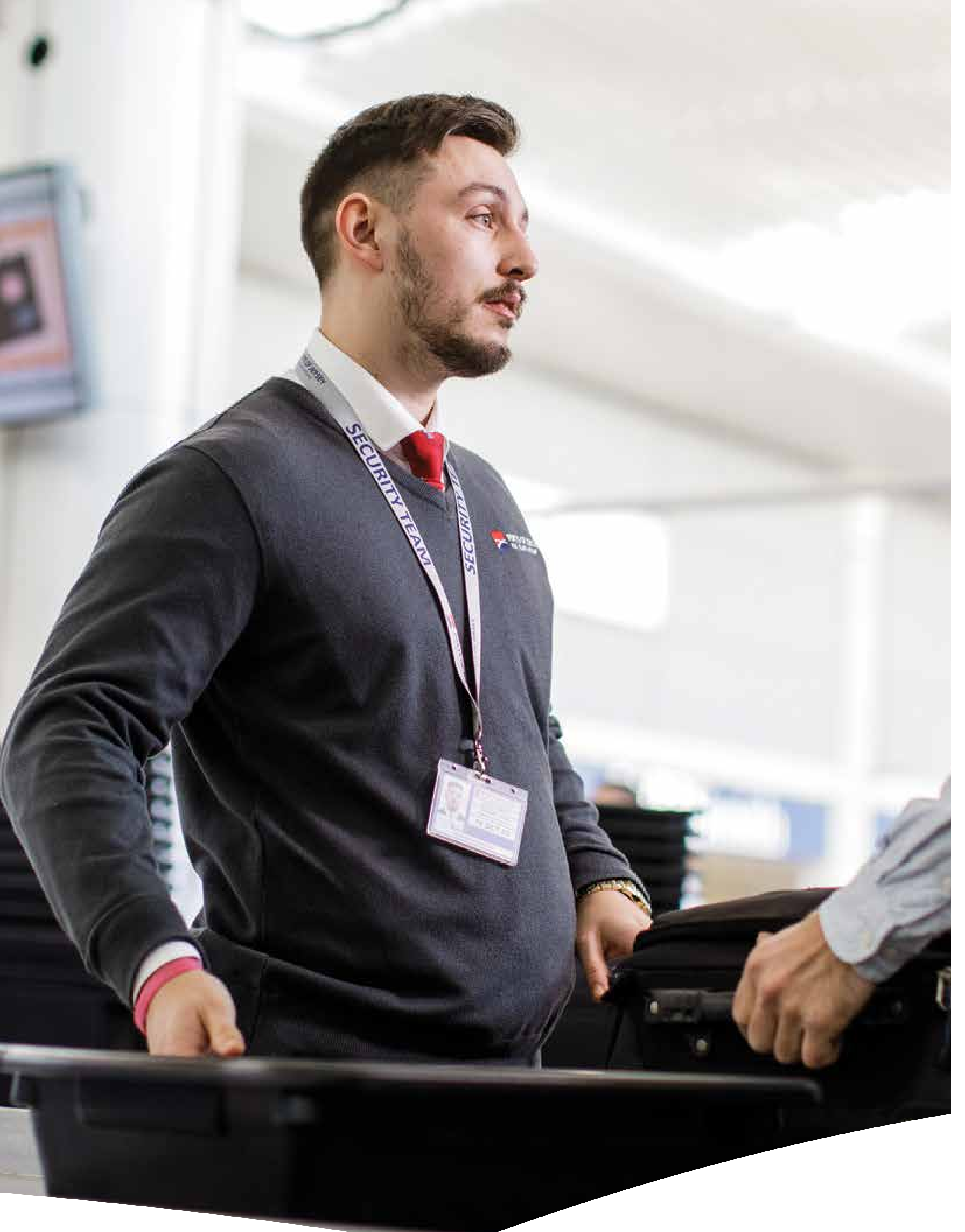
ANNUAL REPORT **2018**

PORTS OF JERSEY

YOUR ISLAND GATEWAY


SECURITY TEAM

Contents

Chairman's Statement

Our third Annual report marks continuing progress on Ports of Jersey's journey to financial self- sustainability, the mission set on incorporation.

I am pleased to report a worthwhile 4.4% increase in EBITDA, a key performance measure, for 2018, against a backdrop of a challenging and uncertain economic environment.

Last year I referred to our difficulties in finding sufficient common ground with the JCRA, our economic regulator, to resume what we regard as reasonable price increases. I am pleased to be able to report that very recently, subject to some further required consultation, the JCRA has approved our proposals for the forthcoming 5 year regulatory period. This is a critically important advance and I am grateful to both my colleagues and the JCRA for the hard work that has gone into achieving this agreement. Consequently, I am now far more optimistic about the Board's confidence to proceed with the Airport and Harbour Masterplan developments.

Alongside the many improvements we are making to our established operations we have and are committing substantial efforts to develop additional revenue earning projects. These commercial ventures typically involve new ground, new business relationships and additional hurdles for the Ports of Jersey. It is therefore perhaps understandable, but nevertheless frustrating, that delivery has taken longer than initially intended.

I must also acknowledge the supportive role that our shareholder has played in achieving this and I can only endorse the importance of the work that the new Chief Executive of the States is undertaking to develop the public sector. Similarly, I hope that the recommendations from the recent report by the Comptroller & Auditor General on strengthening the role of the States as a shareholder are implemented.

The evolution of the board continued through both the planned succession process for Non-Executive Directors and the resignation of our Chief Executive Officer (CEO), Doug Bannister. I am pleased to welcome Geoffrey Spence and Charles Hammond, who bring substantial relevant sector knowledge and experience, as new Non-Executive Directors (NED).

The loss of a CEO as capable as Doug Bannister will always be difficult, but we should acknowledge his very significant contribution over his seven and half year term and wish him well in his new role at Dover.

I am delighted that we have recently been able to announce the appointment of Matthew Thomas as our new CEO and we look forward to his arrival in July. I also wish to acknowledge the professional manner in which the executive team, led by Alan Merry as acting CEO, has run the business during the interviewing period.

The Board succession process means that this will be my last Annual Report, as in October 2019 I will have completed 9 years from the formation of the Shadow Board. I am proud of what has been achieved by Ports of Jersey (PoJL/the Company) over this period and retain a high level of conviction that incorporation was the right answer to the challenging question of funding the future capital programme. I am hugely grateful to my colleagues, past and present, for their exceptional support and commitment and I wish them every success for the future.

Charles Clarke
Chairman
02 May 2019

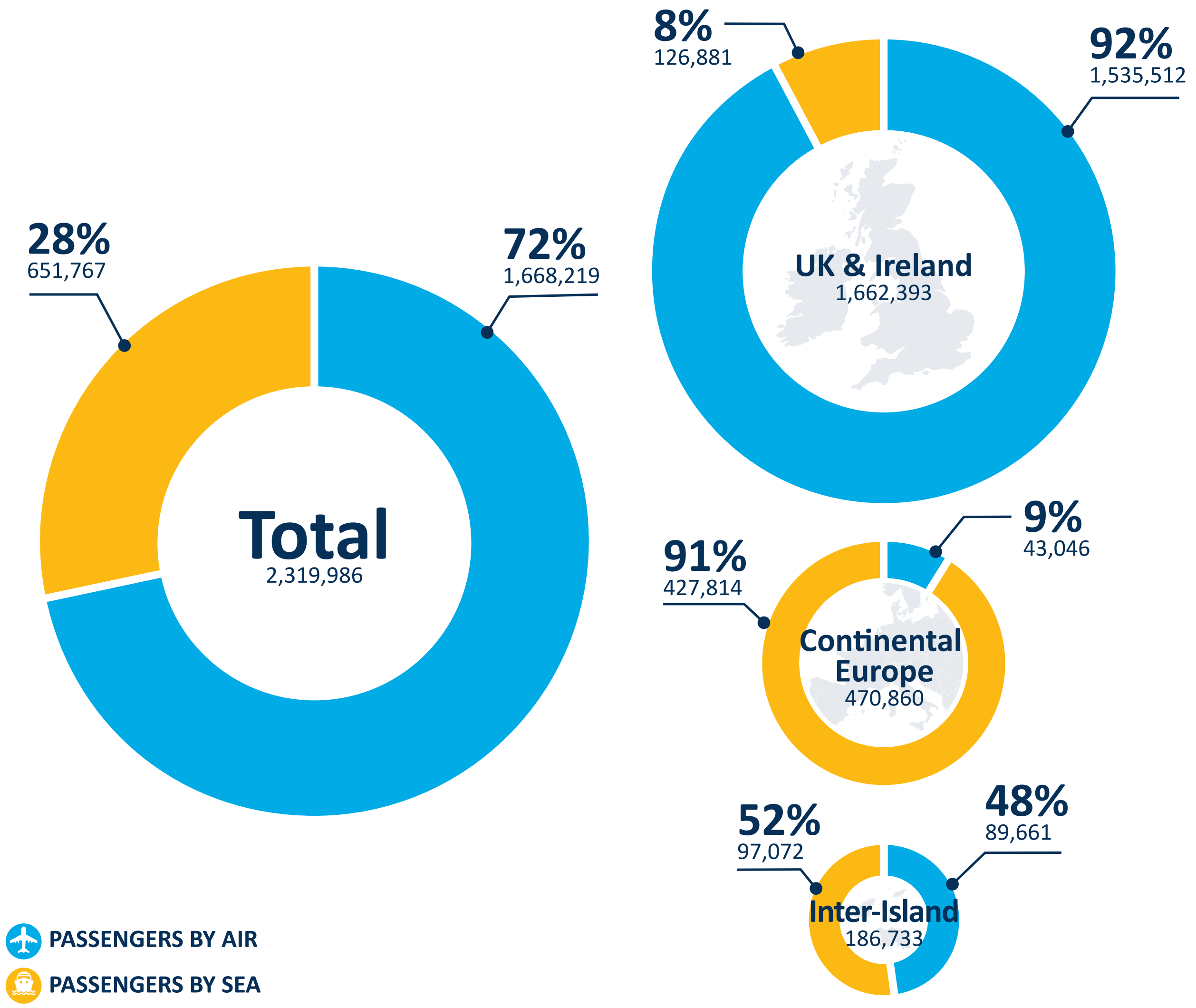
Keeping Jersey Connected

2.32 million passengers travelled through our combined air and sea gateways in 2018.

72% - nearly 1.67m - of our passengers chose to travel by air, with 91% of these travelling to and from the UK.

At the harbour, two-thirds of passengers were connecting to and from France, with the remainder linking to the UK, Channel Islands, or visiting cruise ships.

Passenger movements



Jersey Airport

2018 was the busiest year for 19 years, with nearly 1.67m passengers travelling through the airport. This was an increase of 52,175 over 2017, equating to 3.2% uplift. Strong growth was achieved on routes such as Edinburgh, London Gatwick, Liverpool, Southend, Birmingham, Cardiff, London Luton, Newcastle, Southampton and Manchester.

The airport also saw a good recovery on traffic to and from Germany, following a slight decline in 2017. Routes that saw some decline in traffic included Exeter and Glasgow.

81% of the market was shared between Jersey's three largest airlines: easyJet, British Airways and Flybe. During 2018 there were only minor shifts in market shares between the main carriers, with no change greater than 1%. Easyjet and British Airways both added considerable volumes in the year and Flybe went some way to achieving one of their key objectives to increase their aircraft load factors, with 3% more passengers per flight than the previous year and more passengers overall than the previous year despite operating nearly 1000 fewer flights. Channel Islands-based carrier Blue Islands, a Flybe franchisee, also increased its traffic on the Southampton route.

This represents Jersey airport's fifth consecutive year of growth, a feat last achieved in 1973.

Despite this picture, airlines have faced tougher trading conditions during 2018 and into 2019, with some cost increases, such as aviation fuel, and the value of the pound decreasing against the US dollar. Additionally, airlines have incurred higher disruption costs associated with disruption with Eurocontrol, the organisation that coordinates air traffic management across Europe, reporting an 18% increase in average flight delays. These were caused by a combination of factors, the largest of which was en-route Air Traffic Flow Management, driven by staffing issues, weather and industrial action.

Two European airlines that operated summer charters to Jersey ceased trading in 2018, SkyWork and Small Planet, though thankfully most of this flying has now been picked up by other carriers. Early 2019 has also seen the collapse of Germania, Flybmi (formerly bmi Regional) and Wow Air, though the latter two did not operate to Jersey. More recently, airlines have commented publicly that consumer confidence is being negatively impacted by political uncertainty surrounding Brexit and demand is reported to be soft in early 2019 trading.

On a brighter note, Jersey's third largest carrier, Flybe, announced that it was up for sale in late 2018 and the market was pleased to learn that the airline, that commenced operations back in 1979 as Jersey European Airways, completed its sale in February 2019 to Connect Airways, a consortium led by Virgin Atlantic. Jersey Airport looks forward now to a stronger future for Flybe under its new ownership, as it celebrates its 40th anniversary in 2019.

Jersey Harbours

Jersey's ferry-passenger traffic unfortunately declined for its fifth year in succession, albeit with only a small percentage drop of just over 1%, similar to the drop seen last year and much smaller than the 14% step down experienced in 2016. Total passenger numbers were 651,767 – down 7,713. The largest part of this reduction was on the UK routes, with some reduction also on French traffic. Inter-island and particularly cruise business increased relative to 2017. Vehicle traffic reduced by around 3% with the number of ship arrivals almost exactly the same as the prior year.

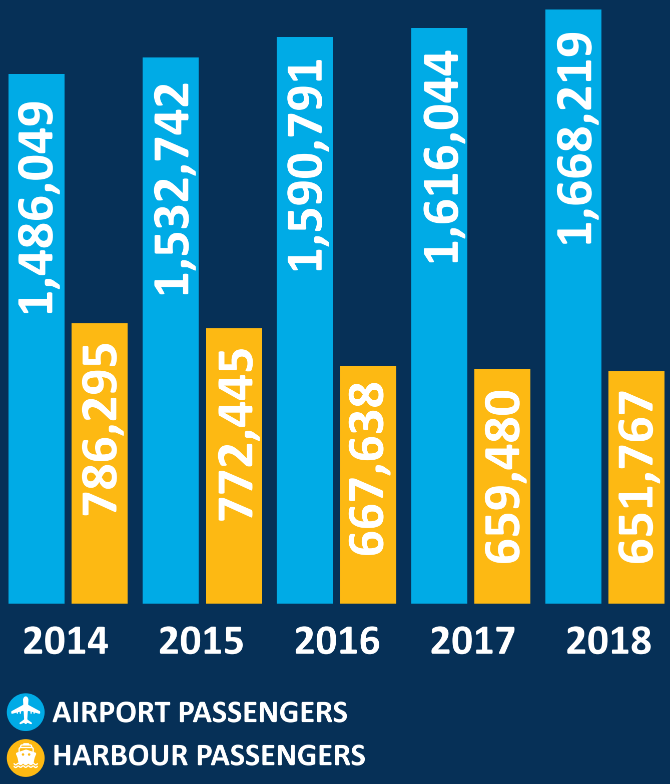
More than 95% of island freight movements occurred through the Port of St Helier, amounting to over 500,000 tonnes. This represents a small incremental uplift over 2017, though in general terms this figure has remained constant over the last three years. More than 80% of this tonnage was imported into the island, which continues to challenge our current port infrastructure, particularly at Elizabeth Terminal as we have observed a slight shift in freight mode from lift-on/lift-off (LoLo) - handled by crane on New North Quay - to the roll-on/roll-off (RoRo) traffic that is handled through the Elizabeth Ferry Terminal. RoRo operations already dominate the island's freight movements, with 64% passing over the link-span at Elizabeth.

Another operational change experienced during 2018 was the increase in volume of fuel imported in containerised ISO units, with a corresponding 17% decrease in bulk fuel imported via the tanker berth at La Colette. For this reason, it makes sense to compare volumes by combining fuel and freight in our statistics, as the containerised fuel is included in our general freight tonnage.

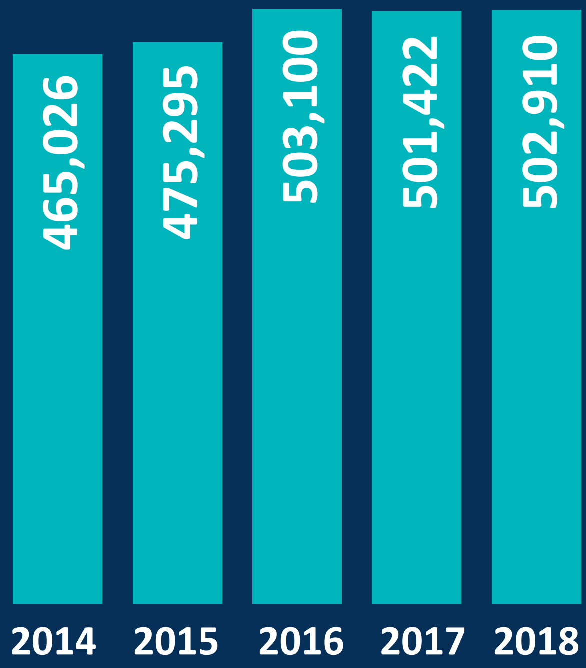
The actual freight handled via crane was 122,762 tonnes, compared to 320,032 tonnes via the RoRo ramp, the remaining 60,116 tonnes came in via the fuel berth, bringing the total in 2018 to 502,910 tonnes. Imports were 413,863 and exports 89,048 tonnes.

Aircraft at Jersey Airport departure gates.

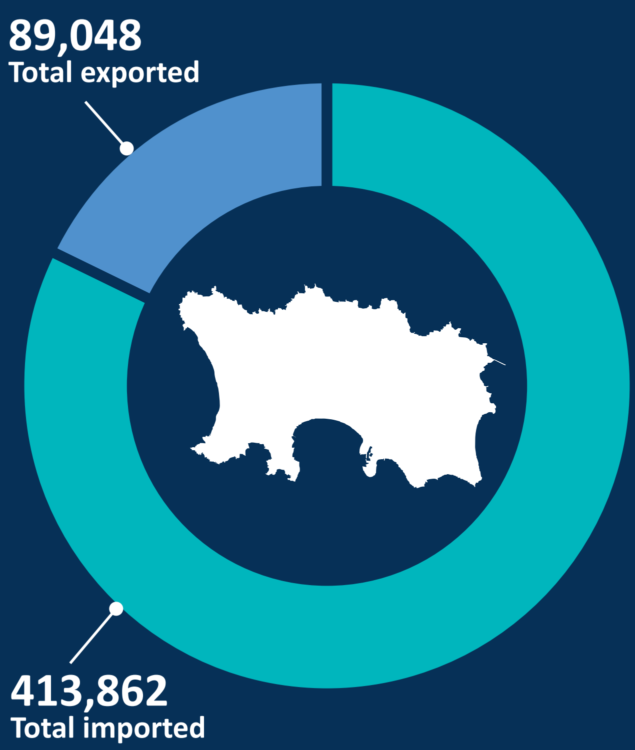
Passenger numbers

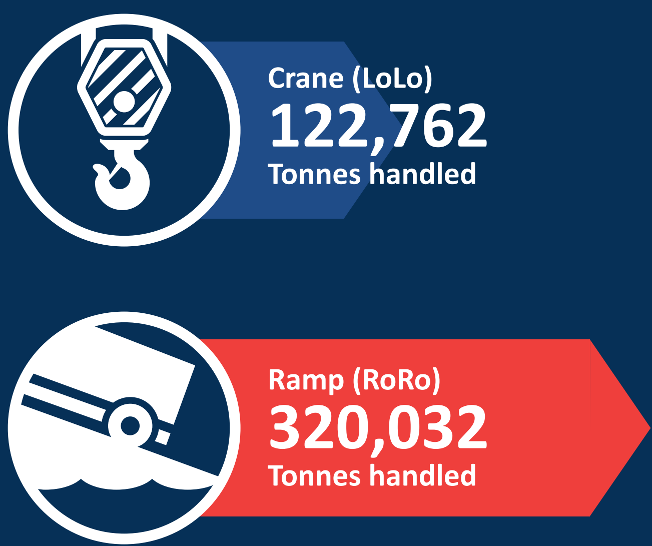


Freight and fuel (tonnes)



Freight movement (tonnes)





Where we fly

UK & CHANNEL ISLANDS

ABERDEEN
BELFAST INTL
BIRMINGHAM
BOURNEMOUTH ★
BRISTOL
CARDIFF
DONCASTER SHEFFIELD
DURHAM TEES-VALLEY
EAST MIDLANDS
EDINBURGH
EXETER
GLASGOW
GUERNSEY
HUMBERSIDE
INVERNESS ★
LEEDS BRADFORD
LIVERPOOL
LONDON CITY
LONDON GATWICK
LONDON LUTON
LONDON SOUTHEND
MANCHESTER
NEWCASTLE
NEWQUAY ★
NORWICH
SOUTHAMPTON

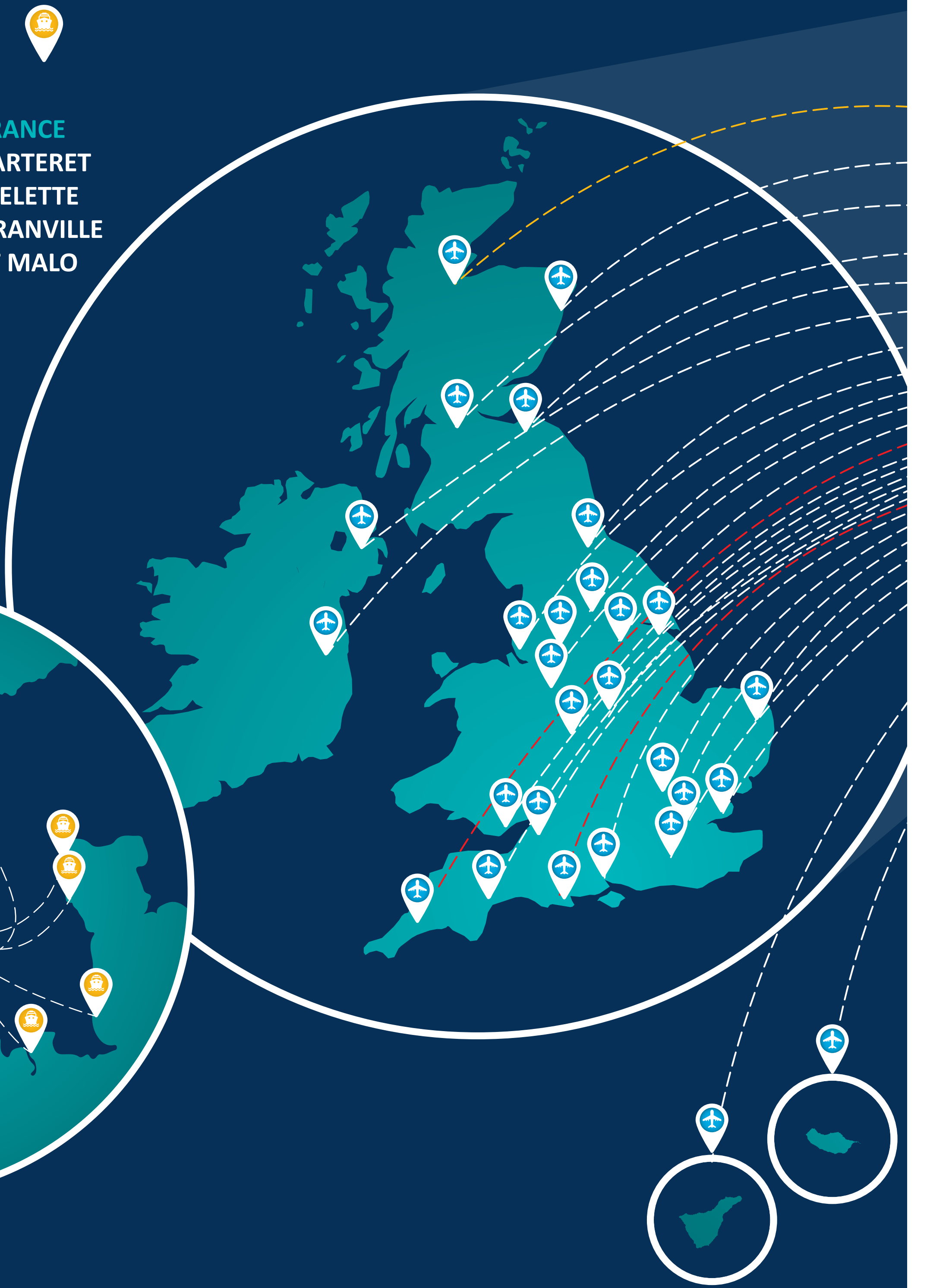
Where we sail

UK & CHANNEL ISLANDS

GUERNSEY
POOLE
PORTSMOUTH
SARK

FRANCE

CARTERET
DIELETTE
GRANVILLE
ST MALO



★ NEW ROUTES 2018
★ NEW ROUTES 2019

EUROPE

- BARCELONA ★
- BASEL
- BERLIN
- BERN
- DUBLIN
- DUSSELDORF
- FARO ★
- FUNCHAL (MADEIRA)
- GENEVA
- GRENOBLE
- HAMBURG
- LUXEMBOURG ★
- MÁLAGA
- MUNICH
- PALMA (DE LA MALLORCA)
- ROTTERDAM ★
- TENERIFE SOUTH
- VIENNA ★
- ZURICH ★


JERSEY
MARINAS

Business Review

Whilst we operate as a self-sufficient business with the governance and decision making of a private company, all our profits are reinvested into the Island rather than transferred to private investors.

Business Model

PoJL is a company wholly owned by the Government of Jersey (GoJ) which was created from the Airport and Harbour departments in October 2015 pursuant to the Air and Sea ports (Incorporation) (Jersey) Law 2015. Whilst we operate as a self-sufficient business with the governance and decision making of a private company, all our profits are reinvested into the Island rather than transferred to private investors.

As a large infrastructure business we are required to continually invest in and maintain our asset base to ensure our gateways are open, safe and secure. Our commitment to the Island is to continue to develop our facilities, services and products for the benefit of residents, visitors and businesses. This will primarily be achieved through developing our assets and pursuing projects to grow our income.

We ensure our activities are performed with the optimal safety and security standards, which are routinely independently audited by competent authorities. We continue to improve our operational resilience, which is crucial for the Island's sole gateways to maintain our important connectivity. Finally, we must provide essential public services such as support for our Coastguard service and custodianship of the Island's Historic Harbours.

All these activities are funded from the commercial profits of our operations, as we do not receive any government grants for these essential requirements.

Progress on Strategic Objectives

The primary statutory objective of PoJL is to provide safe, secure and efficient port operations in a manner that secures sustainable growth in the economy of Jersey in the medium to long term. Our mission is therefore to enhance our island as a great place to live, visit and do business, through keeping us reliably, safely and well connected. By focussing on this mission, we are pushing ourselves to consider the benefits for the Island in our activities.

Underpinning this mission are four strategic objectives, where we have made demonstrable progress in the year.

1. Core business

Developing our core business, passenger and freight volumes

Objective: To grow our core business volumes sustainably and profitably through developing our asset base, identifying new opportunities and working with the right partners.

Increasing passenger numbers

- 2.32m passengers through our gateways, 2% more than in 2017.
- 1.67m passengers at the airport, making 2018 the 12th busiest year ever and the fifth year of continuous growth at the airport, being the longest period of sustained growth since 1973.
- 32.6k passengers to and from Germany, signalling a good recovery after the dip in 2017 following the collapse of Air Berlin, higher even than 2016 – a recent peak for this market. The strongest growth was seen on the Edinburgh route, with easyJet launching a new service in 2018, adding to Flybe's offering.

Improving organisational efficiency and resilience

- We invested over £2m in new IT systems and business processes, improving our corporate capability and delivering efficiencies.
- We installed 'anti back track doors' in arrivals at the airport, to reduce our overall security manpower whilst remaining operationally compliant.
- PoJL has insourced a range of activities to improve efficiency and service standards. These include completing the integration of the Harbours Maintenance team, payroll services, project support and insourcing the provision of security services in 2019, which will increase our headcount by over 100 people.
- We replaced a time expired car parking system at the airport to improve our revenue retention as well as creating opportunity for new products and services in the future.

Establish long term plans for the airport and harbour

- We have advanced our Airport Integrated Terminal project, progressing through the design phases towards site preparation activities at the end of 2018, with construction scheduled to commence in 2019.
- Our Harbour Master Plan has been developed, and we continue to work closely with GoJ to finalise the wider plans for the future of the waterfront area.

2. Enhance Jersey

Improving the operations and service

Objective: To develop our facilities, services and connectivity with an aim of ensuring open, safe and secure operations; raising our standards and safeguarding our assets.

Improving passenger experience

- Following feedback, we have introduced a new children's play area in the departures lounge at the airport.
- We introduced a new operator of the kiosk facility at Elizabeth Terminal, with an expanded product range as well as finalising arrangements to deliver a brand-new restaurant facility in 2019.
- Our new 'crowd vision' technology is helping us to better predict and respond to the peaking volumes through the airport, further improving the passenger experience through security.

Investing in infrastructure and assets

- A £740k redevelopment of our facilities for the local commercial fishing industry.
- Repairs at Greve de Lecq following storm damage, have also included a series of artisan mosaics produced by local craftsmen, school children and PoJL staff, installed on the groyne.
- Successful delivery of a £626k investment in a new roof for the Maritime Museum.

Embed ourselves in the economy and the community

- We continue to deliver key island events, such as the Barclays Boat Show and Air Display – whilst supporting island wide initiatives such as the Super League Triathlon, hosted in Elizabeth Marina.
- Solid progress has been made in developing our environmental programme at PoJL, which included clean ups of our Historic Harbours, reductions in single use plastics, and other activities.
- We continued our support of four local partners with various charitable activities during the year, directly raising over £28k and supporting a variety of their own initiatives.

3. People and capability

Developing our organisation

Objective: To develop the organisation, workplace and culture; ensuring our talented people have the opportunity to develop in a great, vibrant environment.

Providing opportunities for development

- Our Acceleration Programme continues to develop very well, whereby over 50% of the Company were trained by year end, having implemented c. 400 projects with total savings of over £800k.
- We have invested in training for customer service, disability awareness, hidden disabilities, de-escalation training and GDPR.

Restructuring and rewarding our organisation

- We have insourced a number of significant activities, such as harbours maintenance, security and payroll – all geared towards improving standards and creating efficiencies.
- We have restructured several of our operating units, such as Harbours Management, Airport Fire Service and Passenger Services to improve their effectiveness.
- We implemented our reward structure, which was an employee led holistic review of all our terms and conditions which was implemented successfully across the Company in 2018.

Creating an environment for increased effectiveness

A We completed our major IT system upgrade and are now operating independent from the GoJ network. This is a modern, secure and resilient platform, where we are also deriving benefits from the Microsoft Office365 toolset.

B We have progressed our finance system replacement project, with implementation of our new system from January 2019.

4. New business

Increasing and diversifying our revenue base

Objective: To deliver a pipeline of opportunities for new business – growing our revenue and developing our capability and partners.

- We continued to grow our marine services business during the year, winning lucrative contracts, and increasing revenue by 60% over 2017 levels.
- We achieved planning permission for construction of c. 60,000 sq.ft. of new hangarage at the airport, a hallmark investment in corporate aviation for the Island.
- We secured a new development partner for “The Shipyard”, a new restaurant at Elizabeth Terminal.
- Completed feasibility and risk assessments to enable potential new seaplane operations between Port of St Helier and St Peter Port scheduled to commence in 2019.
- We progressed investment in new technologies with potential to transition into business opportunities including remote ATC tower capability. This exciting development has resulted in Jersey Airport being first in the British Isles to use remote/digital tower technology operationally, during “live” trials that took place in November 2018. System approval, which has been overseen by EASA is expected in mid 2019.

Replacement Maritime Museum roof.

Business performance

Our core business continues to improve, with air passengers growing by 3.2% to 1.67 million – making 2018 the busiest year through our airport in the last 19 years. We have achieved this growth through our ongoing route development programme in collaboration with our customers, the airlines, who carried more passengers on fewer flights by operating larger aircraft to deliver improved efficiency yields and lower fares.

Combined freight & fuel volumes through the harbour was consistent with last year totalling over 500,000 tonnes. The mode of handling this cargo is principally split between lift on, lift off (cranes), roll-on, roll-off (linkspan ramps) and the specialised fuel jetty facility. We have seen during Q4 2018 a significant reduction in the shipping capacity of Lift On, Lift Off operators and this has led to cargo transferring to Roll-On, Roll-Off. This does present a number of logistic challenges to the business which will need to be monitored during 2019.

Our relationship with our economic regulator is still evolving and remains substantially less developed in comparison with our operational regulators. We continue to work with JCRA to develop a better mutual understanding and during the period we participated in the development of assumptions to support a Long-Term Pricing Framework. We also sought a tariff increase of 5.2% for both 2017 and 2018 (essentially 2.6% per annum) however were unable to reach a satisfactory conclusion with the JCRA on this point. It is however pleasing to note that significant progress has been made in the early part of 2019 towards establishing a 5 year pricing framework for the period 2020-2024 which, whilst subject to further due process does provide us with a degree of optimism towards achieving a reasonable resolution.

It is acknowledged however that we cannot rely solely on our core business to provide sufficient funding to meet the capital investment needs of the operation. Delivering new revenue streams is therefore critical to long term sustainability and it is therefore encouraging that our Maritime Services continues to develop with income increasing from £300k in 2017 to over £500k in 2018. This has helped to offset some of the lost revenues from the continued lower volumes of passengers arriving by sea. Sea passenger numbers have fallen from over 770k at incorporation to 650k in 2018.

Customer experience

PoJL gathers feedback on our service levels from our customers, the carriers, as well as passengers and users of our facilities. Overall passenger satisfaction at the Airport is 86%, and our annual review of our boat owner community achieved an overall satisfaction of 70%.

Improving our services for the benefit of passengers is a key component of our mission to enhance Jersey as a great place to live, visit and do business. Despite efficiencies delivered through our Acceleration Programme, net yields have decreased due to rising costs, which is impairing our ability to continue to deliver improvements in our services.

We have delivered improvements across our business in the following areas:

We have worked with our business partners to improve the level of service for those who need some form of additional support when travelling through the airport. We have installed a new 'Special Assistance' area in departures and our business partner, Swissport, now have a team dedicated to supporting these passengers. In addition, the service teams have benefited from specialist training in dealing with those passengers.

We have also invested in an external 'audit' of the airport with 'AccessAble' which has provided some valuable feedback which will be taken into account in the final design of the new integrated terminal. A significant benefit is that those travelling to Jersey, can now read in advance what facilities and support are in place to help them with their journey www.accessable.co.uk.

We have also invested c£225k in improving the passenger experience at Elizabeth Terminal. This has included a new layout for security, new flooring, refurbished seating, improved signage, decoration and the new operational database provides more up to date information for the travelling public. We also engaged a local artist to bring a brighter, more modern approach to how we welcome visitors to the Island.

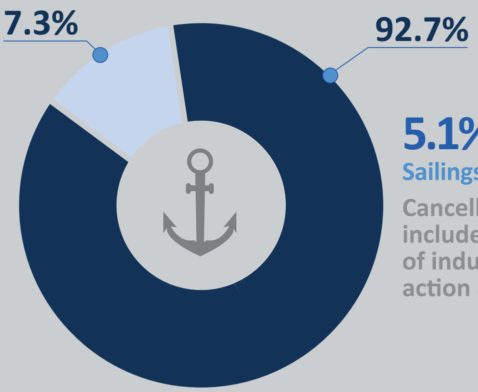
We produce a Quality of Service Report every quarter which is submitted to the JCRA. The report covers a range of 'service' related areas from the 'on-time' statistics for flights and sailings through to the waiting time for a berth at one of the marinas. These reports are published on our website along with the following infographic which helps to bring the numbers to life.

2018 - Q4
Quality of Service Report

Punctuality of sailings
Within scheduled time

Over 90% of sailings arrived or departed within 30 minutes of scheduled time

Percentage based on sailings that took place



5.1%
Sailings cancelled

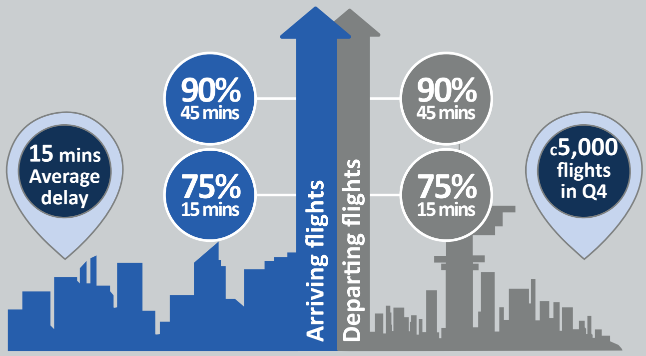
Cancelled sailings include a period of industrial action at St Malo

Departed within 30 minutes of scheduled time

Delayed more than 30 minutes

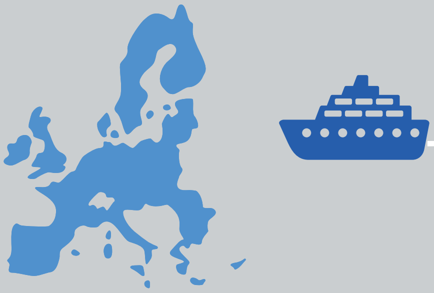
Time for passengers to clear security

46% of flights arrive early



Flight punctuality to and from Jersey Airport
Proportion of flights within scheduled time

Excluding flights affected by weather

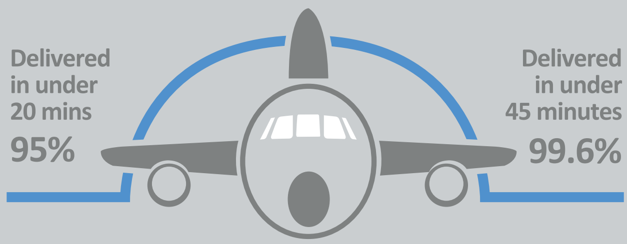


Jersey as a destination airport

Jersey is classed as a 'destination airport' - i.e. no airlines are based here meaning flights do not originate from the Island. This means if a flight schedule is affected prior to arriving in the Island it will impact on the flight schedule time and could cause a delay on the Jersey departure.

When an aircraft lands in Jersey, the airline and its ground handling agent, supported by Ports of Jersey, work hard to turn the flight around as quickly as possible.

Jersey Airport baggage from plane to carousel



Capital investment projects

We have made a number of significant investments in our operational infrastructure and organisational capability.

Projects concluded

Fisherman's Pontoons: Following a joint business case by the commercial fishing industry and PoJL to future proof critical infrastructure for the industry for the next 10 years, £0.7m was invested into new pontoons and facilities in La Collette.

Ports Operational Database: This is the database that manages all flight and sailing information across the business. It drives how we communicate with passengers, ensures that the operational teams have the same information to aid decision making and supports the generation of invoices to carriers. The previous system was outdated and no longer supported by the developer and we selected Airport 20/20, a well proven system in the industry, and were then also able to successfully adapt the software to support operations at the harbour.

IT Infrastructure: We completed our £2m+ investment; we have upgraded our IT platforms, improving our protection from cyber security threats, and implemented new business intelligence, HR & payroll systems. The investment enables us to significantly improve 'how' we operate and use technology in our business to unlock business efficiency and performance potential.

Remote Tower: We have substantially completed the project to improve our operational resilience for our airport air traffic control services through the installation of a contingency digital tower. We are on track to achieve operational certification which we anticipate receiving during the early part of 2019. As with other operational investments PoJL has made, we are now building a business plan to commercialise this project and explore opportunities to generate incremental third-party revenue.

Elizabeth Terminal: We have invested £225k in refurbishing Elizabeth Terminal. Despite falling passenger numbers, we decided to carry out a much-needed refurbishment of the terminal in order to improve the passenger experience. Working with Condor, the layout of security has been improved along with the customs hall, new flooring installed, refurbished seating plus decoration, improved lighting, roof repair and new heating boilers will be installed in 2019. This investment ensures that the customer experience compares well with the majority of the other Ports on the route.

Anti-Backtrack Doors: The installation of anti-backtrack doors in airport arrivals enabled us to bring this part of the operation up to normal international standards and at the same time improve operational efficiency. In addition, these doors will be re-used in the new integrated terminal when it becomes operational.

Ongoing projects

Aviation Hangarage: We have obtained planning permission for constructing three new corporate aviation hangars at the airport. This project will enable PoJL to provide 60,000 square feet more capacity to satisfy market demand for hangarage in Jersey.

Integrated Terminal Project: We announced our most significant transformation project to date, namely our Integrated Terminal Project for the Airport Master Plan. This £42m programme of work will not only enable PoJL to ensure compliance with today's regulatory regime through the removal of a number of buildings which encroach on the exclusion areas adjacent to the runway, but also:

- Improves the operating efficiency of our terminal building
- Creates more usable operational and commercial space
- Improves passenger experience, and expands our retail and food & beverage offerings

Part of the original plan was to upgrade the passenger pier in phase two of the project by creating an upper floor linked to the new airside departures lounge with direct access to all departure gates. However, based on feedback from more than 30 stakeholder sessions a decision has been made to bring the passenger pier upgrade forward. As a result, a revised planning application has been submitted. This will therefore, delay the original start date for the build of phase one (which was to create a first-floor airside departure lounge and new security area). Construction work is anticipated to be underway during 2019 however we will not initiate the works during the summer months.

Projects initiated

Finance System: During 2018 we selected a replacement finance system which was implemented in January 2019. This has facilitated the separation from GoJ financial systems and allowed us to leverage off the enhanced IT infrastructure providing the basis for further investment in asset management applications.

New Ale & Coffee House at Elizabeth Terminal: PoJL has entered into an operating agreement with Casual Dining Group (CDG) to open a new Ale & Coffee House, to be named The Shipyard, at the Elizabeth Ferry Terminal. Designed to serve both ferry customers and members of the general public it is due to open in summer 2019. The concept is already proven at London's Heathrow T3 and T5, where celebrated pub entrepreneurs, Joanna and Rupert Clevely worked with CDG to develop the concept behind two similar destination food-led pubs. The Shipyard will feature an all-day offering, with high-quality food, premium drinks and coffee. There is a dedicated children's play area to appeal to daytime family customers and the pub will also serve as a venue for local entertainment.

Community

PoJL takes a central role in the community, economy and society of the island through the operations of the Island's strategic transport gateways. However, in addition to this and delivering on our mission of Enhancing Jersey, we also provide substantial community benefit to island residents through our management, internal resources and financial contribution. We continue to deliver two of the Island's largest community events, the Barclays Jersey Boat Show and, together with the Air Display organiser, the International Air Display. The Boat Show is in its 12th year and we consistently welcome over 30,000 visitors to the show each year. The Boat Show receives no grants from government, and therefore is funded by PoJL, our sponsorship partners and the participants.

In respect to the Air Display, we work closely with the Air Display organiser to bring this one-day event to the Island every September and meet the majority of the cost in 2018. A government grant of £75k was received which is supplemented by the modest income from the event itself.

In 2018 PoJL also hosted the world Super League Triathlon event at the Elizabeth Marina whereby 50 of the world's leading elite triathletes, including Olympians and World Champions, participated over two days of racing along with corporate and community sessions. All of these events are important to the Island community and provide excellent opportunities for charities to fund raise.

We are also proud that our own staff's charitable activities raised over £28k in 2018, for Philip's Footprints, Jersey Cancer Relief, Holidays 4 Heroes Jersey and Jersey Children's Charity.

Island resilience in emergency situations is critical to the well-being of Jersey. It is important that the various emergency service entities regularly exercise responses to emergencies that the Island may face. During 2018, PoJL hosted a multi-agency emergency exercise which involved Government of Jersey Police, Fire & Rescue and Ambulance as well as British Airways, British Red Cross and Swissport. These major exercises are fundamental to each responding agency in order to test their own emergency plans whilst also recognising their roles and responsibilities towards assisting each of the other emergency organisations in achieving their response objectives at a major incident.

People

During 2018 PoJL employed on average 275 full time equivalents. During the summer months, our workforce grows with seasonal workers servicing our airport and harbours terminals and marina customers. We have expanded our workforce through the insourcing of maritime engineering services and this will increase further with effect 01 January 2019 as a result of insourcing the provision of security services.

Each year we undertake an employee engagement survey, whereby we obtain valuable feedback about what is working for our people and what we should improve. As a direct result of these we implement various corporate and team level improvements.

It is also pleasing to note that all of the roles within PoJL are compensated to the level of Jersey's Living Wage.

We have also reviewed our gender pay distribution, being mindful of the UK Equalities and Human Rights Commission (EHRC) guidelines to our pay scales following the introduction of our new reward structure. We now have 7 core pay bands that remunerate the majority of PoJL employees; in four of these women are paid more than men on average, in two men are paid more, and in one there is no difference. However, we are very pleased that there is no significant gender pay gaps in any of the new bands, and no overall pattern of gender discrimination across the organisation.

Outlook

We expect our business volumes to grow modestly in the long term, whilst some short-term uncertainties exist in the marketplace, with airlines reporting trading pressures and concerns about Brexit. Specifically, we anticipate that air passengers will achieve long-term growth of slightly less than 1% per annum; sea passengers have declined in recent years and we hope to see this trend slow and stabilise. Freight and fuel volumes combined should also achieve modest long-term growth with continued fluctuation between bulk and containerised modes.

Our commercial development agenda will continue, where we will be:

- Expanding our reach for remote / digital air traffic services
- Progressing growth in our marine services business
- Developing our new corporate aviation hangars at Jersey Airport

The Integrated Terminal project remains a key priority for Ports of Jersey and will proceed. However, given the lack of certainty over a long-term price framework, we decided that it was prudent to hold back from committing to the £42m project and have temporarily paused this critical project.

Discussions with the JCRA continue and a process is underway to develop a long-term pricing framework and we are advised that this will be concluded by June 2019 which will hopefully enable the Integrated Terminal project to get underway.

2018 in Numbers

2.3M PEOPLE THROUGH OUR GATEWAYS

£47.6M
REVENUE

£7.2M
CAPITAL INVESTMENT

£1.5M
KEEPING OUR SEAS SAFE & HARBOURS MAINTAINED

£12.1M
EBITDA (EARNINGS BEFORE INTEREST, TAX, DEPRECIATION & AMORTISATION)

Financial Review

Focussed on the ability, through growing profits, to finance the large maintenance and development requirements that led to incorporation.

We remain focussed on our ability, through growing profits, to finance the large maintenance and development requirements that led to incorporation. Against that background we increased our EBITDA (Earnings before Interest, Tax Depreciation and Amortisation) by a worthwhile 4.4% to £12.1m and generated £11.1m of operating cashflow towards our investment programme.

EBITDA is internationally recognised as an indicator of the capability to fund investment from current cashflows. It is therefore particularly relevant for infrastructure businesses such as PoJL which is tasked with funding a substantial long-term capital investment programme without recourse to GoJ, the shareholder.

Comparative financial performance

	Year ended 31 December 2018	**Year ended 31 December 2017**
	£'000	£'000
Turnover	47,620	46,247
Operating Costs (excluding depreciation)	(35,568)	(34,698)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**12,052**	**11,549**

The absence of a price control framework has constrained turnover growth across the business resulting in prices remaining unaltered. A significant consultation led process has been initiated by the Jersey Competition and Regulatory Authority (JCRA) with a targeted conclusion date of June 2019.

Turnover

POJL (£'000)			
2017	2018	Variance	%
46,247	47,620	1,373	2.9%

Airport (£'000)			
2017	2018	Variance	%
30,211	31,018	807	2.6%

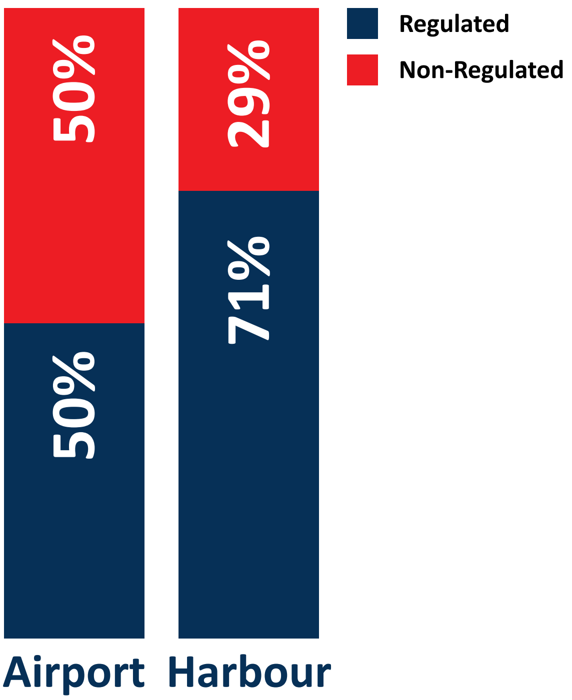
Harbour (£'000)			
2017	2018	Variance	%
16,036	16,620	584	3.6%

At the airport overall turnover has grown by 2.6%. This is largely attributable to a favourable foreign exchange position in respect of euro income derived from the management of the Channel Islands Control Area (CICA) rather than the underlying operation of the business. We have welcomed continued growth in airline passenger numbers however this has been offset by a reduction in passenger yield. In 2018, a 3% increase in passenger volume has been achieved with a 2% reduction in yield.

At the harbour freight and fuel volumes have remained steady year on year. Income increases have mainly been due to an increase in off island charter work by our Marine Services team.

At both the airport and harbour the proportion of regulated income to total income has fallen as a result of our inability to deliver regulated price increases.

Income Split



Operating costs

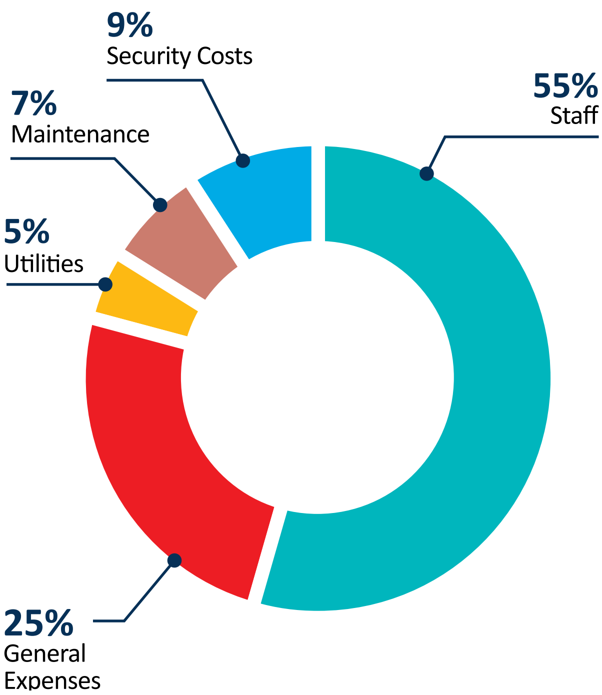
POJL (£'000)			
2017	2018	Variance	%
(34,698)	(35,568)	(870)	(2.5%)

Airport (£'000)			
2017	2018	Variance	%
(21,504)	(22,919)	(1,415)	(6.6%)

Harbour (£'000)			
2017	2018	Variance	%
(13,194)	(12,649)	545	4.1%

Overall cost increases within the business have been held at 2.5% which is below the prevailing inflation rate. This has not been consistent across the organisation with airport costs having increased by 6.6%, whereas at the harbours cost have reduced by 4.1% compared to 2017. Increased costs have arisen from necessary investment in corporate systems following the separation from Government of Jersey. During 2018 PoJL migrated onto its own IT infrastructure and completed work to transition to a new standalone finance system in early 2019. The related cost increases were offset at the harbours due to the increased costs in 2017 to facilitate the insourcing of the harbours engineering function, with significant cost efficiencies being subsequently realised. The insourcing of maritime engineering services has increased the proportion of staff costs to 55% (2017: 49%) and this direction of travel will continue in 2019 with the insourcing of security services.

Operating Costs



EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)

POJL (£'000)			
2017	**2018**	**Variance**	**%**
11,549	12,052	503	4.4%

Airport (£'000)			
2017	**2018**	**Variance**	**%**
8,707	8,099	(608)	(7.0%)

Harbour (£'000)			
2017	**2018**	**Variance**	**%**
2,842	3,953	1,111	39.1%

EBITDA has improved by 4.4% across the whole business. This can be attributed, in the main, to foreign exchange gains on the CICA contract, increased charter work for Marine Services and efficiency savings from the insourcing of Harbours Engineering. These gains have been eroded by the continued inability to increase prices on regulated income and costs associated with separating from the GoJ IT infrastructure. The increase in harbour EBITDA reflects the additional costs incurred in 2017 to facilitate the insourcing of Harbours Engineering and returns the harbour EBITDA to a similar level as achieved in 2016 (£3,972k).

Other profit movements

Beyond EBITDA, the Income Statement recognises a number of other items which, although they do not have an immediate cash effect, are included in the Profit before Tax of £7.4m. As these items can introduce volatility in published results they are separately shown in accordance with applicable accounting standards.

The value of our investment properties decreased by £0.6m. This decrease is mainly due to investment in the Maritime Museum roof, which did not translate into an uplift in yield and was therefore essentially written off through the year end revaluation process.

Depreciation has increased as a result of the completion and capitalisation of projects which include IT infrastructure and the Fishermens' pontoon. This will be a continuing theme as the company needs to invest in the underlying infrastructure assets of the business.

Our finance lease income relates to finance leases, where we act as the lessor.

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 charge for 2018 is £1.86m, made up of current tax charges and release of a deferred tax asset that was set up at incorporation arising from the settlement of its pre 1987 debt to the Public Employees Contributory Retirement Scheme (PECRS).

Cashflow

During 2018 the Company's operations generated £11.1m in operating cashflow. This funded a £7.2m investment during the year in operational fixed assets and investment property assets. This level of investment was below the long-term trend expected to encompass significant capital investment programmes such as our £42m airport integrated terminal redevelopment, projects around the harbour and investment in corporate aviation facilities.

After financing and these investment costs, we increased our cash balance by £4.2m to £29.6m. This is expected to contribute in the near term to the major funding gap on future capital expenditure identified by GoJ prior to incorporation. It is being accumulated as a result of the uncertainty surrounding our long-term pricing framework.

Capital expenditure

The principal items of capital expenditure during the year were:

Cash Flow in Period	£'000
Integrated Terminal Development	1,581
IT Systems Infrastructure	961
Replacement Finance System	691
Fishermen's Pontoon	691
Remote Tower	647
Airport Projects <£500K	1,806
Harbour Project <£500K	850
Purchases re Assets	**7,227**

Property, plant and equipment assets

At 31 December 2018, the Company held tangible fixed assets with a net book value of £72.5m (2017: £70m). Of this amount £5.7m is attributable to assets currently in the course of construction.

In considering the carrying value of property, plant and equipment consideration has been made in respect of the continuing inability to reach a pricing strategy settlement with the JCRA. There is reasonable expectation of sufficient settlement being received and therefore no impairment has been recognised. However, in the event that the outcome is less successful than anticipated, this will next year prompt a reappraisal of the carrying values, which may result in a write down.

Investment property

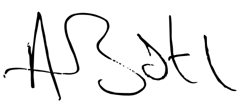
At 31 December 2018, the Company held investment properties with a net book value of £58.4m, including car parks and the airport fuel farm. The portfolio was revalued internally by a RICS qualified Chartered Surveyor at the end of 2018 based upon an assessment of passing rents and prevailing market conditions and the fair value was decreased by £0.6m as a result.

Debt financing

The Company was not party to any debt financing at December 2018. Any material borrowing by the Company requires the consent of the Minister for Treasury & Resources ('the Minister') pursuant to the Memorandum of Understanding between the Minister and the Company dated October 2015. The Minister is currently considering an approval for PoJL to enter into debt facilities of up to £40m.

Pensions

The Company continues to participate in PECRS, and the Public Employees Pension Scheme (PEPS). During 2018 the Company contributed £1.9m to these schemes.



Andrew Boustouler
Chief Financial Officer
02 May 2018

Corporate Social Responsibility

Our Island, Our Ports, Our Responsibility

At PoJL corporate social responsibility (CSR) plays an important role in many aspects of our activities. We go beyond providing the lifeline services of moving people and freight in and out of Jersey. As a major Channel Island business, we hold a prominent position in our community and are committed to making a positive difference in Island life.

PoJL implements and supports a wide range of CSR initiatives, demonstrating our commitment and support to the Island's community. Some of these initiatives involve; broadening the horizons of young islanders with educational visits; sponsorship of events across the Island (both financially and in kind); encouraging our staff to engage and get involved with local events and community initiatives, and supporting charitable activities, particularly those of our chosen partners who provide services to islanders at the time when they most need them.

Charitable Activities

Since 2016, we have worked with; Holiday for Heroes Jersey, Jersey Cancer Relief, Jersey Children's Charity and Philip's Footprints. As 2018 was our final year of these partnerships, our team worked tirelessly on fundraising hoping to make an even bigger donation than we had in previous years. Our partners also continue to benefit from sponsorship in relation to specific appeals, such as Philip's Footprints Starlight Ball, Jersey Children's Charity Robin Ball, Jersey Cancer Relief's 50th Anniversary Raffle, Redecoration of a Clinic Room on Robin Children's Ward and providing 1000 pregnancy wellbeing wallets to pregnant islanders.

Fundraising totals during charitable activity partnerships

	2016	2017	2018	Total during partnership
Holiday for Heroes	£4,989	£6,405	£5,826	**£17,220**
Jersey Cancer Relief	£5,359	£6,352	£6,494	**£18,205**
Jersey Children's Charity	£3,789	£4,942	£7,848	**£16,579**
Philip's Footprints	£5,310	£7,304	£8,521	**£21,135**

Direct sponsorship and other payments to charitable activity partners

	2018
Jersey Cancer Relief	£500
Jersey Children's Charity	£2,000
Philip's Footprints	£2,500

We continued our tradition of colourful and wacky fundraising for Children In Need and 'did our thing' raising over £4,200. Christmas gave us an opportunity to once again work with our business partners, this time for local organisation Brighter Futures to purchase story books for local children whose families were being supported. Over 150 books were donated and lovingly wrapped, giving each child a wonderful surprise, with the potential to unlock their imagination and spend time with a care-giver.

Our people voted for four new charitable activity partners for 2019 and 2020, they will be Beresford Street Kitchen, Caring Cooks of Jersey, Healing Waves, Jersey Alzheimer's Association. The fundraising and support programmes for these partnerships is still in development with cross-department teams.

"It has been an absolute pleasure to work with and an honour to be selected by Ports of Jersey to benefit as one of their chosen partners over the past three years. Many unique fund raising opportunities and the generous donations totalling £17,220 have been so important for our charitable efforts. A BIG thank you from everyone at Holidays for Heroes Jersey."

- Holidays for Heroes Jersey

Pathways visits the pilot boat.

"The Ports of Jersey have been absolutely amazing supporting Jersey Cancer Relief over the last three years. The Boat Show stall that they generously provided for us, allowed us to spread the word about our work, raising awareness which enables people to contact us for financial help earlier in their cancer journey. It has been a pleasure working with the team, thank you"

- Jersey Cancer Relief


Soap Box Derby fundraising activity.

"It has been our absolute privilege to be your charitable activity partner for these past 3 years, in fact we often tell people how fantastic you are! You have given your all in every way to make this partnership as successful as it could be. Whether supporting our events or your own fundraisers, it has always been 100% effort, more like 110%!"

- Philips Footprints

725 EDUCATED BY THE AIRPORT RESCUE AND FIREFIGHTING SERVICE

INCLUDING...

18 SCHOOLS & NURSERIES	**2** PRINCE'S TRUST OPPORTUNITIES	**3** CORPORATE AWAY DAYS
5 CUB PACKS	**4** PROJECT TRIDENT STUDENTS	**3** PATHWAY GROUPS

300 EDUCATED BY THE COASTGUARD

INCLUDING... **64** ADULT ROYAL YACHT ASSOCIATION STUDENTS	AND VISITED... **23** SCHOOLS	AND MET WITH... **4,348** PUPILS

Educational visits

Through our educational and awareness programmes we have engaged with more than 5,000 young people.

Community initiatives

We recognise that we have a prominent role in Jersey and so we strive to make a positive difference to the Island community, through investment and support of prominent island events, local social projects and volunteering. In addition to our charitable activities, in 2018 we donated £20,000 in landing fees to worthy causes and sponsored events including Super League Triathlon, Tour des Ports and Jersey Battle of Flowers.

Staff health and wellbeing

We recognise our people are a great asset and underpin everything we do in the business. We aim to provide a positive working environment and offer initiatives that enable wellness and encourage our people to be healthy. 2018 saw us continue to encourage participation in sports, via 'There's No Traffic on the Extra Mile' where the business pays subscription or entry fees for island sporting events and the 'Bankroll Your Bike' scheme, offering £1,000 interest free loan to purchase a bike to entice more cycling to work. These schemes saw some of our people winning the Jersey Hospice Soap Box Derby and entering the Great Glen Challenge. In partnership with medical professionals, we also offered free influenza vaccinations and a summer mole check to all of our people.

We also organise events for employees and families to promote team cohesiveness. This year saw a BBQ at the Boat Show event and a family Christmas party at the Airport. Vital to enhancing business culture these events are very well supported and organised by cross-department teams.

2018 saw us form the foundations for a more holistic health and wellbeing programme, building on previous activities. We consulted our people to establish what support was most needed and asked them what type of initiatives are key for their individual health. Our people have proposed that we offer health, wellness and social events that improve our working environment, promote active participation, encourage the establishment of positive healthy habits and that inspire wellbeing of not only the person but their family as a whole. 2019 will see the establishment of a more well rounded programme, with a particular focus on mental good health and balanced well-being.

Clubs and associations

Community is at the heart of our CSR programme and as part of this it is vital we work with local charitable organisations, clubs and associations where we have shared goals, activities or interests. We continue to support many local clubs and associations through property sponsorship agreements, reduced or free parking, reduced or free boat berthing. We strongly believe vibrant and growing clubs and associations are important for providing a valuable pipeline of interest into the sectors, creating our customers and employees of the future, as well as providing important training and education.

Further to this we support activities with aviation and maritime connections, by giving grants or offering resources. This has offered diverse and exciting opportunities which in 2018 included supporting Pathways Jersey, Helping Wings, Jersey Hospice's Dragon Boat Racing and a Rotary Event amongst several others. Our work with Pathways Jersey was as a result of our sponsorship of the Pride of Jersey awards Inspirational Leader Award in 2017. Over the year we set up a number of projects involving young people, but one challenge particularly captured the interest of the public and our people, our 'Apprentice' style challenge – where two teams from Pathways were given seven weeks to create and sell a product with the help of a mentor from Ports of Jersey, encouraging the young people to explore and challenge their leadership and team building skills


AIRPORT
RESCUE &

Environmental Report

We recognise as a prominent island business we have an important role in promoting a positive environmental culture and protecting the ecosystem.

We aim to reduce the impacts of PoJL operations and activities, at both the Airport and Harbours to safeguard a sustainable local environment for future generations.

Safeguard biodiversity, landscape & built heritage

To safeguard the built heritage which has been entrusted to PoJL in the form of the historic harbours, assets and infrastructure are maintained by Group Engineering and managed by the Property Department. In 2018 this included refurbishing the granite steps at St Aubin's Fort, repairing the slipway at Les Minquiers and repairing land based aids to maritime navigation. We also consider signage carefully to minimise visual pollution at these sites.

We put our passengers' safety at the forefront of everything we do and in order to ensure safe operations we have to manage our airfield and harbour environments carefully. At the airport this can mean controlling rabbit populations and keeping birds that are a hazard to operations, off the airfield and away from aircraft. At the harbour we have to lay moorings which impact the sea bed, as well as clean slip ways and steps which introduce fluids not naturally present in the marine environment. In addition to this it is possible we may have to clear land to make way for infrastructure which can impact the surrounding ecosystem. To offset any impacts we commit to manage these activities carefully and enhance ecosystems and species where passenger safety is not compromised.

An example of where we are promoting an ecosystem is our partnership with local charity Trees for Life, where we have recycled rope from marine operations to create squirrel crossings, to give safe passage to the Island's red squirrel population across busy roads. We are also working with local ecologists and the GoJ Environment Department on a medium term, eight year, reptile habitat enhancement project on the Jubilee grasslands site, north of the airfield to increase the local population of slow worms, a species which is in decline due to farming and development.

Reduce energy use

Our aim is to reduce the volume of energy we use and in order to do this we have been looking at more energy efficient processes. This has included looking at replacing plant and infrastructure where we use fossil fuels inefficiently with electric or sustainable alternatives, or simply using energy better, for example not having lights on at night when they are not required.

In 2018 we trialled our first electric fleet vehicle with the Airport Rescue and Fire Fighting Service (ARFFS), a BMW i10 Megacity, for general and emergency use on the airfield. Continuing the work on our vehicle fleet, we also made sure that new vehicles brought into service in 2018 are Euro-5 compliant vehicles, ensuring fuel efficiency and reduced emissions.

As part of our infrastructure we own several electric powered cranes which were historically used for harbour cargo operations on the New North Quay and Victoria Pier but have now been decommissioned. We conducted a survey of power usage and identified these cranes are unlikely to see operational service again and powered them down. This not only saved energy but made considerable financial savings.

We have also continued our work introducing energy saving lighting, by upgrading to LED units in the harbour operational areas at Elizabeth Harbour and New North Quay.

Manage the impact of noise

We have continued applying strict controls in our local airspace and encouraging quieter, leaner aircraft. Once on the ground we also ask our operators to use single engines for taxiing wherever possible and once parked on stand to use fixed electrical ground power supplied from the terminal rather than stand-alone auxiliary power units which are run by motors and are noisy.

We also started discussions with local charity Trees for Life to look at how we can improve planting in the roadside banks and hedgerows near the airfield to reduce noise impact on our neighbours.

Improve waste management

In 2018 we chose to decommission the boat owner recycling facilities at Gorey, South Pier and St Aubin, due to constant fly tipping and hazardous waste. These were being regularly used by nearby businesses and we established that much of the fly tipping was coming from non-marine sources, but the accessibility of our sites meant people could leave large items of non-recyclable waste without recourse. We conducted a social media campaign, gave advance notice via signage and worked with the boat owner associations to promote well-managed disposal of hazardous waste from marine areas and to ensure parish and GoJ facilities located nearby were used instead for general waste and widely recyclable materials, such as plastic, cardboard, paper and aluminium.

At the airport we use aeration pond and reed bed systems for the treatment of surface water run-off. In 2018 we reused leftover construction materials from both airport and harbour projects to install perimeter fencing around one of these systems. This is a model we hope to repeat with future projects, reusing materials where possible. Another area where we reuse material is in respect to waste marine oil; used engine oil is collected at key locations around the harbours in bunded tanks and collected by a local grower for use in green house heating.

We have joined the Plastic Free Jersey Pledge and under our acceleration programme there have been two projects identified with the aim of reducing plastic use across the business, one relates to stationery and the other engineering consumables. We have also introduced water refill stations at the airport to discourage one use water bottles. We expect benefits to be realised in 2019.

Reduce transport

We are aiming to reduce our business dependency on cars and motor vehicles to get around as well as giving passengers more transport options. As part of this we have introduced new bike racks at the Elizabeth Terminal at the harbour and at the airport adjacent to the departures terminal to encourage cycle use. We also encourage staff to cycle to work and offer our 'Bankroll Your Bike' scheme where we give our people up to £1,000 as an interest free loan to spread the cost of purchasing a bike.

Updating our IT platform to Microsoft Office 365 has encouraged video conferencing to save transport between sites. We have trialled headsets and webcams to give staff the opportunity to attend meetings without leaving their work station, which has proved popular.

Improve air quality

We are aiming to measure emissions from shipping in island waters and have begun working with our maritime business partners to identify emission levels of the current fleet. This will also allow us to introduce a carbon offset scheme in the future, which we hope to do in partnership with local charity Trees for Life. We have also looked at land based emission sources, such as Elizabeth Terminal oil fire boilers which are old, outdated, inefficient and polluting, as part of this work they will be replaced in 2019.

Protect water quality and natural resources

We manage all of the water run off from the ARFFS training ground and the surface water from the aerodrome which can include de-icing fluids and other operational pollutants under close scrutiny of the environment department. For the latter run off from these areas is either treated with aeration and reed beds, or for the former pumped to foul sewer to ensure the local environment and water courses are not adversely affected.

De-icer is vital for airport operations in cold weather for aircraft, the runway and other airfield manoeuvring areas as well as passenger walkways. It is vital we carefully manage the concentrated de-icing materials we hold in stock to safeguard our neighbouring environment, for this reason we have invested in bunds to store the numerous containers and insisted our business partners do the same, in order to prevent any accidental spills. We have also applied this methodology to the oil spill maritime dispersant products which we store on Albert Pier.

A large number of our people conducted 14 ‘beach cleans’ over a two week period in the Spring, working with local charity Littlefeet Environmental, collecting more that 706kg of bagged waste, plus a further two tonnes of marine waste. We targeted areas of our coastline where PoJL have infrastructure, including Corbiere, Rozel, La Rocque and Greve de Lecq and invited the general public to join us. We then promoted this work at the 2018 Barclays Boat Show to encourage others to pick up beach litter and safeguard our island waters.

What next?

Historically we know we have not been good at celebrating our environmental achievements in the same way other local businesses do and we are looking to be more active with our promotion in 2019.

We have also committed to working with business partners, local charities and local government to deliver our ambitious but wholly achievable environmental objectives for 2019. We have agreed to continue to work with Trees for Life on wildlife corridors and Littlefeet Environmental on beach cleaning and ocean clean up. In addition to this we hope to launch our carbon offset scheme in the terminal with Trees for Life in Autumn 2019 and work with Jersey Marine Conservation and Société Jersiaise on promoting marine habitat and species to young islanders.

At the 2019 Barclays Boat Show we are hoping to introduce a new Environmental Eco-Village, to show case PoJL’s achievements as well as the excellent work done by our chosen local environmental charity partners and the Plastic Free Jersey initiative.

Ports team with Littlefeet to clean up Jersey beaches.

Airport water refill stations to discourage one use water bottles.

Community Events

The Barclays Jersey Boat Show and Jersey International Air Display are two of the Island's most popular events, that delight visitors every year.

Barclays Jersey Boat Show

The annual Barclays Jersey Boat Show took place in and around St Helier Marina and Weighbridge Place between Saturday 05 May and Monday 07 May 2018.

First staged in 2008 as an opportunity to showcase Jersey's marine leisure industry to a wider audience, the event continues to grow in both size and reputation. Regularly attracting in excess of 30,000 visitors over the three days the show remains the largest free-entry event in the Channel Islands. While the essence of the show remains firmly focussed on maritime based activities, its continuing success has been helped by the participation of many other local and visiting individuals and businesses promoting their lifestyle products. The event attracts an increasing number of visitors to share and discover the Island's maritime culture as well as creating community spirit.

The Boat Show is organised by PoJL with the operational support of local specialists, 3D Events. The event, which receives no financial investment from GoJ, is funded entirely by sponsorship and revenue received from exhibitor fees. The future of the Jersey Boat Show is guaranteed until at least 2019 due to the continuing commercial support of its title sponsor, Barclays. This financial commitment from Barclays, as well as additional sponsorship from other commercial contributors, including Solent Stevedores, Niche Catering, Ferryspeed, Jersey Development Company and Flybe ensures that the show can remain a free-entry event, something that PoJL has strived to offer since it was first staged in 2008.

Boat Show mascot floats in St Helier Marina.

The Boat Show takes place in and around St Helier Marina and Weighbridge Place.

Jersey International Air Display

The Jersey International Air Display is one of the Island's most popular events and has been delighting visitors and residents alike since 1952.

With an aviation event of this scale, it is inevitable that over the years Jersey Airport has become more actively involved in helping to stage the display by utilising the skills of its aviation personnel and facilities of Jersey Airport, often on a voluntary basis.

In 2016 a formal business arrangement was established between GoJ and PoJL, whereby our business has been able to take on a greater responsibility for the overall organisation, governance and sponsorship/promotion of the event. Once again, the majority of the services and facilities provided by our staff and the organisation are on a voluntary basis but a set criteria is followed by PoJL, working alongside the event organiser and committee.

An agreed annual budget is set, whereby all parties must work within a business plan. A post-event report is compiled, including financials, which is submitted to Economic Development, Tourism, Sport and Culture Department prior to any monies being released and future grants approved.

The AeroSPARX air display team combines airborne pyrotechnics, aerobatics, formation flying and night flying.

£80k
Barclays Jersey Boat Show

£180k
Jersey International Air Display

APPROX. **35,000**
VISITORS (OVER 3 DAYS)

APPROX. **18,000**
AIR DISPLAY SPECTATORS

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 six spheres or categories of risk as the main ones faced by the Company, together with principal mitigations as described.

1. Operational Safety and Resilience

The Company's primary statutory object is to provide, or ensure the provision of, safe, secure and efficient port operations for Jersey.

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 various regulators and agencies in the UK, the EU and the Channel Islands. Please see the Compliance and Assurance Statement on page 44.

We have a separate regulatory compliance team, independent from business operations, which works with people in the latter who have specific regulatory assurance responsibilities. Detailed attention is paid to effectual incident and accident investigations and a good reporting culture for the same.

A similar system operates for all internal health and safety matters, with responsibilities defined across all business areas.

2. Business Continuity

The objective is to have zero downtime in significant maritime and aviation infrastructure, or in facilities provided by the Company for passengers and freight.

In particular, 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 to manage the Channel Island airspace, and a remote air traffic tower facility awaiting approval for operational use as the first in the UK. There are comprehensive planned preventative and reactive maintenance programmes at both airport and harbour. The Company contributes significantly to Jersey-wide emergency and business continuity planning.

Capital expenditure planning includes ensuring that asset life cycles are satisfactorily captured in replacement programmes.

3. Financial Risk

The Company is dependent upon its revenues for meeting its obligations, which include a range of public service obligations such as running the Coastguard and maintaining the historic harbours. The Company receives no financial support from taxpayers' funds.

There is an established financial model for all budget forecasting and monitoring income and expenditure, and the capital plan is kept under regular review to ensure relevance, affordability and value for money in relation to business objectives.

The Company seeks to work closely with its economic regulator, the Jersey Competition Regulatory Authority (JCRA), in order to aim to ensure that its regulated prices are adjusted at least in line with inflation subject to any efficiency targets. As discussed in the Financial Review (page 20) the carrying values of the Company's assets may require review and potential write down if a sufficient settlement cannot be reached.

The closest possible attention is paid to capital project governance, led by a separate project management office and with all roles in projects well defined in line with international best practice

4. Reputational Risk

PoJL is a customer-focussed business. Over 2 million passengers pass through its gateways each year, along with every item of freight that is consumed in Jersey.

Customer satisfaction is monitored regularly and measurable customer service standards set. This is an integral part of the Company's requisite reporting to the JCRA. A key accounts director manages the Company's relationship with major customers such as airlines, shippers and ferry operators.

Appropriately close liaison is maintained with those in the GoJ who have responsibility for its shareholder function and a watch kept on policy and legislative developments that could possibly impact adversely upon the Company.

5. People Risk

The Company's staff are, by far, its most precious and critical asset. Given Jersey's tight labour market, this asset needs nurturing.

Considerable attention is paid to pay, terms and conditions, training and workplace wellbeing across the business, so that these are in line with, or better, than market norms where those can be judged. Succession plans are in place for all critical areas. Cadet and apprenticeship schemes are being developed. Training budgets are considerable and kept under regular review. Special programmes have been instituted to seek to attract, reward and retain people with particularly key skills

6. Cyber Risk

The importance of managing this 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, however they might arise. Penetration testing and vulnerability scans are undertaken by a leading independent consultancy. Staff training has been stepped up to help avert unwitting compromise of the Company's IT systems. The Committee has established a rolling review programme with the aim of ensuring that all angles to this complex problem are covered.

Board of Directors

Charles Clarke

Chairman

Appointed: October 2015

Charles Clarke is a Chartered Accountant who spent some 30 years with KPMG in London, Malaysia and Jersey, mainly as an Audit Partner. Latterly he was Senior Partner of the Channel Islands Firm and chaired the grouping of KPMG member firms in offshore jurisdictions. Since retiring from KPMG in 2005 he has focused on a portfolio of Non-Executive Directorships, including listed and regulated UK and Jersey companies. He has also established an offshore corporate governance consultancy.

He has been involved with Jersey Airport since late 2006, initially chairing a taskforce established by the previous Airport Director, and with Harbours since mid-2010, originally chairing the Jersey Harbours Advisory Group. His community roles have included Chairman and President of the Jersey Branch of the Institute of Directors, Chair of the Government of Jersey Statistics Users' Group, Governor of Victoria College and independent member of Durrell Wildlife Conservation Trust's Governance Committee.

During 2018, Charles sat on PoJ Nomination Committee (Chair).

John Mills CBE

Deputy Chairman and Senior Independent Director

Appointed: October 2015

John Mills had an extensive public sector career in London, in Hong Kong, in a large English local authority as Chief Executive and in Jersey, where for four years he was Chief Executive of the former Policy and Resources Department and the Island's senior civil servant. His roles in London included several years as a member of the Prime Minister's Policy Unit.

Since 2007 he has held a range of non-executive roles in the statutory sector, including as a board member of the Jersey Financial Services Commission and the Port of London Authority. Since 2014 he has been the Jersey-based director on the board of the Channel Islands Financial Ombudsman.

John initiated the States' work on the incorporations of Jersey Telecom and Jersey Post, and on the creation of the JCRA and the Island's competition policy regime. In this he drew on experience of working on the BT privatisation in 1984 and the subsequent liberalisation of the EU telecoms market.

John chairs the Airport Authority and the Harbours Authority, the structures through which PoJL board members and senior executives govern much of the non-commercial operations of the Company under the Incorporation Law.

During 2018, John sat on PoJ Remuneration Committee (Chair), Airport & Harbour Authority (Chair) and POJ Risk Committee.

Charles Hammond

Non-Executive Director

Appointed: January 2019

Charles Hammond has been involved in the Ports industry for over 25 years and is the current CEO of Forth Ports Limited. He holds and has held many different roles in the industry, including Chairman of The United Kingdom Major Ports Group, a member of The Scottish Energy Advisory Board and a member of the Cabinet Secretary's 2020 Vision for Health & Social Care.

Previous roles have included Chairman of Space and People Group, the retail, promotional and brand experience specialist and he has previously been Chairman of the Scottish Enterprise Edinburgh, the Economic Development Agency for the East of Scotland.

Charles has joined the PoJ Risk and Remuneration Committees.

Geoffery Spence

Non-Executive Director

Appointed: June 2018

Having spent 24 years working in investment banking, specialising in the financing of the Utilities, Energy and Infrastructure industries and its major projects Geoffrey Spence also advised the UK Government and public sector on the commercial and financing aspects of these industries, having worked for Morgan Grenfell & Co Ltd, Deutsche Bank AG and HSBC Bank plc.

He was also Chief Executive of Infrastructure UK within HM Treasury, leading its Infrastructure, Policy and Delivery, as well as being a Special Advisor to the Chancellor of the Exchequer's advisor on business and EU policy.

He has held senior positions in Lloyds Bank plc as well as being a member of the UK Government's Thames Estuary Commission.

Nowadays, Geoffrey 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. He is also a member of the London Mayor's Brexit Expert Advisory Panel.

During 2018, Geoffrey sat on PoJ Nomination Committee.

Mark Chown

Non-Executive Director

Appointed: November 2017

Mark Chown has extensive business experience in the private equity, leisure, property and aviation sectors. He held senior executive and non-executive positions with Flybe Group plc over 18 years, until 2014, including Deputy Chairman. During this time Flybe quadrupled in size, to become Europe's largest regional airline. Mark led the successful acquisition of BA Connect, the IPO on the London Stock Exchange and other significant corporate transactions. Mark has held non-executive director and Chairman roles in substantial businesses in the leisure, property and IT sectors.

Mark has a BA (Econ) from Manchester University and a post graduate qualification from the Manchester School of Management. He trained as a chartered accountant with what is now PWC, before moving into the private equity sector with 3i plc, prior to becoming a partner in an independent private equity firm.

During 2018, Mark sat on PoJ Risk Committee (Chair) and PoJ Audit Committee.

Jeff Hume

Non-Executive Director

Appointed: January 2017

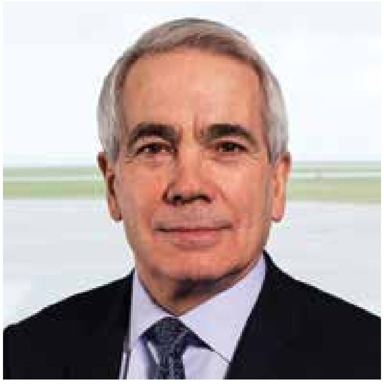
Jeff Hume is the Senior Independent Director of Manx Telecom plc, an AIM listed company, and is a member of the London Stock Exchange's Primary Markets Group.

He was the Deputy Chairman of the Dover Harbour Board, a major Trust Port, until December 2016 and the Senior Independent Director of the social housing association Moat Homes Ltd until September 2016. He was the Senior Independent Director and latterly the Chairman of Hyder Consulting plc (the multinational Consulting Engineer) until 2014. He was earlier an Independent Director of Heath Lambert Insurance Brokers.

In his executive career he was the Finance Director of TDG plc (Logistics), AWG plc (Anglian Water and Morrison), Alfred McAlpine plc (Housebuilding and Construction) and Howden Group plc (Mechanical Engineering). He previously held senior management and financial positions in the FTSE100 Hawker Siddeley Group plc.

He is a Fellow of both the Institute of Chartered Accountants and the Association of Corporate Treasurers.

During 2018, Jeff sat on PoJ Nomination Committee, PoJ Audit Committee (Chair) and PoJ Remuneration Committee.



Alan Merry*

Acting Group CEO (appointed January 2019)
Executive Strategy & Development Director

Alan has extensive international, senior executive and Board level experience gained across a range of industry sectors.

He worked closely with the Board and Executive Team on the incorporation of the Ports of Jersey and holds the position of Strategy and Development Director with a remit focused on business improvement. Currently, Alan is Acting Chief Executive Officer of Ports while the selection process for a permanent replacement is concluded.

Alan is also Non- Executive Chairman of Jersey Post, a role he has held since 2017 having joined the Board in 2015.

Prior to this, Alan was Director of CPA Global for 8 years and, before coming to Jersey, held senior executive roles in the financial services and retail sectors.

Andrew Boustouler

Chief Financial Officer and Deputy Chief Executive
Appointed: October 2015

Andrew has fulfilled a number of key roles at both Jersey Airport and Jersey Harbours for more than 15 years and was appointed by the GoJ as Deputy Chief Executive Officer in November 2011 following the establishment of the combined Ports of Jersey.

He undertook a central role in the incorporation process and was appointed to his current role as Chief Financial Officer on its fruition. He has direct responsibility for Finance, Property and Compliance.

Immediately prior to joining the GoJ he was employed by a local law firm where he specialised in structured finance transactions as well as providing general banking and commercial advice.

He was born in Jersey and qualified as a Chartered Certified Accountant in 2001 after having been called to the Bar in 1998 and is a member of the Honourable Society of Lincoln's Inn.

* Alan Merry was appointed as Acting CEO, reporting to the Board in January 2019.

Corporate Governance Report

Dear Shareholder

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 also entered into a Memorandum of Understanding 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 efficiency of that interaction 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 remains high on our agenda. 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. We also provide a quarterly "Quality of Service" report to the JCRA. Furthermore, we are accountable to the JCRA for pricing decisions and the avoidance 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 and Nomination 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 us being transparent about our arrangements.

Charles Clarke
Chairman
02 May 2019

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 CEO, 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 and most of the Directors are resident on Jersey. Notwithstanding any prior service on the Shadow Board, each Non-Executive Director is deemed independent. Details of each of the Directors' experience and background are given in their biographies on page 36.

Division of responsibilities

Chairman and Chief Executive Officer

The division of responsibilities between the Chairman and CEO has been agreed by the Board.

Senior Independent Director

The Senior Independent Director is John Mills 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 and the recent appointments of Geoffrey Spence and Charles Hammond is accordingly for an initial three-year term.

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 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 Chief Financial Officer, Andrew Boustouler, was Company Secretary during 2018 together with Jenny Marek-Murray, who succeeded him, supporting 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. This includes declaring any new conflicts before the start of each Board meeting.

Performance evaluation

The Board continued to monitor their effectiveness during 2018, with a structured internal review scheduled in mid 2019.

Board and committee attendance

The number of formal scheduled Board and Committee meetings held and attended (in person or by telephone conference) by Directors during the year to 31 December 2018 was as follows:

	Board	Ad-Hoc Board	Audit	Nomination	Remuneration	Risk
Charles Clarke	9/9	1/1		1/1		
John Mills	8/9	1/1			3/3	4/5
Mark Chown	9/9	1/1	4/4			5/5
Jeffrey Hume	9/9	1/1	4/4	1/1	3/3	
Margaret Llewellyn*	3/4			1/1		1/1
Allan Smith	9/9	1/1	4/4		3/3	
Geoffrey Spence**	5/5	1/1				
Doug Bannister	9/9	1/1				
Andrew Boustouler	9/9	1/1				

* Margaret Llewellyn stepped down from the Board 30 April 2018
** Geoffrey Spence was appointed to the Board 01 June 2018

Audit, Risk, Remuneration and Nomination Committees

Membership of all four 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 pages 46 to 47, the Directors' Remuneration Report on pages 52 to 53, the report of the Risk Committee is provided on pages 48 to 49 and the Nominations Committee Report on page 51. We will establish an Investment Committee as a consequence of the anticipated level of capital expenditure from 2019.

Insurance

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

Other authorities

PoJL has been appointed by the Minister for Economic Development as both the Harbour Authority and the Airport Authority for Jersey, each of which hold separate meetings and have different responsibilities under law. Details are provided on page 54.

Compliance and Assurance Statement

Open, Safe & Secure.

PoJL 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-practice 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. PoJL is subject external audits of its various operational management systems annually conducted by a diverse range of authorities including UK CAA, Department of Transport and European Aviation Safety Agency (EASA).

A dedicated team at PoJL is tasked with ensuring compliance with regulation and providing independent assurance to the Board on all of the main operational management systems. The team provides expertise on a range of compliance disciplines including data protection (GDPR), insurance, business continuity, risk management, as well as core compliance relating to aviation and maritime safety (sms), aviation and maritime security and occupational health and safety. During 2018, a Head of Internal Audit was appointed to the Compliance team, acknowledging the increasing burden of compliance activity.

Compliance and assurance evidence are 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.

In 2018, PoJL was subject to the following external audits, as part of its compliance obligations:

Audit Title	Audit Agency	Business Area	Audit Dates
Aviation Security	CAA Security	Airport	19 - 21 Nov 2018
Aviation Security	CAA Security	Airport	17 - 19 July 2018
Aviation Security	CAA Security	Airport	19 - 20 Feb 2018
Aerodrome Certification	CAA SRG	Airport (Aerodrome)	02 - 05 Oct 2017*
Air Navigation Service (ANS) Certification	CAA SRG/ EASA	Airport (ANSP)	24 - 27 April 2018
Air Traffic Unit Competency	CAA SRG/ EASA	Airport (ANSP)	24 - 27 April 2018
Habitat Management	BSM	Airport (Aerodrome)	20 - 21 July 2018
Port Marine Safety Code	Marico	Harbours	12 - 13 Nov 2018
QMS ISO 9001	TUV Nord	Airport ATS	23 - 24 May 2018
Statutory Financial Audit	Ernst & Young	Group	29 Jan - 23 Mar 2018

*15 month cycle.

All audits in 2018 were completed without significant (Level 1) non-conformities.

It is the assessment of the Group Safety, Security & Compliance Manager that PoJL complies with the requirements of regulations associated with systems as listed in the table above, and with its own policies for those systems. In addition, the management of occupational health and safety at PoJL has been assessed as effective, and management arrangements are sufficient and competent to ensure compliance with the published PoJL health and safety policy and Health and Safety at Work (Jersey) Law 1989.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Audit Committee Report

Dear Shareholder

As Chairman of the Audit Committee, I am pleased to report below on its work for the year ended 31 December 2018 and the publication of this Annual Report.

The primary responsibilities of the Audit Committee are to provide effective governance over the appropriateness of the Company's financial reporting including the adequacy of related disclosures, the performance of the audit function and the management of the Company's systems of internal control and financial risks. The Company has a separate Risk Committee and the Chairs of these Committees co-ordinate their activities and share information.

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

Headline issue

A key accounting issue has been the carrying values of operating assets inherited from the GoJ in 2015. Under our applicable accounting standard (FRS102) they could not retain GoJ's cost based values but were given much lower fair values, on the expert advice of KPMG and based upon strategic forecasts of PoJL's revenues. These in turn were dependent upon expectations of our regulated prices keeping pace with inflation.

In considering the carrying values in these financial statements, the Committee noted the continuing inability to reach such a settlement with JCRA. The Directors presently believe that there is, on balance, a reasonable expectation of a sufficient settlement being received, therefore no impairment has been recognised. However, in the event that the outcome is less successful than anticipated, this will next year prompt a reappraisal of the carrying values, which may result in a write down.

Since my last report to you the Committee has overseen the engagement of a Head of Internal Audit, a new role separate from operational compliance. We have also overseen the development and implementation of a new finance system. We observed that the control environment in the finance function has continued to improve with the functionality of the newly introduced systems.

The Committee has also monitored the organisation in addressing points noted in the external auditors' management letter and by Internal Audit and by BDO, who specifically reported to us on revenue assurance; providing advice on resolution where required.

In the year ahead the Committee will look to continue developing PoJL's internal audit effectiveness, in order to strengthen the control environment, and consider whether and where it should again be supplemented by specialist outsourced capability.

Jeffrey Hume
Chairman, Audit Committee
02 May 2019

Role of the Audit Committee

The Committee's full terms of reference were approved on 01 October 2015. They are available on request to the Company Secretary.

Membership and expertise

During the year to 31 December 2018 the Audit Committee comprised of Jeffrey Hume, Mark Chown and until his retirement Allan Smith. Charles Clarke then joined the Committee.

All members of the Committee are considered to be independent and, as can be seen from the biographies on pages 36 to 39, 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 to chair the Committee.

The Chief Financial Officer is routinely invited to attend meetings and the Deputy Director of Business Resources, who is secretary to the Committee, is also a qualified accountant.

The Chief Executive has also attended meetings by invitation and contributed to the debates. In addition the Committee members met with operational and finance team members.

External Audit

During this time the Company was advised by its external auditors Ernst and Young LLP. They have a world renowned Infrastructure and Logistics Industry group and bring a large knowledge resource directly applicable to PoJL.

The Committee assessed the effectiveness of its audit enquiries and became satisfied with its independence. We have been pleased to recommend to the Board that they be reappointed as auditors for the 2019 financial year.

Meetings held

The Committee held four meetings during the year ended 31 December 2018. The Audit Committee has also formally met twice so far in 2019, the second of which was to review and recommend approval to the full Board the Annual Report and statutory accounts for the year to 31 December 2018. The Committee has met with EY without management being present. The Committee chair has also met with the EY 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

The main issues and judgements in relation to the published financial statements to 31 December 2018 were:

- **A** Revenue recognition – Assurance that revenue is correctly recognised.
- **B** Operating assets - the impact of not yet receiving a JCRA settlement on the operating assets' carrying values.
- **C** Investment properties –Their fair values at 31 December 2018, as assessed by the internal valuer.
- **D** Provisions for claims – The adequacy of relevant provisions.
- **E** Legacy issues - The delay in Government of Jersey implementing in full the agreed resolution of legacy separation issues.
- **F** Pensions - the accounting for of the Public Employees Pension Scheme as a defined contribution arrangement because GoJ is legally responsible for it.

Risk Committee Report

Dear Shareholder

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. In particular, this includes the Company's statutory roles as Jersey's Airport Authority and Harbour Authority. (The membership of those two authorities comprises the whole Board plus certain senior officers of the Company.)

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 committee met five times during the year and additionally received papers as and when necessary. One of these meetings was jointly with the Audit Committee. The members of the Committee are the following independent Non-Executive Directors:

Margaret Llewellyn (Chairwoman, retired April 30 2018)
Mark Chown (Chairman, appointed 01 May 2018)
John Mills

The Committee is supported by the Group Safety, Security and Compliance Manager, who is the Company's Designated Person under the Port Marine Safety Code ("PMSC") and for the Annual Aviation Assurance Report, together with members of his team. The Committee receives and considers the 'Designated Person' reports on behalf of the Board, which is formally the Duty Holder under the PMSC.

The Chairman has regular meetings with that manager and his team and keeps the committee informed accordingly. Risk matters of significance are also addressed directly by the Board, the Chairman taking the lead in the discussion. The Chief Executive Officer and the Chief Financial Officer also regularly attend Risk Committee meetings.

At each of its meetings the Committee receives and reviews the incident and hazard reports for the aerodrome and the harbour as well as looking systematically at a range of specific risks and particular incidents. Although a good deal of its focus is necessarily on operational and safety matters it also considers commercial, financial, regulatory and other risks both through regular review and in respect of specific issues or incidents.

In a Company such as PoJ, which involves large public infrastructure, the identification and management of risk is of necessity a moving picture and so a key part of the Committee's role is to keep all known risks under regular review and to commission and receive detailed reports on particular areas; to consider newly-identified risk; to be very alert to all public safety issues; and to assure itself, and through it, the Board, that practice and procedure for identifying, analysing and assessing risk is of the first order throughout the whole Company. The aim is always to be satisfied that risks large and small, and their prospective mitigations, are well understood and managed appropriately, and that the Company is not taken by surprise, and has plans, when things happen. The Committee is equally alive to the importance of embedding the right kind of safety and risk management culture throughout the organisation.

During 2018 the Committee's principal activities can be summarised as follows:

Review of terms of reference

The Committee, along with the Audit Committee undertook collaborative work to more clearly define the segregation of responsibilities in terms of operational and financial risks.

Review of adequacy of insurance cover

The Committee, along with the Executive reviewed the organisation's insurance cover and endorsed changes to coverage as required.

Review of specific risks & incidents

Several risks and incidents that had been identified in the organisation as undesirable, were reviewed in detail with the relevant senior managers to provide the Committee with comfort as to the mitigations and ongoing strategy.

Review of hazard and incident reports

These reports are reviewed at every meeting, along with the Airport Director, Harbour Master and Business Continuity Manager. Specific items are questioned and reviewed as required.

Review of adequacy of risk management systems

During the autumn a review of the risk management systems used by PoJL was conducted by the consulting arm of the insurance provider Willis Towers Watson. These were found to be appropriate for the organisation's needs. We will continue to work to further enhance and refine our systems to ensure they remain at the leading edge of best practice.

Mark Chown
Committee Chairman
02 May 2019

Nominations Committee Report

Dear Shareholder

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 are the following independent Non-Executive Directors:

Charles Clarke (Chair)
Jeffrey Hume
Geoffrey Spence (appointed 01 July 2018)
Margaret Llewellyn (retired 30 April 2018)

The Committee met once during the year and once so far in 2019. The principal activities were as follows:

Recruitment

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 Non-Executives' skills and experience against the developing governance needs of the business.

During 2018 Margaret Llewellyn and Allan Smith retired, on 31 March and 31 December respectively. Geoffrey Spence was appointed from 01 June 2018. This appointment, in part, was to introduce specialist knowledge in respect of strategic investments. Charles Hammond was appointed from 01 January 2019. As CEO of Forth Ports, Charles brings a wealth of maritime knowledge to the Board. Recruitment of both Geoffrey Spence and Charles Hammond followed a competitive process run by specialist recruitment consultants.

Executive:

The business depends heavily on a number of key individuals, at both Board and senior executive level. Accordingly, the Committee has worked with the CEO to develop a senior executive succession plan.

Senior Executive Recruitment

The latter part of 2018 saw the Committee initiating the process to replace the CEO, following the resignation of Doug Bannister with effect from 31 December 2018. We appointed Alan Merry to succeed him as Acting CEO and worked with the Jersey Appointments Commission on an extensive open process to make a permanent appointment. The post was advertised and specialist recruitment consultants Heidrick & Struggles were appointed to assist the interview panel, which included a representative from the GoJ. We were pleased to be able to select and recruit Matthew Thomas, currently CEO of Shannon Group in Ireland, who will join us in July 2019.

Charles Clarke
Committee Chairman
02 May 2019

Directors' Remuneration Report

Dear Shareholder

The Remuneration Committee

The Committee sets the remuneration policy, pension rights and compensation payments for executive directors and the Company's chairman. Additionally, it approves remuneration for the senior management team and oversees the employee benefit structure as a whole, keeping the Company's remuneration policies under review. The Committee does not recommend compensation for non-executive directors since they themselves comprise the Committee.

During 2018 the Remuneration Committee members were John Mills (Chairman), Allan Smith and Jeffrey Hume, each of whom are independent Non-Executive Directors.

Remuneration Policy

The Committee's policy that remuneration should be set at a level that is appropriate for the accountabilities associated with the leadership and overall management of the Company so that the Company is able to attract, retain and motivate people of the quality, skills and experience necessary to deliver the Company's objectives. The Committee approves the design of any performance-related schemes for Executive Directors, including requisite performance targets, and any annual payments under such schemes.

The Board's decisions on directors' remuneration are subject to the agreement of the Minister for Treasury and Resources in her or his capacity as shareholder of the Company on behalf of the Government of Jersey.

In 2018 the Committee supported the successful negotiation and implementation of a new reward structure that unified all Company pay groups helping to address potential pay parity issues and providing a pay structure that is flexible, modern and fit for performance-related pay in the future. The previous method of employing and remunerating Company employees through six differing pay groups did not meet the needs of a commercial, modern, results orientated incorporated organisation.

Directors' Remuneration

The total remuneration of the Directors for the year ended 31 December 2018 is set out below:

	Basic Salary/ Fees 2018 £'000	Performance-related Payment £'000	Pension Contribution £'000	Total Remuneration 2018 £'000	Year ended 31 December 2017 £'000	Notes
Non- Executive Directors						
C Clarke (Chairman)	50	-	-	50	52	
J Mills CBE (Senior Independent Director)	25	-	-	25	25	
M Chown	25	-	-	25	4	1
J Hume	35	-	-	35	35	
M Llewellyn OBE	8	-	-	8	25	2
G Spence	15	-	-	15	-	3
A Smith MBE	25	-	-	25	25	
M Collett		-	-	-	21	4
F Walker OBE		-	-	-	21	5
Executive Directors						
D Bannister	220	-	30	250	278	
A Boustouler	155	32	20	207	191	
Total	**558**	**32**	**50**	**640**	**677**	

Non-Executive Directors receive no other payments. They are reimbursed for any travel or other out-of-pocket expenses in accordance with Company policy.

Incentive scheme

A non-pensionable incentive scheme for the two executive directors was in place throughout the year. This provided for maximum payment of 45% of base salary for the Chief Executive and 30% for the Chief Financial Officer. Awards under the scheme are assessed by the Committee and agreed by the Board against performance criteria directly linked to the Company's financial and other objectives. The scheme, and awards made under it, are confirmed by the Minister acting as shareholder. 60% of the potential is determined against the Company's financial performance and the remaining 40% against a range of qualitative performance objectives.

Notice Period and other benefits

The service contracts of Executive Directors contain a mutual notice period of six months or compensation for loss of office. Both Executive Directors were members of the Public Employees' Pension Fund.

John F. Mills

John Mills
Committee Chairman
02 May 2019

Notes:

1. Appointed November 2017.
2. Stood down April 2018.
3. Appointed June 2018.
4. Stood down October 2017.
5. Resigned October 2017.

Airport and Harbour Authorities Report

Dear Shareholder

The Company is designated by the Minister as the Airport Authority and Harbour Authority for Jersey. This arrangement was part of the scheme of the Incorporation Law, as a means of ensuring that a wide range of regulatory powers can be exercised out with, so to speak, the confines of the commercial company itself. The boards of the two Authorities comprise not only the board members of the company but also certain senior members of staff including the Airport Director and the Harbour Master. Both the latter are sworn office-holders with duties that either have reporting lines, through the two Authority boards, to the Minister, or may be exercised as powers on their own authority according to law. The especial focus of these powers and duties is on the safety and security of the two ports which, equally, are primary duties of the Company under the Incorporation law. The Harbour Master's regulatory powers extend also to territorial waters.

There is a considerable body of regulatory law which underpins port safety and security, much of it international. The Airport is regulated from an operational perspective by the European Aviation Safety Agency and, for certain functions and arrangements, by the Channel Islands Director of Civil Aviation. The Harbour Authority is the duty holder under the UK Port Marine Safety Code. The two Authorities keep the two ports' compliance with all relevant standards under regular review and receives and considers reports from the two directors as necessary. Both the latter also keep in close touch with relevant government officials.

During 2018 both authorities met twice.

John F. Mills

John Mills
Airport and Harbour Authority Chairman
02 May 2019


Marine Leisure Centre
JERSEY
MARINAS
MARINA
OFFICE

Directors' Report

Introduction

The Directors of the Company present their report and the audited financial statements of the Company for the period ended 31 December 2018.

Directors of the Company

The Directors of the Company are:

Charles Clarke (Chair)
John Mills CBE (Non-Executive Deputy Chair and Senior Independent Director)
Mark Chown
Charles Hammond (appointed 01 January 2019)
Jeffrey Hume
Margaret Llewellyn OBE (resigned 30 April 2018)
Geoffrey Spence (appointed 01 June 2018)
Allan Smith MBE (resigned 31 December 2018)
James D Bannister (Chief Executive) (resigned 31 December 2018)
Andrew Boustouler (Chief Financial Officer)

Future developments

An analysis of future developments are described in the Business Review on pages 11 to 17.

Post balance sheet date events

There were no significant events affecting the Company after the 2018 year end.

Re-appointment of auditors

The auditors, Ernst & Young LLP, 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 auditor of the Company.

Charles Clarke
Chair
02 May 2019

Andrew Boustouler
Chief Financial Officer
02 May 2019

Statement of Directors' Responsibilities

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

Jersey Company law 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.

Andrew Boustouler
Chief Financial Officer
02 May 2019


JY538

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

Opinion

We have audited the financial statements of Ports of Jersey Limited (the "company") for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 27, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been properly 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 57, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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. This description forms part of our auditor's report.

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.

Ernst & Young LLP

Matthew Williams
For and on behalf of Ernst & Young LLP, Statutory Auditor London
02 May 2019

Notes:

1. The maintenance and integrity of the Ports of Jersey Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Income Statement
for the Year Ended 31 December 2018

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Turnover	4	**47,620**	**46,247**
Operating costs (excluding depreciation)	6	**(35,568)**	(34,698)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**12,052**	**11,549**
Revaluation of investment properties	12	**(566)**	6,247
Impairment of operational assets	11	**-**	(658)
Depreciation	11	**(4,028)**	(3,591)
Operating profit		**7,458**	**13,547**
Finance lease income		**228**	226
Interest receivable	8	**106**	79
Unrealised (loss)/gain on investment	14	**(119)**	3
Unrealised loss on foreign exchange derivatives		**(229)**	-
Profit before taxation		**7,444**	**13,855**
Taxation	9	**(1,860)**	**(1,295)**
Profit for the financial period		**5,584**	**12,560**

Total comprehensive income was the same as the profit for the financial year.

Statement of Financial Position as at 31 December 2018

	Note	As at 31 December 2018	As at 31 December 2017
		£'000	**£'000**
Assets			
Non-current assets			
Property, plant and equipment	11	**72,509**	69,970
Investment property	12	**58,416**	58,335
Finance lease receivable	13	**2,456**	2,459
Investments	14	**5,888**	6,007
		139,269	**136,771**
Current assets			
Trade and other receivables	16	**6,267**	5,883
Finance lease receivable assets	13	**227**	225
Inventories	15	**363**	393
Cash and cash equivalents	18	**29,573**	25,413
		36,430	**31,914**
Non-current assets			
Deferred tax	17	**158**	1,377
Total assets		**175,857**	**170,062**
Liabilities			
Current liabilities			
Trade and other payables	19	**(8,568)**	(8,486)
		(8,568)	**(8,486)**
Non-current liabilities			
Provisions	20	**(600)**	(700)
Foreign exchange derivatives	21	**(229)**	-
Total liabilities		**(9,397)**	**(9,186)**
Net assets		**166,460**	**160,876**
Shareholder's equity			
Called up share capital	22	**1**	1
Incorporation reserve		**137,350**	137,350
Retained earnings		**29,109**	23,525
Total shareholder's equity		**166,460**	**160,876**

Approved and authorised by the Board and signed on its behalf on 02 May 2019

Charles Clarke
Chairman
02 May 2019

Andrew Boustouler
Chief Financial Officer
02 May 2018

Statement of Changes in Equity for the Period Ended 31 December 2018

2018	Called up share capital £'000	Incorporation reserve £'000	Profit and loss reserve £'000	Total £'000
At 01 January 2018	1	137,350	23,525	160,876
Total comprehensive income for the period	-	-	5,584	5,584
At 31 December 2018	**1**	**137,350**	**29,109**	**166,460**

2017	Called up share capital £'000	Incorporation reserve £'000	Profit and loss reserve £'000	Total £'000
At 01 January 2017	1	137,350	10,965	148,316
Total comprehensive income for the period	-	-	12,560	12,560
At 31 December 2017	**1**	**137,350**	**23,525**	**160,876**

The Incorporation Reserve consists of the value of assets transferred from the Government of Jersey to Ports of Jersey Limited on 01 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 2018

	Note	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Cash flows from operating activities			
EBITDA	a	**12,052**	11,549
(Increase)/decrease in inventories		**30**	(54)
(Increase)/decrease in debtors		**(385)**	(1,216)
(Decrease)/increase in creditors		**(16)**	(5,390)
Tax payment		**(641)**	(486)
Net cash inflow from operating activities		**(11,040)**	**4,403**
Cash flows from financing activities			
Finance lease interest received		**228**	226
Interest received		**106**	79
Net cash inflow from financing activities		**334**	**305**
Cash flows from investing activities			
Purchase of property, plant and equipment		**(7,193)**	(5,490)
Additions to investment property		**(21)**	-
Purchase of investments		**-**	(2,000)
Net cash inflow from investing activities		**(7,214)**	**(7,490)**
Change in cash during the period		**4,160**	**(2,782)**
Cash at 01 January 2018		**25,413**	28,195
Cash at 31 December 2018		**29,573**	**25,413**

Notes to the Statement of Cash Flows

a) Reconciliation of operating profit to net cash inflow from operating activities

	Note	**Year ended 31 December 2018 £'000**	**Year ended 31 December 2017 £'000**
Operating profit		**7,458**	13,547
Adjustments for:			
Depreciation	11	**4,028**	3,591
Impairment of operational assets	11	**-**	658
Revaluation of investment property	12	**566**	(6,247)
EBITDA		**12,052**	**11,549**

Notes to the Financial Statements

1. Basis of Preparation

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 16 September 2015 and assets were transferred from the Government of Jersey on 01 October 2015. These financial statements are the financial statements of Ports of Jersey Limited ("the Company") for the year to 31 December 2018. These financial statements have been prepared in accordance with United Kingdom Accounting Standards ("UK GAAP") and 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 Government of Jersey, which are publicly available.

The financial statements were approved by the Directors on 02 May 2019.

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.

The Company has no borrowings and a stable demand for core services provided, which generate a consistent operating profit; the Company has no debt and significant cash reserves. As a result the Directors have a reasonable expectation that sufficient funds are available to meet the Company's liabilities as they fall due over a period of at least 12 months from the date of approval of the financial statements. Accordingly the financial statements have been prepared on that basis.

2. Summary of Significant Accounting Policies

2.1 Turnover

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
Airport, Harbour and other traffic charges:		
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
Property, marinas and operational facilities:		
Property letting income	Lease agreement	Straight line over period of lease
Marina and mooring rentals	Location and length of vessel	Straight line over period of rental
Usage and charges of operational systems	Usage	On provision of services
Other invoiced sales	Various	On provision of goods/services
Retail:		
Concession fees	% of turnover	As concession earns relevant income
Car parking:		
Airport car parking	Date of parking	When space occupied
Harbour car parking	Period of permit	Straight line over period of permit

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.

2.3 Property, plant and equipment

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 transferred to 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:

Asset Type	Depreciation rate
Terminal buildings & satellite structures	20-50 years
Runway surface	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.

The Company assesses, at each balance sheet date, whether there is an indication that an asset may be impaired. 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 it 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 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 is measured at fair value. Investment property in the course of construction is measured at cost (including interest and other appropriate net outgoings) until such time as it is possible to determine fair value, consistent with the criteria in measuring completed investment property, with the exception of underlying land, which is included at carrying value before construction commenced.

Valuations are conducted annually. Surpluses or deficits arising on the revaluation of investment property are recognised in the income statement.

2.5 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 costs 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.

2.6 Inventories

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

2.7 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.

2.8 Creditors

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

2.9 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.

2.10 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.

ii) Defined contribution pension scheme

The Company participates in 2 multi-employer pension schemes operated by the Government of Jersey. Contributions to the schemes that are considered a defined contribution scheme are expensed as the contributions fall due. Contributions to schemes that are considered a defined benefit scheme, but for which the legal responsibility for the scheme falls with the Government of Jersey, are also expensed as the contributions fall due. Pension contributions for the Company's staff to these schemes amounts to £1.9M.

2.11 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.

2.12 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.

2.13 Dividend distribution

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.

2.14 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.

2.15 Foreign exchange derivatives

The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates arising from certain contracted 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 a derivative contract is entered into and are subsequently measured at fair value through profit or loss. 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. In this case, movements in the fair value of the derivatives considered to be effective hedges are recognised in Other Comprehensive Income.

2.16 Disclosure exemptions

The Company qualifies as a "qualifying entity" in terms of FRS102 as the Company is included in the consolidated financial statements of 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:

3.1 Investment properties

Investment properties were valued at fair value at 31 December 2018 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 property, plant and equipment

Property, plant and equipment 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.

3.3 Provisions

The estimate for future costs of certain ongoing claims is set out in note 20.

Judgements:

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. See note 13.

3.6 Classification of Public Employees Pension Scheme (PEPS)

The PEPS Scheme has been accounted for as a defined contribution scheme as the Directors consider that the Government of Jersey is legally responsible for the scheme. See note 24.

3.7 Impairment of property, plant and equipment

The Company is in discussion with the JCRA in respect of the future pricing framework for the airport and harbour. For more detail see page 14. In assessing whether there is an impairment in respect of the Company's property, plant and equipment, the directors have assumed that those discussions will be successfully concluded. In the event that the pricing agreement reached is lower than anticipated, this may be an indicator of impairment and the book values of the property, plant and equipment may need to be written down.

4. Turnover

Turnover is analysed as follows:	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Airport and Harbour charges	22,702	22,327
Channel Islands control area	6,327	5,257
Marina charges	3,516	3,399
PSO income	344	348
Sale of services	1,550	1,254
Concessions	5,782	5,602
Car parking	1,693	1,661
Property income due under operating leases	3,698	3,971
Recharges	1,286	1,614
Other Income	722	814
	47,620	**46,247**

5. Property Income Due Under Operating Leases

Amounts receivable under operating leases at 31 December 2018:

Future minimum lease payments	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Not later than one year	4,071	3,797
Later than one year and not later than 5 years	8,134	8,133
Later than five years	20,893	18,333
	33,098	**30,263**

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 2018 £'000	Year ended 31 December 2017 £'000
Wages and salaries	16,523	14,574
Social security costs	888	796
Pension costs	1,910	1,717
Other staff related costs	96	0
	19,417	**17,087**
General expenses	16,151	17,611
	35,568	**34,698**

Operating costs include:	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Staff training and development	350	403
Rentals under operating leases		
- Other operating leases	131	55
Services provided by the Company's auditor		
- Audit fees	96	93
- Other non-audit services	45	-

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

Employee information

The average number of full time equivalent (“FTE”) employees during the year to 31 December 2018 analysed by function was:

	Year ended 31 December 2018	Year ended 31 December 2017
Operational	166	156
Other	109	103
	275	**259**

7. Directors' Emoluments

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Directors' emoluments		
Salaries	590	627
Pensions and benefits	50	50
Directors' emoluments	**640**	**677**
Other key management personnel	651	438
Total key management personnel compensation	**1,291**	**1,115**

8. Interest Receivable

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Interest receivable		
Interest receivable on money markets and bank deposits	106	79
Interest receivable	**106**	**79**

9. Taxation on Profit

	Year ended 31 December 2018 £'000	Year ended 31 December 2017 £'000
Current tax		
Total current tax charge	631	695
Prior year adjustment	10	(19)
	641	**676**
Deferred tax		
Deferred tax on timing differences	1,219	619
	1,219	**619**
Total tax charge for the period	**1,860**	**1,295**

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 2018 £'000	Year ended 31 December 2017 £'000
Profit before tax	7,444	13,855
Tax on profit at 20%	1,489	2,771
Effect of:		
Non-taxable (gains)/losses on investment property	113	(1,249)
Other permanent differences	248	(208)
Prior year adjustment	10	(19)
Total tax charge for the period	**1,860**	**1,295**

10. Investments in Subsidiaries

At 31 December 2018, the Company had investments in the following subsidiary undertaking:

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

At 31 December 2018, PDF Limited and Ports of Jersey (Services) Ltd did not hold any net assets and as such have no carrying value.

The subsidiaries are incorporated in Jersey, Channel Islands.

11. Property, plant and equipment

	Operational Land	Buildings	Structures	Plant and equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 01 January 2018	10,120	23,755	24,839	14,518	4,328	77,560
Additions	-	1	(219)	(98)	7,509	7,193
Transfers	40	312	132	5,061	(5,545)	-
Transfer to Investment Property	-	-	-	-	(626)	(626)
At 31 December 2018	**10,160**	**24,068**	**24,752**	**19,481**	**5,666**	**84,127**
Depreciation						
At 01 January 2018	-	2,554	2,507	2,529	-	7,590
Charge for the period	-	995	1,139	1,894	-	4,028
Impairment	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 31 December 2018	**-**	**3,549**	**3,646**	**4,423**	**-**	**11,618**
Net book value						
At 31 December 2017	10,120	21,201	22,332	11,989	4,328	69,970
At 31 December 2018	**10,160**	**20,519**	**21,106**	**15,058**	**5,666**	**72,509**

12. Investment Property

2018	Investment property £'000
Valuation	
At 01 January 2018	58,335
Additions	21
Reclassified from property, plant and equipment	626
Increase/(decrease) in fair value of investment properties	(566)
At 31 December 2018	**58,416**

2017	Investment property £'000
Valuation	
At 01 January 2017	52,328
Transfer from Government of Jersey	-
Additions	-
Reclassified to property, plant and equipment	(240)
Increase/(decrease) in fair value of investment properties	6,247
At 31 December 2017	**58,335**

The fair value of the Company's investment property at 31 December 2018 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 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:

	2018	2017
Commercial property:	**7%-10% (yield)**	7%-10% (yield)
Car parks:	**10% (discount rate)**	10% (discount rate)

13. Finance Lease Receivables

	2018 £'000	2017 £'000
At 01 January 2018	2,684	2,685
Repayment	(1)	(1)
At 31 December 2018	**2,683**	**2,684**
Made up of:		
Current finance lease receivables	227	225
Non-current finance lease receivables	2,456	2,459
	2,683	**2,684**

Amounts receivable under finance leases at 31 December 2018

	2018		2017	
	Present value of minimum lease payments	**Gross investment**	**Present value of minimum lease payments**	**Gross investment**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	225	228	225	228
Later than one year and not later than 5 years	727	910	727	910
Later than five years	1,731	14,599	1,732	14,827
	2,683	**15,737**	**2,684**	**15,965**
Future interest amounts		(13,054)		(13,281)
		2,683		**2,684**

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 to the Company.

14. Investments

	2018 £'000	2017 £'000
At valuation		
At 01 January 2018	6,007	4,004
Additions	-	2,000
Unrealised (loss)/gain	(119)	3
At 31 December 2018	**5,888**	**6,007**

The Company holds a portfolio of three funds, invested in bonds. Details of the funds are disclosed below, further information is available at the fund manager's respective websites. The investments can be realised at any time, but the Company has no intention of realising them in the next 12 months.

Insight Investment Management (Global) Ltd - IIFIG Bonds Plus 400 fund
Goldman Sachs Asset Management – Global Strategic Income Bond
Wellington Management Funds – Global Total Return

The value of these holdings will vary subject to market fluctuations. Investments are valued at the market prices and exchange rates prevailing at the balance sheet date.

15. Stocks

	2018 £'000	2017 £'000
Consumables	**363**	**393**

The replacement cost of consumables at 31 December 2018 was not materially different to the amount at which they are included in the financial statements.

16. Trade and Other Receivables

	2018 £'000	2017 £'000
Due within one year:		
Trade debtors	4,728	3,962
Other debtors	931	1,495
Prepayments and accrued income	608	426
	6,267	**5,883**

17. Deferred Tax Asset

	2018 £'000	2017 £'000
Accelerated capital allowances	(1,535)	(1,113)
Pension deductions in future periods	1,693	2,490
	158	**1,377**

18. Cash and Cash Equivalents

	2018 £'000	2017 £'000
Cash at bank	**29,573**	**25,413**

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.

19. Creditors: Amounts Falling Due within One Year

	2018 £'000	2017 £'000
Trade creditors	1,132	1,065
Accruals & deferred income	3,227	2,437
Capital creditors	232	1,075
Due to parent undertaking	2,728	3,043
Corporation tax	631	695
Other creditors	618	171
	8,568	**8,486**

20. Provisions for Liabilities

	2018 Other provisions £'000	2017 Other provisions £'000
At 01 January 2018	700	1,000
Amounts paid	(1)	(104)
Charged/(credited) to profit and loss account	(99)	(196)
At 31 December 2018	**600**	**700**

Other provisions relates to a number of claims and ongoing costs that have been assessed in conjunction with the relevant legal advisors. A discount rate of 2% is applied to expected cash outflows.

21. Foreign Exchange Derivatives

The Company has forward foreign currency contracts to hedge foreign currency exposure on certain Euro income streams and forward purchases of equipment in Euros.

The total amount of Euros covered by the forward foreign currency contracts at 31 December 2018 was €12,771,500 (2017: nil) and they exchange Euros into Sterling at rates of between €1.11 and €1.13 for the period until November 2020.

The fair values of these derivatives are determined using quoted prices of forward exchange contracts with similar maturity profiles.

22. Called Up Share Capital

	2018 £'000	2017 £'000
Called up, allotted and fully paid		
1,000 ordinary shares of £1.00 each	**1**	**1**

23. Commitments

Capital	2018 £'000	2017 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**736**	**2,671**

24. Pension Costs

During the period, the Company principally participated 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 deficiency in the scheme, rather only a fixed amount is payable by the employer.

The Company is also a participating Employer in the Public Employees Pension Scheme (PEPS), also 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. The benefits, however are subject to a cap on employer's contributions of 16.5% of salaries. In the event that the costs of the scheme's retirement benefits are such that the cap would be exceeded, the Pension Scheme's Committee of Management and the Chief Minister have agreed, that benefits would be reduced unless members agreed to an increase in members contributions. Ports of Jersey currently contribute 16% of employees' salaries to the scheme. The directors consider that, although this has the characteristics of a defined benefit scheme, because they consider that the Government of Jersey is legally responsible for the scheme it is accounted for as a defined contribution scheme. In making the determination that the Government of Jersey is legally responsible, the directors have considered the contracts Ports of Jersey employees, who manages the scheme and who establishes the investment strategy, monitors investment performance and ensures benefits are paid to members.

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

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, JE2 3RR.

25. Ultimate Parent Undertaking

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

26. Contingent Liabilities

As at 31 December 2018, there were no contingent liabilities.

27. Post Balance Sheet Events

Post year end the company entered into a series of foreign exchange forward contracts at par to mitigate against currency fluctuation between the Euro and Sterling. These contracts were in respect to the purchase of two fire tenders in 2020 and the Channel Islands Control Area 2021-2023 contract. The contracts cover €20.8m at rates between €1.10 and €1.14.

Corporate Information

Directors

Charles Clarke	Non-Executive Chair
John Mills CBE	Non-Executive Deputy Chair and Senior Independent Director
Mark Chown	Non-Executive Director
Charles Hammond	Non-Executive Director
Jeffrey Hume	Non-Executive Director
Geoffrey Spence	Non-Executive Director
Alan Merry*	Acting Group Chief Executive
Andrew Boustouler	Chief Financial Officer

Company Secretary

Andrew Boustouler
(resigned 02 May 2019)

Jenny Marek-Murray
(appointed 02 May 2019)

Registered Office

Jersey Airport
St Peter
Jersey JE1 1BY

Auditors

Ernst & Young LLP
London Place
London SW1 2AF

Bankers

HSBC
Halkett Street
St Helier
Jersey JE4 8NJ

Solicitors

Carey Olsen
47 Esplanade
St Helier
Jersey JE1 0BD

* Alan Merry was appointed as Acting CEO, reporting to the Board in January 2019.

PORTS OF JERSEY

YOUR ISLAND GATEWAY