



Annual Report 2020



PORTS OF JERSEY
YOUR ISLAND GATEWAY



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Chairman's Introduction



2020 was my first year as Chairman of Ports of Jersey (PoJL) and I think it's fair to say that this has been the most disrupted and challenging period in the history of the company. COVID and the measures taken by government in Jersey, the UK and Europe to stem the spread of this virus have had a devastating effect on the company's revenues.

Whilst our Island gateways remained open throughout the year, ensuring lifeline supplies to Islanders, the introduction of restrictions on our ability to travel has unsurprisingly, had a fundamental impact on passenger related volumes. The full financial effect is detailed in the report from our CFO on pages 14 to 18.

COVID dominated our operations for the last nine months of the year. When the extent of the pandemic began to be appreciated in late March and Jersey's borders closed our focus was on ensuring the welfare of our staff and minimising the financial impact on our business. COVID safe working practices were introduced, discretionary expense was cut, and major projects were put on hold. We focused on how we could support our government and community to deal with an unprecedented situation and our staff responded incredibly by volunteering to support government led operations in dealing with the pandemic. Our senior management played an integral role working closely with government to ensure resilience of our life-line supply chains, access to UK health care and in project managing the construction of the Nightingale hospital. I and the Board are immensely proud and appreciative of the role that all of our staff have played in minimising the impact of COVID on our business and the Island.

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Our senior management played an integral role working closely with government to ensure resilience of our life-line supply chains

As 2020 progressed, it became clear that the impact of COVID was not going to be short lived and that the way we and our business partners operate is going to have to change. Several of our business partners have ceased trading, necessitating PoJL finding new businesses to work with. Within PoJL we have reviewed our organisational structures and the way we work together. In late 2020 we instigated a voluntary redundancy scheme which saw 24% of the workforce leave the business. Although this was a painful exercise to undertake, it was done in a compassionate and respectful manner. Thankfully, no compulsory redundancies were necessary, and the scheme was fully supported by the unions who represent our staff. We wish all of our former employees well for their futures and thank them for their contribution to PoJL.



Looking forward we are now implementing more flexible and empowered structures, within a lower cost base, which will give long lasting benefits to the business for the future however we are still operating in an environment of great uncertainty. Whilst we are not anticipating passenger volumes to return to 2019 levels for some time, it is nevertheless the role of PoJL to continue to provide open, safe, secure and sustainable operations in order to promote connectivity and life-line links to the Island. Connectivity is identified by economists as being a key element in encouraging economic growth and in Jersey's case, as an island, connectivity is vital to our economic and social wellbeing. Immediately prior to the COVID outbreak the regional airline Flybe ceased trading. Routes which had been operated for many decades ceased overnight. Although PoJL management team has done well to replace part of the Flybe's former network, through signing new agreements with Blue Island, Jet2 and Loganair, restoring the full network will take some considerable time. It is also possible that innovative new operating agreements will be required to entice other airlines to fly to these destinations. Jersey has no compelling feature that guarantees a particular route will be operated, it is purely down to what profitability can be achieved by the airline.

Our travel partners therefore have choices as to where they operate, and it is crucial that Jersey is seen as an attractive market for them. In order to do this, we must provide modern, fit for purpose and future proof facilities at both the Airport and Harbour. Our long-term investment plans are being evaluated in this context. The definite trend within the aviation sector is towards the acquisition of larger aircraft to provide economic and environmental benefits, and our airport facilities must be in step with the requirements that flow from this.

At the Harbour we are already investing on Albert Pier to provide new mooring capability for our leisure customers, and work is underway to plan to rationalise and improve freight handling ahead of the construction of enhanced ferry facilities.

Implementing our investment plans is vital both to accommodate existing and future airline and ferry operators, and also, crucially, to provide enhanced financial returns for PoJL to sustain and grow connectivity to the Island. In doing so it is important to recognise that we are fully committed to ensure that all of these activities are undertaken in the most sustainable way possible. This is a firm commitment fully supported by the Board. Our policy and plans to fulfil this objective are highlighted on pages 20 to 36. I look forward to reviewing meaningful progress in achieving this commitment on a regular basis in future reports.

COVID has had a severe impact on PoJL, but the actions taken by our management team to implement the necessary financial and organisational changes give me the confidence to believe that once market demand is

restored, we will be in a strong position to make meaningful progress with our plans for the company's development.

During the last year I have been privileged to have been supported by an outstanding Board who have responded to the additional demands made of them with diligence, sound advice and the necessary flexibility. I thank each of them for this.

Most importantly, our staff have all worked incredibly hard in protecting and reshaping our business as well as selflessly helping to steer the Island through the pandemic. To our operations staff, volunteers who were redeployed in various roles in conjunction with government projects, the Executive team and our former members of staff who left us at the end of 2020 as part of our voluntary redundancy scheme, I would like to give a huge thank you. You have been magnificent.

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Our staff have all worked incredibly hard in protecting and reshaping our business as well as selflessly helping to steer the Island through the pandemic.”

CEO's Review



2020 has been a year like no other. The global pandemic has had an unprecedented impact on the way we all live our lives. Personal freedoms that we have always taken for granted have been taken away. It was a year when our resilience as an Island has been tested to the full.

The global travel industry has been one of the most affected sectors by the COVID crisis. Travel restrictions, rightly imposed to protect public health, have severely impacted the demand for travel. The resulting financial impact on PoJL has been unparalleled.

As an Island which depends on its gateways to connect with the world and to have food on the shelves of our shops, the challenges for PoJL have been diverse and numerous, including helping to manage the consequential impact of Brexit. The pride and commitment of our employees to serve their Island has been humbling and ensured the Airport and Harbour remained open and operational throughout the pandemic.

PoJL has been central to the Islands response to the pandemic, working closely with agencies across Government and partners across the aviation and maritime supply chains, to ensure the resilience of our life-line air and sea services. The willingness of our teams to go further and volunteer the use of their skills to support the Islands emergency response has been incredible to watch. We were delighted that Maria Le Tiec and Sarah-Louise Stubbs received a special Bailiff's Award, on behalf of all our teams, as recognition for their contribution to the pandemic response effort in 2020.

We are extremely proud however, that we have not sought, nor received a single penny of taxpayer support. In fact, we have been pleased to have been able to contribute more than 50,000 hours of our employee's time and expertise, to support other Government agencies in the pandemic response.

The contribution by PoJL has been multi-faceted, reflecting the many different ways in which the pandemic has impacted our organisation. The following sections will summarise the different dimensions of our pandemic response:





Initial Response

The first major impact of the pandemic on PoJL came in early March when we were sad to see the collapse of Flybe. With its roots in the Channel Islands, Flybe had been a valued business partner, offering connectivity to a wide variety of destinations in the UK.

The rapid spread of cases of COVID across Europe quickly impacted upon both the Harbour and Airport operations. We experienced travel restrictions changing whilst aircraft were en route to the Island. Close multi-agency collaboration, combined with the agility of our operational teams to swiftly adapt and introduce new procedures, to protect our passengers and public health, came to the fore.

We created Strategic and Tactical Coordination Groups, mirroring the Islands emergency response structures, to ensure smooth, agile and resilient communications, between agencies and within PoJL. We quickly formulated and executed contingency plans to ensure the resilience of critical, humanitarian connectivity. As a result, Islanders could be repatriated from overseas, key workers supporting the Islands emergency response could travel and Islanders requiring specialist medical support could access treatment in the UK.

By the end of March, all of our non-operational employees had transitioned to remote working. That this change happened so smoothly was a credit to our IT team, our employees and the investments made in our IT infrastructure in previous years. We were pleased by the way our teams collaborated virtually, introducing processes that ensured the smooth running of our “back-office” functions.

For our operational staff, new ways of working were quickly introduced to minimise the risks of cross-contamination between critical functions without which the Airport and Harbour could not operate.

Support for Government and key agencies

Throughout the pandemic we have been working closely with colleagues in Government and key state agencies to support the Islands emergency response. We have been pleased to contribute to the Emergency Council, evaluating and managing the key resilience risks to the Islands connectivity and maritime supply chain.

The contribution our teams have made to support other agencies, across a range of initiatives, includes:

- The deployment of our employees to support other key agencies. We had: airport fire fighters driving ambulances; our security team providing support at the General Hospital; our customer service team helping the COVID Help Line; our Engineering team project managing the development of the Nightingale Wing and many of our employees have supported the Island test centre.
- We facilitated the negotiation of a contract for life-line flights with Blue Islands and Government during the lockdown periods, in order that Islanders continued to have access to essential connectivity.

The development of the arrivals testing facilities at the Airport and Harbour gained international media attention as Jersey led the world to enable “safe travel” to take place. The ambition, collaboration and successful operation of the arrivals testing with colleagues across Government was a demonstration of the capabilities of our Island. It enabled us to welcome visitors to our Island, supporting our visitor economy, whilst allowing Islanders to see friends and family.

Support for affected business partners

We supported a range of business partners during the pandemic to ensure the resilience of our gateway operations and to protect our long-term connectivity, a number of examples include:

- In close collaboration with Government we facilitated and negotiated the terms of a commercial loan from the Government to Blue Islands, in order to secure the Islands future regional air connectivity to the UK. The deal is projected to deliver an economic impact of £620m for the Island over ten years as Blue Islands concentrate their future operations in Jersey.
- New airline agreements have been put in place, providing incentives for the likes of easyJet and British Airways to restart flights to Jersey, effectively sharing the risks of restarting operations.
- We were delighted to welcome Jersey Potteries as our new catering partner at both the airport and harbour, following the collapse of the Casual Dining Group, during 2020. Jersey Potteries is a very strong local brand that will bring a great first and last impression for visitors to our Island.
- The incumbent supplier of air ambulance, medical evacuation services, terminated their contract with the Health Department early in the pandemic. We used our expertise to secure a new supplier and negotiate a new contract on behalf of the Health Department. This contract has a critical function, enabling islanders to access emergency medical treatment at short notice in the UK.

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New airline agreements have been put in place, providing incentives for the likes of easyJet and British Airways to restart flights to Jersey

- We supported the Jersey Aero Club, a valued partner providing services for our private aviation community, to remain viable and operational following the impact of the pandemic.
- The Company have recognised the need to be flexible with credit terms to support key stakeholders affected by the pandemic by well in excess of £5m.
- Supported tenants, often playing valuable roles in the aviation and maritime supply chains, to reorganise their operations to ensure their viability throughout the pandemic.
- We have also worked closely with our freight logistic partners, who have done an incredible job to keep the Islands supplied with everything from food and clothes, to our critical medical supplies and personal protective equipment.





Our People

Our people have performed tremendously during the pandemic. Their determination and enthusiasm has been key to our continuing operations. At times our staff found themselves in very difficult and fraught situations, but consistently acted with the utmost professionalism. They adapted quickly to rapidly changing situations and always ensured our Ports could operate safely and efficiently.

The welfare and wellbeing of our employees has been of paramount importance throughout the pandemic. Our employees faced challenges they had not experienced before, in a highly uncertain environment in a variety of different circumstances – ensuring the resilience of our operations, working remotely or being seconded to other agencies.

Communication was more important than ever to ensure all our teams had up to date information, were able to collaborate and support each other as well as having the opportunity to ask questions. Early in the pandemic regular “virtual” employee briefings were introduced, recordings of which were made available for all of our employees. We held thirty-one such briefings during 2020.

The emphasis of the briefings was to share information, provide operational updates and importantly to understand how our teams were coping with the stresses they felt both at work and in their personal lives. Through this we learnt how to tailor support to the areas it was most needed.

We introduced a range of mental and physical health wellbeing initiatives, including acting as the launch partner for a Mental Health at Work initiative with the Jersey Recovery College.

An Employee survey undertaken during the summer of 2020 confirmed that our employees felt cared for; were able to discuss any concerns and that their health and well-being were being prioritised.

We completed a voluntary release programme at the end of 2020, delivering a sustainable reduction in our operating costs of £5m per annum. We are reshaping our organisation to be fit to compete and best serve our Island.

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We introduced a range of mental and physical health wellbeing initiatives



An ambitious “Designing our Future” programme is expediting our evolution, empowering our employees to make a real difference. We believe that the difficult decision we took will ensure that we are in the best shape to bounce back in the future.

We are however tremendously grateful for the contribution of those 85 employees who chose to leave the PoJL family. Colleagues that leave always tell us that it is the people they work with that they will miss the most. Whilst 2020 has been an incredibly challenging year, it also brought out the very best in all of our people.

Please refer to the Sustainability Report for more information on these initiatives.

Business Performance

The pandemic has had a significant financial impact on PoJL. Business volumes have been dramatically impacted by the restrictions on travel which in turn significantly reduced our revenues.

Having reached a 25-year high in 2019, passenger numbers at the Airport and the Harbour fell significantly whilst in comparison, freight and fuel volumes were relatively less impacted.

We have carefully managed our financial resources to minimise our cash outgoings. Our employees have been creative and agile, adapting shift patterns, adjusting the terminal opening hours, reducing and deferring any non-essential spending.

The investment requirement at both the Airport and the Harbour is significant, and we were due to undertake an ambitious capital programme in 2020. We made the decision early in the pandemic to suspend all non-essential capital investment to preserve cash.

The recent decision, in February 2021, by the Director of Civil Aviation, to rescind the instruction to remove the Arrival's Building at Jersey Airport, has been welcomed. The decision will reduce the short-term investment requirement, as we undertake a detailed Airport Masterplanning process. We anticipate having a revised investment plan for the airport's development by the end of 2021.

Please refer to the Financial Review on pages 14 to 18 for more detailed information.

Public Safety

In order to reduce the spread of COVID, sensible, risk-based precautions were put in place by Government which restricted time outside of the home and undertaking non-essential activities. Daily exercise was however allowed, and so this, coupled with fine weather, led to a large uptake of water activities. This led to an increase in coastal, personal and water-sport incidents for the Coastguard. It was heartening to see the strong camaraderie amongst fellow leisure boaters assisting each other without a second thought and reducing the need to burden emergency services and voluntary SAR responders.

During 2020, Jersey Coastguard co-ordinated 177 search and rescue incidents. The most common incidents related to equipment and mechanical failure, followed by person or vessel seen to be in difficulty or persons being cut off by the tide.

The RNLI lifeguards continued their annual beach patrols providing essential safety advice throughout the season. Rip currents were the main cause of incidents for beach goers.

Although the pandemic posed challenges in regard to being able to offer face to face safety advice, Officers from the Coastguard instead embarked upon a comprehensive water safety awareness campaign online. Engagement was good and there were great improvements in terms of views and sharing of key messages.

Although commercial shipping was reducing during 2020, the St Helier Vessel Traffic Service was kept busy monitoring foreign leisure vessels seeking to land in the Island. They worked closely with Health, Marinas, Honorary Police and Immigration to ensure there were no breaches of border restrictions and that suitable control measures were in place.





Community

With regret, we had to cancel the Barclays Jersey Boat Show and Jersey International Air Display due to COVID restrictions. We focussed our community and fund-raising efforts on our designated charity partners, as well as other local causes whose efforts were impacted by the pandemic. Our employees went above and beyond volunteering their skills and time, from making masks to delivering meals to the vulnerable in our community. Unfortunately, our community education initiatives were also suspended, and we are very much looking forward to starting these again once the pandemic passes.

Please refer to our Sustainability Report for further details on our work in the Community.

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We are committed to playing a key role in rebuilding our economy and our tourism industry once the worst of the virus has passed.

Planning for the future

The pandemic has stretched all of us at PoJL, however it has also highlighted the pride that our employees have in serving their community. Through the adaptability, flexibility and resilience demonstrated by our staff, the Island gateways have remained open and met the challenges presented by the pandemic.

We are committed to playing a key role in rebuilding our economy and our tourism industry once the worst of the virus has passed. We are prepared for the challenges that lie ahead and the changed environment that we face, whether as a result of the pandemic or other factors such as Brexit.

We also believe that the pandemic will create opportunities for PoJL. We are investing in our gateway infrastructure and in our future connectivity. In addition to strengthening our relationship with British Airways and easyJet, we are delighted to have enhanced the resilience of our route network by launching services with Blue Islands, Jet2, Logan Air for 2021. The increasingly collaborative approach between PoJL, Visit Jersey and Government is starting to pay dividends in terms of rebuilding our connectivity.

The pandemic has ensured that 2020 has truly been a year like no other for our Island and PoJL. Despite the many challenges the pandemic has presented, the response of our employees and the pride that they have so clearly demonstrated, gives us great confidence for our future.





Our People at Ports



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Thanks to the efforts of our great IT Team I was able to work remotely from home as have many of us across the business.

“Your crew working together”

In summer 2020 PoJL launched a social media campaign, ‘Our People at Ports’ as an opportunity of showcasing our business; focusing on our people, the diverse roles they play within the organisation, how they have adapted to the new way of working and the impact it had on their well-being and leisure time.

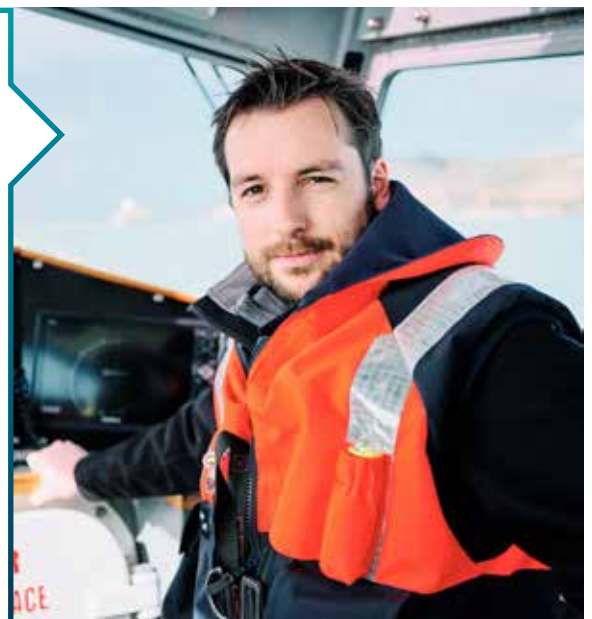
The 6-week campaign, which was managed by PoJL’s marketing team, combined the use of short video vlogs together with static blog posts available to view online via YouTube, Facebook, Twitter, LinkedIn and the company’s own intranet site. Public engagement was high and the feedback received very positive.

As follows, in their own words, are just a selection of stories recorded in summer 2020 outlining their thoughts and experiences in dealing with COVID: 19 during these challenging times.

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“Since the lockdown, we’ve slightly changed the way in which we work. I now work from home and for my pilotage duties I still go down to the harbour when necessary, but we’ve put in place some alternative solutions, such as remote pilotage and navigational assistance service. As a pilot we have gloves, masks, gel, and respect the social distancing obviously; other vessels provide the same measures as we do. Moving forward I definitely think there are going to be changes in the way we work and the way in which people work.”

Pierre Chays
Marine Safety Manager & Harbour Pilot





"Since the pandemic began, I spend most of my week working from home and am not used to working in a normal office environment. When I am in work some shifts are quieter than others. When we went into lockdown I volunteered to do deliveries for Caring Cooks, one of our nominated charities. It's good to be able to start volunteering again, supporting the community. I'm looking forward to catching up with family and friends overseas, once restrictions are lifted".

Marc Hill
Air Traffic Control Officer



"At the moment the role has really changed; we are a lot quieter. We are essentially doing what we did before but there's a lot less of it. Work wise I'm looking forward to seeing everyone in the same room, being able to have a conversation with a fresh face that you haven't seen for a while, talking into a computer or camera isn't the same. I'm also looking forward to getting a haircut!!"

Chris Robinson
Jersey Coastguard & VTS Officer



"I'm studying for a BSc (hons) in Real Estate Management and in my final year studying with the University College of Estate Management. Since lock down began I have been working remotely and our dining room is now an office for me and my husband. It's also served well as a Year 6 primary school classroom and 6th Form college. I am not going to lie; the last few months have been interesting to say the least, trying to juggle everything! Initially there wasn't a structure to the day, but the schoolwork has increased now, which can be challenging to get done alongside conference calls, work and studying. I am no teacher; my son has told me so! Luckily, we've been able to spend quality family time together in the evenings on walks, bike rides etc., which has been good for all of us and allows us to take advantage of our beautiful Island."

Karen Skelhorn
Estate Management Officer



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“Thanks to the efforts of our great IT Team I was able to work remotely from home as have many of us across the business. Having this technology to hand meant I could still catch up with colleagues. The pandemic has got us all thinking and doing our jobs in different ways. There appears to be fewer barriers and colleagues and business partners want to help and they do. I believe this has made us all a little bit more human and conscious of the needs of others. PoJL has always been an exciting place to work; we often don't know what's coming our way but when they do, we're there and we get things sorted. I'm proud to be part of PoJL”.

Andre Rabet
Harbours Engineering Manager



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“I'm now working from home. As I work part-time and with lockdown it means I have more time on my hands. So, I signed up with volunteer.je and they asked me to help Meals on Wheels. I have a round once a fortnight delivering hot meals to 10 households. I've really enjoyed the rounds and meeting new people as there is always time for a quick chat, which hopefully helps with any potential isolation issues. I've also hauled out my nana's ancient sewing machine and blown off the cobwebs to make face masks for family and friends so we can hopefully keep more people safe”.

Emma Brennan
Finance Business Partner

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“As a firefighter I'm usually up at the airport but during the pandemic I've been sent to the ambulance service to help them out. We've been doing things like working on front lines, responding to 999 calls and emergencies with a paramedic. We've been driving GPs to patients, driving nurses to individuals' houses or nursing homes so doing swabs and helping them. I've kept in touch with my colleagues at Ports as we've got a Whats App group. I do still check my emails as well, so I'll be able to keep in touch with everyone. I'm looking forward to restrictions being lifted because I miss my general active lifestyle but most of all I'm just looking forward to being able to hang out with friends again and actually see them because you don't realise how much you value something until it's taken away from you”

Hayley Wray
Airport Firefighter



Financial Review



2020 has, by any measure, been a difficult year with the global pandemic forcing governments to introduce unprecedented restrictions which have had wide-ranging implications.

These have had a direct and disproportionate impact on the aviation and maritime business sectors and consequently on the financial performance of PoJL, with our income falling by 38%, after five continuous years of growth, and the company making a significant loss in the year.

As the custodians of the Island's gateways, our primary focus has been to ensure that the maritime and aviation connectivity of the Island has been maintained during these difficult times and to safeguard the operational robustness of the business in order to be prepared for the return to mass traffic volumes.


Our prudent accumulation of financial reserves has meant that we have been well positioned to meet the financial challenges presented by the global pandemic in the short to medium term. Our long-term financial objective remains to appropriately and sustainably finance the infrastructure developments which are vital to facilitating the connectivity required to support sustainable growth in the economy of Jersey.

Our Financial Statements for the year ended 31 December 2020 show an EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) loss of £8.2m, compared to a prior year profit of £12.4m.

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



Comparative financial performance



	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Turnover	30,155	48,667
Operating Costs (excluding depreciation)	(38,393)	(36,255)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(8,238)	12,412
Net cash flow from operating activities	(9,886)	10,140

Turnover

POJL (£'000)			
2020	2019	Variance	%
30,155	48,667	(18,512)	(38%)

Airport (£'000)			
2020	2019	Variance	%
15,629	31,321	(15,692)	(50%)

Harbour (£'000)			
2020	2019	Variance	%
14,526	17,346	(2,820)	(16%)

An early indication of the difficulties to be faced during 2020 came with the sad demise of Flybe, a long standing and valued business partner who had provided core regional connectivity for the Island. This event was shortly followed by the travel restrictions imposed as a result of the onset of the global pandemic.

The impact on our business has unsurprisingly been significant, leading to an overall income reduction of 38% when compared to 2019 and passenger numbers at the airport and harbour falling by 76% and 87% respectively.

Despite best efforts to ensure that connectivity has been maintained throughout the year and a brief respite during the summer when travel restrictions were eased, Airport income, which is primarily geared to the volume of travelling passengers, was 50% lower than that experienced in the prior year. This has also hurt our business partners; most notably Casual Dining Group (CDG), our primary Food & Beverage business partner, which ceased operations at both the Airport and the Harbour and entered into administration.

Whilst the maritime sector has also been significantly impacted by the pandemic, our Harbour income streams have been more resilient, due to their comparatively diversified nature. Freight volumes have been less affected than passenger volumes, which has helped to mitigate the significant reduction in vehicle and passenger dues. Similarly, for the marine leisure sector, a robust local market has offset the reduction in visiting yacht numbers. As a consequence, 2020 maritime income was less impacted than aviation, being 16% lower than that experienced in the prior year.

Operating expenditure

POJL (£'000)			
2020	2019	Variance	%
(38,393)	(36,255)	(2,138)	(6%)

Airport (£'000)			
2020	2019	Variance	%
(26,145)	(23,418)	(2,727)	(12%)

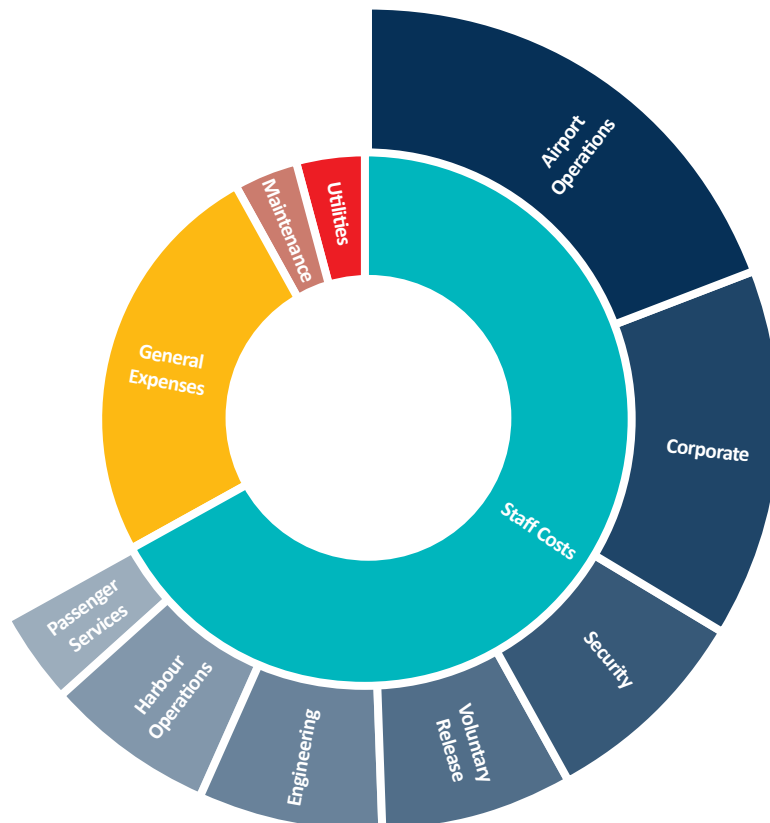
Harbour (£'000)			
2020	2019	Variance	%
(12,248)	(12,837)	589	5%

In addressing these financial and operational challenges we have remained highly focused on the need to balance our immediate business interests against the wider interests of the Island and the critical importance of maintaining life-line connectivity in a highly volatile and uncertain environment. We have therefore taken steps to manage ongoing expenditure prudently, but without compromising availability or operational standards. Furthermore, we have remained aligned with the Government of Jersey on a sustainable response to the challenges which has incurred extra costs and extended credit terms to some business partners.

In doing so, we have neither sought nor received any financial assistance from Government. Indeed, we are proud to have deployed staff to support Government and key state agencies to deliver the Islands emergency response to the pandemic. We estimated the attributable value of this support at over £1.0m.

Faced with the prolonged impact of the global pandemic, the business made the difficult decision to offer a voluntary release programme. This took effect in December 2020 and has resulted in 85 employees leaving the business. The outcome resulted in a 'one-off' cost of £2.4m which, in addition to the second part of a two year pay award that took effect 01 January 2020, has resulted in increased staff costs. Non-staff operating costs (excluding trade debtor provisions) have been reduced by 8.2% through appropriate management actions including the partial closure of some facilities in order to minimise maintenance and utility costs.

The steps taken in 2020 including the voluntary release programme delivered in conjunction with wider organisational restructuring, will reduce our ongoing staff costs by approximately 20%/£5m per annum and help to reshape the business to expedite the recovery in passenger volumes and deliver a long-term sustainable operating model.



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

PoJL (£'000)		
2020	2019	Variance
(8,238)	12,412	(20,650)

Airport (£'000)		
2020	2019	Variance
(10,516)	7,903	(18,419)

Harbour (£'000)		
2020	2019	Variance
2,278	4,509	(2,231)

The disproportionate impact of the global pandemic on the aviation and maritime sectors, has resulted in an £8.2m EBITDA loss. The majority of the reversal has been driven by the diminished income at the Airport, which returned a £10.5m negative EBITDA at year end (compared to a contribution of £7.9m in 2019). Whilst we anticipate that it will be several years for passenger volumes to recover to 2019 levels, we recognise the importance of connectivity to the Island and are pleased that operators retain confidence in the Island and that new agreements have been put in place with Blue Islands, Jet2 and Logan Air to start to replace lost capacity.

The Harbour maintained a profitable position, albeit at a significantly lower level than experienced in the prior year. We recognise the importance of a diversified income base and are continuing to invest in projects to support this including within Marine Services and Marine Leisure.

2020 has been an extremely challenging year for the Company but the underlying business model and the incremental improvements in performance since incorporation have allowed PoJL to respond in a collaborative manner with Government to ensure that both the Airport and the Harbour remained open throughout the year and are well positioned to meet the needs of the Island as the long-awaited recovery begins to emerge.

Profit before Tax

	2020 £'000	2019 £'000
EBITDA	(8,238)	12,412
Revaluation of Investment Properties	5,147	(45)
Profit on disposal of fixed assets	-	127
Depreciation	(5,335)	(6,015)
Operating (loss)/profit	(8,426)	6,479
Other Items	765	620
(Loss)/profit before tax	(7,661)	7,099

Beyond the operating profit there is a small net contribution from financing type items such as Finance Lease income, Interest and Unrealised gains/losses, to record an overall Loss before Tax of £7.7m (2019: £7.1m profit).

Revaluation of investment properties

As at 31 December 2020, PoJL held investment properties with a net book value of £63.8m. These are held on the balance sheet and not depreciated during the accounting period. They are however subject to revaluation to market value at each period end.

A full valuation was conducted in respect of these assets in 2020, which resulted in an uplift in value of £5.1m. The increase mainly related to certain sites which had not previously been classified as investment property, a change to the value of land used as car parking and an increase in value as a result of commercial developments.

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%.

As losses have been incurred during the period, a tax credit of £1.7m has been recognised

Cashflow

Net cashflow from operating activities was negative £9.9m for the period ended 31 December 2020. This was mainly due to the negative EBITDA but also a consequence of a significant increase in Trade Debtors as we have been supportive of business partners through the provision of extended terms of credit.

The Company has built substantial cash reserves to fund future investment and entered the year with £33.1m. These reserves decreased by £16.8m during the year, as they helped manage the impact of the difficult trading conditions. This resulted in a closing balance of £16.3m as at 31 December 2020. It should also be noted that the organisation holds £6.1m in money market investments which can be liquidated at short notice.

Capital Expenditure

The principal items of capital expenditure during the year were:

	£'000
Hold Baggage System Upgrade	2,365
Integrated Terminal Project	1,834
Marine Services Vessel	1,068
Airport Fire Tenders	849
Projects Under £250k	274
	6,390

Debt Financing

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

The Company did not have any borrowings at 31 December 2020, however following constructive discussion with the Minister, we secured a £40m Revolving Credit Facility during the year, with three-year commitments by RBSI and Lloyds. These funds remain available to be utilised to support our future investment programme and to maintain liquidity as required.

Pension

The Company continues to participate in the Government sponsored Public Employee's Contributory Retirement Scheme (PECRS), the Public Employees' Pension Scheme (PEPS), as well as a Defined Contribution scheme which has been made available to a number of employees.

During 2020 the Company contributed £2.5m to these schemes.



Sustainability Report



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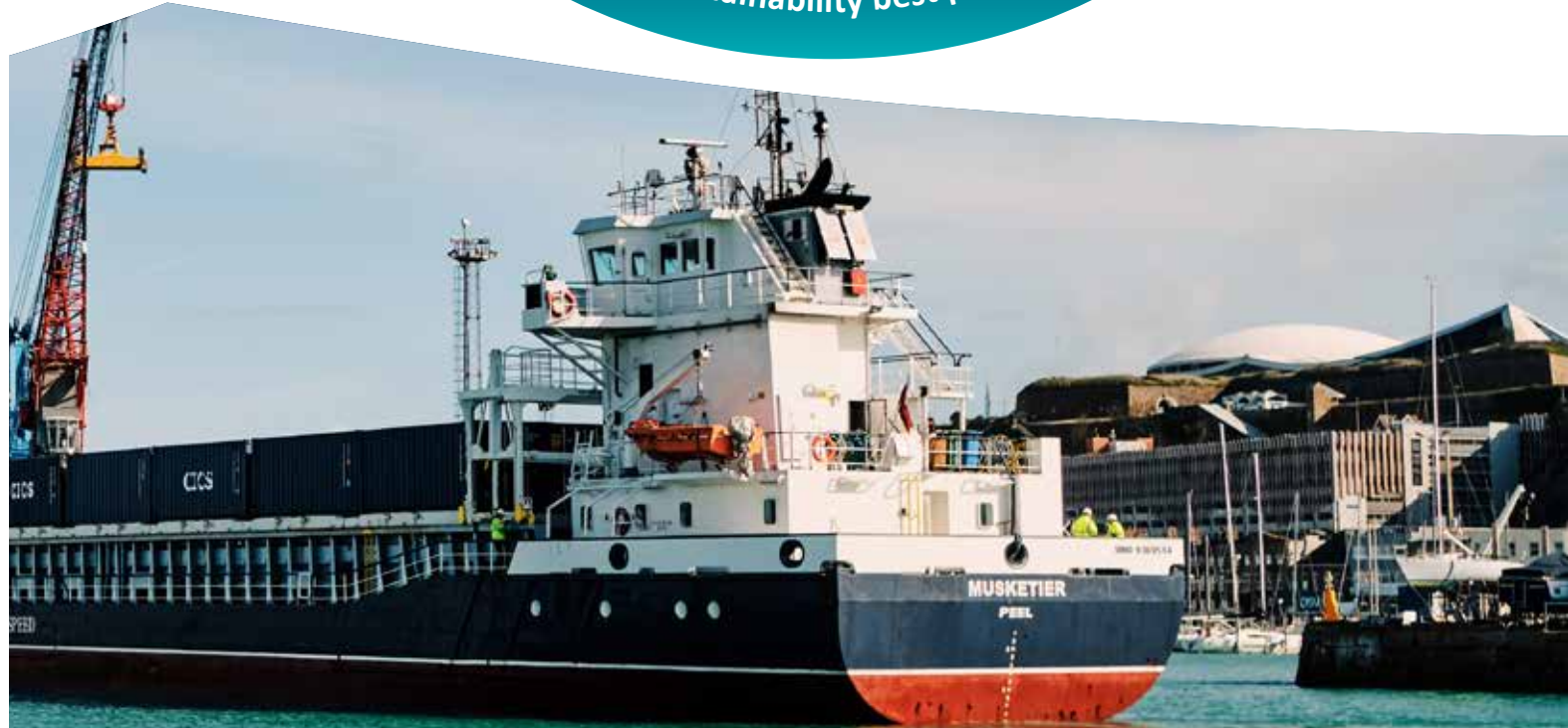
The pandemic has highlighted to the public how vital our role remains in the life of Islanders and their well-being.

PoJL is uniquely placed to contribute to the sustainable development of our Island. The connectivity we enable underpins our Island's economy, our business community, our residents and our visitors. At the most basic level, connectivity ensures there is food on the shelves of our supermarkets.

The pandemic has highlighted to the public how vital our role remains in the life of Islanders and their well-being. As we play our part in engineering the Island's post-pandemic recovery our approach to sustainability will increasingly be at the heart of everything that we do. We are launching a comprehensive programme of initiatives to further enhance our social and economic impact for the community that we serve.

Our programme will work holistically encompassing all areas of our organisation, working in partnership with our key stakeholders and other like-minded organisations in the Island.







Economy

Being an island, our ability to easily connect to the UK is fundamental. PoJL is committed to supporting the economic sustainability of our Island and being a lever to stimulate its growth.

In the 5 years up to 2019 we grew air passenger numbers by 12% to 1.7m and marine freight volumes by 10% to 524k tonnes. We now have a critical role to play in the Island's economic recovery from the COVID pandemic.

In order to achieve this and as a major employer we need to have a resilient business model with sound finances.

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**The tourism sector
 alone contributes
 £372 million per
 year in economic
 benefit**

The Island's supply chain

We are very proud that the maritime supply chain, which carries 99% of the Island's freight, has operated without interruption throughout the pandemic. The resilience of this supply chain was put into sharper focus when the introduction of travel restrictions meant it was no longer viable for many air carriers to operate and carry goods. In challenging circumstances PoJL has worked very closely with Government, our main ferry operator (Condor), freight companies (Ferryspeed and Woodside Logistics), stevedores (Solent Stevedores) and many other links in the supply chain to ensure the maritime supply chain remained resilient.

As the Island begins its recovery from the pandemic, the resilience of the maritime supply chain continues to be of the utmost importance, enabling island industries to “get back to work” be it by importing construction materials, food or the COVID vaccines. We will ensure our ports support these supply chains by investing in our infrastructure, developing appropriate operating practices and fair commercial relationships to enable our business partners to access our island.

Passenger connectivity

Air connectivity is critical to Jersey's economy and the quality of life for Islanders. The tourism sector alone contributes £372 million per year in economic benefit (Oxford Economics 2019 report), whilst Jersey Finance has highlighted air connectivity as a key source of competitive advantage for the finance sector. As Islanders we depend on air connectivity to visit friends and relatives in the UK, to access specialist medical care, university education and to travel on holiday.

PoJL works tirelessly with airlines to develop the network of destinations to our Island. The collapse of Flybe, followed by the lockdown restrictions, resulted in a 76% reduction in passengers at Jersey Airport 2020. Although the pandemic will again impact passenger numbers in 2021, we are encouraged that our efforts over the last 12 months will build a recovery in our connectivity.

Although the pandemic restricted the commercial operations of our airline partners, the provision of “humanitarian” flights – to enable patients to access medical treatment in the UK and the movement of essential workers and the repatriation of Islanders – was critical. We worked closely and collaboratively with Government of Jersey to facilitate an agreement with Blue Islands on a sustainable basis for life-line connectivity flights to be maintained on a sustainable basis.

We work closely with our airline partners to provide the package of incentives and route development supports to position Jersey as an attractive destination. We are building an ever-closer relationship with Visit Jersey and Government, to present a “Team Jersey” approach to airlines.

We are extremely pleased that British Airways and easyJet have demonstrated their commitment to flying to Jersey. We are delighted to have secured new carrier deals with Jet2 (who plan to launch five new routes in 2021), Loganair and Eastern Airways. The viability of these arrangements will of course depend upon the evolving restrictions on travel associated with the pandemic coupled with the confidence the airlines have of being able to commercially sustain passenger levels on their Jersey routes, which is currently a moving picture.

We are also delighted to have secured a unique partnership with Government of Jersey and Blue Islands, that should safeguard our regional connectivity for years to come.



Income diversification

As an infrastructure business we have a high fixed cost base that does not vary commensurately with income. Therefore, we have been fortunate in 2020 not to be totally reliant on a single source of income. Our main income streams are aviation, maritime, marina and property. Whilst we will work hard to develop each of these, we aim to add complementary sources of income. The expansion of our Marine Services business which meets the demand for tugs elsewhere has been a great example. It now generates c.£1m revenues per annum. We expect the development of the airport and harbour masterplans to create further opportunities.

Business relationships

Our organisation would not be able to succeed without collaborative relationships with our business partners. From our carriers, to our concession partners, to the Government of Jersey and our tenants, it is a joint effort to ensure our gateways remain open, safe and secure. Our in-house teams purposefully work to develop our business partner relationships ensuring mutually beneficial operations that work for all parties.

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Our organisation would not be able to succeed without collaborative relationships with our business partners.

Liquidity

As custodian of the Islands critical gateway infrastructure, we have a substantial and long term capital programme which creates major peaks in capital outlay. In order to sustainably fund this long term investment without subsidy, we are reliant on the proceeds of our own commercial activity, the cash reserves we have accumulated and our borrowing capability. Please refer to the Financial Review for more information



People

Ports of Jersey as an employer

We employ almost 300 people across a wide range of functions, from Air Traffic Controllers to Accountants, Fireman to Coastguards and Engineers to Retailers. We are incredibly proud of our people who maintain our gateways, manage our business partner relationships and care for our customers. Please refer to the People section for more information.

Our People's Health & Wellbeing

Our people are our greatest asset and their resilience, flexibility and adaptability during 2020 has been humbling.

We need to provide our teams with an inclusive, positive working environment in which they can develop and grow with an emphasis on encouraging wellness and a healthy lifestyle.

More than ever before, we have prioritised support to one another to tackle the unprecedented challenges facing our industry. We are incredibly proud of how our teams have responded to serve our Island throughout the pandemic.

Key initiatives to support our teams included:

- Frequent honest briefing sessions for all employees, run by the Chief Executive, addressing concerns and answering questions
- Ensuring COVID advice was easily accessible
- A programme to promote a mentally healthy workplace with Jersey Recovery College
- Opportunities to promote physical fitness
- A winter-wellness programme





Creating a ‘fit for the future’ workforce

We launched an ambitious ‘Designing our Future’ programme to redesign our organisation, to ensure PoJL is best able to serve our Island in the future.

The principal objectives of the ‘Designing our Future’ programme are to:

- Create a high performance and highly efficient business through greater integration of key functions
- Deliver a sustainable reduction in our cost-base, achieved through a voluntary release programme, which concluded in December 2020. By redesigning how we work, we will be able to sustain the smaller workforce for the long term and be better able to invest in the future
- Build on the pride and engagement we feel to develop a more inclusive, diverse and sustainable PoJL
- Retain our strong culture throughout the process to minimise the uncertainty we will undoubtedly be feeling

We need to create an environment where employees feel good about their roles, take pride in working for PoJL, and the contribution they make to our Island. We are committed to investing in our employees to support their development and provide opportunities for growth.



We are committed to investing in our employees to support their development and provide opportunities for growth.

To achieve this, we have focused our efforts on empowering our teams, giving accountability to create an agile and high performing organisation. This will enable us to compete and take advantage of opportunities in an increasingly customer-focused marketplace.

Many opportunities have been identified and our teams have brought forward some truly transformational ideas, which gives great confidence for our future. The programme will continue throughout 2021, providing employees across the organisation with training and development opportunities, encouraging ever closer collaboration between our teams and providing the investment that will ensure the cost base reduction that has been delivered is sustainable into the future.

Promoting physical fitness

Appreciating the positive effects of exercise on mental health we promote and encourage fitness initiatives. In May 2020, our Airport Fire Crew launched its own online fitness “HIT sessions” via YouTube. Aimed at all ages and abilities, the weekly half hour sessions provided motivational exercise activities for the avid fitness fanatic as well as those looking for easier options.

COVID Health and Wellbeing

The pandemic has affected us all, taking away personal freedoms we took for granted, and creating uncertainty, anxiety and concern for everyone. The health of our people and their families has been a key focus for us. We reacted quickly and promptly to ensure the resilience of our lifeline operations and importantly, the health of our teams and our key stakeholders at the airport and harbour.

At the start of the pandemic, we introduced a range of measures to protect our employees and customers. Many of our teams began homeworking whilst operationally critical teams were segregated to minimise the risk of cross-contamination. We have a debt of gratitude to the calm and professional way in which our airport and harbour teams adapted our operations to ensure they were safe for our customers, including:

- Physical distancing measures
- Enhanced cleaning programmes
- New operational procedures to minimise the risk of customers contracting the virus when transiting through the airport and harbour
- Ensuring the availability of personal protective equipment (PPE)
- Providing reassuring guidance to customers

We have all had a thirst for knowledge regarding the pandemic. Regular communication with our teams, to raise our concerns, has been a feature throughout 2020. Many of the all staff briefings were led by our CEO and included Q&A sessions with senior staff. We have shared wellbeing guidance and practical advice across the business with regular virtual team briefings, providing essential services in the workplace, as well as business support for working from home. During 2020, 31 staff briefings were conducted.

When antibody or workforce PCR testing was made available by Jersey’s government, we have ensured that as many of our people as possible have had the opportunity to participate.

Other guidance measures for staff included advice on what to do in the event of self-isolation, measures to take for those with dependants who need care and extra support, and general travel guidance. Our employees are individuals, with different personal circumstances who have been impacted by the pandemic in different ways. Our aim has been to prioritise the support for our employees, our colleagues and our customers, as well as providing flexibility to those unable to work from home.



Becoming a More Mentally Healthy Workplace

Creating a supportive work environment that promotes the importance of mental health is a key priority for us. Since 2018 we have introduced training courses and awareness programmes to promote individual wellness, resilience and awareness. Given the challenges we all faced, be it in a working environment or our home-life, this support became even more critical in 2020.

We are proud to have been the launch partner of Jersey Recovery College's "Mental Health at Work" initiative. This involved co-producing some of the modules and piloting workplace educational courses about key mental health topics. The programme was offered across the organisation both in a classroom and virtual setting.

Our Leadership Team took part in the 'How to create and lead a mentally healthy business' programme. This ensured we have the strategies, working policies and practices in place, to support wellbeing, and to continue to develop a caring and compassionate culture.

We offered our people courses in;

- Goal Setting, resilience and wellbeing
- Understanding and managing anxiety
- Overcoming fear and stress
- Living with depression or low mood

"JRC was delighted when PoJL opted to be our launch partner for this important programme. We needed an organisation that had the right values, that was committed to supporting mental health at work, and was open to evolving through the partnership. We couldn't have asked for a better fit."

Beth Moore
Jersey Recovery College



Working in partnership with MIND Jersey to deliver our first course in 2021, we are offering accredited Mental Health First Aid training, along with the opportunity for our employees to become instructors.

Further support is provided with free counselling services through our employee health plan and Trauma Risk Management (TRiM) in our operational areas. TRiM is an occupational mental health support process that aims to identify and assist first responders after potentially traumatic events.

"We're lucky to work for an organisation that values its staff and focuses on wellbeing. PoJL doesn't just pay lip service to mental wellbeing; it's a message that's come across strongly. Since I've been with the company and prior to homeworking, I've noticed a gradual positive change in how some of my colleagues talk about mental health"

Lorna
Air Traffic Control

Winter Wellness

With COVID in circulation it was more important than ever to get vaccinated against influenza (flu). We continued to offer our annual flu vaccine to our teams, working with the Government health team to ensure the availability for those classed as 'essential workers'. For those not eligible for this essential worker programme, we reimbursed the costs to those employees who opted to be vaccinated by their GP.



Environment

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We are committed to reducing our environmental impact. As we work towards developing our medium to long term strategy, environmental sustainability is at the heart of our plans.

There is global acknowledgement that our planet is facing significant challenges in terms of climate change, environmental degradation and shortage of resources. Industry is increasingly taking ownership of addressing these challenges, whilst the link between environmental sustainability and long-term financial performance is becoming more widely understood.

As a major infrastructure provider, we are committed to taking a lead role in helping our Island meet its part of the global challenges.

We are committed to reducing our environmental impact. As we work towards developing our medium to long term strategy, environmental sustainability is at the heart of our plans. We are cognisant of the steps we can take today that will ensure an environmentally sustainable future for our Island.

The focus of reducing our environmental impact is within 6 main themes:



Waste Management



Utility Consumption



Biodiversity & Ecology



Air Quality & Noise Management



Water Quality & Management



Carbon Reduction



The organisation already has in place a significant number of initiatives.



Waste Management

- Water refill stations in the airport terminal, enabling passenger to fill their own water bottles for travel, rather than buying single use plastic bottles. A refill station will be installed at the harbour terminal in 2021
- Reusing and repurposing waste engineering materials. Our Engineering department uses opportunities to reuse waste materials where possible. Recently, discarded fencing has been reused at the harbour and scrap steel has been repurposed to create staircases at the airport
- Waste coffee grounds from our food and beverage operators are used for composting
- We donate old workboat ropes to “Trees of Life” to create squirrel crossings



Utility Consumption

- LED light replacements in buildings
- LED replacements in Corbiere Lighthouse and Gronez beacon
- Lighting activity sensors in main offices
- Main controller thermostats to set ambient temperatures in main offices and terminals
- Water saving devices fitted in terminal toilets
- Tap timers
- Hot water boilers fitted in staff kitchens



Biodiversity & Ecology

- Pollinator patch created at DVOR (aircraft guidance instruments) in St Martin
- Marina environment creates habitat for seahorses
- Management of aerodrome grass areas, creating ideal habitat for skylarks (highest density in Island) and slow worms
- Work with “Littlefeet Environmental” charity to assist with beach clean ups and set up micro-website to track Island beach cleaning events
- Donate old workboat ropes to “Jersey Trees for Life” charity to create squirrel crossings
- Representatives at RAMSAR meetings
- Work with Jersey Marine Conservation in respect of educational initiatives and marine surveys
- Creation of reed bed systems
- Collaborated with Durrell to relocate native reptiles from Mauritius to Jersey following an oil spill





Air Quality & Noise Management

- Where possible we manage continuous descent approaches on landing, thereby reducing fuel burn and noise pollution
- Where possible manage continuous climb operations on take-off, thereby reducing fuel burn and noise pollution
- Encourage one engine taxi-ing to reduce fuel burn and noise pollution around the airfield
- Restrictions on duration of engine running on the airfield, and times of day
- Airport noise abatement procedures
- Airport opening and closing times
- Noise preferential routings over the Island



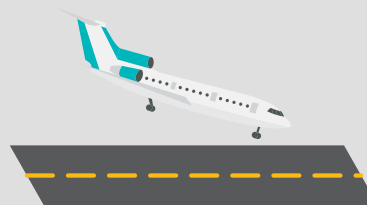
Water Quality & Management

- Management of de-icer and fire-fighting foam; fitted bunding and designated de-icing bay
- Creation of reed bed systems to filtrate ground water from the airfield
- PFAS free fire-fighting foam
- Use of sea bin in the marina, filters pollutants out of the marina
- Regular environmental testing of areas of run off from the airfield



Carbon Reduction

- Central fuel tanks for fleet refuelling (avoiding unnecessary journeys off site)
- Continuous climb (CCO) and departure (CDO) procedures to reduce fuel burn in aircraft
- Radome installation at Les Platons radar site, reducing energy consumption and maintenance requirements
- Developing electric fleet strategy including replacement of fire tenders with lighter more fuel efficient models.



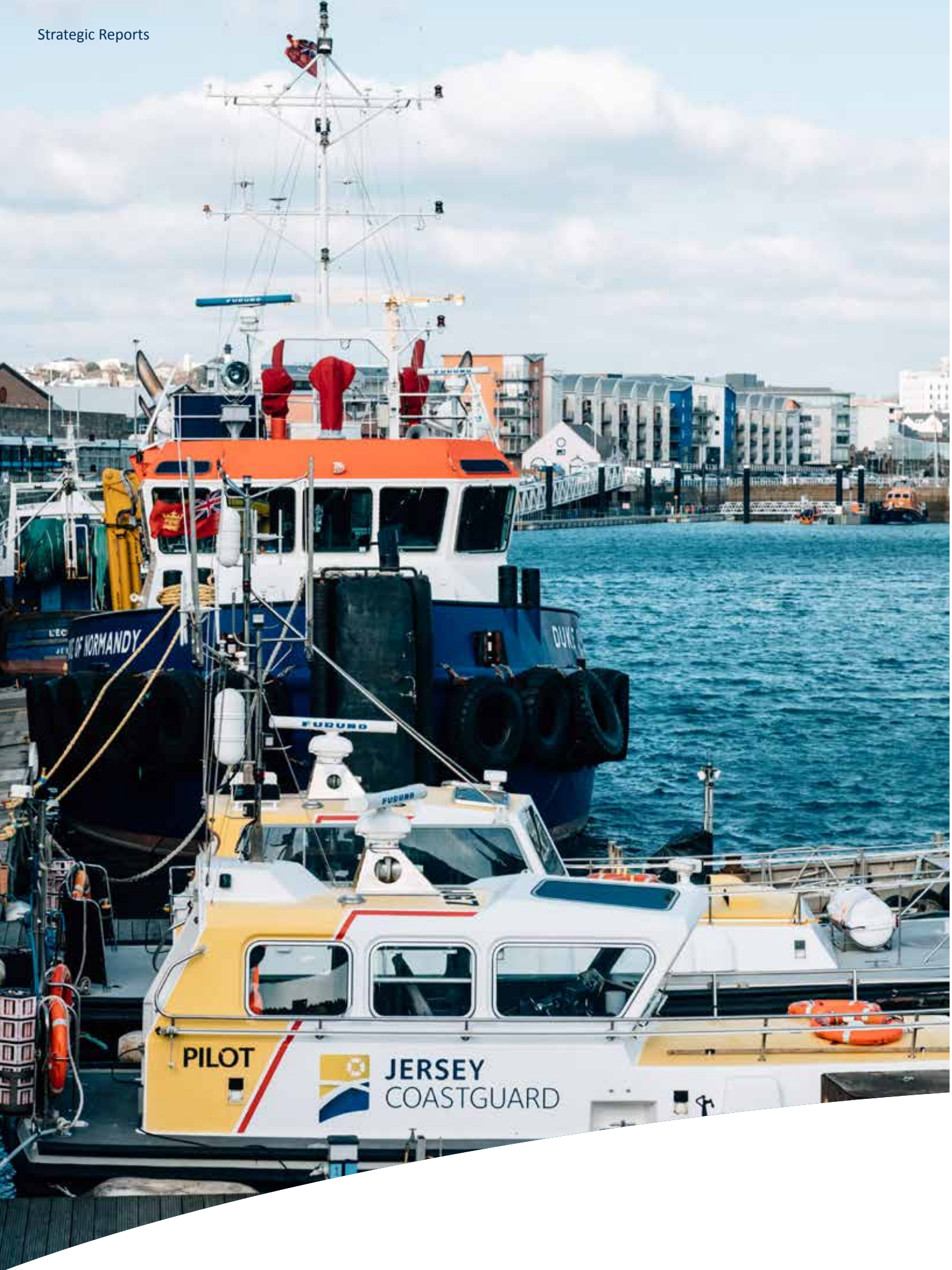
CDO 2020:

- Averaged 85.3% flight efficiency for aircraft fuel burn from cruise to landing
- Averaged 97.6% flight efficiency for aircraft noise descending below 7,500ft

CCO 2020:

- Averaged 85.4% flight efficiency for aircraft fuel burn from take-off to cruise level
- Averaged 99.3% flight efficiency for aircraft noise when climbing below 7,500ft







Community

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We remain committed to making a positive difference to Island life, supporting many charitable and community related projects

Corporate Social Responsibility (CSR) is a vital part of our company ethos. We remain committed to making a positive difference to Island life, supporting many charitable and community related projects; actively encouraging and empowering our people and those of our stakeholders to engage with and participate in local events and initiatives.

Community outreach programmes have remained at our forefront for many years, but as a result of the COVID circumstance, we needed to refocus and adapt our approach in 2020.

Events

Sadly, the Barclays Jersey Boat Show and the Jersey International Air Display had to be cancelled in 2020 due to government COVID restrictions. We hope to once again be able support these premier events as soon as pandemic concerns have passed.



Charity

Our designated charity partners:



Despite the ongoing global pandemic and the resulting challenges and loss of donations facing our charity partners, PoJL remained focused on supporting them in whatever way we could.

Over the course of 2020:

We made a donation of £4,000 to each of our charity partners to help them with their running costs.

We encouraged and supported those staff who volunteered their time and services to support many charitable organisations throughout the year, including preparing and delivery essentials and meals for those in need.

A total of £2,755 was raised by those PoJL staff who dusted off their sewing machines to make and sell face coverings. The money raised was distributed equally between our charity partners and the hospital's Robin Children's Ward.

With ambitious projects and fundraisers planned by our charity partners in 2021, we've extended our current partnerships for another year, with the aim of supporting each of them to recover from the impact on the pandemic.

"The support we've received from PoJL since being one of its charity partners has had a huge impact on the work we do at BSK, allowing us to offer so many more opportunities to people with learning disabilities and autism."

Georgie Dodd
Beresford Street Kitchen/Aspire

"Thank you so much to everyone at PoJL; your continued support has ensured that 2020 sessions could continue, when COVID guidelines allowed. "

**Max Wiltshire, Sean Burke
& Dominic Booth**
Healing Waves

We continued our annual support for BBC Children in Need, albeit a bit differently this year, as teams from across the organisation got involved and had some fun. As we made the transition to completing activities virtually, our team cycled, rowed, ran or walked with PoJL donating £1 for every kilometre covered, as well as collecting donations from friends and family. Our Airport Rescue and Fire Fighting Team went the further mile, running in full 'kit' to encourage extra donations. Beresford Street Kitchen

baked us cookies to help our fundraising efforts. Thanks to a superb team effort, PoJL raised over £2,000.

With the suspension of work Christmas parties and "payroll giving", our employees made a number of smaller donations for local causes.

“
£2,755 was raised by those PoJL staff who dusted off their sewing machines to make and sell face coverings.



Working with our Community

Our work in supporting our community has come a long way since we started in 2015 with positive feedback telling us that they are highly valued and make a real difference. They are also a great opportunity for our people to build an even stronger relationship within the community, encouraging them to explore their own ideas on how we can add further support.

We have a wide range of initiatives, demonstrating our commitment and support to our community, including:

- Broadening the horizons of young islanders with educational visits
- Encouraging our staff to get involved with local events and community initiatives
- Sponsorship of events across the Island, both financially and in kind

Despite the challenges of 2020, we are committed to developing our relationships with community organisations. Many of those we support were unable to open and offer their core services for much of the year; others lost key funding sources or found there was additional demand for their services. Many community events were also cancelled this year, particularly those that attract large crowds. This meant we had to tailor the way in which we offer support, depending on circumstance and we have deferred some activity into 2021.

Support in 2020 included:

Jersey Marathon and Jersey Triathlon, despite them having to take place 'virtually'.

On-Island youth groups, including Jersey Reds Minis and Juniors Under 9s, particularly with ongoing costs and investment in equipment ready to resume activity.

Hosting of a Project Trident Work Experience student in February 2020, allowing them the chance to 'work' in different areas of the business tailored to their interests and ambitions.

We are uniquely placed to give young people an insight into many different options available for careers and training, both academic and vocational. Our people have a deep sense of pride and passion for performing at their best wherever they work across our extremely varied operations and they are proud to share their knowledge and experience with the next generation through these types of programmes.

Unfortunately, our "Help a Life Take Flight" initiative in partnership with the Jersey Child Care Trust and Swissport Jersey was impacted by the pandemic. We only managed to get a couple completed before the lockdown commenced, but our team is ready to resume as soon as restrictions are lifted.



Working with Clubs & Associations

We have continued to support and work with local charitable organisations, clubs and associations where we have shared goals, activities and interests. We continue to support many local clubs and associations, including Air Training Corps, Sea Cadets Jersey, Jersey Youth Service and the Jersey Rowing Club through property sponsorship agreements, reduced or free parking and berthing.

Donation of Air Traffic Simulator

The Air Training Corps is a uniformed youth organisation for boys and girls between the ages of 12 and 20, which encourages young people with an interest in aviation. Several of the PoJL team were Air Cadets in their youth, obtaining flight experience, adventure training and skills training in communications, leadership, resourcefulness, endurance and teamwork. When our air traffic control team replaced simulator equipment, they donated the old unit, to the squadron.

Complementing the squadron’s existing flight simulator equipment, the air traffic simulator will give the cadets an opportunity to learn about controlling aircraft and manage airspace, in the same way as our controllers do. Members of the ATC Team have volunteered time to the squadron, training cadets on how to use the simulator and run scenarios for themselves as a training and learning tool, as well as fostering an interest in future career opportunities, civilian or military.

“I am so pleased to see that some of our equipment has been put to such good use. Our resident simulator expert Graham has put in a lot of time and effort during the lockdown period to make this work for the Cadets. We hope that as well as fostering a greater understanding of aviation, this may also inspire a new generation of budding Air Traffic Control staff for the future.”

Richard Mayne
Head of Air Navigation Services
Ports of Jersey

Our Approach for 2021 and beyond

2020 has seen us refocussing on sustainability in all its forms, re-energising our efforts and introducing new leadership. During 2021 our Board and Executive will be developing our long-term sustainability strategy, building on the experiences we have had since the pandemic began, reflecting our passion to be a force for good, and confirming a roadmap to secure industry leading accreditation schemes.

We will put in place the architecture for measurements, benchmarks and targets in each of our four pillars of sustainability (the economy, our people, the environment and the community). We are already progressing several initiatives, that we will be drawing together into a “materiality” matrix, ensuring all opportunities are identified, prioritised and quantified to maximise our impact.

The company remains committed to ensuring Islanders can be proud of their ports, both now and in the future.



Risk Management Statement

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

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

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

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

1. Operational Safety and Resilience

The company's primary statutory objective is to 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 51.

There is a separate regulatory compliance team which works with and supports employees who have specific regulatory assurance responsibilities. Detailed attention is paid to effective incident and accident investigations and ensuring that mitigations are put in place to prevent recurrence. The Company operates a 'Just Culture' which promotes an excellent reporting culture, both from Company employees and stakeholders.

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 that we provide 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 Islands airspace, and a remote digital air traffic tower contingency facility, which is the first approved for operational use in the UK. There are comprehensive planned preventative and reactive maintenance programmes at both airport and harbour. We contribute significantly to Jersey-wide emergency and business continuity planning.

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

We have replaced core ICT and applications infrastructure with our own. These provide better resilience and added functionality, including the ability for employees to work remotely, either elsewhere on our estate or if necessary, at locations such as from home. This has been effectively demonstrated during 2020 and has proved invaluable in allowing the non-operational elements of the business to continue to operate effectively from remote locations.

3. Commercial Risk

The pandemic has had a significant impact on the aviation and maritime sectors and the demand for travel. Industry projections suggest it will be a number of years before passenger volumes again reach the levels seen in 2019.

Longer-term agreements are in place with key airline carriers and concessions, whilst an operating agreement is in place with Condor until March 2025. Regular formal and informal meetings take place to review performance and take agreed actions where necessary.

We have worked closely with Government of Jersey to support requests for financial assistance from tenants and stakeholders at the airport and harbour.

At an industry level, we regularly consult and receive information from key industry bodies such as the Airport Operators Association, the Airports Council International and the British Ports Association.

4. Financial Risk

We depend on the revenues we generate to meet our obligations, which include a range of public service obligations such as running the Coastguard and maintaining the historic harbours. We do not receive any 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 it is affordable and best supports the delivery of our business objectives. An appropriate debt funding facility has been put in place, further to approval from the Shareholder, to support short term liquidity requirements.

We seek to work closely with our economic regulator, the Jersey Competition Regulatory Authority (JCRA), in order to ensure that our regulated prices are adjusted at least in line with inflation, subject to any efficiency targets.

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.

5. Reputational Risk

PoJL is a customer-focused business. Ordinarily over 2 million passengers pass through our 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 however, this has been necessarily suspended during 2020 as a consequence of the global pandemic. Relevant senior managers develop and maintain the company's relationship with major customers such as airlines, shippers and ferry operators.

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

6. People Risk

Our employees are, far and away, our most precious and critical asset. We are proud of the talent our employees have and the specialist skills they possess, which we are committed to nurturing.

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 and we currently have apprentices and trainees within three areas of the business. 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.

In conjunction with an ongoing 'Designing Our Future' programme, a Voluntary Release scheme was completed in 2020 to ensure that our employees are appropriately positioned to address the challenges we face to secure a long term sustainable operating model. We will also be launching a management training programme during 2021 to build on our managers' core skills.

7. 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. Penetration testing and vulnerability scans are undertaken by a leading independent consultancy. Employee training has been stepped up to help avert unwitting compromise of the company's IT systems.

The Risk Committee has established a rolling review programme with the aim of ensuring that all angles to this complex problem are covered.

Corporate Governance Report

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.

Central to this is our open engagement with and support for our employees. We operate a number of forums including a formal Ports Consultative Group established to facilitate meaningful consultation between management and employees on matters arising that might otherwise impact upon the workforce of the Ports.

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.

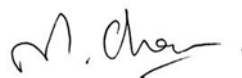
Customer engagement remains high on our agenda. We discuss service issues and costs with individual major carriers and marine traders through a combination of scheduled and ad-hoc meetings. We also inform and take the views of our many Harbour stakeholders through our Marina Development Group meetings and our participation in a range of group and club meetings. 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, Investment, Nomination, Harbour and Airport Authorities Committees of the Board with formally delegated duties and responsibilities.

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

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



Mark Chown

Chairman
06 May 2021

Operation of the Board and its Committees

The role of the Board

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

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

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

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

Composition of the Board

The Board normally comprises eight Directors, two of whom are Executive Directors, and six of whom are Non-Executive Directors, reflecting a blend of different experience and backgrounds. Appointments to the Board require the approval of the Shareholder. Each Non-Executive Director is deemed independent. Details of each of the Directors' experience and background are given in their biographies on page 43.

Division of responsibilities

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

The Senior Independent Director is Jeffrey Hume who is available to the Shareholder as an alternative communication channel if required. He was also appointed as Deputy Chairman in February 2020.

Non-Executive Directors

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

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

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

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

Development, information and support

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

The Corporate Services Director, Jenny Marek-Murray, is also the Company Secretary and supports the Chairman in ensuring that Board members receive the information and support they need in order to carry out their roles.

Conflicts of interest

A process has been developed to identify any of the Directors' potential or actual conflicts of interest.

Performance evaluation

The Board conducts annual reviews of its own effectiveness and that of Board Committees, supplemented from time to time by external evaluation. During the year, a review of Board effectiveness was undertaken, managed by the Senior Independent Director and assisted by the Company Secretary. Board members initially completed questionnaires which were collated and followed up by open discussions during a Board meeting. It was concluded that the Board continues to function effectively. The Senior Independent Director virtually met with the other Non-Executives to discuss the performance of the Chairman.

Board and committee attendance

The number of formal scheduled Board and committee meetings held and attended (in person or virtually) by Directors during the year to 31 December 2020 (excluding committee attendance by directors not as members but by invitation) was as follows:

	Board	Audit	Risk	Investment	Nomination	Remuneration
Mark Chown	12/12	5/5	3/3	6/6	1/1	-
Jeffrey Hume	12/12	5/5	-	-	1/1	3/3
Geoffrey Spence	12/12	-	-	6/6	1/1	-
Charles Hammond	10/12	-	-	3/6	-	3/3
Jane Smallman*	11/11	-	1/2	-	-	2/2
Nicky Dunn*	11/11	-	2/2	-	-	-
Matthew Thomas	12/12	-	-	-	-	-
Andrew Boustouler	12/12	-	-	-	-	-

*Jane Smallman & Nicky Dunn took on their roles from 01 March 2020.

Audit, Risk, Investment, Remuneration and Nomination Committees

Membership of all five Board Committees is composed solely of Non-Executive Directors. These Committee members are authorised to obtain, at the Company's expense, professional advice on any matter within their terms of reference and to have access to sufficient resources in order to carry out their duties. A report of the Audit Committee is provided on pages 47 to 49, the Remuneration Report on pages 56 to 57, the report of the Risk Committee is provided on page 50, the report of the Investment Committee is provided on pages 53 and 54 and the Nominations Committee Report on page 55.

Insurance

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

Other Authorities

PoJL has been appointed as both the Harbour Authority and Airport Authority for Jersey, each of which hold different responsibilities under law. A Harbour and Airport Authorities Committee has been established to support the Board under an independent chairman and which holds separate meetings. The report of the Harbours and Airport Authorities Committee is found on page 52.

Board of Directors



Mark Chown

Chairman

Appointed: November 2017

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

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

Mark chairs PoJL's Nomination and Risk Committees and is a member of the Audit, Investment and the Harbour and Airport Authority Committee.



Jeff Hume

Deputy Chairman and Senior Independent Director

Appointed: January 2017

Jeff has been the senior independent director in a variety of companies, including a major port, telecommunications, insurance, consulting engineering and social housing. He was also a member of the London Stock Exchange Primary Markets Group.

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

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



Charles Hammond, OBE

Non-Executive Director

Appointed: January 2019

Charles has been involved in the Ports industry for over 25 years in a variety of roles and is the current CEO of Forth Ports Limited

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

Charles sits on the PoJL Remuneration and Investment Committees.



Geoffery Spence
 Non-Executive Director
 Appointed: June 2018

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

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

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



Dr Jane Smallman
 Non-Executive Director
 Appointed: March 2020

Having worked in civil engineering for most of her professional career before retiring as Managing Director of HR Wallingford in 2015, Jane has a strong interest and experience in maritime civil engineering.

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

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

Jane sits of the PoJL’s Risk and Remuneration Committees.



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

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

Her consultancy company IMD Group provides advice to the leisure industry in both the public and private sector. She is also a former Chair of The Titanic Foundation, along the waterfront in Belfast. She also chaired the Netball World cup, held in Liverpool in July 2019.

Nicky currently sits on the boards of The London Legacy Development Company (Olympic Park) and The Young Vic Theatre in London. She chairs The Jockey Club Live and The London Stadium boards.

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

Nicky sits on the PoJL Risk Committee.



Matt Thomas

Group Chief Executive Officer

Appointed: July 2019

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

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

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



Andrew Boustouler

Chief Financial Officer and Deputy Chief Executive

Appointed: October 2015

Having fulfilled many key roles at both Jersey Airport and Jersey Harbours Andrew was appointed Deputy CEO in 2011, following the establishment of the combined PoJL.

With direct responsibility for Finance, Property and Compliance he also undertook a central role in the incorporation process and was appointed to his current role as Chief Financial Officer in 2015.

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

Born in Jersey, Andrew 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.



Jenny Marek-Murray

Company Secretary

Appointed: May 2019

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

She returned to Jersey in 2008 and began working for Jersey Harbours as Deputy Finance Director. Since the integration of PoJL in 2015 Jenny assumed the role of Deputy Director for Business Resources.

In 2021 Jenny assumed the role of Corporate Service Director with responsibility for sustainability.



Audit Committee Report

As Chairman of the Audit Committee, I am pleased to report below on its work for the year ended 31 December 2020 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.

Since my last report to you the Committee has overseen the negotiation and execution of a Revolving Credit Facility (RCF) of £40m, to provide the organisation with adequate cash reserves, during the pandemic and to continue its development projects.

The Committee has also worked with the Internal Audit function to ensure the control environment remains appropriate with the profound changes to the working environment in 2020. We are pleased to observe that the control environment with the Finance Function now working remotely was not compromised and that additional mitigating controls had been initiated as required.

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

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.

We also intend during 2020 to agree a formal Treasury policy document.



Jeffrey Hume
Chairman, Audit Committee
06 May 2021



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 2020 the Audit Committee comprised of Jeffrey Hume and Mark Chown. All Non-Executive Directors are invited to Committee meetings and attend as they see fit.

All members of the Committee are considered to be independent and have considerable financial and commercial experience gained through a variety of corporate and professional appointments.

In particular, the Board considers that Jeffrey Hume has the recent and relevant financial experience required by corporate best practice.

The Chief Financial Officer is routinely invited to attend meetings as is the Company Secretary, who is also a qualified accountant.

The Chief Executive and Head of Internal Audit also attend meetings, contributing 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 (EY). 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 which have been enhanced by the greater use of data analytics. We also considered the role the EY treasury team played in the negotiation of our RCF and confirmed that we remain satisfied with EY’s independence as auditors.

Meetings held

The Committee held five meetings during the year ended 31 December 2020. The Audit Committee has also formally met twice so far in 2021, 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 2020. 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

Given the widespread disruption caused by the pandemic and its ongoing impact, the Committee concentrated on the balance of the 2020 annual report, its accounting presentation and the judgements involved in the carrying value of the company's net assets, its receivables, and its level of provisioning:

- A** Net asset valuation – The recognition that the pandemic will adversely impact future financial returns meant that the company had to address whether the carrying value of the enterprise, as a whole, has been impaired.
- We reviewed a range of valuation inputs including an evaluation of forecasts in the company's Strategic Business Plan, its immediate volatility, and the range of uncertainty. We considered an independently prepared discounted cashflow analysis, the published market values of broadly comparable companies and the depreciated replacement cost of our Property, Plant and Equipment. Having done so we concurred with management that there is no consequential requirement to recognise any impairment in respect of the company's assets.

- B** Investment properties – Their fair values at 31 December 2020.

This category of assets, which includes our car parks and tenanted properties, has to be revalued each year. The work of our commissioned external Chartered Surveyors, Buckley & Co, reviewed by our RICS led internal team, arrived at a December 2020 uplift of £5.1m.

- C** Trade receivables - That the sums recorded have either subsequently been settled or their collectibility is reasonably assured.

The company had recognised the need to be flexible with credit terms for a number of customers affected by COVID. We considered the consistency and adequacy of the debt provisioning and in particular endorsed management's judgement that amounts outstanding at the year end from a key customer can be expected to be recovered in full, a formal schedule of payments having been agreed.

- D** Provisions for claims – The adequacy of the provision in relation to the legacy fire-fighting foam contamination of ground water.

We considered the current circumstances and endorsed management's judgement that, after absorbing expenditure during the year, the provision should be retained at the prior year's level of £0.6m.

Risk Committee Report

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

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

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

Mark Chown (Committee Chair)

Jane Smallman

Nicky Dunn

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

During 2020 the Committee's principal activities were as follows:

At each of its meetings the Committee received and reviewed the Risk Management Report and the Risk Register for the business including both aerodrome and the harbour, as well as looking systematically at a range of specific risks and incidents.

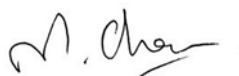
COVID and Future Approach to Risk Management

The impact of COVID on PoJL and related business partners has required significant attention of the Risk Committee, however the embedded capability of PoJL to manage operational risks and resilience has further demonstrated the benefit of distinguishing corporate risk management as a key focus for the Risk Committee.

Safety Management Systems (SMS) underpin many of PoJL activities. The organisation is highly regulated and regularly audited by external bodies, providing validation for our Safety Management Systems. In the final quarter of 2020 the Board agreed to recommendations by the Risk Committee to split the risk oversight function between the Risk Committee and the Harbours and Airport Authorities ("HAAC"). As well as having responsibility for overall risk management, the Risk Committee will in future focus on the organisation's exposure to Corporate Risks, whilst the HAAC will be responsible for the management of Operational Risks. This split of responsibilities enables more detailed consideration of the relevant topics by each committee. The revised structure will be kept under review, however the initial signs are that this is a more efficient and productive division of responsibilities.

Cybersecurity management

Cyber risk has emerged as the top corporate exposure globally. The Risk Committee continues to take keen interest in the continued measures taken by PoJL to manage cyber security during 2020 with consideration to the new challenges and working practices that arose from the COVID pandemic and receives reports from the Information Security team from time to time.



Mark Chown

Committee Chair

06 May 2021

Compliance & 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 to 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 relating to aviation and maritime safety (SMS), aviation and maritime security and occupational health and safety. Further assurance is provided in respect of data protection (GDPR), insurance, business continuity, and risk management by the appropriate individuals within the business including the Head of Internal Audit, who is responsible for the management and delivery of the Ports internal audit programme.

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

In 2020 and early 2021, PoJL was subject to the following external audits, as part of its compliance obligations:

Audit Title	Audit Agency	Business Area	Audit Dates
Aerodrome Certification	CAA SRG	Airport (Aerodrome)	Jan 2021
Air Navigation Service (ANS) Certification	CAA SRG/ EASA	Airport (ANSP)	Sep 2020
Air Traffic Unit Competency	CAA SRG/ EASA	Airport (ANSP)	Nov 2020
Aeronautical Meteorological Service	UK Met Office	Airport (ANSP)	Feb 2020
Habitat Management	BSM	Airport (Aerodrome)	Oct 2020
QMS ISO 9001	TUV Nord	Airport (ANSP)	Oct 2020

All audits in 2020 and early 2021 were completed with no significant (Level 1) non-conformities being recorded against the business.

It is the assessment of the Head of Operational Compliance that PoJL complies:

- With the requirements of regulations associated with systems as listed above, and with its own policies for those systems.
- 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.
- The requirements of the Port Marine Safety Code and the International Ship and Port Facility Security Code.

Harbours & Airport Authorities Committee Report

The Company is the appointed Harbour Authority and Airport Authority for Jersey. The Board is therefore responsible for:

- The policing, safety and security matters in and at the Harbours (including Jersey’s territorial waters) and the Airport.
- The Public Service Obligations outlined under Article 6 of the Air and Sea Ports (Incorporation) (Jersey) Law 2015
- Acting as duty holder under relevant laws and in relation to the UK Port Marine Safety Code
- Any matters entrusted to the Company under relevant legislation including the Harbours (Administration) (Jersey) Law 1961 and the Aerodromes (Administration) (Jersey) Law 1952.

The Board is supported by the Harbour and Airport Authority Committee (the Committee) which is appointed to assist the Board with carrying out these functions (with the exception of the Channel Islands Control Zone) and any relevant matters or functions delegated to it by the Board of the Company or which the Board invites it to consider. The Channel Islands Control Zone is a matter retained by the Board.

The Committee is convened under an independent Chairman and the membership also includes the Chairman of the Company, the Chief Executive Officer, the Chief Financial Officer, the Airport Director and Harbourmaster. Both the Airport Director and the Harbourmaster are sworn office holders with duties that either have reporting lines, through the relevant Authority, to the Minister, or may be exercised as powers on their own authority according to law.

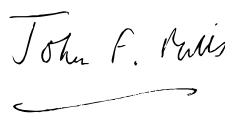
An important purpose of the Committee is to provide a governance structure for the decision making of the Airport Director and the Harbourmaster, through and by which assurance can be given to the Board that all matters relating to safety, security and management of operational risk are being duly addressed at all levels in the organisation.

The Chairman has regular meetings with the Airport Director and the Harbourmaster and matters of significance are addressed to the Risk Committee or directly by the Board. The Committee also receives and considers the ‘Designated Person’ reports on behalf of the Board, which is formally the Duty Holder under the UK Port Marine Safety Code.

At each of its meetings the Committee receives and reviews the health and safety reports for the aerodrome and the harbour (as provided to the Board) as well as looking systematically at a range of specific risks and particular incidents. A key element of the Committee’s role is to keep all operational risks under regular review and to commission and receive detailed reports on particular areas; to consider newly-identified risks; to be alert to all public safety issues; and to assure itself, and through it, the Risk Committee and the Board, that practice and procedure for identifying, analysing and assessing risk is of fundamental importance throughout the 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 management culture throughout the organisation.

During 2020, the Harbour & Airport Authority Committee met twice and in addition to the activities outlined above, specific matters were considered as follows:

- Considering the health and safety environment at outlying harbours
- Reviewing the availability of search and rescue assets
- Development and implementation of the aviation integrated management system



John Mills
Independent Chairman
06 May 2021

Investment Committee Report

As Chairman of the Investment Committee, I am pleased to report below on its work for the year ended 31 December 2020.

The main responsibilities of the Committee are;

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

During the year to 31 December 2020 the members of the Committee were Geoffrey Spence, Mark Chown and Charles Hammond. All other Non-Executive Directors had open invitations to attend meetings as they saw fit.

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

One of the most important work streams in 2020 was the oversight the Committee provided to the due diligence prepared in respect of a Government Support loan to Blue Islands. This was a vital agreement for the Island ensuring connectivity and access to life-line medical flights as the Island looks to recover from the devastating affects of COVID on the aviation industry.

The Committee also reviewed the following investment cases which aim to diversify the organisation's income streams.

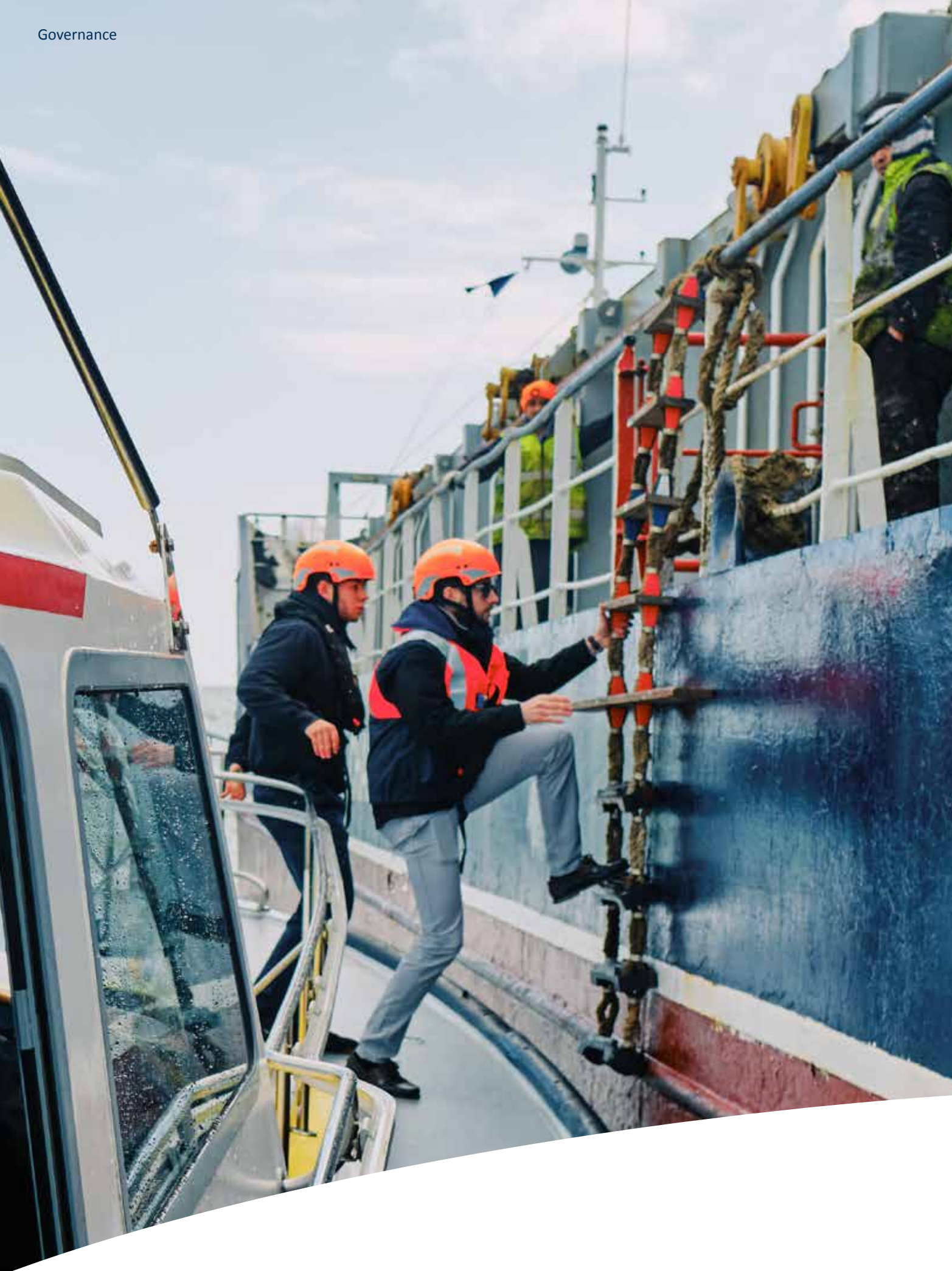
- The expansion of the Marine Services business, with the purchase of a new work boat.
- Redesign of Albert Terminal area to enable deep water pontooning.

In the year ahead the Committee will look to continue developing the organisation's economic evaluations, project governance and monitoring. In particular the Committee will be involved in the development of the Harbour Masterplan.



Geoffrey Spence

Chairman, Investment Committee
06 May 2021



Nominations Committee Report

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

The Committee meets at least once a year and its members during 2020 were the following Non-Executive Directors (NED's):

Mark Chown (Chair)
Jeffrey Hume
Geoffrey Spence
Charles Hammond

The Committee met formally once during the year and members held a number of other formative discussions.

Having appointed the new Chair in December 2019 much of the Committee's focus was on the appointment of two new Non-Executive Directors and confirming the composition of Board Committees.

Non-Executive:

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

The search consultancy retained to recruit the Chair was used to help recruit two new NEDs; This process commenced in 2019 and concluded with the appointment of Nicky Dunn and Jane Smallman to the Board on 01 March 2020. Details of their careers and experience are contained in the Board profiles section on page 43.

The Committee confirmed the appointment of Jeffrey Hume as Chair of the Remuneration Committee and as Deputy Chair. Jane Smallman was appointed as a member of the Remuneration Committee. Nicky Dunn and Jane Smallman were appointed members of the Risk Committee.

Harbour and Airport Authorities

These important Authorities were established at the time of incorporation to execute key legal functions on behalf of Government. The Board felt it important to further emphasise the company's performance of its statutory duties, health and safety, and operational risk by establishing a Harbours and Airport Authority Committee. The Nomination Committee decided to appoint a separate independent Chair of this committee who would then report into the Board. It was recommended to the Board that John Mills be appointed to this new role given his in-depth experience of these important legal functions. This is not an Non-Executive Director role and he does not sit on the Board.



Mark Chown
 Committee Chair
 06 May 2021

Remuneration Report

The Remuneration Committee

The Committee sets the remuneration policy, pension rights and compensation payments for the Executive Directors and the Company's Chair. Additionally, it decides 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 any changes to the remuneration of the Non-Executive Directors since they themselves comprise the Committee.

The Committee members during 2020 were Jeffrey Hume (Chair), Charles Hammond and Jane Smallman, all of whom are independent Non-Executive Directors.

Remuneration Policy

Our policy is 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 the Executive Directors, including requisite performance targets, and any annual payments under such schemes.

Any changes to 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.

The impact of COVID

As reported elsewhere in this Annual Report, 2020 was dominated by the impact of the pandemic on the demand for our services, the continued functionality of our operations and on our people. They have at all levels stepped up, showing pride, flexibility and performance in very difficult circumstances. Many also joined Government teams across the Island as part of a co-ordinated response to the pandemic.

Against sustained challenges at a level that have never been faced before by the travel industry, the Board decided that we had to reshape the business to be best placed to serve the Island's needs in the months and years to come. This involved both a Voluntary Release and an Early Retirement programme, at a total cost of £3.0m, and new ways of working through a 'Designing our Future programme' involving teams from across the business in reviewing all aspects of the operation with a focus on integrating operations and delivering efficiencies in how we do business.

Given their scale, these issues have primarily been a matter for the whole board. However the Remuneration Committee also provided governance over the departure of a member of the senior management team.

Directors' Remuneration

The total remuneration of the Directors for the year ended 31 December 2020 was:

	Salary/ Fees	Performance Related Pay	Pension Contribution	2020 Total	2019 Total	Notes
	£'000	£'000	£'000	£'000	£'000	
Executive Directors						
M Thomas (CEO)	200	-	31	231	159	Appointed July 2019
A Boustouler (CFO)	170	-	24	194	232	
Non-Executive Directors						
M Chown (Chair)	50	-	-	50	25	Appointed Chair 2020
J Hume (Deputy Chair, SID)	35	-	-	35	35	-
C Hammond	25	-	-	25	25	-
G Spence	25	-	-	25	25	-
N Dunn	21	-	-	21	-	Appointed Mar 2020
J Smallman	21	-	-	21	-	Appointed Mar 2020
C Clarke (Former Chair)	-	-	-	-	50	Retired Dec 2019
J Mills (Former SID)	-	-	-	-	25	Retired Dec 2019
Total	547	0	56	602	576	

The salary and fee levels paid to board members were unchanged from those in 2019. However a pay increase for most other employees had been agreed and implemented before the impact of COVID became apparent.

Performance related pay

We have in place an Executive Directors' incentive scheme which can provide a non-pensionable bonus of up to 45% of base salary, excluding any allowances, for the Chief Executive and up to 30% for the Chief Financial Officer. Awards under the scheme are normally tied to the company's financial and other internal objectives. The scheme specifics and its outcomes are each year confirmed by the Minister acting as the Shareholder.

When COVID struck, and our priorities radically changed, we took the decision with the Shareholder to reframe the 2020 scheme to become based upon the proactive delivery of a wider series of seven 'Community Benefit' criteria. However as the year progressed the Committee's view became that, against the background of the company's Voluntary Release and Early Retirement programmes, continued transport restrictions and the wider environment, this is not the right time to be determining and paying bonuses anywhere in our company. We intend to reassess the situation later in 2021 as the circumstances develop.

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 are members of the Jersey Public Employees' Pension Scheme (PEPS). The Chief Executive is provided with private health cover, but neither receives company cars or a car allowance.

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



Jeffrey Hume

Chair, Remuneration Committee
06 May 2021

Directors' Report

Dear Shareholder

Introduction

The Directors of the Company present their report and the audited financial statements of the Company for the year ended 31 December 2020. The Directors' report incorporates the Strategic report and the remainder of the Governance section.

Directors of the Company

The Directors of the Company are:

Mark Chown, Chair
Jeffrey Hume, Deputy Chair and Senior Independent Director
Nicky Dunn OBE
Charles Hammond OBE
Geoffrey Spence
Jane Smallman
Matthew Thomas, Chief Executive Officer
Andrew Boustouler, Chief Financial Officer

Provision of information to Auditors

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

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

Future developments

An analysis of future developments are described in the CEO's Review on pages 04 to 09.

Post balance sheet date events

There were no new significant events affecting the Company after the 2020 year end.

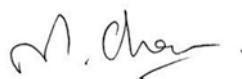
Re-appointment of auditors

The auditors, Ernst & Young LLP, who were appointed during the period, have indicated their willingness to continue in office.

We intend, during 2021 to seek competitive proposal for the Audit from a number of firms. The Directors believe this is good practice with EY having been in position for five years.

Forward looking statements

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



Mark Chown
Chair
06 May 2021



Jenny Marek-Murray
Company Secretary
06 May 2021

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
06 May 2021

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 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 28, 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 31st December 2020 and of its loss 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. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern, for a period to 31 December 2022 from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 themselves. 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 59, 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

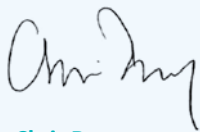
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the financial reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), Companies (Jersey) Law 1991 and Jersey income tax legislation.
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included those laws and regulations relating to Air and Sea ports, GDPR, competition regulations and health and safety practices.
- We understood how Ports of Jersey Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, relevant monthly reports, briefing papers, correspondence received and results of audits performed by relevant regulatory bodies and noted that there was no contradictory evidence.

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and understanding controls in place to prevent and detect fraud as well as oversight by those charged with governance. In addition we assessed – and considered for possible bias – the assumptions that management used to calculate the Company's estimates, such as provisions, investment property valuations and business valuation used as a basis for assessment of risk of fixed asset impairment. We also considered whether there were any performance targets that may influence the efforts made by management to manage the reporting earnings of the company.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the testing of journal entries deemed susceptible to fraud risk and management override, and the execution of substantive analytical procedures over the account balances where an elevated level of fraud risk was determined. We made enquiries with management regarding their internal policy for the detection of fraud. We also received the minutes of board meetings in the period and after year end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.



Chris Barry

for and on behalf of Ernst & Young LLP
Jersey, Channel Islands
06 May 2021

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 Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income for the Year Ended 31 December 2020

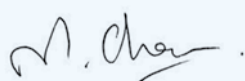
	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Turnover	4	30,155	48,667
Operating costs (excluding depreciation)	6	(38,393)	(36,255)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		(8,238)	12,412
Revaluation of investment properties	12	5,147	(45)
Profit on disposal of fixed assets	11	-	127
Depreciation	11	(5,335)	(6,015)
Operating profit		(8,426)	6,479
Finance lease income		444	228
Finance lease contingent rentals	13	101	-
Interest receivable	8	118	196
Interest payable	8	(30)	-
Realised gain on financial investment	14	-	138
Unrealised gain on financial investments	14	172	58
Unrealised loss on foreign exchange		(40)	-
(Loss)/profit before taxation		(7,661)	7,099
Other tax charges on profit credit/(charges)	9	1,708	(1,776)
Taxation	9	1,708	(1,776)
(Loss)/profit for the financial period		(5,953)	5,323
Other Comprehensive Income:			
Change in fair value of cash flow hedges		(757)	797
Cash flow hedges reclassified to turnover		(172)	(101)
Tax charge		186	(139)
Total Comprehensive income		(6,696)	5,880

Statement of Financial Position as at 31 December 2020

	Note	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Assets			
Non-current assets			
Tangible assets	11	74,860	73,805
Investment property	12	63,757	58,363
Finance lease receivable	13	2,457	2,457
Financial Investments	14	6,118	5,946
Unrealised gain on forward foreign exchange contracts	20	-	254
Deferred tax asset	21	846	-
		148,038	140,825
Current assets			
Trade and other receivables	16	7,820	5,362
Finance lease receivable assets	13	327	225
Inventories	15	323	324
Cash and cash equivalents	17	16,294	33,093
Unrealised gain on forward foreign exchange contracts	20	-	334
		24,764	39,338
Total assets		172,802	180,163
Liabilities			
Current liabilities			
Trade and other payables	18	(6,327)	(6,471)
Unrealised loss on forward foreign exchange contracts	20	(120)	(15)
		(6,447)	(6,486)
Non-current liabilities			
Provisions	19	(600)	(600)
Unrealised loss on forward foreign exchange contracts	20	(112)	-
Deferred tax	21	-	(738)
		(712)	(1,338)
Total liabilities		(7,159)	(7,824)
Net assets		165,643	172,339

	Note	As at 31 December 2020	As at 31 December 2019
Shareholder's equity			
Called up share capital	22	1	1
Incorporation reserve		137,350	137,350
Profit and loss reserve		28,478	34,431
Cash flow hedge reserve		(186)	557
Total shareholder's equity		165,643	172,339

Approved and authorised by the Board and signed on its behalf on 06 May 2021.



Mark Chown
Chair
06 May 2021



Matthew Thomas
Group Chief Executive
06 May 2021

Statement of Changes in Equity for the Period Ended 31 December 2020

	Called up share capital	Incorporation Reserve	Profit and loss reserve	Cash flow hedge reserve	Total
2020	£'000	£'000	£'000	£'000	£'000
At 01 January 2020	1	137,350	34,431	557	172,339
Loss for the financial year	-	-	(5,953)	-	(5,953)
Other comprehensive income	-	-	-	(743)	(743)
At 31 December 2020	1	137,350	28,478	(186)	165,643

	Called up share capital	Incorporation Reserve	Profit and loss reserve	Cash flow hedge reserve	Total
2019	£'000	£'000	£'000	£'000	£'000
At 01 January 2019	1	137,350	29,108	-	166,459
Profit for the financial year	-	-	5,323	-	5,323
Other comprehensive income	-	-	-	557	557
At 31 December 2019	1	137,350	34,431	557	172,339

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 2020

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flows from operating activities			
EBITDA	a	(8,238)	12,412
Gain/(loss) on terminated hedges		50	-
Cash flow hedges reclassified to turnover		(172)	(101)
(Increase)/decrease in inventories		1	38
(Increase)/decrease in debtors		(2,153)	907
(Decrease)/increase in creditors		1,433	(2,277)
Tax payment		(807)	(839)
Net cash (outflow)/inflow from operating activities		(9,886)	10,140
Cash flows from investing activities			
Purchase of tangible assets		(7,158)	(7,401)
Proceeds on disposal of tangible asset		-	220
Additions to investment property		(247)	-
Purchase of investments		-	(2,000)
Finance lease interest received		444	228
Interest received	8	118	196
Proceeds on disposal of investments		-	2,137
Net cash outflow from investing activities		(6,843)	(6,620)
Cash flows from financing activities			
Interest payable	8	(30)	-
Net cash outflow from financing activities		(30)	-
Change in cash during the period		(16,759)	3,520
Cash at 01 January 2020		33,093	29,573
Effect of exchange rates on cash and cash equivalents		(40)	
Cash at 31 December 2020		16,294	33,093

Notes to the Statement of Cash Flows

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

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Operating (loss)/profit		(8,426)	6,479
<i>Adjustments for:</i>			
Depreciation	11	5,335	6,015
Profit on disposal of tangible asset	11	-	(127)
Revaluation of investment property	12	(5,147)	45
EBITDA		(8,238)	12,412

Notes to the Financial Statements

1. Basis of Preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified for the revaluation of investment properties and forward currency derivatives to fair value.

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 2020. These financial statements have been prepared in accordance with Financial Reporting Standard 102 (“FRS 102”).

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

The financial statements were approved by the Directors on 06 May 2021.

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

Going concern

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

As pandemic recovery continues in 2021, passenger services have continued to be heavily affected. Market positivity in respect to vaccine programmes is anticipated to continue increasing market confidence in 2021 with recovery continuing to gain momentum as the year progresses. The rate of recovery will depend in part upon decisions taken by our own Government and their counterparts, such as support for airlines. Our airline and ferry passenger carriers have found serving Jersey to be profitable. Core freight movements are not affected and continue to operate as previously.

The company has resilience, with a strategic shareholder and an experienced board and management. During 2020 the company obtained a £40million revolving credit facility to provide security as the pandemic continues. At year end the company had not drawn down funds from this facility and held £22.4 million in cash and investments. The revolving credit facility will enable the company to continue to invest in the capability of its infrastructure and income generating projects to diversify its revenues, such as the expansion of the marine services fleet.

It is not possible to determine the rate of COVID recovery with confidence. The Company has completed stress-testing over the budget setting period, to 31 December 2022, and the Directors have concluded that there are adequate cash reserves and funding available to enable the Company to continue operating for a period exceeding 12 months from the date of approving these financial statements. Accordingly these financial statements have been prepared on a going concern 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
Channel Islands Control Area (CICA)	Cost recovery of being a air navigation services provider	Straight line on contracted value
Property, marinas and operational facilities:		
Property letting income	Lease agreement	Recognised straight line over period
Marina and mooring rentals	Location and length of vessel	Recognised straight line over period
Usage and charges of operational systems	Usage	On provision of services
Other invoiced sales	Various	On provision of goods/services
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	Recognised straight line over period

2.2 Government Grants

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

During 2020, the Company received no monies from the Government of Jersey in respect of the Jersey International Air Display as it was cancelled (2019: £45,000). This grant is provided to offset expenditure incurred by the Company in organising the air display. The Company provides an assurance statement to the Government of Jersey at the end of the year to confirm that all terms and conditions have been adhered to and that the grants has been fully utilised.

2.3 Tangible Assets

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

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

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

The Company assesses, at each balance sheet date, whether there is an indication that an asset's residual value and/or useful life may not be appropriate. If such indication exists, the useful lives and residual values are reviewed, and adjusted if appropriate.

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 its recoverable amount. 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 and that in the course of construction is measured at fair value, with the exception of underlying land, which is included at carrying value before construction commenced.

Valuations are conducted annually. 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 cost 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 defined contribution pension scheme operated by the Government of Jersey. Also an independent defined contribution pension scheme.

iii) Termination Obligations

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

2.11 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 probable 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 Financial Investments

Financial investments are classified at initial recognition and are subsequently measured at fair value through profit and loss.

2.16 Foreign Exchange Derivatives

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

2.17 Hedge Accounting

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

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

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

2.18 Cash Flow Hedges

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

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

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

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

2.19 Disclosure Exemptions

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

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

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

3. Significant Accounting Judgements and Estimates

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

Estimates:

3.1 Investment properties

Investment properties were valued at fair value at 31 December 2020 by a qualified Chartered Surveyor. The valuations were prepared in accordance with the appraisal and valuation manual issued by the Royal Institute of Chartered Surveyors. Valuations were carried out having regard to comparable market evidence. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence. See note 12 for the significant methods and assumptions used.

3.2 Useful lives of tangible fixed assets

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

3.3 Impairment of tangible fixed assets

The Company assesses, at each reporting 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, recoverable amount of the income-generating unit to which the asset belongs is estimated. Recoverable amount is the higher of an asset's net realisable value and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognised in the Income Statement in those expense categories consistent with the function of the impaired asset.

Judgements:

3.4 Classification of investment property

Property has been classified as investment property, according to the criteria in note 2.4, in accordance with the principles set out in FRS 102. That is, properties where their cash flows (from rental or sale) are largely independent of those from other assets held by the entity.

3.5 Classification of finance lease receivables

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

3.6 Classification of Public Employees Pension Scheme (PEPS)

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

4. Turnover

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Turnover is analysed as follows:		
Airport and Harbour charges	10,147	23,278
Channel Islands control area (CICA)*	6,470	6,392
Marina charges	3,755	3,961
Sale of services	917	906
Concessions	1,847	5,711
Car parking	882	1,778
Property income due under operating leases	4,303	4,253
Recharges**	1,158	1,547
Other Income	676	841
	30,155	48,667

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

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

5. Property Income Due Under Operating Leases

Amounts receivable under operating leases at 31 December 2020:

Future minimum lease payments	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Not later than one year	4,117	4,304
Later than one year and not later than 5 years	9,595	9,301
Later than five years	23,282	18,147
	36,994	31,752

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 2020	Year ended 31 December 2019
	£'000	£'000
Wages and salaries	19,662	20,141
Social security costs	1,104	1,068
Pension costs	2,461	2,157
Other staff related costs*	2,440	60
	25,667	23,426
General expenses	12,726	12,829
	38,393	36,255

*Other staff related costs relate to payments made to leavers under the Company's Early Release Scheme. This was open to all staff with a closing date in December 2020. Termination payments were based on service life with a minimal £15,000 payment.

	Year ended 31 December 2020	Year ended 31 December 2019
	£'000	£'000
Operating costs include:		
Staff training and development	166	400
Rentals under operating leases		
- Other operating leases	220	142
Services provided by the Company's auditor		
- Audit fees	135	135
- Other non-audit services	125	-
Foreign exchange (loss)/gain	(46)	37

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 2020 analysed by function was:

	Year ended 31 December 2020	Year ended 31 December 2019
Operational	294	255
Other	61	108
	355	363

In previous years passenger service staff (30 FTE) were included in other staff, for 2020 onwards they have been reclassified as operational staff.

As a result of the completion of an Early Release programme in December 2020, staff FTE was reduced to 299 by the end of the year.

7. Directors' Emoluments

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Directors' emoluments		
Salaries	547	538
Pensions and benefits	55	38
Directors' emoluments	602	576
Other key management personnel	857	871
Total key management personnel compensation	1,459	1,447

8. Net Interest (Payable)/Receivable

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Interest payable		
Interest payable on undrawn down portion of revolving credit facility	(30)	-
Interest receivable		
Interest receivable on money markets and bank deposits	118	196
Net interest receivable	88	196

9. Taxation on Profit

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Current tax		
Total current tax (credit)/charge	(305)	811
Prior year adjustment	(4)	208
	(309)	1,019
Deferred tax		
Deferred tax on timing differences	(1,399)	757
	(1,399)	757
Total tax (credit)/charge for the period	(1,708)	1,776

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 2020 £'000	Year ended 31 December 2019 £'000
(Loss)/profit before tax	(7,661)	7,099
Tax on profit at 20%	(1,532)	1,420
Effect of:		
Non-taxable (gains)/losses on investment property revaluation	(1,030)	
Other permanent differences	858	139
Payment in (surplus)/excess to provision	(4)	208
Total tax (credit)/charge for the period	(1,708)	1,776

10. Investments in Subsidiaries

At 31 December 2020, the Company had investments in the following subsidiary undertakings:

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

At 31 December 2020, PDF Limited and Ports of Jersey (Services) Ltd did not hold any net assets and as such has no carrying value.

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

11. Tangible Assets

	Operational Land	Buildings	Structures	Plant and equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 01 January 2020	10,156	26,071	25,550	22,842	6,730	91,349
Additions		(5)		(27)	6,422	6,390
Transfers		164		2,242	(2,406)	-
Disposals						-
At 31 December 2020	10,156	26,230	25,550	25,057	10,746	97,739
Depreciation						
At 01 January 2020	-	5,968	4,817	6,759	-	17,544
Charge for the period		1,435	1,190	2,710		5,335
Disposals						-
At 31 December 2020	-	7,403	6,007	9,469	-	22,879
Net book value						
At 31 December 2019	10,156	20,103	20,733	16,083	6,730	73,805
At 31 December 2020	10,156	18,827	19,543	15,588	10,746	74,860

12. Investment Property

2020	Completed Investment property £'000	Assets in the course of construction £'000	Total £'000
Valuation			
At 01 January 2020	58,363	-	58,363
Additions		247	247
Transfers	247	(247)	-
Increase/(decrease) in fair value of investment properties	5,147		5,147
At 31 December 2020	63,757	-	63,757
2019			
	Completed Investment property £'000	Assets in the course of construction £'000	Total £'000
Valuation			
At 01 January 2019	58,416	-	58,416
Additions	-		-
Other valuation adjustments	(8)		(8)
Reclassified to operational assets			
Increase/(decrease) in fair value of investment properties	(45)		(45)
At 31 December 2019	58,363	-	58,363

The fair value of the Company's investment property at 31 December 2020 has been arrived at on the basis of a valuation carried out at that date primarily by Buckley & Co chartered surveyors, 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:

	2020	2019
Commercial property:	7%-10% (yield)	7%-10% (yield)
Car parks:	10% (discount rate)	10% (discount rate)

13. Finance Lease Receivables

	2020 £'000	2019 £'000
At 01 January 2020	2,683	2,683
Contingent rentals gain	101	(1)
At 31 December 2020	2,784	2,682
Made up of:		
Current finance lease receivables	327	225
Non-current finance lease receivables	2,457	2,457
	2,784	2,682

Amounts receivable under finance leases at 31 December 2020

	2020		2019	
	Present value of minimum lease payments £'000	Gross investment £'000	Present value of minimum lease payments £'000	Gross investment £'000
Not later than one year	327	330	225	227
Later than one year and not later than 5 years	954	1,318	727	910
Later than five years	1,503	20,071	1,730	14,390
	2,784	21,719	2,682	15,527
Future interest amounts		(18,935)		(12,845)
	2,784	2,784	2,682	2,682

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. Financial Investments

	2020	2019
	£'000	£'000
At 01 January 2020	5,946	5,888
Additions	-	2,000
Disposals	-	(2,138)
Realised Gains/(losses)	-	138
Unrealised (loss)/gain	172	58
At 31 December 2020	6,118	5,946

The Company holds a portfolio of two funds, invested in bonds, which are recognised on the balance sheet at fair value through profit and loss. 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. The funds in place at 31 December 2020 were;

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

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

	2020	2019
	£'000	£'000
Raw material and consumables	323	324

The replacement cost of raw materials and consumables at 31 December 2020 was not materially different to the amount at which they are included in the financial statements.

16. Trade and Other Receivables

	2020	2019
	£'000	£'000
Due within one year:		
Trade debtors	6,020	2,755
Other debtors	87	81
Prepayments and accrued income	1,408	2,526
Corporation tax	305	-
	7,820	5,362

Trade debtors are disclosed net of a doubtful debt provision amounting for £1.1m (2019: £0.1m).

17. Cash and Cash Equivalents

	2020 £'000	2019 £'000
Cash	2,489	1,104
Money market funds	13,805	31,989
	16,294	33,093

Cash at bank represents amounts held on operating bank accounts which generally earn interest at floating rates based on the prevailing bank base rate and are subject to interest rate risk. The company has access to an overdraft facility up to £3m with RBSI, at 31 December 2020 no funds had been drawn down. Further, the company has a purchase card debt limit with RBSI for up to £45,000. In October 2020 the Company secured a £40m revolving credit facility split equally with RBSI and Lloyds Bank. At 31 December 2020 none of this facility had been drawn down.

18. Creditors: Amounts Falling Due within One Year

	2020 £'000	2019 £'000
Trade creditors	947	218
Accruals & deferred income	4,521	3,847
Capital creditors	230	997
Corporation tax	-	811
Other creditors	629	598
	6,327	6,471

19. Provisions for Liabilities

	2020 Other provisions £'000	2019 Other provisions £'000
At 01 January 2020	600	600
Amounts paid	(26)	(22)
Charged/(credited) to profit and loss account	26	22
At 31 December 2020	600	600

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

20. Cash Flow Hedging

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

The total amount of Euros covered by the forward foreign currency contracts at 31 December 2020 was €24,535,000 (2019: €25,210,150) and they exchange Euros into Sterling rates as listed in the below table.

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

The Company is holding the following foreign exchange forward contracts:

As at 31 December 2020	< 1 Year	Years 1-2	Years 2-3	Total	
Foreign exchange forward exchange contracts (highly probable forecast sales)	-	-	-	-	
Notional amount (in £000s)	6,107	5,916	5,715	17,738	
Fair value (in £000s)	(115)	(73)	(39)	(227)	
Average forward rate (EUR/GBP)	1.133	1.119	1.107	-	
Foreign exchange forward exchange contracts (highly probable forecast purchases)	-	-	-	-	
Notional amount (in £000s)	4,261	-	-	4,261	
Fair value (in £000s)	(5)	-	-	(5)	
Average forward rate (EUR/GBP)	1.111	-	-	-	
As at 31 December 2019	< 1 Year	Years 1-2	Years 2-3	Years 3-4	Total
Foreign exchange forward exchange contracts (highly probable forecast sales)	-	-	-	-	-
Notional amount (in £000s)	5,727	6,107	5,916	5,715	23,465
Fair value (in £000s)	254	114	113	107	588
Average forward rate (EUR/GBP)	1.115	1.133	1.119	1.107	-
Foreign exchange forward exchange contracts (highly probable forecast purchases)	-	-	-	-	-
Notional amount (in £000s)	847	-	-	-	847
Fair value (in £000s)	15	-	-	-	15
Average forward rate (EUR/GBP)	1.152	-	-	-	-

	2020	2019
	£'000	£'000
Financial assets at fair value through profit or loss		
Current Assets		
Forward foreign currency contracts	-	334
Non-Current Assets		
Forward foreign currency contracts	-	254
Financial liabilities at fair value through profit or loss		
Current Liabilities		
Forward foreign currency contracts	(120)	(15)
Non-current liabilities		
Forward foreign currency contracts	(112)	-
	(232)	573

21. Deferred Tax

	2020	2019
	£'000	£'000
Accelerated capital allowances	(1,738)	(1,481)
Tax losses	1,858	-
Unutilised capital allowance	682	-
Pension deductions in future periods	-	882
Net gain on cash flow hedges in other comprehensive income	44	(139)
	846	(738)

22. Called Up Share Capital

	2020	2019
	£'000	£'000
Called up, allotted and fully paid		
1,000 ordinary shares of £1.00 each	1	1

23. Contingent Assets

At the year end 31 December 2020 the company had an outstanding business interruption claim in relation to COVID. An initial settlement has been offered and the company is working with the insurers to review the assumptions before accepting. At this point the financial effect of any such settlement is pending.

24. Commitments

	2020	2019
	£'000	£'000
Capital		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	5,674	402
Capital expenditure where purchase orders have been raised but there is no contract in place	-	575
	5,674	977

Contracted capital expenditure relates to project management and purchase of IT systems and a new marine services vessel. The commitments are due to satisfied materially by the end of 2021. All commitments are subject to user acceptance testing of the systems and vessel as well as subject to Ports of Jersey standard terms of doing business.

25. Pension Costs

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

In the event that the costs of the schemes' retirement benefits are such that the cap would be exceeded, the employer has the right to unilaterally reduce the benefits. Ports of Jersey currently contribute 16% of employees' salaries to the scheme. As the Government of Jersey are legally responsible for the scheme Ports of Jersey accounts for this scheme as a defined contribution scheme. The cumulative contributions of employers and employees to the scheme as at 31 December 2020 was £3.1M (2019:£2.8m). The directors consider that no significant actuarial surplus or deficit attributable to the Ports of Jersey exists in PEPS at 31 December 2020.

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

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

Post incorporation a sum of £20.7M was paid in respect to pension liabilities for a pre-1987 pension scheme. This was part of the terms of incorporation for the transfer of the Company's employees' benefits to the newly formed entity. The Company does not have any liability as at the period 31 December 2020 for the pre-1987 scheme.

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

During 2020 the Company opened a new defined contribution pension scheme, administered by Rossborough Financial Services Ltd. The cumulative contributions of employers and employees into this scheme as at 31 December 2020 was £219,000 (2019:nil). This scheme was opened to provide flexible pension options to new employees and in particular our security team which was insourced in 2019.

26. Ultimate Parent Undertaking

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

27. Contingent Liabilities

As at 31 December 2020, there were no contingent liabilities.

28. Post Balance Sheet Events

There were no new significant events affecting the Company after the 2020 year end.

Corporate Information

Ultimate Shareholder

The Government of Jersey

Board

Mark Chown	Chair
Jeffrey Hume	Deputy Chair and Senior Independent Director
Nicky Dunn OBE	Non-Executive Director
Charles Hammond OBE	Non-Executive Director
Dr Jane Smallman	Non-Executive Director
Geoffrey Spence	Non-Executive Director
Matthew Thomas	Chief Executive
Andrew Boustouler	Chief Financial Officer
Helen De La Cour	Board Apprentice

Company Secretary

Jenny Marek-Murray

Registered Office

Jersey Airport
St Peter
Jersey JE1 1BY

Auditors

Ernst & Young LLP
Liberation House
Castle Street
Jersey JE1 1EY

Solicitors

Carey Olsen
47 Esplanade
St Helier
Jersey JE1 0BD

Ports Executive Team

Matthew Thomas	Chief Executive
Andrew Boustouler	Chief Financial Officer
Robin MacRae	Airport Director
William Sadler	Harbour Master
Steve Tanner	Capital Projects Director
Hannah Gleave	Human Resources Director
Jenny Marek-Murray	Corporate Services Director



PORTS OF JERSEY
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