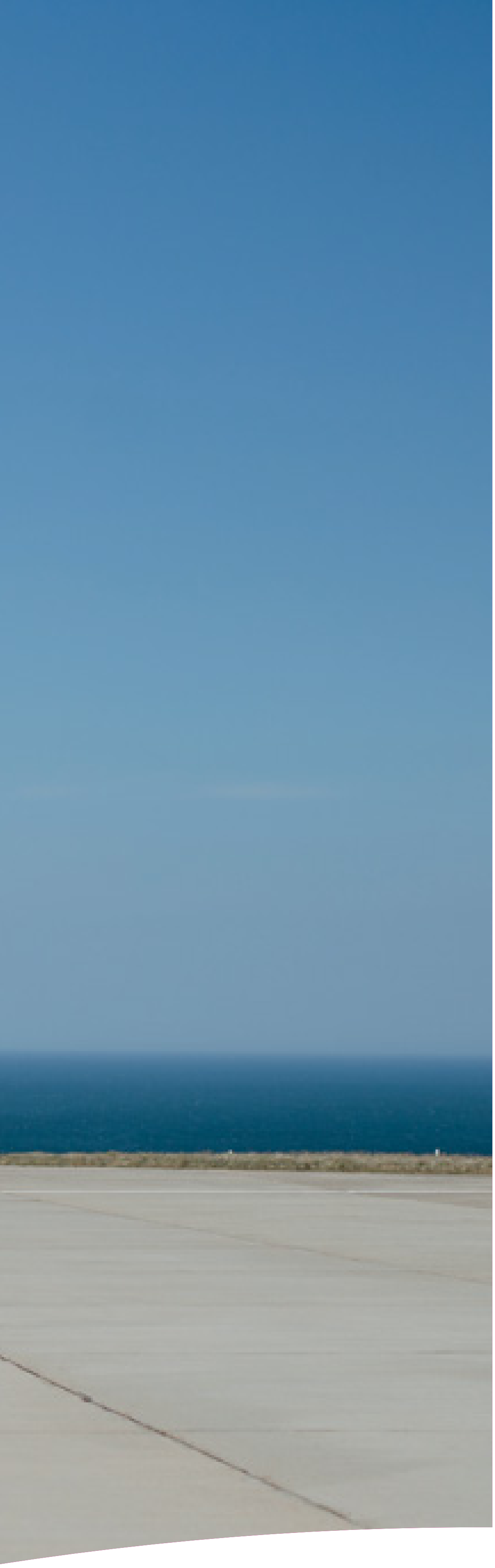
Annual Report **2021**

PORTS OF JERSEY
YOUR ISLAND GATEWAY



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Chairman's Introduction

> *Strategic connectivity is crucial to Jersey, socially and economically, for Islanders, visitors and business travellers.*

This past year has been filled with many successes and some challenges, in a year where we all continued to feel the effects of the pandemic.

The impact of Covid-19 continued to dominate activities at Ports of Jersey in 2021. The first half of the year was heavily affected by lockdown and travel restrictions in Jersey and the UK. While there was some recovery in the second half of the year as the situation eased, the emergence of the Omicron variant prior to Christmas again disrupted travel and life in the Island.

This report outlines our credible financial performance, the impact of the pandemic and our mitigating actions, taken to ensure the continued connectivity and success of the Island. The strength of our relationships with our business partners in aviation and the maritime communities was central to this being possible.

Despite an improved situation in 2021, airport passengers were still down 61% on 2019, and sea passengers down 77%. Perhaps as a reflection of how important travel off Island is to Jersey's population, the recovery in volumes compared to 2020 is well ahead of the comparable UK figures.

2022 has seen a strong start, and we are optimistic about further recovery in passenger numbers. Although this is encouraging, we retain a sense of caution against a backdrop of potential further pandemic issues and a challenging international environment, either of which could impact consumer confidence.

Strategic connectivity is crucial to Jersey, socially and economically, for Islanders, visitors and business travellers. Throughout the pandemic, our Executive team worked closely with our airline partners to secure the resilience of our air links. This culminated recently in the signing of a long-term deal with British Airways which ensures the continuity of the Heathrow service, and its worldwide connections for onward travel, for the next five years. A description of this arrangement is covered later in this report, but, in my view, this is the most significant development in our Island's connectivity for many years. Much work remains to be completed in 2022 with both airline and ferry operators to implement other long-term agreements that will secure our critical links.

I am delighted that even during the challenging pandemic environment in 2021, we continued to make significant improvements to our key infrastructure. This included enhancing the services and facilities on Albert Pier together with the removal of its ageing ferry terminal. We also completed the renewal of the important Elizabeth Marina Storm Gate, and major works to replace the aged guide piles and pontoons in St Helier Marina. This ensures that this marina can continue to provide a vibrant environment for local and visiting mariners for many years to come.

In November 2021, the Duchess, a new purpose built workboat, was commissioned by Ports of Jersey. She joins the Duke of Normandy in our Marine Services fleet and will spend most of her time undertaking rewarding commercial work in Northern Europe, particularly in the offshore wind sector.

In 2021, we advanced work on our two major infrastructure projects the Harbour Masterplan and Airport Masterplan. We will be seeking planning permission later in 2022 for the first phase of the Harbour Masterplan to improve freight and passenger facilities at Elizabeth Harbour. The Airport Masterplan is in the course of being finalised, and this revised project has been enabled by the decision of the Director of Civil Aviation to revise the restrictions needed for safe aircraft operation in proximity to the 1937 Arrivals building at the airport. Both Masterplans will show visible progress in 2022, and mark the beginning of our provision of future proof transport infrastructure Islanders and our business partners deserve.

> “*The plan is an ambitious series of goals to tackle the threat of climate change, to local biodiversity, and how to manage waste generated by Ports, its passengers and partners, and commitments to our people and the community.*

Ports of Jersey recognises that providing and operating essential transport infrastructure can come at a high cost to the environment. It is our intention to address the challenges ahead for the organisation, the Island and the planet. As a result, in 2021, our people developed our sustainability strategy. The plan is an ambitious series of goals to tackle the threat of climate change, to local biodiversity, and how to manage waste generated by Ports, its passengers and partners, and commitments to our people and the community. These exciting plans are discussed later in this report within the sustainability section.

It is clear that the last two years have held challenges that no-one could have foreseen and yet, thanks to the hard work and dedication of our people, we continued to run our operations and provide essential services to the community despite the disruption caused by Covid-19. As part of this response, we redeployed up to one third of our staff at no additional cost to the taxpayer to help deliver the Island’s response to the pandemic. I am keen to thank each of our staff for their valuable contribution, and, in particular, the Executive team for their vision, effort and commitment in what has been another difficult year.

Lastly, I wish to express my appreciation to the Board for their time and support. Their guidance was invaluable throughout the challenging circumstances in which we found ourselves. In 2022, I am confident that we will be able to work together to help deliver the positive change that Ports of Jersey have been mandated to implement, in a more normal operating environment in the year ahead. It’s an exciting prospect.

CEO's Review

"We, at Ports of Jersey, exist to serve our community. Our primary focus in 2021 was keeping Jersey open.

We all know that 2020 was the year that Covid-19 arrived, turning our world, our lives and, for Ports of Jersey, our industry upside down. It was the year of dealing with the unprecedented and the unknown.

As the pandemic developed, 2021 became the year where we learned to live with Covid-19. It was the year that we responded to a myriad of challenges to ensure the resilience of our connectivity. It was the year that we worked tirelessly to ensure we built back better as the recovery emerged.

Keeping Jersey open

We, at Ports of Jersey, exist to serve our community. Our primary focus in 2021 was keeping Jersey open. Safeguarding our connectivity, for the movement of people and freight, as well as maintaining our economy, was our priority.

Connectivity is critical to Jersey's economy and Islanders' quality of life, whether to visit friends and relatives, to access specialist medical care and education, as well as to travel on holiday and business.

Our Island is built on our transport links. Our lifeline freight connections bring the food that we eat, the clothes that we wear and the materials with which we build, furnish and heat our homes.

Islanders take these links for granted, as they should. However, the unprecedented impact of the pandemic on our industry, threatened these links like never before.

So, we worked incredibly closely with business partners across the aviation and maritime community, both on and off-Island to ensure the resilience of the Island's connectivity and supply chains, every link of which was in distress.

Thanks to the strength of those relationships, we are incredibly proud of the way the airport and harbour operations remained operational and resilient throughout the pandemic. For this, we all have a debt of gratitude for the incredible contribution and collaboration that took place. A debt that may never be truly understood.

However, not all our partners were so fortunate. The pandemic has had an unprecedented impact on the travel sector. More than fifty airlines globally have entered liquidation since the pandemic began, while those that survive have accumulated unprecedented levels of debt.

No airline has been immune, including those that serve Jersey. So, for us, there is simply no room for complacency regarding our connectivity.

Ours is a people business, where people do business with people. We worked hard, investing our time and resources in developing incredibly close partnerships with our carriers, to seize opportunities and to manage risk together. We introduced new airlines, such as Jet2, BA CityFlyer, Loganair and Eastern Airways and new routes to the likes of Stansted, Corsica and Ibiza. We also benefited from direct connectivity to much more of the rest of the world as British Airways transferred its operation to Heathrow.

We are delighted to have subsequently reached a long-term agreement for British Airways to continue to fly from Jersey to its global hub at Heathrow. Research undertaken by Oxford Economics confirmed that this route will generate £123m per annum by 2025, supporting 1,200 jobs on our Island. The importance and value of our connectivity has never been so clearly demonstrated.

Working in partnership

As Covid-19 continued to dominate our operations in 2021, we could not have maintained connectivity without the close partnership developed with the Covid-19 testing teams. Our teams did a phenomenal job to enable our Island to be connected while also protecting our community. Our small Island should be incredibly proud that we led the world in the way in which we were able to remain safely connected.

From April, it was heart-warming for us to start welcoming visitors and enable off-Island travel for Islanders again, as travel restrictions eased. The pent-up demand to travel was clear to see with a strong recovery in activity between July and the October half-term holidays.

Jersey performed particularly well, with passenger volumes exceeding our best-case forecasts, significantly outperforming the recovery across the UK. Indeed, the pace of the recovery meant that we needed to introduce new ways of working and collaborating across Ports of Jersey. We trained more than 60 non-operational employees to assist our security and passenger service teams, while our Airport Firefighters were deployed to provide support to our ground handlers.

In those initial weeks of the recovery, we were grateful for the support of our passengers as the travel experience felt very different to before the pandemic.

5 YEARS
agreed for British Airways to fly Jersey to Heathrow

£123M
per annum of growth delivered in GDP by 2025

1,200 JOBS
will be supported in Jersey

The additional operational procedures and travel restrictions associated with the pandemic meant that queue times were longer and the experience less warm and welcoming. We are delighted that those restrictions and procedures have now been lifted, but we continue to invest in technology, resources and infrastructure to provide stress-free travel for Islanders and visitors alike.

Building back better

As well as protecting the resilience of our connectivity throughout 2021, we also had one eye firmly on the future. Amid the uncertainty, we were focused on planning for the recovery, capitalising on the many opportunities available in our market.

We worked with our partners and stakeholders to prepare for and expedite the pace of the recovery, acting boldly and decisively to safeguard our strategic connectivity.

Our role is not just to future proof our gateways, but also our Island.

Throughout 2021, we accelerated work on plans for the biggest capital investment since our incorporation, the regeneration and transformation of the Harbour.

Plans, which we will share and develop with our stakeholders and community, will integrate with Government's regeneration plans, to bring St Helier and the harbour together.

We will invest in our critical harbour infrastructure, ensuring it is future-proofed to meet the projected growth in imports to be brought to the Island. The harbour transformation will also incorporate significant investment in our public realm, providing opportunities for the development of cultural destinations. We will provide infrastructure to support a brighter future for our blue economy as well as creating a welcoming environment for Islanders to live and spend their free time.

As another demonstration of investing in our critical gateway infrastructure, plans also progressed on a new master plan for the Airport for its short, intermediate and long-term goals and needs, creating an airport for the future that Islanders can be proud of.

And we want to deliver all these plans while being entirely self-financing and without creating a burden on taxpayers.

Ensuring a sustainable future

During 2021, we developed an ambitious sustainability strategy.

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

We operate in an industry that needs to innovate to create the technology that will enable its carbon net zero transition. But we cannot wait. We recognised that we needed to start to act immediately.

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

Our sustainability strategy is inclusive and will require new partnerships and new ways of working. For many of the initiatives, we are pleased to be partnering with on-Island organisations – such as Durrell – because together we can achieve much more.

Our people are our strength

All of our achievements and our ambitious plans for the future could not be possible without our amazing team at Ports.

The pandemic presented opportunities for our teams to develop and become stronger. Opportunities which they have grabbed with both hands. We are so proud of the flexibility, adaptability and resilience that our employees and business partners have shown throughout the pandemic. We would not have stayed open as an Island without them and the incredible team spirit that went far wider than just Ports employees.

Our people took on new responsibilities and learnt new skills, while embracing opportunities and challenges. Complex, new ways of working were developed by our employees, who have thrived and become increasingly empowered in the most difficult of environments.

We are committed to building on the collaboration with Government, our sister states owned entities, our business partners and stakeholder groups that has served us well throughout the last two years.

We look forward to the future with great excitement. The opportunity ahead of us to make a positive difference for our community is a privilege. The pride and commitment of our people is humbling and gives us great confidence for the future.

Matt Thomas,
Group Chief Executive Officer

Connectivity Report

The recovery in Jersey was akin to that in Europe, surpassing the UK, a trend we continue to see in 2022.

Jersey Airport

In 2021, we were pleased to see the start of recovery in the travel industry. We welcomed 671,000 passengers through Jersey Airport, an increase of 61% compared to 2020, but still significantly down compared to our last "normal" year in 2019, where we saw more than 1.7 million passengers.

The recovery was delayed until the end of May due to continuing travel restrictions in both Jersey and the UK. Therefore, in the beginning of 2021, focus was on continuing to ensure critical connectivity. This was primarily through the Blue Islands' service to Southampton, and also British Airways serving London Heathrow and easyJet serving London Gatwick.

With the decimation of the route network in 2020 due to the onset of the pandemic, we worked hard to rebuild for 2021. We worked with current airline partners and built relationships with new ones to replace and offer new routes to expand our offering. We were delighted to see in June the start of a Jet2 enhanced destination network, flying to six destinations across the UK (Leeds Bradford, Manchester, Newcastle, London Stansted, Birmingham and East Midlands). Direct travel to EU destinations was also a focus for our Commercial team and they secured a good portfolio of routes, including, Palma, Malaga, Tenerife, Madeira, Ibiza and Barcelona. The demand for direct EU travel remains strong with routes being well received and with good load factors.

The peak summer months of July and August demonstrated the pent-up demand for travel. Our busiest day and weekend was the August Bank Holiday where 10,388 passengers travelled through Jersey Airport on Saturday and Sunday. They represented 75% of the volumes that we would normally expect to see at this time of year. It was so pleasing to see Islanders and visitors once again in our terminal, excited to travel and the first signs of life becoming a new normal.

As we moved past the peak summer months, the pent-up demand continued, and we saw an extended 'shoulder season' well into October, with several airlines extending their schedules to cater for this increased demand.

The recovery in Jersey was akin to that in Europe, surpassing that of the UK by 20% and it has been pleasing to see this continuing trend into 2022. However, we can't forget the continued pressure on airlines and the aviation industry as a whole. More than 15 airlines ceased operations during the year, demonstrating the low profit margins due to high fixed costs in the industry. Securing the connectivity for our Island also comes at a price and we have supported airlines with incentives to ensure Jersey remains a commercially viable destination.

Jersey Harbours

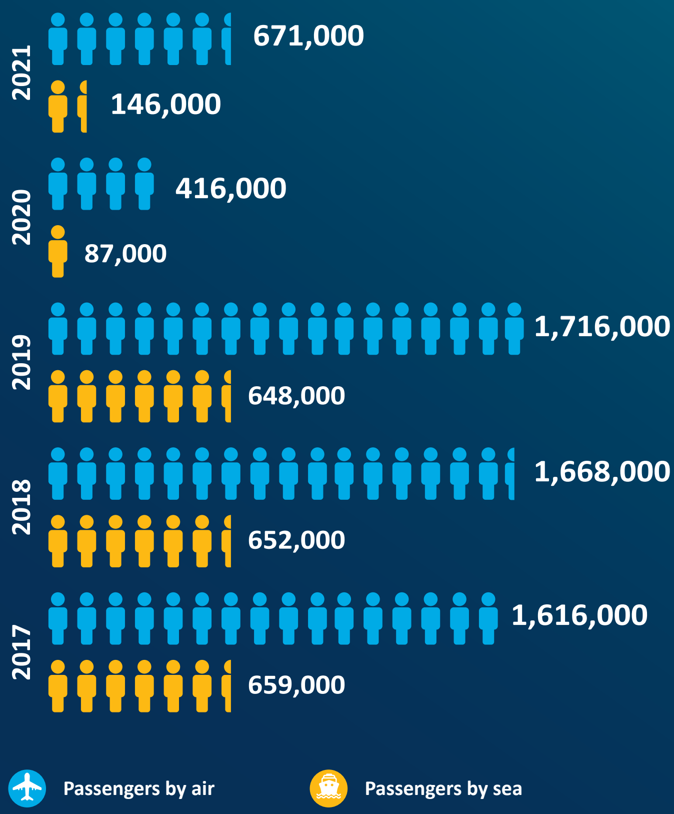
Passengers

The pandemic continued to strongly impact our ferry passengers. The southern French route was down 89% to 38,000 passengers compared to 360,000 in 2019, due to the absence of a key day tripper operator. In comparison, the northern UK routes rallied well and exceeded 2019 in the peak summer months, reflective of the continued nervousness of some passengers, perhaps preferring a more socially distanced travel experience by sea.

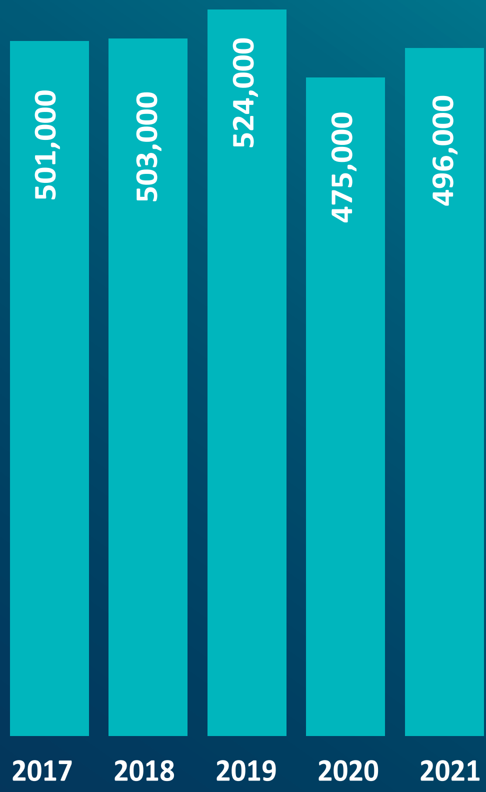
Freight and Fuel

Despite the pandemic, our freight and fuel market remained stable and resilient, reflecting the necessity of this lifeline route to the Island. As Islanders, we still depend on our daily freight arrivals to provide the food we eat, the materials we need to build and the fuel we use to power our cars and heat our homes, as well as countless other commodities. We imported 406,000 tonnes and exported 90,000 tonnes of combined freight.

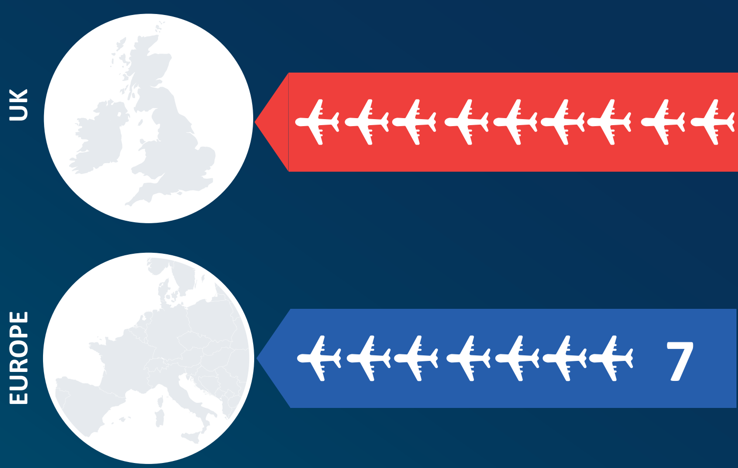
Passenger numbers



Freight and fuel (tonnes)



Number of routes Jersey flew to in 2021



Total: 24

Financial Review

> *"The lifting of pandemic restrictions has brought about a very welcome return to the ability of all of us to travel and has set the Island on the path to rebuilding our connectivity.*

The building back of passenger confidence has driven a 20% recovery in our Turnover and underpinned progress toward a return to profitability.

The lifting of pandemic restrictions has brought about a very welcome return to the ability of all of us to travel and has set the Island on the path to rebuilding our connectivity. Whilst 2021 has presented a challenging financial landscape for Ports of Jersey, particularly in the first half of the year when restrictions remained in place, we have more recently seen passenger volumes return to meaningful levels.

The effects of travel restrictions have a direct and disproportionate impact on the aviation and maritime business sectors and consequently on the financial performance of PoJL. As volumes have returned, we have seen revenues improve by 20% compared to prior year, although these still remain 26% less than 2019's pre-pandemic levels. Increased passenger numbers, in addition to the proactive steps taken by management to mitigate the financial impact of the Covid-19 pandemic on the business, have resulted in substantial progress being made toward a return to profitability.

Our prudent accumulation of financial resources 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 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. Through the utilisation of our Revolving Credit Facility secured in 2020, we have been able to continue our investment in infrastructure and equipment that both safeguard the operational robustness of the organisation and responsibly diversify our revenue generating activities.

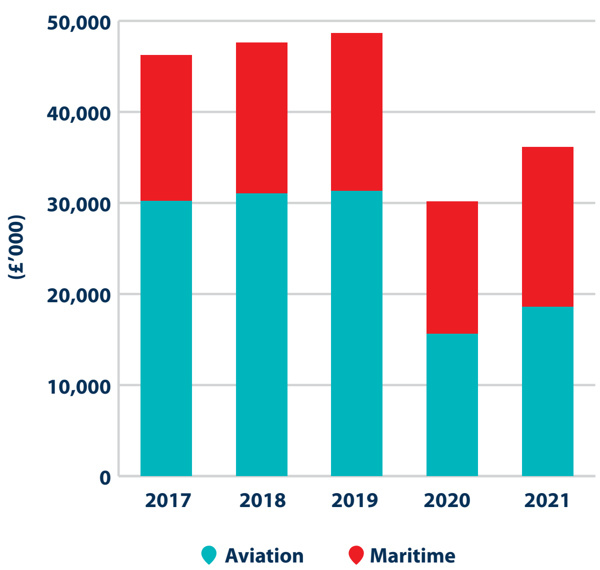
Turnover

Whilst we continue to operate in an uncertain environment and the recovery trajectory remains fragile, it has been pleasing to note the underlying robustness of customer demand, as confidence has returned, resulting in a 20% increase in Turnover for the financial year to £36.2m.

Turnover however remains significantly lower than pre-pandemic levels, and more than a £30m shortfall during 2020/21 than would otherwise have been anticipated.

A period of sustained incremental growth in Turnover was brought to a halt with the emergence of the global pandemic in 2020. The prolonged nature of the pandemic has continued to have a significant impact on overall income. Whilst aviation passenger numbers have recovered by 61% on 2020, these still remain 60% below 2019 volumes. Similarly, at the Harbour, an increase in traveling passengers to the UK, increased freight tonnage and fuel imports all contributed to Turnover improving compared to prior year.

In 2021, we have received a £1.6m insurance payment as a result of a business interruption claim arising from the impact of the pandemic. This represents an initial payment on account as dialogue with insurers continues.



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

POJL (£'000)		
2021	**2020**	**Variance**
(692)	(8,238)	7,547

Airport (£'000)		
2021	**2020**	**Variance**
(3,042)	(10,516)	7,475

Harbour (£'000)		
2021	**2020**	**Variance**
2,350	2,278	72

Our Financial Statements for the year ended 31 December 2021 show an EBITDA loss of £0.7m, an improvement of £7.5m on our prior year loss of £8.2m but still significantly below the 2019 EBITDA profit of £12.4m we enjoyed prior to the onset of the pandemic.

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

The financial performance of the Airport is highly responsive to the volume of travelling passengers and whilst the Airport continues to report a loss position, the work undertaken with our airline and concessionaire business partners has seen an improvement of over 70% in the EBITDA position for this element of our business. Whilst many challenges remain for the aviation industry, the proactive action taken since the onset of the pandemic has positioned us well to return to a profitable position at the Airport in the near future.

Whilst the maritime sector has also been impacted by the pandemic, the more diversified nature of these income streams provides a less volatile financial environment. This is reflected in a relatively consistent EBITDA position.

We responded to the pandemic by reducing our cost base through offering a voluntary release scheme to our employees. This resulted in 85 staff members leaving the organisation and facilitated the repositioning of the business on a more cost-effective footing to deliver against a sustainable long-term operating model.

The contraction of airline operations as a result of the pandemic has resulted in a paucity of capacity to meet the welcome return of passenger demand. This has resulted in significant resources being committed to ensure that the Island is positioned as an attractive destination for the limited passenger capacity available. Through working with our airline business partners, we have seen the Island's connectivity through our route network maintained at levels comparable to that enjoyed in 2019 and new retail concessions opened to serve the associated returning passenger traffic.

As the custodians of the Island's gateways, our primary focus remains that we ensure the maritime and aviation connectivity of the Island is maintained during these difficult times and that we safeguard the operational robustness of the business in order to support our Island community.

We have therefore continued to support our customers where appropriate through extended credit terms, in alignment with the Island response to the pandemic. We continue to work with our customers on a case by case basis. However, as we often have limited visibility of their individual future trading environments, we have necessarily made appropriate provision against the carrying value of the outstanding receivables for financial reporting purposes.

Profit before Tax

	2021	2020
	£'000	£'000
EBITDA	(692)	(8,238)
Revaluation of investment properties	5,094	5,147
Loss on disposal of fixed assets	(95)	-
Impairment of plant, property and equipment	(3,508)	-
Depreciation	(5,125)	(5,335)
Operating Loss	**(4,326)**	**(8,426)**
Other items	66	765
Loss Before tax	**(4,260)**	**(7,661)**

Beyond EBITDA, Depreciation and Asset Impairments are offset by an increase in the valuation of our investment properties. Overall, the Loss Before Tax in 2021 was £4.2m.

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

As at 31 December 2021, PoJL held investment properties with a net book value of £68.9m. 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.

The 2021 revaluation resulted in an uplift in value of £5.0m. A review of our asset register identified Airport property assets as requiring impairment and accordingly the appropriate value adjustment has been made.

Taxation

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

The tax charge for 2021 is £0.8m.

Cashflow

Net cashflow from operating activities for the period ended 31st December 2021 saw a modest outflow of £0.2m but represents a significant improvement from prior year cash outflow of £9.9m.

We have invested over £13m in our fixed assets as the business addressed critical infrastructure requirements and embraced opportunities to diversify income streams. These investments necessitated the liquidation of our money market investments which generated proceeds of £6.1m in addition to the planned utilisation of £10m under our Revolving Credit Facility (RCF).

Overall, the company ended the financial year with increased cash liquidity of £19.3m (2020: £16.3m).

Capital Expenditure

The principal items of capital expenditure during the year were:

	2021 £'000
Albert Pier Pontoons	4,863
Marine Services Vessel	4,321
St Helier Marina Upgrade	868
Runway Surface Treatment	765
Air Traffic Control Communication Project	579
Airport Projects <£500k	651
Harbour Projects <500k	1,041
Corporate Projects <£500k	51
Total	**13,138**

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 secured a £40m RCF with three-year commitments from RBSI and Lloyds during 2020. As at 31st December 2021 the company had drawn £10m of borrowing under the RCF to fund capital investments. The balance of £30m remain available to be utilised to support our future investment programme and maintain liquidity as required.

The company has also exercised the option to extend the RCF for a further year so that the facility remains available until 2024.

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 2021 the company contributed £2.2m to these schemes.

Sustainability Report

OUR FOUR PILLARS

CLIMATE

We will transition to net zero

BIODIVERSITY

We will preserve Jersey's water and promote thriving biodiversity

WASTE AND CIRCULARITY

We will design out waste

PEOPLE

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

2021 has been an exciting year for our organisation as we have developed our sustainability strategy the "Ports Planet and People Plan", which was launched March 2022.

Our strategy has been an employee led initiative, they are the experts on our organisation and have proved this with their knowledge, insights and sheer enthusiasm for what they have created. From decarbonisation to staff wellbeing, our strategy is a cross discipline framework that considers all elements of sustainability creating a holistic and joined up approach.

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

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

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

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

Progress in 2021

798
TONNES OF CO2e (scope 1 & 2) JERSEY AIRPORT 2019

Carbon Mapping

A key part of setting our ambitions was considering an appropriate base year to set our targets against. We have chosen 2019 due to 2020 being an atypical year due to the pandemic. During 2021, we have worked with carbon foot printing specialists to assess our Airport 2019 carbon footprint which we are presenting in this year's annual report and which we have fully offset using the Durrell ReWild Carbon Scheme. We don't see offsetting as the answer to decarbonisation but a valuable tool to utilise whilst aviation and maritime transport technologies are developed to meet the global call to reduce emissions. Our Harbours baseline is being consolidated and will be completed soon. From 2022 onwards, we provide metrics to demonstrate progress in carbon reduction.

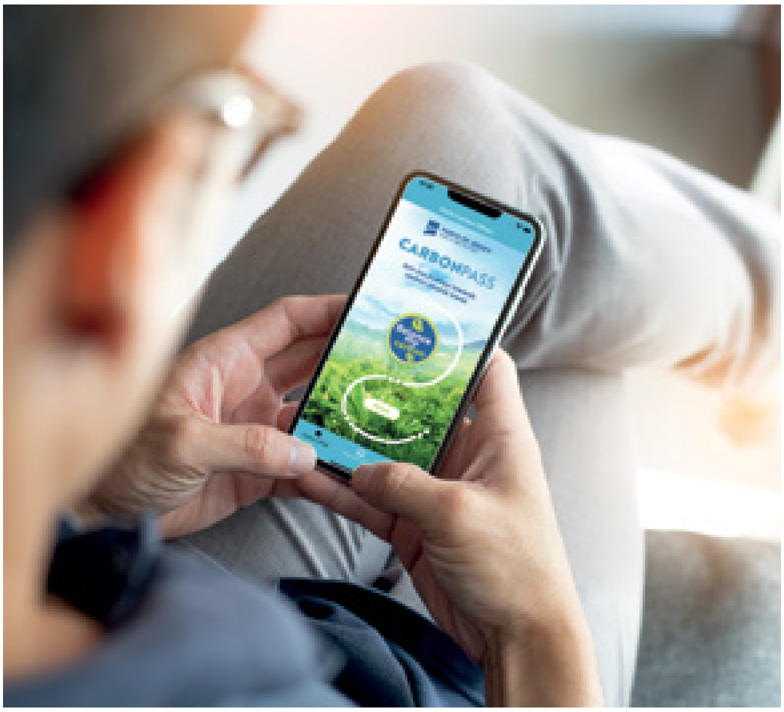
An output of our airport foot-printing exercise was that we were able to join the ACI Carbon Accreditation Scheme the only global, airport-specific carbon standard which relies on internationally recognised methodologies. It provides airports with a common framework for active carbon management with measurable goalposts.

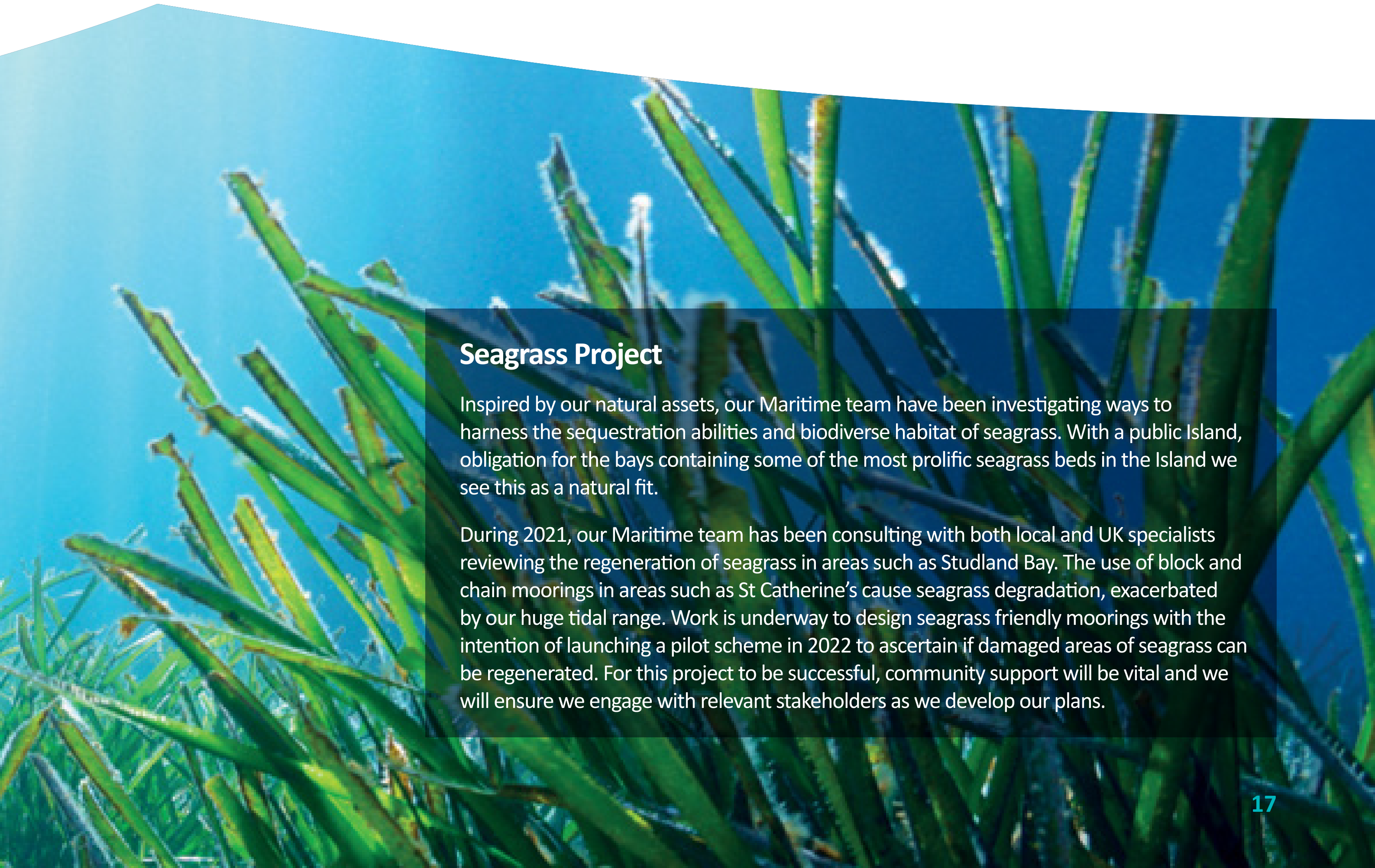
The programme is site-specific allowing flexibility to take account of national or local legal requirements, whilst ensuring that the methodology used is always robust. We achieved level 1 "mapping" in March 2022 and we look forward to progressing through this accreditation as we execute plans to reduce our airport carbon emissions. We aim to reach Level 3 "Optimisation" by March 2023. To reach this level of accreditation we need to show carbon reductions and stakeholder engagement to include scope 3 emissions in our reduction targets.

On the Harbours side, we are actively pursuing the EcoPorts designation. The EcoPorts Port Environmental Review System (PERS) is the only port sector specific environmental management standard and is independently certified. The EcoPorts Self Diagnosis Methodology (SDM) provides the means to ports to self-evaluate their environmental management and allows ports to compare their performance against the sector's benchmark.

CarbonPass App

An exciting development during 2021 that we are proud to have managed is the development of CarbonPass. This has been developed in partnership with Durrell and Fusion Development, providing our passengers with the option to balance their travel carbon emissions should they wish. It was really important to us to be able to provide our passengers with this option and ensure the monies were being collected for a well-known and trusted local brand such as Durrell. Durrell is well known and regarded not only within the Island community, but with visitors to our Island. We were proud to launch this as part of our Ports Planet and People Plan launch in March 2022.





Seagrass Project

Inspired by our natural assets, our Maritime team have been investigating ways to harness the sequestration abilities and biodiverse habitat of seagrass. With a public Island, obligation for the bays containing some of the most prolific seagrass beds in the Island we see this as a natural fit.

During 2021, our Maritime team has been consulting with both local and UK specialists reviewing the regeneration of seagrass in areas such as Studland Bay. The use of block and chain moorings in areas such as St Catherine's cause seagrass degradation, exacerbated by our huge tidal range. Work is underway to design seagrass friendly moorings with the intention of launching a pilot scheme in 2022 to ascertain if damaged areas of seagrass can be regenerated. For this project to be successful, community support will be vital and we will ensure we engage with relevant stakeholders as we develop our plans.

Corporate Social Responsibility

Staff wellbeing

Our staff wellbeing programme has continued to be dominated with helping our employees through the pandemic, with an increased focus on supporting mental health challenges. We have continued to work with the Jersey Recovery College as a launch partner, providing educational and programme courses to our employees that tackle subjects from understanding fear and stress to taking care of each other. Employees have also been given access to webinars and the opportunity to train as mental health first aiders.

On the more practical concerns relating to Covid-19, processes have continued to be reviewed and updated to ensure Covid-safe environments, with appropriate cleaning regimes and social distancing for employees. We also introduced a Lateral Flow Testing programme ensuring all employees had access to regular testing. Remote briefings also continued to ensure all employees, regardless of site and team had full access to all information they required. And we also introduced a series of virtual Pilates sessions for employees to join, in particular catering for those working from home, under government guidance.

As pandemic restrictions began to lift during 2021, our attention shifted to helping our colleagues reconnect, with many having worked from home or lone working. We organised a number of “walk and talk” and “cuppa and a catch up” sessions, which were all attended by a mental health first aider.

Investment in our community

Corporate social responsibility has continued to be a focus for us in 2021. With continuing restrictions due to the pandemic, we extended our charitable partnerships with Beresford Street Kitchen, Caring Cooks of Jersey, Dementia Jersey and Healing Waves Ocean Therapy for the duration of 2021. With in-person events continuing to be impacted, we were unable to welcome visitors to our terminals. As an alternative, we worked with our four partner charities to hold one bumper virtual event – 'Runway Challenge 21'. Entrants were asked to cover the distance of 21 runways, of destinations you can fly to from Jersey, over 21 days in the summer. Some people walked, ran, cycled, paddle-boarded or skated. The event was all inclusive and lots of the Ports of Jersey team got involved. Ports of Jersey absorbed most of the event expenses and with additional sponsorship being offered by Cimandis, this event went on to raise more than £27,000.

We really enjoyed sponsoring the Beresford Street Kitchen Golf day for the final time, with several staff teams featuring on the day.

Education

Providing education opportunities is a key part of our Ports Planet and People Plan, which we will be expanding in 2022 and beyond. Our key education initiative in 2021 was the launch of the SeaPerch competition among local secondary school students. The competition encouraged individual teams to build a remotely operated vehicle (ROV), in association with international organisations SeaPerch and RoboNation.

The SeaPerch programme guides students on building an underwater robot, while supplying educators with the tools and training to help them through the process.

This competition was really important to us and our Group Technical Services team as it supports future talent by sparking an interest in STEM subjects among students, in particular the competition was aimed at those students due to select their GCSE subjects this year. During the competition, our employee mentors were able to showcase the variety of opportunities available, both within Ports of Jersey, and elsewhere on the Island too.

Supporting Our Employees and Community

Wellbeing

- Child Accident Prevention Webinar Series
- Pilates at Home Series
- ADHD and Neurodiversity Webinar
- Reconnection activities

Physical Health

- Covid wellness action plan
- Simply Health cash plan
- Winter wellness
- Discounted gym memberships
- No traffic on the extra mile

Mental Health

- Mental Health at Work launch with Jersey Recovery College as our partner
- Mental Health First Aid
- Mental Health Webinar Series

613
Claims with Simply Health Cash Plan

41
Mental Health First Aiders

38
Flu Vaccination Requests

332
Hits on the Wellbeing Intranet Site

48
Attendees of JRC Mental Health at Work Courses

424
Views of the Employee Benefits Page

58
Views of Mental Health Information

£12.1k
Healing Waves

£11.5k
Beresford Street Kitchen

£10.7k
Caring Cooks

£8.7k
Dementia Jersey

£43k
Raised for Charity

£30k
Raised from Runway Challenge

40
SeaPerch Students

3
Project Trident Students

We worked with

BBC Children in Need
Jersey Women's Refuge
Helping Wings
Jersey Hospice
Poppy Appeal

We sponsored

Jersey Marathon
Jersey Triathlon
Beresford Street Kitchen Charity Golf Day

We got involved

Ride Across Britain
Rowing Challenge
Jersey Marathon
Jersey Triathlon
Jersey Hospice Dragon Boat Race

Grants we gave

7 Overseas (Jersey) Squadron, Air Cadets
Jersey Unit 447, Sea Cadet Corps
Jersey Sea Scouts
Helping Wings
Channel Island Air Search

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, compliant 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 the various regulators and agencies in the UK, the EU and the Channel Islands. Please see the Compliance and Assurance Statement on page 36.

Regulatory compliance teams work with and support employees who have specific regulatory assurance responsibilities. Detailed attention is paid to comprehensive incident investigation and ensuring that effective mitigations are put in place to prevent recurrence. The company operates a 'Just Culture' which promotes an excellent reporting culture, both from company employees and stakeholders.

A similar system operates for all internal health and safety matters, including a refreshed Health & Safety Committee with representation of defined responsibilities across all business areas. To ensure that Safety performance is given the highest priority, Aviation and Maritime Safety Review Boards take place on a quarterly basis (including both Operational and Occupational Safety) which supplement monthly Harbour and Airport Management Group performance meetings chaired respectively by the Harbour Master and the Airport Director.

It is the company's objective to have zero unplanned downtime in Maritime and Aviation operational infrastructure, and to have in place tested contingency measures to mitigate against events impacting passenger and freight operations with minimal disruption.

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 Services to manage Channel Island airspace, and a remote digital Air Traffic Tower contingency facility, 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.

2. Commercial Growth Risk

Ports of Jersey is a commercially driven and customer-focused business. Prior to the global pandemic, over 2 million passengers passed through our gateways each year, along with every item of freight that is imported into or exported from Jersey.

The pandemic has had a devastating effect on the demand for travel, impacting both aviation and maritime sectors, with the consequential loss of services, carriers, and business partners. Industry projections suggest it will be several years before passenger volumes again reach the levels seen in 2019.

Locally, longer-term agreements are in place with key airline carriers and concessions and an Operating Agreement is in place with Condor until March 2025. Regular formal and informal meetings take place to review performance, develop shared objectives, track post pandemic recovery plans and take agreed actions where necessary.

Customer satisfaction is monitored regularly, and measurable customer service standards set. In the latter part of 2021, a new customer feedback process was developed and this was launched in early 2022 with the objective of improving the customer feedback process through providing a consistent method of collecting, managing and reporting on feedback. This an integral part of the company's requisite reporting to the Jersey Competition Regulatory Authority (JCRA). This had however been necessarily suspended as a consequence of the global pandemic but has now been re-introduced with the results made publicly available each quarter.

Relevant Senior managers develop and maintain the company's relationship with major customers such as airlines, shippers and ferry operators. These relationships are being further developed beyond a commercial remit through the operational teams.

At an industry level, we regularly consult with and receive information from key industry bodies such as the Airport Operators Association, the Airports Council International and the British Ports Association which provide early insight for any changes or developments that may affect us.

3. Financial Risk

Ports of Jersey do not receive any financial support from taxpayers' funds, we depend solely on the revenues we generate to meet our obligations. These include a range of public service obligations such as running the Coastguard and maintaining Jersey's historic harbours.

There is an established financial model for all budget forecasting and monitoring income and expenditure. The capital plan is kept under regular review to ensure it is affordable and best supports the delivery of our business objectives. An appropriate debt funding facility has been put in place, further to approval from the Shareholder, to support short term liquidity requirements.

Appropriate close liaison is maintained with those in the Government of Jersey who have responsibility for its shareholder function. We also keep a watch on policy and legislative developments that could possibly impact adversely upon the company. We also seek to build on the existing relationship with our economic regulator, the JCRA, a key aim of which includes that our regulated prices change in line with inflation.

Annual external audit combined with an internal audit programme provide independent assurance of effectual financial governance controls.

4. Investment Risk

Major Capital investment programmes to develop the Island's Airport and Maritime infrastructure are underway. As well as enhancing the current ports user experience, these will future-proof the Island's gateways.

The delivery of our capital programme is underpinned by comprehensive planning activities which extend throughout the organisation. All developments are subject to a robust project governance framework from inception to completion. This is led by a project management office with all roles within projects well defined and in line with international best practice.

To further bolster Capital Expenditure governance, there are monthly Capital Project Management Group meetings. These review and monitor Capital investment programmes, with performance reports which thereafter feed into monthly Harbour and Airport Management Group performance meetings.

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

Continual investment in our core ICT and applications infrastructure provides ever increasing resilience and added functionality. This includes the ability for employees to work remotely, either elsewhere on our estate or if appropriate, at locations such as from home. This was effectively demonstrated during 2021 and has proved invaluable in developing hybrid working opportunities. This allows elements of the business the flexibility to operate effectively from almost any location.

5. 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 motivation, pay, terms and conditions, training and workplace wellbeing across the business. We aim for these to be in line with, or better, than market norms where they can be judged.

Succession plans are in place for all critical areas and we have Apprentice and Trainee programmes within various 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.

A management training programme was undertaken during 2021 to build on our managers core skills in the development of their respective teams.

6. Sustainability Risk

Core to our business strategy are the four pillars of Sustainability – Climate, Biodiversity, People & Community, Waste & Circularity.

The travel industry is under ever increasing scrutiny with regard to the impact it has upon the planet. Ports of Jersey are committed to driving forward initiatives to reduce and mitigate not only its own impact, but also those of our business partners. We align ourselves with the Government of Jersey Carbon Neutral Roadmap and European Aviation's commitment to carbon neutrality by 2050 in line with the Toulouse Declaration.

A Sustainability Management Group meets monthly to ensure the organisation progresses its sustainability ambitions, encapsulated in the "Ports' Planet and People Plan", providing updates to the Board monthly. The ambitions of this plan are also a key part of the organisation's 5-year strategic business plan.

7. Cyber Risk

The importance of managing cyber risk has been increasingly recognised and a wide range of counter measures are in place to detect and repel malicious interventions in the company's systems. Penetration testing and vulnerability scans are undertaken frequently ensuring systems are secure and up-to-date. The cyber threat landscape is continually monitored, and controls are added/updated as required. Employee training has been stepped up to help avert unwitting compromise of the company's IT systems.

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

Barry De Caux,
Maintenance Engineer
Group Technical Services

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.

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, and Harbour and Airport Authorities Committees of the Board with formally delegated duties and responsibilities.

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

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

Mark Chown
Chairman
26 April 2022

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 29.

Division of responsibilities

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

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

Non-Executive Directors

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

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

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

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

A comprehensive and independent Board Effectiveness review has been undertaken in early 2022, the results of which will be presented to the Board shortly. The preliminary results show a high performing Board, nevertheless it is expected that recommendations for further improving the effectiveness of the Board in order to face the challenges in the next few years will be adopted following this presentation.

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 2021 (excluding committee attendance by directors not as members but by invitation) was as follows:

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

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

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 32 to 33, the Directors' Remuneration Report on pages 44 to 45, the report of the Risk Committee is provided on page 34, the report of the Investment Committee is provided on page 42 and the Nominations Committee Report on page 43.

Insurance

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

Other authorities

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

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 chaired the PoJL Nomination and Risk Committees, stepping down as Risk Chair 01 December 2021. He is also a member of the Audit, Investment and Harbour and Airport Authorities Committees.

Jeff Hume

Deputy Chairman and Senior Independent Director

Appointed: January 2017

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

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

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

Charles Hammond, OBE

Non-Executive Director

Appointed: January 2019

Charles has been involved in the Ports industry for over 30 years in a variety of roles and is the current CEO of Forth Ports Limited

Charles is the current Chair of the UK Major Ports Group, a Global Britain Commissioner and is on the Prime Minster's business council for 2022.

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 Committee.

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 chairs the PoJL Investment Committee and sit on the Nomination Committee.

Dr Jane Smallman
Non-Executive Director
Appointed: March 2020

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 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 sat on the PoJL Risk and Remuneration Committees, assuming the Risk Committee Chair 01 December 2021.

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.

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

She was Chair of The Titanic Foundation Ltd (Now Maritime Belfast) which built and owns the award-winning Titanic visitor attraction and other assets and developed a destination along the waterfront in Belfast. Nicky sat on the board of The London Legacy Development Company (Olympic Park) for 9 years which oversees one of the largest and highest profile urban regeneration projects in the UK and Europe. She also chaired the Netball World cup, held in Liverpool in July 2019.

Nicky currently Chairs The Jockey Club Live and The London Stadium boards and is a Trustee of The Young Vic Theatre.

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

Nicky sits on the PoJL Risk and Investment Committees.

Matt Thomas

Group Chief Executive Officer

Appointed: July 2019

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 Ports of Jersey.

With direct responsibility for Finance, 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. On integration of Ports of Jersey in 2015, Jenny assumed the role of Deputy Director for Business Resources. In February 2021, Jenny took on the new role of Director of Sustainability and Corporate Services.

Audit Committee Report

As Chairman of the Audit Committee, I am pleased to report below on its work for the year ended 31st December 2021 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.

During 2020, the Committee was instrumental in the negotiation and execution of a revolving credit facility of £40m, to provide the organisation with adequate cash reserves to continue its commercial development projects. An initial drawdown of £10m was completed during 2021.

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

In the year ahead the Committee will continue developing PoJL's internal audit effectiveness in order to strengthen the control environment and supplement this with outsourced capability.

Jeffrey Hume
Committee Chair
26 April 2022

Jenny Marek-Murray,
Director of Sustainability and Corporate Services

Membership and expertise

During the year to 31 December 2021 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 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. They have a world-renowned Infrastructure and Logistics Industry group and bring a large knowledge resource directly applicable to PoJL.

The Committee assessed the effectiveness of its audit enquiries and confirm that we remain satisfied with EY's independence as auditors.

Internal Audit

The Committee oversees and received reports from Internal Audit on key financial risks and related processes. During the year these included Assurance mapping, Commercial concession contracts, our GST compliance, the governance over two marine related Business cases, the use of Purchase cards and the Sales ledger environment. In addition we received a gap analysis of our Annual Report against recent C&AG best practice recommendations.

Meetings held

The Committee held five meetings during the year ended 31 December 2021. The Audit Committee has also formally met twice so far in 2022, 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 2021. 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

In the context of the ongoing impact of the pandemic, the Committee has continued to concentrate on the accounting presentation and judgements relating to the carrying value of the company's net assets, its receivables and its level of provisioning:

A Net asset valuation – We have recognised the prolonged period of the pandemic will adversely impact future financial returns and therefore consideration was given to the carrying value of the enterprise as a whole. In 2020 an extensive impairment assessment was carried out with the primary input being a depreciated replacement cost methodology which demonstrated significant valuation headroom which corroborated the absence of an impairment indicator. A consistent approach has been applied for 2021 and we concur with management that there is no requirement to recognise any impairment in respect of the company's assets as a whole.

B Investment properties –Their fair values at 31 December 2021. This category of assets is reviewed on an annual basis. Our RICS led internal team, supported by external Chartered Surveyors, concluded at uplift of £5.0m as at December 2021.

C Trade Receivables – The support the company has provided to the Island wide response to the pandemic has included a flexible approach to credit terms for a number of customers. We considered the limited visibility remaining over those customers' future trading environments and endorsed managements judgements on the extent to which the amounts remaining due should be impaired for financial reporting purposes.

D Provisions for claims – The adequacy of provisions in relation to the legacy fire-fighting foam contamination of ground water. We considered the current circumstances and endorsed management's judgement that after absorbing expenditure during the year, the provision should be reinstated at the prior year level of £0.6m.

E Insurance claims – The company is pursuing claims under its insurance policies for compensation against the business interruption caused by Covid-19. Whilst there is a dialogue ongoing with insurers about further amounts, we agreed that it is prudent to take credit only for the £1.6m received to date.

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

Jane Smallman, Committee Chair
(member during 2021, appointed as Chair 01 December 2021)
Mark Chown, Committee Chair
(resigned as Chair 01 December 2021, remains as member)
Nicky Dunn

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

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

The impact of Covid-19 on Ports of Jersey and related business partners has continued to require significant attention of the Risk Committee during 2021. The embedded capability of Ports of Jersey to manage operational risks and resilience has further demonstrated the benefit of distinguishing corporate risk management as a key focus for the Risk Committee.

At each of its meetings, the Committee received and reviewed the Organisational Risk Management Reports which include both Corporate risks as well as an overview of Operational risks. The Committee's principal activities covered:

- Aviation Integrated Management System
- Radar strategy
- Corporate and Air Navigation Services Cyber Security
- Data Protection/ GDPR Compliance
- Holistic Risk Review (carried out in March 2022)
- Insurance Policy Coverage

Cybersecurity management

Cyber risk remains as the top corporate exposure globally. The Risk Committee continued to take keen interest in the measures taken by Ports of Jersey to manage cyber security during 2021 with consideration to the new challenges being faced. The Risk Committee receives reports from the Information Security team from time to time.

Jane Smallman
Committee Chair
26 April 2022

Louise Stafford,
Project and Environmental Manager,
Maritime Operations

Compliance and Assurance Statement

Open, Safe and Secure.

Ports of Jersey places the safety and security of its passengers, employees and business partners at the heart of everything we do. As one of our strategic objectives, the continuous improvement of safety and security standards and compliance with regulatory requirements and industry best-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. Ports of Jersey is subject to external audits of its various operational management systems annually, conducted by a diverse range of authorities including UK CAA, Department for Transport and European Aviation Safety Agency (EASA).

A dedicated team at Ports of Jersey is tasked with ensuring compliance with regulation and providing independent assurance to the Board on all of the integrated operational management systems. The team provides expertise on a range of compliance disciplines relating to Aviation Safety (SMS) and Maritime Safety (SMS), Aviation and Maritime Security and Occupational Health and Safety. Further assurance is provided in 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 2021, Ports of Jersey was subject to the following external audits, as part of its compliance obligations, this has been a challenging period and some of the audits had to be carried out as agreed remote audits due to corona virus pandemic restrictions:

Audit Title	Audit Agency	Business Area	Audit Dates
Aerodrome Certification	UK CAA	Airport (Aerodrome)	January 2021 Remote October 2021 Onsite
Aviation Security	UK CAA for UK DfT	Airport (Aerodrome)	July and October 2021
Air Navigation Service Provision Certification (ANSP)	EASA	Airport (ANS)	June 2021 Remote
ATCO Training Organisation Certification (ATCO TO)	EASA/CAA SRG	Airport (ANS)	Not audited in 2021
Aeronautical Meteorological Service	UK Met Office	Airport (ANSP)	February 2021
Aerodrome Habitat Management	BSM	Airport (Aerodrome)	February and October 2021
Bird Control Management	BML	Airport (Aerodrome)	October 2021
QMS ISO 9001 2015	TUV Nord	Airport (ANS)	October 2021

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

An external audit of Ports of Jersey by MARICO, with respect to compliance against the standards of the Port Marine Safety Code, was carried out in September 2021. The final report has been received and although observations were raised there were no Non-Conformities or Findings of non-compliance.

Ports of Jersey, as the lead authority for the Jersey Marine Administration, also provided requested information to support the United Kingdom in their audit by the International Maritime Organisation into UK and Red Ensign Group compliance with the Implementation of International Instruments Code (III Code). Of the two Findings raised neither had direct relevance to Jersey.

It is the assessment of the Heads of Compliance for both the Airport and Harbour that Ports of Jersey 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 Ports of Jersey has been assessed as effective, and management arrangements are sufficient and competent to ensure compliance with the published Ports of Jersey Health and Safety policy and Health and Safety at Work (Jersey) Law 1989.
- The requirements of the Port Marine Safety Code and the International Ship and Port Facility Security Code.

Andy Farmer,
Service Delivery Engineer
Group Technical Services

Harbours and Airport Authorities Committee Report

Harbours and Airport Authorities Committee (" HAAC") supports the Board in its carrying out of the company's regulatory and other non-commercial functions with which it is entrusted by law.

The company is the Jersey Harbour Authority, appointed by the Minister under Art. 2(2) of the Harbours (Administration) (Jersey) Law 1961; and ditto the Jersey Airport Authority, pursuant to Art.2(1) of the Aerodromes (Administration) (Jersey) Law 1952.

In these capacities, the company is responsible for policing, safety and security matters in both its domains (including in Jersey territorial waters), and serves as duty holder in relation to Jersey's implementation of the UK Port Marine Safety Code (which whilst not mandatory in Jersey has been adopted by the company as a "best practice" standard). The company is also responsible for other matters that may be entrusted to it by the Minister from time to time under the two administration laws noted above, including for the purpose of giving effect to legislation relating to shipping, and sea and air navigation. The company by virtue of being Harbour Authority is also responsible to the Minister for giving effect to the Jersey Government's duties under the 1974 International Convention for the Safety of Life at Sea (UN Treaty No. 18961), extended to Jersey by Her Majesty's Government, to ensure the establishment, operation and maintenance of such search and rescue facilities in territorial waters as are deemed practicable and necessary.

The duties and responsibilities outlined above are also reflected by a set of public service obligations ("PSO") imposed on the company by law when it was incorporated in 2015. These are :

- **A** coordinating maritime search and rescue within the Jersey region,
- **B** maintenance of aids to navigation,
- **C** custodianship of all harbours in Jersey,
- **D** enforcement of shipping legislation,
- **E** certain Port State Control functions, and
- **F** management of the air traffic control functions of the Channel Islands Control Area ("CICA").

CICA air traffic control functions are treated as a commercial matter and thus not within HAAC's remit.

It is important to note that the PSOs are not tied to the company's appointment as Airport Authority and Harbour Authority; they are an integral part of the scheme of the incorporation of the company in 2015 which sought explicitly to give Ports of Jersey Limited a division of responsibilities between the commercial and the regulatory. The PSO on the enforcement of shipping legislation generally is particularly relevant to HAAC's set of responsibilities.

Under Article 2(7) of the Harbours Law, the Harbour Authority is also responsible for appointing an individual (employed by the Harbour Authority and approved by the Minister) to act as Harbour Master. The Harbour Master (currently Captain William Sadler) has a range of statutory powers and responsibilities. The Harbour Authority is also empowered under Article 2(7) to delegate responsibilities to the Harbour Master.

For example, the Harbour Master is responsible for the management and direction (with appropriate reference to HAAC and to the Board) of the Jersey Coastguard which through the Harbour Authority has legal responsibility to act as the co-ordinator of all civil maritime Search and Rescue (SAR) in Jersey's territorial waters.

HAAC is convened under an independent chairman and the membership also includes the Airport Director and the Harbour Master as well as three Board directors: the Chairman of the company, the Chief Executive Officer, and the Chief Financial Officer. Both the Airport Director and the Harbour Master, as sworn office holders, have a reporting line to the Minister, either through the relevant Authority under the aegis of HAAC, or may exercise powers on their own authority according to law.

As an example, each has the power of a centenier in places connected with their functions, which for the Harbour Master includes harbour limits and territorial waters.

The Committee also works with the company's retained external maritime safety adviser, William Heaps , who also serves for us as our 'designated person' in respect of the Port Marine Safety Code. Mr Heaps is also the designated person for both Poole and Portsmouth ports. His deep and extensive experience of maritime safety is of inestimable value to HAAC and the whole of the company's maritime team, strengthened by his independence from the company.

At the Airport , similar external input on safety and security is provided by the Deputy Director of Civil Aviation, which is a UK statutory role for the Channel Islands. Senior members of the company's staff, including from Jersey Coastguard, attend and participate in HAAC meetings as required, making a valuable contribution to the Committee's counsels.

In view of the special nature of the company's role in delivering such functions alongside and in support of its commercial operations, and the public policy duties owed accordingly to the Minister, the company is required under Art.4(3) of the Incorporation Law to exercise its powers so as not to conflict with the interests of aviation and maritime safety and security. A principal duty of the independent chairman of HAAC is to watch that this is upheld and that any potential conflict between the company's commercial, and its statutory or regulatory, functions is speedily identified and carefully mitigated.

An important purpose of HAAC is to provide a governance structure for the decision making of the Airport Director and the Harbour Master. This includes a reporting line for action taken under their personal authorisations. From this assurance can be given to the Board that all matters relating to and associated with safety and security at the Airport and at the Harbour are being duly administered and addressed according to law, and all operational risks managed.

HAAC had four scheduled meetings in 2021, plus several ad-hoc meetings convened at short notice to address specific matters. Until the latter part of 2021meetings were held online due to isolation restrictions at that time. The independent chairman has regular meetings and dialogue with the Airport Director and the Harbour Master and is in regular contact with the Chairman of the Board, who, as already noted, is also a member of HAAC.

Regular items of business include:

- considering reports on compliance with the Port Marine Safety Code prepared by the designated person;
- reviewing quarterly Health & Safety reports for both the Airport and Harbour;
- keeping under thorough review the company's operational risk register including commissioning 'deep dives' in given areas;
- being briefed and considering follow-up action on specific safety and security incidents, including not only at sea or in the air but also those affecting public safety in and around company land and facilities as well as Jersey's beaches, coastline and outlying harbours; and
- receiving full reports from the Airport Director and Harbour Master on activity and events in the preceding period and issues arising.

Key in all these spheres is the need for assurance, on the part of HAAC itself, and thence for the Board, that operational risk management is being addressed consistently and thoroughly, that a safety 'culture' is embedded in operations, and that incidents are appropriately investigated from a 'lessons to be learned' perspective. This includes, where necessary, the commissioning of independent reports on incidents of particular seriousness or importance.

During 2021, in addition to standing items as indicated above, the following main specific matters were considered by HAAC:

- the implications for aviation safety and operations of the 1937 Arrivals Building's now being retained following the change of regulatory position by the Deputy Director of Civil Aviation on its being an obstacle to safe airport operations;
- the change of the aviation organisational structure to one of integrated operations and the positive implications arising from that;
- management of risk as aviation began to recover from the special difficulties of 2020 and the first part of 2021;
- seeking to judge the correct balance of managing public safety at the outlying harbours against unfettered access to public realm generally enjoyed by the community;
- a significant review of Jersey's Maritime Search and Rescue function, for which use was made, for the first time, of the Coastal State assessment tool in Volume II of the International Aeronautical Maritime Search and Rescue Manual (IAMSAR); and
- reviewing lessons to be learned from the accident investigation report on the grounding of the Jersey-registered fishing vessel, L'Ecume II, in St Aubin's Bay

To the above list must be added consideration – which is continuing - of a serious incident on 10 November 2021 when the Jersey Lifeboat Association's ("JLA") Sir Max Aitken III hit rocks at speed on the south coast of the Island while responding to an emergency at sea. HAAC accepted the Harbour Master's advice that the circumstances warranted an independent investigation to examine the causes of the incident and to make any recommendations arising as a result of the causes and contributing factors identified.

The initial draft report was considered and HAAC recommended to the Board that pending finalisation of that report and implementation of its findings a temporary freeze on the status of the JLA as a declared facility for Search & Rescue purposes was warranted. This was in accordance with procedures specified in the Jersey Coastguard Declared Facility Agreement Management Framework, which is based on the equivalent framework document utilised in the UK by HM Coastguard with appropriate amendments for Jersey' circumstances and conditions.

The chief issue arising for HAAC from this incident, in view of the company's responsibility for maritime safety and Search & Rescue coordination as Harbour Authority and pursuant to PSOs (a) and (d), is the importance of ensuring that all providers of Search & Rescue assets reach and maintain all requisite standards, and are seen to do so.

Resolution of matters arising from the independent report continues in dialogue with both the Minister and the JLA itself with a view to implementing an appropriate "roadmap" to the lifting of the temporary freeze referred to above. The final report into the incident of 10 November 2021 will, we expect, be published under the Minister's authority during 2022.

I wish to thank all members of the company's staff who are involved in the broad set of matters within the purview of HAAC for their hard work, diligence and professionalism in working to keep Jersey's Airport and Harbour, and its air space and territorial waters, safe, secure and well-managed. This is for the benefit of all port users whether travellers, seafarers or aviators, or simply those dependent on the Island's two transport gateways for the continual delivery of the necessities of life. Their work is often unsung but of the first importance to the sustainability of the Island.

John F. Mills

John Mills
Independent Chair
26 April 2022

Investment Committee Report

As Chairman of the Investment Committee, I am pleased to report below on its work for the year ended 31 December 2021.

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 2021 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 member of the Committee are considered to be independent with considerable appropriate experience and expertise gained through a variety of corporate and professional appointments.

During 2021, the Committee has reviewed a number of investment cases which aim to diversify or provide resilience to the organisation's income streams. The most material of these investment cases were:

- The expansion of Airport Hangarage
- Refurbishment of St Helier Marina

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

In the year ahead the Committee will look to continue developing the organisation's investment appraisal, overseeing the incorporation of sustainability considerations into the overall investment framework. The Committee will also continue to be involved in the Harbour Masterplan. As plans are developed the Committee will provide critical oversight, ensuring its input is provided at key decision points, that the plans are consistent, robustly considered and cognisant of the needs of all relevant stakeholders.

G Spence

Geoffrey Spence
Committee Chair
26 April 2022

Nominations Committee Report

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

The Committee meets at least once a year and its members during 2021 were the following Non-Executive Directors (NED's)

Mark Chown (Chair)
Jeffrey Hume
Geoffrey Spence

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

The committee's focus in 2021 has been confirming the composition of the Board sub-committees and executive appointments and understanding and reviewing PoJ's leadership structure, performance and capability.

Non-Executive:

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

The committee re-appointed John Mills to Chair the Harbour and Airport Authorities board for a further year. The committee appointed Jane Smallman to be the Chair of the Risk Committee and Nicky Dunn to join the Investment committee both with effect from 01 December 2021.

Mark Chown
Committee Chair
26 April 2022

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 approves the remuneration for other key individuals in the Executive team and oversees the employee benefit structure as a whole; keeping the company's remuneration policies under review. The Committee does not consider any changes to the remuneration of the Non-Executive Directors since they themselves comprise the Committee.

The Committee members during 2021 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-19

As reported elsewhere in this Annual Report, 2021 has continued to be dominated by the impact of the pandemic on the demand for our services, the continued functionality of our operations and on our people. 2021 however gave us the opportunity to develop integrated teams across the Airport and Harbour, giving many of our talented employees the opportunity to grow and adapt. Teams have continued to support the Island's response to the pandemic in the arrivals at both the Harbour and Airport.

Directors' Remuneration

The total remuneration of the Directors for the year ended 31 December 2021 was:

	Salary/ Fees £'000	Performance Related Pay £'000	Pension Contribution £'000	2021 Total £'000	2020 Total £'000	Notes
Executive Directors						
M Thomas (CEO)	230	94	37	361	311	2020 Updated
A Boustouler (CFO)	175	29	26	230	222	2020 Updated
Non-Executive Directors						
M Chown (Chair)	50	-	-	50	50	-
J Hume (SID)	35	-	-	35	35	-
N Dunn OBE	25	-	-	25	21	Appointed Mar 2020
C Hammond OBE	25	-	-	25	25	-
J Smallman	25		-	25	21	Appointed Mar 2020
G Spence	25	-	-	25	25	-
Total	**590**	**123**	**63**	**776**	**710**	

Andrew Boustouler's salary figure includes a Duty Executive allowance.

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. The scheme specifics, which we have set, are confirmed by the Minister acting as the Shareholder.

In early 2020, amid the emerging industry turmoil and changing priorities due to Covid-19, we reframed the existing incentive scheme around seven 'Community benefit' objectives which remained in place until mid-2021. These were succeeded by a further balanced set of seven financial, operational and strategic objectives for the remaining six months. Both sets of objectives entailed clear deliverables. In the forgoing table the amounts earned by the Executive Directors are reflected in the periods during which they were earned as opposed to when the qualifying periods ended.

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) against which, in common with other employees, the company contributes 16%. The Chief Executive is provided with private health cover, but neither receives company cars 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.

Other Employee Pay

We have below, for the first time in this report, provided comparative information on the total remuneration levels of all our employees. This reflects how the total remuneration of the CEO compares to the rest of the employees in the organisation at the 25th, 50th and 75th percentiles. The timing of this development mirrors that required of all UK listed companies. It has also been prompted by 'best practice' advice published by Jersey's Comptroller & Auditor General.

2021 Full Time Employees	Individual Total Remuneration	Ratio to CEO Total Remuneration
At 25th percentile	£42,242	8.4
At median	£56,752	6.4
At 75th percentile	£78,070	4.6

These employee remuneration figures includes salary, any allowances received and the company's pension contribution.

In 2021 the company implemented a 2.75% general pay increase as the second part of a negotiated 2020/2021 two year pay award.

Jeffrey Hume
Committee Chair
26 April 2022

Directors’ Report

Introduction

The Directors of the company present their report and the audited financial statements of the company for the period ended 31 December 2021.

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
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 07.

Post balance sheet date events

There were no new significant events affecting the company after the 2021 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 2022 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 six 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
26 April 2022

Jenny Marek-Murray
Company Secretary
26 April 2022

In November 2021, the Duchess, a new purpose built workboat, was commissioned by Ports of Jersey.

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
26 April 2022

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 2021 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 2021 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 30 April 2023 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 45, 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 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
26 April 2022

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 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Turnover	4	**36,179**	**30,155**
Operating costs (excluding depreciation)	6	**(36,871)**	(38,393)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**(692)**	**(8,238)**
Revaluation of investment properties	12	**5,094**	5,147
Loss on disposal of fixed assets	11	**(95)**	-
Impairment of plant, property and equipment	11	**(3,508)**	-
Depreciation	11	**(5,125)**	(5,335)
Operating Loss		**(4,326)**	**(8,426)**
Finance lease income		**336**	444
Finance lease contingent rentals	13	**-**	101
Interest income	8	**1**	118
Interest expense	8	**(210)**	(30)
Realised loss on financial investments	14	**(61)**	-
Unrealised gain on financial investments	14	-	172
Unrealised loss on foreign exchange		-	(40)
Loss before taxation		**(4,260)**	**(7,661)**
Taxation	9	**(753)**	1,708
Taxation	9	**(753)**	**1,708**
Loss for the financial period		**(5,013)**	**(5,953)**
Other Comprehensive Income:			
Change in fair value of cash flow hedges		**1,236**	(757)
Cash flow hedges reclassified to turnover		**(118)**	(172)
Cash flow hedges reclassified to PPE		**(209)**	-
Tax charge		**(190)**	186
Total Comprehensive loss		**(4,294)**	**(6,696)**

Statement of Financial Position as at 31 December 2021

	Note	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Assets			
Non-current assets			
Tangible assets	11	**79,268**	74,860
Investment property	12	**68,884**	63,757
Finance lease receivable	13	**2,457**	2,457
Financial Investments	14	**-**	6,118
Deferred tax asset	22	**-**	846
Unrealised gain on forward foreign exchange contracts	21	**295**	**-**
		150,904	**148,038**
Current assets			
Trade and other receivables	16	**7,356**	7,820
Finance lease receivable assets	13	**327**	327
Inventories	15	**316**	323
Cash and cash equivalents	17	**19,303**	16,294
Unrealised gain on forward foreign exchange contracts	21	**331**	-
		27,633	24,764
Total assets		**178,537**	**172,802**
Liabilities			
Current liabilities			
Trade and other payables	18	**(6,463)**	(6,327)
Revolving Credit Facility	20	**(10,000)**	-
Unrealised loss on forward foreign exchange contracts	21	**-**	(120)
		(16,463)	(6,447)
Non-current liabilities			
Provisions	19	**(600)**	(600)
Deferred tax liability	22	**(125)**	**-**
Unrealised loss on forward foreign exchange contracts	21	**-**	(112)
		(725)	**(712)**
Total liabilities		**(17,188)**	**(7,159)**
Net assets		**161,349**	**165,643**

Statement of Financial Position as at 31 December 2021

	Note	As at 31 December 2021 £'000	As at 31 December 2020 £'000
Shareholder's equity			
Called up share capital	23	**1**	1
Incorporation reserve		**137,350**	137,350
Retained earnings		**23,465**	28,478
Cash flow hedge		**533**	(186)
Total shareholder's equity		**161,349**	**165,643**

Approved and authorised by the Board and signed on its behalf on 26 April 2022.

Mark Chown
Chair
26 April 2022

Matthew Thomas
Chief Executive
26 April 2022

Statement of Changes in Equity for the Period Ended 31 December 2021

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

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

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

Statement of Cash Flows for the Year Ended 31 December 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash flows from operating activities			
EBITDA	a	**(692)**	(8,238)
Gain/(loss) on terminated hedges		**170**	50
Loss/(gain) on matured hedged transactions		**(118)**	(172)
(Increase)/decrease in inventories		**7**	1
(Increase)/decrease in debtors		**493**	(2,153)
(Decrease)/increase in creditors		**(57)**	1,433
Tax payment		**-**	(807)
Net cash (outflow)/inflow from operating activities		**(197)**	**(9,886)**
Cash flows from investing activities			
Purchase of tangible assets		**(12,945)**	(7,158)
Additions to investment property		**(33)**	(247)
Finance lease interest received		**336**	444
Interest received	8	**1**	118
Proceeds on disposal of investments		**6,057**	-
Net cash outflow from investing activities		**(6,584)**	**(6,843)**
Cash flows from financing activities			
Interest payable	8	**(210)**	(30)
Utilisation/(Repayment) of Revolving Credit Facility		**10,000**	-
Net cash outflow from financing activities		**9,790**	**(30)**
Change in cash during the period		**3,009**	(16,759)
Cash at 1 January		**16,294**	33,093
Effect of exchange rates on cash and cash equivalents (for non sterling accounts)		**-**	(40)
Cash at 31 December		**19,303**	**16,294**

Notes to the Statement of Cash Flows

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

	Note	**Year ended 31 December 2021 £'000**	**Year ended 31 December 2020 £'000**
Operating profit		**(4,326)**	(8,426)
Adjustments for:			
Depreciation	11	**5,125**	5,335
Profit on disposal of tangible asset	11	**95**	-
Revaluation of investment property	12	**(5,094)**	(5,147)
Impairment of plant, property and equipment	11	**3,508**	**-**
EBITDA		**(692)**	**(8,238)**

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.

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 1 October 2015. These financial statements are the financial statements of Ports of Jersey Limited ("the company") for the year to 31 December 2021. 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 26 April 2022.

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 and 2021 as a consequence of the Covid-19 pandemic

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

During 2020 the company secured a £40m revolving credit facility to provide security as the pandemic continued. At year end the company had drawn down £10m of funds from this facility and held £19.3m in cash. The revolving credit facility has enabled the company to invest in income generating projects to diversify its revenues, such as the expansion of the marine services fleet.

Whilst it remains difficult to determine the rate of Covid-19 recovery with complete confidence, the Directors have a reasonable expectation that sufficient funds are available to meet the company's liabilities as they fall due up to 30 April 2023. Accordingly these financial statements have been prepared on that basis.

2. Summary of Significant Accounting Policies

2.1 Turnover

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

Revenue type	Based on	Point of recognition
Airport, Harbour and other traffic charges:		
Passenger charges	Volume	On passenger landing/departing
Aircraft and vessel charges	Weight	On use of facilities
Freight and fuel charges	Weight and type	On provision of goods/services
Channel Islands Control Area (CICA)	Cost recovery of being an air navigation service 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 2021, the company received monies from the Government of Jersey in respect of the Jersey International Air Display (2021: £65K, 2020: nil) 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 have 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 and impairment. 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, or if a previously recognised impairment requires reversing. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount. Where the asset does not generate cash flows that are independent of other assets, the recoverable amount of the income-generating unit to which the asset belongs is estimated. Recoverable amount is the higher of an asset's net realisable value and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to it recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the profit and loss account in those expense categories consistent with the function of the impaired asset.

2.4 Impairment of Tangible Assets

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

2.5 Investment properties

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

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

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

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

2.6 Leases

Operating leases

i) Company as lessor

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

ii) Company as lessee

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

Finance leases

i) Company as lessor

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

ii) Company as lessee

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

2.7 Inventories

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

2.8 Debtors

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

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

2.9 Creditors

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

2.10 Borrowings

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

2.11 Employee benefits

i) Short term benefits

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

ii) Defined contribution pension scheme

The company participates in two multi-employer defined contribution pension scheme operated by the Government of Jersey. Also one 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.

2.12 Current and deferred taxation

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

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

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

ii) Deferred tax

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

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

2.13 Provisions

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

2.14 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.

2.15 Cash and cash equivalents

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

2.16 Foreign Exchange Derivatives

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

2.17 Hedge Accounting

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

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

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

2.18 Cash Flow Hedges

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

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

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

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

2.19 Disclosure Exemptions

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

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

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

3. Significant Accounting Judgements and Estimates

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

Estimates:

3.1 Investment properties

Investment properties were valued at fair value at 31 December 2021 internally by a qualified Chartered Surveyor. The valuations were prepared in accordance with the appraisal and valuation manual issued by the Royal Institute of Chartered Surveyors. Valuations were carried out having regard to comparable market evidence. In assessing fair value, current and potential future income (after deduction of non-recoverable outgoings) has been capitalised using yields derived from market evidence. See note 12 for the significant methods and assumptions used.

3.2 Useful lives of tangible fixed assets

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

Judgements:

3.3 Tangible Assets

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

3.4 Classification of investment property

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

3.5 Classification of finance lease receivables

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

3.6 Classification of Public Employees Pension Scheme (PEPS)

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

3.7 Impairment of Receivables

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

4. Turnover

	Year ended 31 December 2021 £'000	**Year ended 31 December 2020 £'000**
Turnover is analysed as follows:		
Airport and Harbour charges	**12,730**	10,147
Channel Islands Control Area (CICA)*	**5,987**	6,470
Marina charges	**3,904**	3,755
Sale of services	**1,000**	917
Concessions	**2,923**	1,847
Car parking	**990**	882
Property income due under operating leases	**4,510**	4,303
Recharges**	**1,080**	1,158
Other Income	**1,425**	676
Turnover (excluding Insurance Claims)	**34,549**	**30,155**
Insurance Claims***	**1,630**	-
Turnover	**36,179**	**30,155**

* 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.

*** Insurance claims income relates to receipts in relation to the company's Business Interruption policy. The policy covers the first 48 months of business interruptions from the onset of the Covid-19 pandemic. The income received to date is an initial payment on account as dialogue with the insurers continues.

5. Operating Leases

Amounts receivable under operating leases at 31 December 2021:

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Future minimum lease payments:		
Not later than one year	**4,412**	4,117
Later than one year and not later than five years	**10,854**	9,595
Later than five years	**23,329**	**23,282**
	38,595	**36,994**

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 2021 £'000	Year ended 31 December 2020 £'000
Wages and salaries	**17,334**	19,662
Social security costs	**960**	1,104
Pension costs	**2,234**	2,461
Other staff related costs	**12**	2,440
	20,540	**25,667**
General expenses	**16,331**	12,726
	36,871	**38,393**

Operating costs include:	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Staff training and development	**259**	166
Rentals under operating leases		
- Other operating leases	**204**	220
Services provided by the company's auditor		
- Audit fees	**155**	135
- Other non-audit services	**-**	125
Foreign Exchange (Gains)/ Losses	**(44)**	(46)

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

Employee information

The number of full time equivalent (“FTE”) employees as at 31 December 2021 analysed by function was:

	Year ended 31 December 2021	Year ended 31 December 2020
Operational	**236**	294
Other	**55**	61
	291	**355**

7. Directors’ Emoluments

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Directors’ emoluments		
Salaries	**767**	547
Pensions and benefits	**63**	55
Directors’ emoluments	**830**	**602**
Other key management personnel	**1,017**	857
Total key management personnel compensation	**1,847**	**1,459**

In the prior year the performance period of the Executive Director’s short term incentive plan extended into the first half of 2021.

8. Net Interest (Payable)/Receivable

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Interest payable		
Interest on bank borrowings	**(210)**	(30)
Interest receivable		
Interest receivable on money markets and bank deposits	**1**	118
Net interest receivable/(payable)	**(209)**	**88**

9. Taxation on Profit

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Current tax		
Total current tax charge/(credit)	**-**	(305)
Prior year adjustment	**(29)**	(4)
	(29)	**(309)**
Deferred tax		
Deferred tax on timing differences	**918**	(1,399)
Prior year adjustment	**(136)**	-
	782	(1,399)
Total tax charge/(credit) for the period	**753**	**(1,708)**

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 2021 £'000	Year ended 31 December 2020 £'000
Profit before tax	**(4,261)**	**(7,661)**
Tax on profit at 20%	**(852)**	(1,532)
Effect of:		
Non-Taxable (gains)/losses on investment property	**(1,019)**	(1,030)
Other Permanent differences	**1,871**	2,257
Deferred tax	**782**	(1,399)
Prior year adjustment	**(29)**	(4)
	753	**(1,708)**

10. Investments in Subsidiaries

At 31 December 2021, the company had investments in the following subsidiary undertaking:

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

At 31 December 2021, there were no separate assets or liabilities reported by these entities and as such there are no subsidiary balances or transactions that form part of the consolidated results of the group.

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

11. Tangible Assets

	Operational Land	Buildings	Structures	Plant and equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 January 2021	10,156	26,230	25,550	25,057	10,746	97,739
Additions	-	(50)	-	-	13,186	13,136
Transfers	-	4,963	1,421	13,116	(19,500)	-
Disposals	-	-	-	(123)	-	(123)
At 31 December 2021	**10,156**	**31,143**	**26,971**	**38,050**	**4,432**	**110,752**
Depreciation						
At 1 January 2021	-	7,403	6,007	9,469	-	22,879
Charge for the period	-	1,070	1,215	2,840	-	5,125
Impairment	-	3,508	-	-	-	3,508
Disposals	-	-	-	(28)	-	(28)
At 31 December 2021	**-**	**11,981**	**7,222**	**12,281**	**-**	**31,484**
Net book value						
At 31 December 2020	10,156	18,827	19,543	15,588	10,746	74,860
At 31 December 2021	**10,156**	**19,162**	**19,749**	**25,769**	**4,432**	**79,268**

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

12. Investment Property

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

2020	Completed Investment property £'000	Assets in the course of construction £'000	Total £'000
Valuation			
At 1 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**

The fair value of the company's investment property at 31 December 2021 has been arrived at on the basis of a valuation carried out at that date internally, by a chartered surveyor, in accordance with the RICS Valuation Standards 6th Edition ("the Red Book"). The valuation was arrived at by reference to market evidence of transaction prices for similar properties, land valuations and discounted cash flow methods. Where there were outstanding or forecoming reviews, rental value has been assessed in accordance with the terms of occupational lease review provisions. Otherwise, rental values have been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

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

	2021	2020
Commercial property:	**7%-10% (yield)**	7%-10% (yield)
Car parks:	**10% (discount rate)**	10% (discount rate)

13. Finance Lease Receivables

	2021	2020
	£'000	**£'000**
At 1 January 2021	**2,784**	2,683
Contingent rentals gain	-	101
At 31 December 2021	**2,784**	**2,784**
Made up of:		
Current finance lease receivables	**327**	327
Non-current finance lease receivables	**2,457**	**2,457**
	2,784	**2,784**

Amounts receivable under finance leases at 31 December 2021

	2021		2020	
	Present value of minimum lease payments	**Gross investment**	**Present value of minimum lease payments**	**Gross investment**
	£'000	**£'000**	**£'000**	**£'000**
Not later than one year	**327**	**330**	327	330
Later than one year and not later than five years	**954**	**1,318**	954	1,318
Later than five years	**1,503**	**19,742**	1,503	20,071
	2,784	**21,390**	**2,784**	**21,719**
Future interest amounts		**(18,606)**		**(18,935)**
	2,784	2,784	2,784	2,784

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

	2021	2020
	£'000	£'000
At 1 January 2021	**6,118**	5,946
Additions		
Disposal Proceeds	**(6,057)**	-
Realised Gains/(losses)	**(61)**	-
Unrealised (loss)/gain	**-**	172
At 31 December 2021	**-**	**6,118**

The company's portfolio of two funds, invested in bonds, were fully liquidated during the financial year.

15. Inventories

	2021	2020
	£'000	£'000
Raw material and consumables	**316**	**323**

The replacement cost of raw materials and consumables at 31 December 2021 was not materially different to the amount at which they are included in the financial statements.

16. Trade and Other Receivables

	2021	2020
	£'000	£'000
Due within one year:		
Trade debtors	**5,407**	6,020
Tax	**334**	305
Other debtors	**142**	87
Prepayments and accrued income	**1,473**	1,408
	7,356	**7,820**

Trade receivables are net of provisions applied in our policy.

17. Cash and Cash Equivalents

	2021	2020
	£'000	£'000
Cash at bank	**19,303**	16,294

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 2021 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 2021, £10m of this facility had been drawn down.

18. Creditors: Amounts Falling Due within One Year

	2021 £'000	2020 £'000
Trade creditors	**494**	947
Accruals and deferred income	**4,921**	4,521
Capital creditors	**424**	230
Other creditors	**625**	629
	6,463	**6,327**

19. Provisions for Liabilities

	2021 Other provisions £'000	2020 Other provisions £'000
At 1 January 2021	**600**	600
Amounts paid	**(65)**	(26)
Charged/(credited) to profit and loss account	**65**	26
At 31 December 2021	**600**	**600**

Other provisions relates to a number constructive obligations based on offers made to property owners and ongoing costs that have been assessed in conjunction with the relevant legal advisors and represents the present value of the maximum amount of projected cash outflow for the relevant claims. In addition, estimated costs to be incurred in undertaking on-site contamination investigations have also been included. 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. Revolving Credit Facility

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

The company secured a £40m RCF with three-year commitments from RBSI and Lloyds during 2020. As at 31 December 2021, the company had drawn £10m of borrowing under the RCF to fund capital investments. The balance of £30m remains available to be utilised to support our future investment programme and maintain liquidity as required.

The company has also exercised the option to extend the RCF for a further year so that the facility remains available until 2024, a further 1 year extension is available to be exercised during 2022 if management deem appropriate.

21. Cash Flow Hedging

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

The total amount of Euros covered by the forward foreign currency contracts at 31 December 2021 was €13,659,900 (2020: €24,535,000) 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 2021	**< 1 Year**	**Years 1-2**	**Total**
Foreign exchange forward exchange contracts (highly probable forecast revenues)	-	-	**-**
Notional amount (in £000s)	5,916	5,715	**11,631**
Fair value (in £000s)	331	295	**626**
Average forward rate (EUR/GBP)	1.133	1.119	

As at 31 December 2020	**< 1 Year**	**Years 1-2**	**Years 2-3**	**Total**
Foreign exchange forward exchange contracts (highly probable forecast revenues)	-	-	-	**-**
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)	4261	-	-	**4,261**
Fair value (in £000s)	(5)	-	-	**(5)**
Average forward rate (EUR/GBP)	1.111	-	-	**-**

	2021 **£'000**	**2020** **£'000**
Financial assets at fair value through profit or loss		
Current assets		
Forward foreign currency contracts	331	-
Non-current assets		
Forward foreign currency contracts	295	-
Financial liabilities at fair value through profit or loss		
Current liabilities		
Forward foreign currency contracts	-	(120)
Non-current liabilities		
Forward foreign currency contracts	-	(112)
	(626)	**(232)**

22. Deferred Tax

	2021	2020
	£'000	£'000
Accelerated capital allowances	(2,190)	(1,738)
Pension deductions in future periods		-
Tax losses	2,182	1,858
Unutilised capital allowances	8	682
Net gain on cash flow hedges in other comprehensive income	(125)	44
	(125)	846

23. Called Up Share Capital

	2021	2020
	£'000	£'000
Called up, allotted and fully paid		
1,000 ordinary shares of £1.00 each	1	1

24. Commitments

	2021	2020
Capital	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	4,896	5,674

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 employer's 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 2021 was £3.2m (2020:£3.1m).

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 2021 for the pre-1987 scheme.

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

During 2020, the company open a new defined contribution pension scheme, administered by Rossborough Financial Services Ltd.

The combined contributions of employers and employees into this scheme as at 31 December 2021 was £0.2m (2020:£0.2m).

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 2021, there were no contingent liabilities.

28. Post Balance Sheet Events

There were no new significant events affecting the company after the 2021 year end.

Corporate Information

Ultimate Shareholder

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

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

Bankers

HSBC
Halkett Street
St Helier
Jersey JE4 8NJ

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
Captain William Sadler	Harbour Master
Darren Scott	Chief of Staff
Hannah Gleave	Human Resources Director
Jenny Marek-Murray	Sustainability and Corporate Services Director
Steve Tanner	Capital Projects Director

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