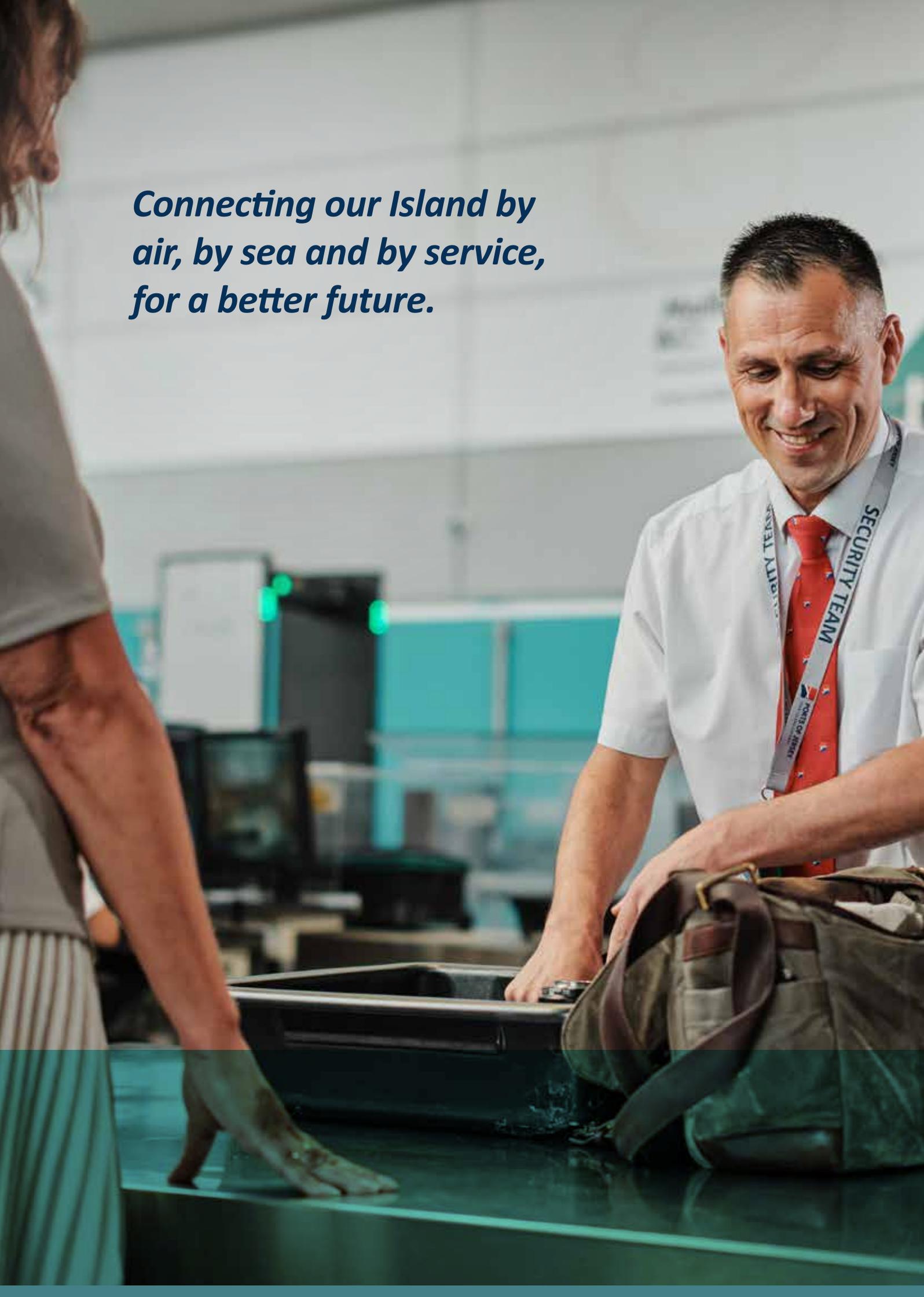


Annual Report 2023



**PORTS
OF JERSEY**

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



Contents

Chair's Introduction	page 02
Strategic Report	
CEO's Review	page 06
Our Strategic Objectives	page 11
Connectivity Report	page 12
Financial Review	page 14
Sustainability Report	page 18
Community Report	page 24
Governance	
Corporate Governance Report	page 32
Board of Directors	page 36
Compliance and Assurance Statement	page 40
Harbours and Airport Authorities Committee Report	page 43
Audit Committee Report	page 46
Risk Committee Report	page 49
Risk Management Statement	page 50
Investment Committee Report	page 54
Nominations Committee Report	page 55
Remuneration Report	page 57
Directors' Report	page 63
Statement of Directors' Responsibilities	page 64
Financials	
Independent Auditor's Report	page 65
Financial Statements	page 68
Corporate Information	
Directors, Secretary, Registered Office and Advisers	page 92

Chair's Introduction

Jeff Hume



2023 has been a year of further recovery from the devastating impact of the Covid pandemic on our industry. We have progressed the major opportunities identified beforehand and realised many others that emerged.

It is my honour to lead the Board in serving the business and its many stakeholders. We are acutely aware of the vital nature of our operations, providing the Island with safe and reliable lifeline services, delivering passengers and goods, and contributing to the overall economy and personal connectedness of our Island community.

I would like to thank my predecessor, Mark Chown, who chaired the Board for four years and saw the business through challenging times with strong and strategic leadership. Under his guidance we have continued to develop our critical air connectivity, grow profitability, and progress investment plans for the Harbour and Airport. We wish him well in his future and look forward to the appointment of a successor to take us through the next stage of our development.

Financial position

2023 has seen further progress towards our goal of achieving the strong sustainable financial performance that we need to fund major infrastructure developments at the Harbour and Airport.

We were delighted to secure the approval of our shareholder to increase our borrowing to £150 million in order to finance the much-needed investment in Jersey's critical Airport and St Helier port infrastructure. We have subsequently put in place a revolving credit facility of up to £90 million (with Lloyds, HSBC and RBSI) and plan to finalise the remaining tranche of debt on completion of the procurement processes at the Harbour and Airport.

We are now looking forward to receiving planning permission for our proposed investment in Elizabeth Harbour. This investment is the first phase of the wider Harbour Masterplan and will provide resilience and capacity for Jersey's maritime supply chain for the next thirty years. The investment will also create a new passenger terminal at the port, dramatically improving the customer experience and passengers' first and last impression of Jersey.



2023 has seen further progress towards our goal of achieving the strong financial performance that we need to fund major infrastructure developments at the Harbour and Airport.

Working with Government

In 2023, the Government of Jersey published its Ports Policy Framework which contains eight key strategic priorities. The framework highlights the importance of the ports sector and provides an agreed Government vision that is reflected in our five-year strategic business plan.

The framework incorporates the wider ports sector, including airlines, shipping and freight companies, stevedores, marine engineers, and leisure users, which will help us all to work together towards achieving the same goals.

The framework provides for a more resilient, efficient, and sustainable Ports Sector that creates economic, environmental and social value for Jersey. It highlights the importance of connectivity for our island which is responsive to the needs of business, tourism and consumers, as well as the resilience of Jersey's lifeline air and sea links.

We are fully aligned with its objectives. We are investing in critical Island infrastructure, both at the Harbour and Airport, and I am pleased that Government has expressed its support for the investment decisions required to achieve this.

Connectivity

We continue to make rapid progress to rebuild Jersey's air connectivity, delivering 12% growth in passenger numbers in 2023. We have long-term agreements in place with each of our airline partners, providing the foundations for growth, more choice for Islanders and supporting our economy.

For an Island community, we enjoy impressive connectivity into the UK, combining both hub connectivity into London Heathrow with an array of destinations across England, Scotland and Ireland. Growing our European connectivity is a key strategic priority, and I am particularly encouraged that we will provide links to 15 European destinations in 2024.

We continue to promote the attractiveness of Jersey as a visitor destination working closely with our airline partners and key stakeholders such as Visit Jersey, to promote Jersey internationally.

We are working closely with Government on the arrangements for the future provision of ferry services, as the current operating agreement of the principal provider approaches its end in March 2025. We will help to ensure our future ferry services enable growth in passenger and freight volumes, enhance the reliability of services, increase the quality and value for money of passenger services and prioritise environmental sustainability.

Investing in Jersey

In 2023, we continued to invest in our critical infrastructure at the Airport and the Harbour, to provide resilience and improve the travel experience for our customers.

The development of Elizabeth Harbour is crucial for the Island, providing the additional capacity to handle Jersey's growing import and export volumes. By consolidating our port activities on Elizabeth Harbour, we will enhance the efficiency of the maritime supply chain, increase the port's handling capacity and safeguard the Island's supply chain. At the same time, the plans will transform the customer experience and create new commercial opportunities.

Separately, we undertook a range of small infrastructure projects including the replacement of critical components of the Elizabeth Marina tidal gates and the installation of new pontoons to provide berthing options for small leisure vessels.

We have continued to expand our successful Marine Services business, with the addition of the Elisa vessel in 2023. This business enhances the global reputation of Ports of Jersey within the seafaring community, but importantly also generates income internationally that we can use for essential investment in our infrastructure in Jersey.

We have been working on the masterplan for the future development of Jersey Airport. The proposals will enhance the Airport experience for passengers, transforming our facilities to meet the changing needs of the travelling public. These plans will seek to capture a Jersey sense of place, dovetailing with our digital strategy while also respecting the heritage of the 1937 Arrivals building.

We have also invested in core infrastructure at the Airport, such as replacing one of the Instrument Landing Systems to ensure reliable ground-based navigation service.



I am excited to see Ports of Jersey working towards sustainable travel by air and sea.

Sustainability

I am excited to see Ports of Jersey working towards sustainable travel by air and sea and our commitment to delivering our public service obligations which are so critical to our Island.

As a small Island, Jersey is highly dependent on transporting freight and passengers through the Harbour and Airport, and becoming carbon net-zero is critically important for both the aviation and maritime industries. It is a challenge that we are meeting head-on.

In 2023, Ports of Jersey was awarded Level 3 ACI Airport Carbon Accreditation for Jersey Airport. This is an important milestone which recognises the progress we have made and the plans we have developed to reduce operational carbon emissions to net zero by 2030 and to support our business partners to decarbonise. We are on track to become one of the first net-zero airports in Europe by the end of 2029 (scope 1 and 2 emissions).

We are committed to working with our stakeholders and business partners to reduce carbon emissions by improving energy efficiency in our terminals, moving from diesel to sustainable fuel and electric vehicles, trialling uncrewed aircraft, and working with Blue Islands and Universal Hydrogen to enable hydrogen-powered, zero-emission flying.

We want to use incentives and encouragement to bring all our aviation and maritime stakeholders with us on the road to sustainable travel. The Ports Policy Framework provides a mandate to use our fees and charges at the Airport to use more sustainable aircraft or Our approach is to work collaboratively with partners across our industry to decarbonise travel.

Our people

I would like to share my sincere thanks and appreciation to all employees at Ports of Jersey for their considerable efforts in 2023. Their hard work and commitment maintained our busy operations throughout the year. We are fortunate to have such a passionate and dedicated group of people. At a senior level we have appointed Ashley Maggs as our Airport Director, following the much deserved retirement of Robin MacRae. We have also recruited Steve Hoesli as our Chief Development Officer and Stephen King as our Chief Operating Officer

I am pleased to report that Jenny Marek-Murray, our Company Secretary, joined the Board as Chief Financial Officer and two new Non-Executive Directors were recruited, bringing wider experience to the team.

Lynn Cleary is an experienced senior executive with significant financial services knowledge. Lynn is a former CFO of the Royal Bank of Scotland International, one of the largest Banks in the Crown Dependencies, having stepped down in September 2022. She is a fellow of the Institute of Chartered Accountants in Ireland and a Certified Investment Fund Director.

Lynn was also a recent President of the Jersey Bankers Association and is current Chair of the Treasury Advisory Panel for the Government of Jersey. She is also a Non-Executive Director of Foresight Solar Fund Limited. She will chair the Ports of Jersey's Audit Committee.

Alun Griffiths has spent most of his career in the engineering consultancy industry in the UK and internationally with WS Atkins plc. While with Atkins, he held a range of business leadership and corporate roles in the UK and internationally (working on projects in more than 40 countries). His last role was as Group HR Director and main board member, with responsibility for 18,000 people working in Europe, the USA, Middle East, India and Hong Kong.

Since retiring from his executive role in 2014, he has worked as a non-executive director on the Boards of several organisations. Until recently, he was Vice Chair of the Port of London Authority where he chaired the Licencing and Remuneration Committees.

The topic of diversity, equity and inclusion (DE and I) has become an essential feature our Board and business agenda; we see D,E and I as vital to achieving our goals and serving the purpose and values of our organisation and community. In 2023 we commenced Board and organisational development, baselined data on our workforce characteristics and created our D, E and I strategy. We are presenting data in our Annual report for the first time this year regarding gender diversity and we look forward to 2024 as we implement targeted initiatives to bring our strategy to life. Recognising, respecting and being inspired by each other's differences will create a culture where everyone feels welcome, valued and empowered to succeed.

In summary

2023 has been a year of hard work and improving results. I would like to thank our skilled and knowledgeable employees who have met every challenge they have faced, in the fast-changing world of transport, with great pride.

I am optimistic about our continued progress in 2024. Our committed teams will focus on continuing to improve the travel experience for our passengers, supporting the investment that we are making in Jersey's future, by transforming our Harbour, safeguarding and developing air routes, and providing the infrastructure that meets the needs of 21st century travellers.



CEO's Review

Matt Thomas



I'm pleased to report that Ports of Jersey made significant progress in 2023, rapidly recovering from impact of the pandemic. 2023 was a year of growth and rebuilding, providing a platform for further growth as we move into 2024.

Passenger numbers increased by almost 150% over the last two years, with Jersey Airport being one of the fastest airports to recover across the UK and Crown Dependencies. The resulting improvement in our financial performance is vital to enable us to deliver our investment plans.

Building connectivity

In 2023, we have continued to carefully curate our connectivity, putting in place long-term agreements with our key airline partners, creating the conditions for growth in the future. For an Island of our size, the strength of our connectivity is something we should be proud of.

The five-year agreement that we have negotiated with easyJet provides our biggest growth opportunity over the coming years. After adding significant capacity in 2023, we are delighted to see that easyJet will add Birmingham to its network in 2024. We now have British Airways providing hub connectivity to Heathrow and resuming its service to Gatwick in 2024. Jet2, the UK's third largest airline, continues to provide inbound tourist traffic to Jersey and Blue Islands secures our regional connectivity with routes to Southampton, Bristol, Birmingham, and Exeter.

I am particularly pleased to see the inroads that we are making to build our connectivity into Europe. Encouragingly, we are seeing growth to new destinations from the likes of Lufthansa, Eurowings, Air Dolomiti and Channel Island Travel Group.

In 2024, we will have services to 15 European destinations – from inbound services from Munich and Dusseldorf in Germany, Zurich and Geneva, Rotterdam and Grenoble, to direct services for Islanders to Madeira, Tenerife, Ibiza, Faro, Majorca, Malaga and our new routes to Split and Lanzarote. We are working closely with the Minister for Sustainable Economic Development to ensure that growth in connectivity, in particular into Europe, underpins Government's Future Economy Programme.

In 2023, we saw the launch of our first scheduled European route with easyJet to Amsterdam. Despite not attracting enough visitors from the continent for easyJet to continue the connection in 2024, we are both committed to building European traffic to and from Jersey.

“

Passenger numbers increased by almost 150% over the last two years, with Jersey Airport being one of the fastest airports to recover across the UK and Crown Dependencies.

Investing in Jersey's Future

Work on the Harbour Masterplan continued throughout 2023, working closely with key stakeholders and the Planning Department while they consider our application for investment in Elizabeth Harbour.

Our plans will see new port infrastructure on Elizabeth Harbour to provide critical resilience for our maritime supply chain for the next thirty years. It will be the biggest capital investment that we have ever undertaken, modernising ageing infrastructure, enabling a much more efficient maritime supply chain.

The plans include the construction of a new ferry passenger terminal building, transforming the customer experience and the first and last impression of Jersey.

We also made significant progress to complete the long-term investment plan for the development of Jersey Airport. We will be modernising the passenger journey, ensuring that we have capacity for future growth and incorporating a distinctive Jersey sense of place. We will also harness new digital technologies to improve efficiency and enable faster, easier and more enjoyable travel experiences.

We plan to deliver our ambitious investment plans using only our own resources, without creating a burden on taxpayers. We appreciate the support of our shareholder to increase our maximum debt capacity to £150 million and are pleased to have put in place the first tranche of debt (a revolving credit facility up to £90 million). This will provide us with the financial resources needed to progress our plans.

We have also worked closely with the Jersey Competition Regulatory Authority to develop a pricing framework for 2025-2029, which supports the redevelopment of our critical infrastructure.

Sustainability

We are continuing to tackle sustainability as a priority. From decarbonising travel to enhancing biodiversity, from the way that we champion a sustainable future for our Visitor and Blue Economies to ensuring that we act in the best interests of our Island community.

The connectivity provided by the airlines using Jersey Airport is essential for the way that we live our lives, but the economic and social benefits of our connectivity cannot be at the expense of our environmental responsibilities. We care deeply about our Island and are on track to become one of the first net-zero airports in Europe.

I am proud that Jersey Airport has been awarded Level 3 ACI Airport Carbon Accreditation. This recognises our clear plan to reduce operational carbon emissions to net-zero by 2030 through a host of improvements and innovations, as well as our plan to support our business partners decarbonise their operations.

In 2023, we undertook multiple biodiversity projects to protect and improve our habitats. We are overseeing a marine project to restore Jersey's largest area of seagrass at St Catherine's Bay and are working with schools to design and create 3D tiles that will encourage the growth of marine life in our marinas as part of our living seawalls project. We are also developing an airfield habitat management plan to safely encourage diversity and expand use of our reedbeds to purify Airport surface waters.

At the same time, we are working with Government to expedite the introduction of zero emission vessels. We are proud to be in partnership with Universal Hydrogen, who last year launched a successful test flight of a 40-seat passenger aircraft powered by hydrogen fuel cells. The flight, which took place in the United States, was the largest plane ever to fly powered principally by hydrogen and was the first in a two-year flight test programme, which aims to culminate with regional ATR aircraft entering commercial passenger service powered by hydrogen.

We are working with Universal Hydrogen and Blue Islands to trial the use of green hydrogen as an alternative, fully decarbonised aviation fuel, which will ultimately see Jersey taking a leading position in sustainable air travel within the UK and Europe. We are optimistic that the first zero emission flight to Jersey will take place within the next five years.

And we are pleased to be working with our counterparts in Guernsey on a trial of uncrewed aircraft in Jersey. Ports of Jersey is the local project partner in the Agile Integrated Airspace System programme (ALIAS) with Volant Autonomy, who specialise in guidance software for autonomous aircraft.

It is hoped the trial could lead to drones being used to improve connectivity between the islands, deliver critical medical supplies, assist with search and rescue and Fisheries patrols, and eventually to provide air taxi services within the Channel Islands.

In 2023, Jersey Coastguard unveiled its first fully electric emergency response vehicle. The Kia Niro EV was adapted to contain all the equipment needed to allow Jersey Coastguard to reach emergency search and rescue situations quickly, while generating zero emissions in the process. We also bought four new electric utility vehicles to replace existing petrol vans. The new vehicles are fully electric, more than 90% recyclable, and can transport tools, traffic cones and other equipment for the Harbour and Airport operational teams.

A focus on customer service

The transformation of customer experience is a key business priority for us. We are developing a ‘customer first’ culture, which will see Ports of Jersey employees taking care of all our passengers, especially the most vulnerable who need assistance to navigate our terminals.

We want our passengers to have a positive experience when they travel through the Airport and Harbour. That said, the pace at which we have had to ramp up our operations has not been easy, and at times in 2023, the passenger experience has suffered.

There were several contributory factors for us in the peak summer months. A combination of ageing infrastructure which will receive significant investment over the next decade, needing to play “backstop” for key business partners facing stark recruitment difficulties and an industry-wide directive from our regulator to install new security-scanning equipment during our peak summer season.

I would like to pay special tribute to the Security and Terminal Operations teams at Jersey Airport for the way in which they responded to everything that was thrown at them over the Summer.

Jersey Airport was also one of the first airports to introduce the new security equipment and the initial teething issues with are now largely resolved. I would like to thank the Security team who have managed this challenging transition.

For 2024, we have been working hard to develop much more proactive operational management of the Airport. We have created an integrated Airport Operations Centre that will act as an integrated nerve centre for the key airport stakeholders. We are taking on responsibility for handling passengers requiring special assistance in collaboration with our airline partners and as part of a planned programme of wider improvements at the Airport, Customer Experience Assistants will be available throughout the terminal to help all passengers on their journey.

Future technology

We are living in an era defined by accelerating technological advancements, and the travel industry is moving rapidly towards digital transformation. Jersey’s Airport and Harbour are both critical to the Island’s connectivity, and the integration of digital strategies into these vital transport hubs will not only enhance efficiency, but also ensure a seamless experience for passengers and freight.

The roadmap to improve our customer experience is captured in the digital strategy that we developed in 2023, working with leading industry specialists from across Europe. It sets out a five-year plan that will ultimately transform the way we provide services. Passengers want stress-free, seamless travel experiences. We will invest in new data and technology platforms to be able to offer just that.

Mobile applications, self-service kiosks, and digital signage can streamline check-in processes, provide real-time updates, and offer bespoke, personalised services. Digital wayfinding can guide our passengers through their journeys and easy access to special offers across our portfolio of services can enhance satisfaction.

Diversifying revenues

Since emerging from the pandemic, we have successfully diversified our revenues away from depending solely on passenger and freight volumes. An example is our marine services business, which has now created a fleet of four vessels that are working on marine infrastructure projects across Europe, including Europe’s biggest offshore wind farm off the northwest coast Germany.

Our marine services business is delivering fantastic growth, which we then reinvest in infrastructure and services for Jersey. It has been a great example of our teams utilising their talents, being ambitious and backing their judgement.



Search and rescue

We have continued to oversee the safety, security, and wellbeing of those who navigate the waters and skies surrounding Jersey, thanks to the work of Jersey Coastguard and Air Traffic Control.

Co-ordinating maritime search and rescue within the Jersey Search and Rescue Region is one of our public service obligations. I would like to pay tribute to our search and rescue assets and stress how much we value the professionalism and prompt response of the lifeboat organisations and other emergency services when they are called upon.

Alignment with Government

Much of our vision for the future is dependent on working in synergy with the Government of Jersey to ensure alignment across a range of strategic and operational issues.

The Policy Framework for the Ports Sector and the Visitor Economy Strategy were published in 2023 and are welcome developments, confirming alignment and providing a framework for bringing stakeholders together.

The vision set out in the Ports sectoral policy is to build a more resilient, efficient and sustainable sector that creates economic, environmental and social value for Jersey. It aims to ensure safe, secure and competitive services, which are responsive to the needs of business, tourism and consumers, while ensuring the resilience of Jersey's lifeline links, by investing in critical gateway infrastructure. At the same time, it seeks to maximise the contribution of the sector to Jersey's economic growth and sustainable economic development, all while ensuring actions are guided by environmental objectives.

The Visitor Economy Strategy sets out the long-term vision, goals and priorities that need to be addressed to achieve the continuing success of the tourism and hospitality sectors. The strategy was developed by Government in partnership with industry and other stakeholders and we are firmly behind its objectives.

Attracting inbound visitors is key to the success of our air routes. There are only so many times a population of 100,000 can be expected to use each route, so, to be sustainable, we need visitors from larger population centres to come to Jersey.

Our airline partners have shown real confidence in the potential to grow in Jersey, but ultimately, they are commercial businesses. The airlines will continue to invest as long as flying to Jersey is profitable. Jersey is an amazing destination to visit, but we also need to look to the future and the changing demands of tomorrow's travellers. Attracting more visitors is critically dependent on the volume, pricing and quality of visitor accommodation. Every single one of our airline partners and Condor have highlighted the importance of having enough high-quality visitor accommodation.

“

The transformation of the customer experience is a key business priority for us and we are developing a 'customer first' culture which will see Ports of Jersey people taking care of all our passengers.

We will explore how we can use our real estate at the Airport and Harbour to help provide more visitor accommodation, as part of our investment into Jersey's future.

Looking forward

In 2024, we look forward to delivering further growth and accelerating the implementation of our five-year strategic business plan. Connectivity is the lifeblood of our Island, by air and sea. By being well-connected, we can all live life to its fullest. We will continue to work in close partnership with our airline partners, Government and industry stakeholders to establish new links, enhancing our connectivity and delivering sustainable growth for our economy.

We will strive to deliver smooth and enjoyable travel experiences, supported by a digital transformation that will enable us to streamline operations, enhance the customer experience and foster innovation across our organisation.

We will continue to progress our investment plans, providing critical resilience for our maritime supply chain and future-proofing our Airport operations. We will rely on the support of numerous business partners and stakeholders to unlock the much-needed investment in our gateway infrastructure.

We will continue to focus on building an empowered and inspired team of people at Ports of Jersey, who are proud to serve their island and make a positive difference for their community.

We will accelerate the implementation of our sustainability strategy. We are committed to providing environmental leadership and will seek to bring forward our target-date to reach net-zero operations at the Airport and Harbour from 2030.

We care deeply about Jersey, our community and the responsibilities entrusted to us, from the provision of essential lifeline services, to the growth of our economy and the sustainable protection of our maritime and aviation environment. We will proudly continue to support hundreds of local clubs and societies and we will seek to have an even bigger impact on the incredible charities that we support.



Our Strategic Objectives

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

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

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

- the continued pace of recovery of customer demand to travel
- the ongoing risk of rationalisation of our key business partners

- economic growth both in Jersey and Europe
- and the transition to a decarbonised economy.

The plan is built on four pillars. These are:

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

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

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

Our areas of focus under these pillars are:



Building connectivity

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



Investing in Jersey's future

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



Inspired, empowered people

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

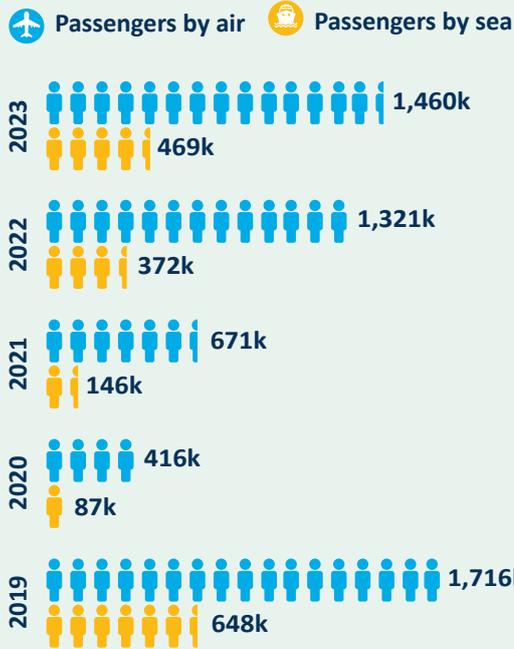


Sustainably making a difference

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

Connectivity Report

Passenger numbers



Airline and ship movements



Jersey Airport

In 2023, the air travel industry showed positive growth and continued recovery, marking the first full year without significant pandemic restrictions.

Jersey Airport welcomed a total of 1.46 million passengers, including both residents and visitors. This marks a 10.5% increase from the previous year, despite economic challenges related to the cost of living. This growth indicates a positive trend towards returning to pre-pandemic passenger numbers, with a goal of reaching 1.7 million passengers as seen in 2019.

Our UK 2023 route network was robust, with ongoing efforts to secure connections in Wales and Northeast England. Despite these small exceptions, we are proud to offer excellent connectivity options for an Island community of our size. Our London connections are particularly strong, with up to 10 flights per day during peak times.

British Airways has solidified its presence on the London Heathrow route following the confirmation of a five-year agreement, providing Islanders with convenient travel options to London and beyond. In April 2023, easyJet based an aircraft in Jersey overnight to support the London Gatwick route, as well as offer year-round connectivity to London Luton Airport, both of which provide a wide range of travel options and connections for passengers.

The remaining UK route network is efficiently serviced by Blue Islands, our Jersey based airline, as well as easyJet and several smaller airlines that operate during the summer air travel season. These routes primarily operate year-round and play a crucial role in maintaining connectivity to and from our island for travellers.

In 2023, we continued our focus on our EU network, offering scheduled and charter routes to eight European countries and connecting 33 European city pairs. We successfully re-established partnerships with Air Dolomiti, Lufthansa, and Eurowings in the German market, as well as expanding our direct services from Jersey with the Channel Island Travel Group and Blue Islands.

Additionally, we launched a new route to Amsterdam with easyJet in spring 2023. While the route showed positive load factors during peak times, it will unfortunately not be reinstated in 2024. The demand for direct EU travel remains strong, and we are actively collaborating with airlines and tour operators to further develop and enhance our EU network.

Our peak travel months of July and August showed once again the confidence in Jersey as a destination and the strength of connectivity for our community. 9 out of our 10 busiest days in 2023 were in July and August. Our busiest day and weekend were the August Bank Holiday where more than 22,000 passengers travelled through Jersey Airport; a notable 29% increase over 2022.

It is encouraging to witness enthusiasm from both residents and tourists for travel. Demand remained strong throughout the early autumn months as it did in 2022, extending all the way up to the October half term, following the peak summer season.

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

Jersey Harbours

The recovery in our ferry passengers was stronger than 2022, by more than 97,000 or 26%.

The introduction of a pilot scheme in 2023 whereby French nationals travelling to Jersey on day return trips from France were able to use their French national identity cards was a key factor in that growth. It is pleasing to see that the Government of Jersey has extended this pilot scheme to the end of September 2024, however a long-term solution to this Brexit related issue is something that we continue to monitor against future Jersey Harbours passenger numbers.

The French routes picked up throughout 2023 to a total of 285,000 passengers, still below 2019 levels. In comparison, the UK routes continue to outperform 2019, albeit with a slight drop over 2022.

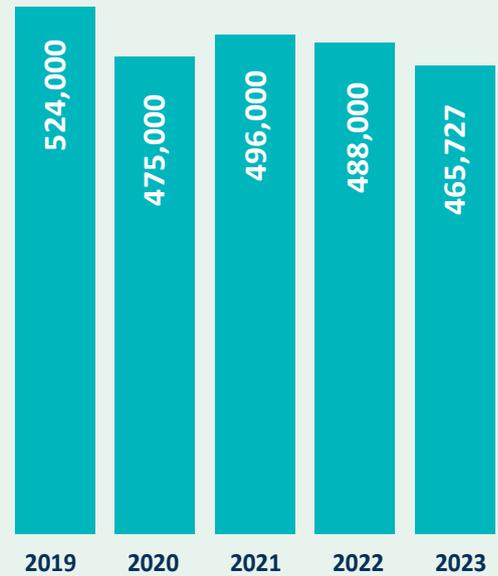
Freight and fuel

Our freight and fuel market remains stable and resilient, reflecting the necessity of these lifeline routes to the Island and the supply and demand of goods.

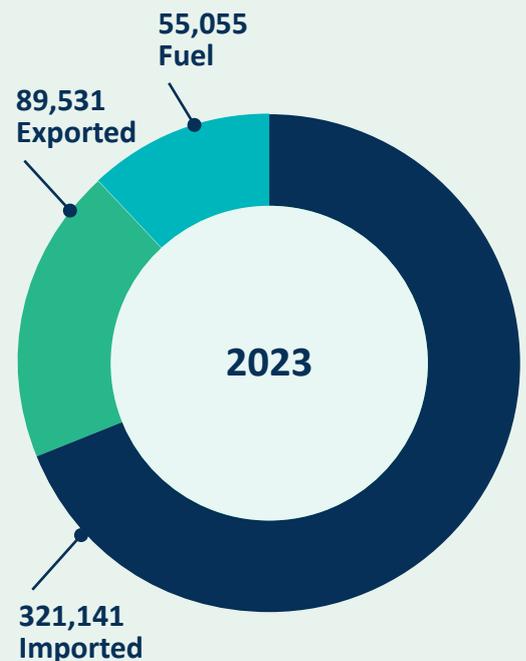
As Islanders, we still depend on our daily freight arrivals to provide the food we eat, the materials we need to build and the fuel we use to power our cars and heat our homes, as well as countless other commodities.

In 2023, we imported 376,000 tonnes and exported 89,000 tonnes of combined freight and fuel.

Freight and fuel (tonnes)



Freight movement (tonnes)



Financial Review

Jenny Marek-Murray



2023 was an eventful year in many ways for the company, which included the progression of the ambitious redevelopment of St Helier Harbour.

Overview

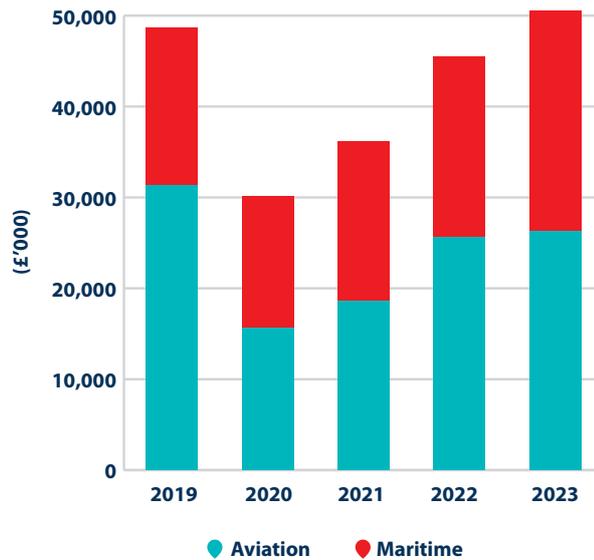
2023 was an eventful year in many ways, including a much improved trading environment and the progression of the ambitious redevelopment of St Helier Harbour with the submission of a planning application for the redevelopment of Elizabeth Harbour. There was also the transition to the next generation security equipment, expansion of our European network and the purchase of a new work boat, the Elisa. These activities show our continued commitment to sustainably grow and diversify our revenue streams, maintain, and enhance our Island's connectivity and invest in the Island's critical infrastructure for the future.

The further diversification of income was seen throughout 2023, with the utilisation of St Helier Harbour as an operating base for crew changes and supplies for the French wind farm at St Briec. The Jersey Ships Registry also benefited with several of these vessels being registered on island.

Turnover

Turnover again increased year on year to £50.5m, an increase of £5m from 2022 (£45.5m), with the Airport contributing £26.3m and Harbour £24.2m in 2023. This balanced contribution from both the Airport and Harbour has been consistent since 2020 and signifies a modal shift in the aviation income model since the pandemic, coupled with diversification of Harbour income streams with the expansion of the marine services business line.

Whilst passenger numbers at both the Airport and Harbour again increased year on year to 1.46m and 467k, they both remain below the 2019 levels of 1.7m and 648k respectively. This is reflective of the prolonged recovery in the travel industry post the pandemic. Ports has continued to diversify and grow alternative income streams, particularly the marine services sector, to ensure robust and secure revenue levels, to support the levels of investment needed in critical Island infrastructure.



Headline EBITDA

These Financial Statements show a Headline EBITDA profit of £10.7m, an improvement of £5m on the 2022 profit of £5.7m but still below the 2019 pre-pandemic EBITDA profit of £12.4m.

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

The Headline EBITDA of £10.7m for 2023 shows the profitability of the company operating in its normal course of business and in fulfilment of its obligations.

Ports of Jersey (£'000)		
2023	2022	Improvement
10,744	5,744	5,000

Airport (£'000)		
2023	2022	Improvement
2,164	840	1,324

Harbour (£'000)		
2023	2022	Improvement
8,580	4,904	3,676

As anticipated in 2022, the increase in passenger numbers has continued to contribute to the increase in Airport EBITDA in 2023, however the contribution per passenger to EBITDA is significantly lower than seen pre-pandemic, as result of commercial deals that were entered into during the pandemic that were needed to support our airline partners. As these commercial arrangements unwind and the travel sector continues to recover, yields are expected to improve.

The maritime profit has benefited in 2023 from a one-off credit in respect of repayment of material debt relating to the pandemic. This one-off credit aside the underlying increase in Harbours EBITDA was £1.3m an improvement of 26% year on year. This underlying growth has been driven by the continuing expansion of the marine services sector, wind farm vessels utilising St Helier as an operating base and increased passenger volumes.

Profit before Tax

Beyond Headline EBITDA, depreciation is offset by an increase in the valuation of our investment properties. The main increase in valuation resulting from the improved yield from the airport carpark. Operating profit was £7.2m, compared to £1.8m in the prior year.

Other items before tax of a material nature, relate to the company's interest expense for the year and an increase in finance lease receivables, which have been taken to the comprehensive income statement. Interest expense has increased due to an increase in underlying interest rates as well as an increase in the quantum of debt. Ports of Jersey is utilising its debt facility to advance its masterplans investing in critical Island infrastructure at both the Airport and Harbours.

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 2023 is £0.6m, made up of current tax charges and movement in deferred tax provisions in respect of timing differences.



Cashflow

Net cashflow from operating activities for 2023 was an inflow of £2.9m, a significant reduction from prior year cash inflow of £11.4m, primarily because of the timing of payments over the year end from debtors and to creditors. We have invested more than £25.3m in our fixed assets as the business embarked upon its ambitious redevelopment plans at the harbour and airport as well as growing our marine services revenue with an additional vessel. These investments were managed via the utilisation of our revolving credit facility and operating cash flows.

Capital Expenditure

In 2023, we significantly increased our capital investment from 2022 (£12.3m) to £25.3m, with a focus on strengthening our revenue generating activities, improving our customer experience and safeguarding our long term operational capabilities through large-scale infrastructure development. Our aspiration is to fund this investment sustainably in a manner appropriate to supporting the local economy.

The principal items of capital expenditure during the year were:

Project	2023 £'000
Harbour Masterplan	8,373
Airport Masterplan	4,373
Elisa (marine services vessel)	5,092
Other projects	7,500
Total	25,338

Debt Financing

Any material borrowing by the company requires the consent of the Minister for Treasury and Resources pursuant to the Memorandum of Understanding between the Minister and the company dated February 2022. During the year, the company obtained consent to increase its maximum borrowing amount from £60m to £150m.

As a result, the company refinanced its Revolving Credit Facility (RCF) with RBSI and Lloyds. The new RCF is for a total of £60m, with commitments from RBSI, Lloyds and HSBC. As at 31 December 2023, the company had drawn £20m of borrowing under the RCF to fund capital investments. The balance of £40m remains available to be utilised to support our future investment programme and maintain liquidity as required. The new RCF has an accordion option of £30m to increase borrowing to £90m should it be exercised.

Pension

The company continues to participate in the Government sponsored Public Employees' 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 2023, the company contributed £2.4m to these schemes.

Looking Ahead

Our Harbour Masterplan remains in the planning cycle but we are looking forward to commencing works, subject to the relevant planning approvals.

The recent news of British Airways reinstating the London Gatwick route for summer 2024 and easyJet's announcement about its Birmingham route, is a positive development towards our connectivity goals.

Also this summer, we are excited to see the impact our new Airport Operations Centre will have on improving the customer journey through the Airport. Together with the insourcing of the passengers with restricted mobility function, we are dedicated to improving the experience of all passengers through the Airport. With the changes at the Airport, the Harbour is also getting a dedicated passenger services team.

“

British Airways reinstating the London Gatwick route for summer 2024 and easyJet's announcement about it's Birmingham route, is a positive development towards our connectivity goals.

In 2024, we are also looking to confirm our intentions on how best to develop Jersey Airport's International Departure lounge, balancing the need to improve commercial returns from the departures building whilst significantly improving the passenger experience.

In January, we further expanded our Marine Services fleet with the addition of a further vessel, The Viking Energy. The marine services revenue has grown steadily over the last four years and is seen as a reliable diversification of income for the company.

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



Sustainability Report

We are proud to present the update on the progress that we made on our Planet and People Plan in 2023.

Ports of Jersey launched the Ports Planet and People Plan in March 2022. It is a strategy of priorities, goals and initiatives that are aligned to the UN Sustainable Development Goals and Jersey Performance Framework.

We are committed to putting sustainability at the heart of everything we do, for our business, operations and our community. Our strategy is an employee-led initiative, as they are the experts on our organisation, using their knowledge, experience, insights and enthusiasm. We want to inspire and lead a sustainable future for Jersey that we can all be proud of.



Our Four Pillars

Our sustainability approach is structured around four priority pillars tailored to our organisation:



Progress in 2023

Ports Policy Framework

In 2023, Ports of Jersey worked with the Government of Jersey to produce a Policy Framework for the Ports Sector. A key priority of this policy is to ensure that the sector is sustainable in respect to our economy, environment and our community, and that our sustainability targets align with Jersey’s Carbon Neutral Roadmap and international industry standards, treaties and legislation.

JCRA Report on Sustainability in Jersey’s ports, postal and telecommunications sectors

In 2023, Ports of Jersey was reviewed as part of the JCRA’s analysis on progress in sustainability in Jersey’s ports, postal and telecommunications sectors. The report highlighted the strong progress that we have made, stating ‘the ports sector is performing very well in terms of current sustainability practices and future focus. The current and planned approach to sustainability acknowledges the importance of sustainability as well as the significant, diverse, and wide-reaching role and impact of the ports sector’.



ACA Level 3

At the end of 2023, Jersey Airport was awarded Level 3 ‘Optimisation’ certification for the Airport Carbon Accreditation.



The Airport Carbon Accreditation is the only institutionally endorsed, global carbon management certification programme for airports. It independently assesses and recognises the efforts of airports to manage and reduce their carbon emissions through its levels of accreditation.

This award recognises Ports of Jersey’s clear plan to reduce operational carbon emissions to net zero by 2030.

We achieved Level 1 accreditation, ‘Mapping’, in 2022. To achieve Level 3, ‘Optimisation’, Ports of Jersey has built robust carbon management and stakeholder engagement plan, which continue to be successfully implemented.

Carbon Footprint

In 2023, as business volumes returned towards pre-pandemic levels, Ports of Jersey’s Scope 1 and 2 emissions increased by 3%, in comparison to 2022 figures. Although this still represents a 7% decrease on baseline year, it means that we must reduce our emissions by 42% to reach our net-zero targets.

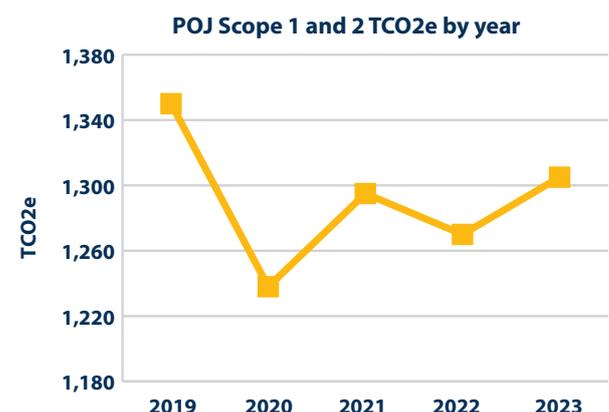
To reach our emission reduction targets across the Airport and the Harbour, we must decarbonise our highest emitting areas, which are heating, vehicle and plant fuel. In 2024, we will be publishing our decarbonisation roadmap, which will highlight our plans to transition to sustainable diesel in the short-term, with longer-term plans for renewable energy generation and sustainable heating as part of our masterplan redevelopment.

Jersey Airport	TCO2e
Scope 1: Buildings, vehicles and machinery	591
Scope 2: Electricity	114
Jersey Airport sub-total	705

Jersey Harbours	TCO2e
Scope 1: Buildings, vehicles and machinery	482
Scope 2: Electricity	117
Jersey Harbours sub-total	599

Scope 3: Business staff travel	51
Total Ports of Jersey TCO2e	1,355

Disclosure: we have made the decision to have our carbon footprints externally verified on a biennial basis and therefore our 2023 Carbon Footprint has not yet been externally verified. The same methodology has been used as previous years. Ports of Jersey uses the GHG protocol and Defra guidelines to calculate GHG emissions. Our footprints are verified biennially by GEP Environmental, to ISO 14063-3:2019 standard.



Continuous climb and descent operations

Jersey Air Traffic Control manages the approach of all aircraft at Jersey Airport. It also provides a terminal control function for all flights into and out of Jersey, Guernsey and Alderney, meaning it is our responsibility to safely integrate this traffic and other flights transiting the Channel Island Airspace.

Air Traffic Control monitor aircraft continuous climb and continuous descent for Jersey and the CI airspace. Continuous descent or climb is an effective way to reduce fuel burn, carbon emissions and noise.

In every month throughout 2023, our climb and descent operations tracked significantly better than the European average. This means that the emissions per aircraft in the CI airspace were optimised to deliver better environmental and economic outcomes than the European average.

This success comes from specific Jersey Air Traffic Control officer training and the collaborative work with multiple external Air Traffic Control agencies including NATS, Brest, Rennes, Iroise, Amour Military, Plymouth Military, and Guernsey to identify potential airspace improvements.

Although we are tracking better than the European average, there is a descending trend year-on-year across the CI airspace and Europe indicating a common issue throughout Europe.

EUROCONTROL, a pan-European, civil-military organisation dedicated to supporting European aviation, has identified that, in 2023, traffic recovered across Europe to 92% of pre pandemic levels, up 10% on 2022. This suggests that increasing airspace congestion is affecting flight crews' ability to conduct continuous climbs and descent.

To address this, in 2024, Jersey Air Traffic Control will be introducing standard arrival routing, giving flight crews an exact distance from touch down from commencement of the arrivals procedure, allowing early planning for an efficient continuous descent.

Carbon balancing

In 2023, Ports of Jersey continued to balance our Scope 1 and 2 emissions with Durrell Rewild Carbon, a local carbon balancing scheme.

The financial cost for balancing our 2023 emissions was £39,769.25, at £29.35 per tCO2e.

	Jersey arrivals and departures	CI airspace arrivals and departures
	<i>Favourable variance compared to European average</i>	
Continuous climb operations	+6.9%	+10.8%
Continuous descent operations	+28.7%	+37.9%

Sustainable Development Goals

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

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



Biodiversity

We will preserve Jersey's water and promote thriving biodiversity



Goal	Target	Progress	Details	2024 Priorities
We will reduce our potable water use	Reduce use by 20% by 2030, against 2019 levels	Ongoing	In 2023, we improved our water metering at the Harbour and began working on a washdown strategy at the Boat Park and Harbour.	In 2024, we will work with our tenants to understand and reduce water consumption across our estate.
We will regenerate the marine habitats across Ports of Jersey sites	By 2030, increase marine habitats by 30%	Ongoing	In 2023, we received the international 'Clean Marinas' accreditation, worked with two local schools to design eco tiles to encourage biodiversity in marinas and successfully trialled seagrass eco-moorings in St Catherine's harbour.	In 2024, we will continue to deploy our seagrass moorings, expand the eco tiles competition to other schools and undertake other marine regeneration initiatives.
We will regenerate the land habitat across Ports of Jersey sites	By 2030, regenerate 30% of our land footprint	Ongoing	In 2023, we continued our partnership with Trees for Life with tree planting initiatives at St Catherine's and across the Island.	In 2024, we will continue our partnership with Trees for Life, begin a partnership with National Trust and create an airfield habitat management and regeneration strategy.



Climate

We will transition to Net Zero



Goal	Target	Progress	Details	2024 Priorities
We will reduce our own generated carbon emissions	Be net zero in our Scope 1 and 2 emissions by 2030	Ongoing	In 2023, we achieved ACA Level 3, gained five new electric vehicles as part of our fleet and balanced our emissions Scope 1 and 2 emissions with Durrell Rewild Carbon.	In 2024, we will decarbonise the heating of our terminals and our vehicles, plant and equipment by transitioning to sustainable diesel (SGRD/HVO). We will also continue work on our masterplans to undertake whole life carbon assessments and ensure that renewable energy generation is an integral part of designs.
We will support our business partners to reduce their Ports of Jersey related carbon emissions	A 30% reduction by 2035, against 2019 baseline levels	Ongoing	In 2023, we continued our partnerships with hydrogen as aviation fuel and working with UK partners to progress drone technology to de-carbonise supply chains and short travel options. At the Harbour, we also built sustainability incentives into our fees and charges.	In 2024, we will continue with our ongoing innovation partnerships, continue to use our fees and charges to incentivise our partners to decarbonise, and ensure that our masterplans provide the infrastructure for our business partners to decarbonise.
We will support our customers to reduce their Ports of Jersey related emissions	A 30% reduction by 2030, against 2019 levels	Ongoing	In 2023, we continued to have our CarbonPass app available for aviation and ferry passengers to balance their travel emissions.	In 2024, we will continue to develop our sustainable landside transport strategy and improve our CarbonPass app.
We will reduce our high-emissions energy consumption	A 20% reduction by 2030, against 2019 levels	Ongoing	In 2023, we continued to improve our electricity metering at the Harbour and moving our lighting to LED to reduce our energy consumption.	In 2024, we will continue to improve electricity metering at the Airport and ensure our future masterplan designs employ energy efficient technology.



Waste and Circularity

We will design out waste



Goal	Target	Progress	Details	2024 Priorities
We will recycle all waste that is recyclable	100% of recyclable waste is recycled by 2030	Ongoing	In 2023, we installed four new water stations at the Airport in partnership with Jersey Water to reduce single-use plastic from water bottles. We also launched a scheme with Government, Jersey Prison Service and the Fisherman's Association to recycle old fishing equipment and prevent it from polluting our waters.	In 2024, we will finalise our waste and recycling strategy and continue work as part of our Harbour Masterplan to reduce the amount of dredged material required for disposal offshore by processing and recycling on-Island.
We will adhere to circular design practices	All development activity will use circular economy principles from 2022	Ongoing	In 2023, we continued to embed circularity into our design, construction and procurement processes, with sustainability given a 15% weighting in all capital procurement tenders.	In 2024, we will continue to embed circularity into everything we do and reduce waste and resource consumption in our masterplans.
We will consider climate change adaptation	Incorporate climate change adaptation measures in relevant development activity from 2022	Ongoing	In 2023, the Harbour Masterplan and work on the Airport Masterplan have considered the effects of climate change and ensured adaptation measures included in designs.	In 2024, we will continue to embed climate change adaptation considerations into relevant project designs, including embedding in procurement and tender processes.



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



Goal	Target	Progress	Details	2024 Priorities
We will support our community	Invest a minimum of 1,000 hours in local community projects from 2022	Ongoing	In 2023, we were one of the two main sponsors of Durrell's Tortoise Takeover and sponsored the Pride of Jersey awards. We also prioritised educational initiatives, relaunching our SeaPerch engineering and robotics, holding STEM competitions for cadets and visiting schools to raise sea safety awareness.	In 2024, we will launch our new volunteering policy and Community Boost fund and continue to support local organisations and educational initiatives.
We will provide connectivity to enhance Islanders' lives and to access essential services	Ensure connectivity is maintained and improved	Ongoing	In 2023, we continued to rebuild Jersey's route network as we work to exceed the 2019 position. Our UK network continues to grow and the demand for EU routes remains strong.	In 2024, our focus will be on ensuring the UK and EU networks continue to grow as well as seeking to fill any gaps in our network, and building more choice and flexibility into connectivity for the benefit of Islanders.
We will support our shareholder and sister entities to provide sustainable choices for Islanders, visitors and investors	Work with partners to position Jersey as an eco-destination and investment centre from 2022	Ongoing	In 2023, we continued to share ideas and collaborate with other states-owned entities and support the work into the availability of sustainable aviation fuel on the Island.	In 2024, we will continue to work with other states-owned entities to support the Island's carbon neutral roadmap, create a working group to support sustainable tourism for the Island and strive to facilitate the availability of sustainable aviation fuel on the Island.
We will embrace diversity and inclusion	Ports of Jersey to reflect the diversity of our Island by 2028	Ongoing	In 2023, we designed a framework for our Diversity, Equity and Inclusion strategy and used detailed analysis captured through our Employee Engagement Survey to inform our priorities and how we invest.	We will continue to engage with employees to capture valuable data through focus groups and engagement sessions. Our DEI strategy is continuously shaped by the perspectives and experiences of our people and will draw on best practice from across sectors, research papers and insight from DEI thought leaders.
We will focus and invest in our employee wellbeing	Achieve year on year improvement on our 2022 wellbeing benchmark	Ongoing	In 2023, we improved our wellbeing initiatives following employee survey feedback and invested in increased employee wellbeing support, including health checks, webinars and Mental Health First Aider training.	In 2024, our vision is to create a culture of employee wellness for all, with a focus on mental, emotional and physical health. Our wellbeing program will be based on feedback from our annual wellbeing survey to understand the need and where we can best invest in our people.
We will develop the skills and professional talents of our people	Create pathways to attract, inspire, develop and retain talent to ensure all potential is achieved from 2023	Ongoing	In 2023, we invested in female leadership potential and in promoting more women in our workforce through our talent management framework. We also prioritised apprenticeship programmes and worked with schools and clubs to demonstrate that operational careers in the aviation and maritime industry are not viewed as gender based.	In 2024, we will focus efforts in supporting emerging, future and top talent in the pursuit of continuous knowledge and skill enhancement and will invest in the development of a leadership development programme to provide leaders with the skills for the future.



Community Report

As part of the Ports Planet and People Plan, we want to ensure that we are best serving our community and the economy.

In 2023, community value remained core to our business. Community value (previously referred to as CSR) plays an important role in many aspects of our business activities. We go beyond providing the lifeline services of moving people and freight in and out of Jersey. We hold a prominent position in our community and are committed to making a positive difference in Island life.

We are an organisation that takes an interest in the wider social issues here on the Island. Our community value programme has come a long way since it started in 2015. It allows us to make a positive impact within our community, while empowering and encouraging our own people.

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

- broadening the horizons of young islanders with educational visits
- encouraging our people to get involved with local events and community initiatives.
- sponsorship of events across the island, both financially and in kind
- working alongside local charities, particularly our chosen charity partners, to provide services to Jersey residents at times when they most need them.



Charity Partners 2023



Charity Donations



£12,000
Every Child Our Future



£11,000
Trees for Life Jersey



£10,000
After Breast Cancer Support



£9,000
Jersey Marine Conservation



£7,500
Jersey Child Care Trust



£5,000
BBC Children in Need



£4,800
Brighter Futures



£4,100
Helping Wings



£3,400
Beresford Street Kitchen



£2,500
Macmillan Jersey



£2,500
Wet Wheels Jersey



£1,800
Healing Waves

Main Activities



Main Sponsor of Durrell Tortoise Trail



£10,000
Raised for four charities on runway events



290 People
Getting the opportunity to race along the runway



Sponsors of Helping Wings & Healing Waves



Makaton training for staff



Nursery school visits
Inclusive opportunities for young Islanders to see how the Airport works



Sponsorship of a Pride of Jersey award



Macmillan Coffee Morning



Book sponsoring through Every Child Our Future

Community Support

Inspiring young people to look at careers within Ports of Jersey

SeaPerch

Our engineering challenge for young people. Working with six schools and community groups to develop their engineering skills through the build of a remotely operated vehicle (ROV). We worked closely with students on building their underwater robot, while supplying the tools and training for the process. The students had 12 weeks to build the ROV's after which a competition with challenges including an underwater obstacle course and speed trial were used to test the robots and the students are asked to also do a presentation to the judges.



Inspiring our Future

Through Every Child Our Future and Skills Jersey this programme allows students across Jersey schools to meet our staff through careers fairs and talks. One of the most popular events for primary schools is "guess our job" where through questioning our staff, students get to hear about the variety of roles available at Ports.

Highlands College

We offered Civil Engineering Students from Highlands the opportunity to visit the Harbour and have a preview of the new Harbour Masterplan. We look forward to working close with the students as the plan develops.

Supporting our community

£325,000

Rental Concessions

Including RNLI, ArtHouse Jersey, Jersey Heritage and Jersey Lifeboat Association.

£135,000

Discounts and donations in kind

Including discounted landing and mooring fees for Helping Wings, Channel Island Air Search, and RNLI.



7 STUDENTS

For Project Trident

5,000

Students from 19 schools received sea safety talks from our coastguards

Education and experience

Two Officer Cadetships

Supporting residents who want a maritime career. We ensure that any cadets develop strong links with the Ports of Jersey maritime team to help them gain experience and support from across our departments.

Ports Pathway apprenticeship scheme

Ports Pathway attracts local talent across trainee, apprentices and work experience while developing our employees through mentorship and coaching. We saw our second intake of apprentices in IT and engineering in 2023. Both were offered permanent roles.



£2,000

Grant to 7th Overseas Training Corp

For development of cadet programme.

£2,000

Grant to Sea and Marine Cadets Jersey

For development of cadet programme.

£2,000

Grant to 1st Sea Scouts Association Jersey

For development of cadet programme.

Part of Island life

We are keen to support inclusion through sport, recreation, arts and culture, while celebrating our skies, sea and shoreline.

We support our staff with participating in community events through a grant, sponsorship, donating employee expertise and company resources.



We supported:

- ▶ Jersey International Air Display
- ▶ Jersey Battle of Flowers
- ▶ Pride of Jersey
- ▶ 10 nursery school visits to the Airport Rescue and Fire Fighting Service
- ▶ Jersey Community Foundation
- ▶ Ladies Jersey Rugby Football Club
- ▶ Jersey Reds Football Club (Minis and Youths)
- ▶ Jersey Youth Service



We sponsored:

- ▶ Jersey Marathon
- ▶ Jersey Triathlon
- ▶ Regent Skating Club
- ▶ A Pride of Jersey award
- ▶ A staff member in the British Rowing Championship
- ▶ Hobie 16 Racers
- ▶ Jersey Ladies Rugby Football Club



We supported charity events for:

- ▶ Beresford Street Kitchen
- ▶ Swimathon
- ▶ Wetwheels
- ▶ Ride Across Britain
- ▶ Brighter Futures
- ▶ Durrell
- ▶ Family Nursing & Home Care
- ▶ Freeda (Jersey Women's Refuge) (Minis and Youths)
- ▶ Jersey Youth Service



We were involved with:

- ▶ Projects with Acorn / Jersey Employment Trust
- ▶ Inspiring our Future
- ▶ Jersey Festival of Words
- ▶ Royal British Legion Poppy Appeal
- ▶ Children in Need
- ▶ Living Seawalls project



£24,000

Total grants honoured

575 HRS

of company time given to community projects



We supported staff
wellness, welfare and education through:

- ▶ JAAR
- ▶ Jersey Eating Disorders Association
- ▶ Jersey Recovery College
- ▶ Macmillan Jersey
- ▶ MIND
- ▶ Stroke Association
- ▶ Jersey Child Care Trust



We volunteered:

- ▶ Battle of Flowers
- ▶ Jersey International Air Display
- ▶ Normandie Rescue
- ▶ Air Rescue Channel Islands
- ▶ Family Nursing & Home Care
- ▶ Jersey Heritage
- ▶ Jersey Motorcycle & Light Car Club
- ▶ Scout Association
- ▶ Triumph over Phobia
- ▶ Sea Cadets
- ▶ Wetwheels
- ▶ Helping Wings



Each employee was offered one working day to volunteer in our community and this provided us with 575 hours of volunteering.



Every Child Our Future

Through our partnership with Ports of Jersey, we have been able to introduce “Inspiring the Future” to Jersey, connecting schools with volunteers who share invaluable insights into the world of work, helping to raise children’s aspirations. More than 1000 children and young people have benefited in just 18 months. Ports of Jersey staff have been regular volunteers showcasing diverse career opportunities and inspiring the next generation.

With funding from the Run the Runway event, we are piloting a tutoring programme in a local primary school. Children receive after school tutoring sessions to help fill any gaps in their learning, improving both literacy and numeracy skills and increasing self-confidence.

In addition to this, Ports of Jersey’s contribution to enhancing children’s access to books has helped many children develop a love of reading.

This impactful partnership is committed to improving the lives of children in the Island – a huge thanks to all involved.

Cris Lakeman, CEO
Every Child Our Future

“
Ports of Jersey’s contribution to enhancing children’s access to books has helped many children develop a love of reading.



“
This joint venture has become one of the highlights of our calendar and we extend our deepest appreciation to Ports of Jersey and all those involved.

Wetwheels

In July, our annual collaboration with Helping Wings took place, once again sponsored by Ports of Jersey.

The 2023 event welcomed 19 clients accompanied by their support persons, totalling 38 participants. Along with helpers, crew, pilots and guests, 60 people enjoyed breakfast at the St Helier Yacht Club before experiencing a trip on Wetwheels or a flight around the island. After a busy morning, the group split up with half enjoying lunch at the Aero Club and the other half at the yacht club before the afternoon trips began.

This joint venture has become one of the highlights of our calendar and we extend our deepest appreciation to Ports of Jersey and all those involved, whose dedication and support made this memorable day possible.

**Dina Rogan, Operations Director
 Wetwheels Jersey**



Helping Wings

Enabling the disadvantaged and disabled of all ages to share the exhilaration and fulfilment of flying.

Helping Wings is only able to carry on with its work thanks to the generosity of our sponsors and we are very grateful to Ports of Jersey for their continued support.

**Eveline Hawkin, Chairperson
 Helping Wings**



Jersey Trees for Life

We used Ports of Jersey's generous donation in 2023 to comprehensively fund equipment for our nursery, including tools and a new perimeter fence. The nursery is vastly improved from where it was at the start of last year, including tripling in capacity, and at one stage in late 2023 was home to 13,000 whips. We're grateful to everyone at Ports of Jersey for their continued support.

**John Michel, Fundraising and Communication
 Jersey Trees for Life**



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. Although primarily designed for listed companies we follow the Principles of the UK Corporate Governance Code.

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

The Board

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

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

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

Jeff Hume

Interim Chair
26 April 2024

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 36.

Division of responsibilities

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

The Senior Independent Director is Geoffrey Spence 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 Chair has established a programme of progressively refreshing the Board. The tenures of new Non-Executive Directors will extend to no more than three terms each of three-years.

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

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

Development, information and support

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

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

Conflicts of interest

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

Performance evaluation

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

Audit, Risk, Investment, Remuneration and Nomination Committees

Membership of all five Board Committees is composed solely of Non-Executive Directors. These Committee members are authorised to obtain, at the company's expense, professional advice on any matter within their terms of reference and to have access to sufficient resources in order to carry out their duties. A report of the Audit Committee is provided on page 46, the Directors' Remuneration Report on page 57, the report of the Risk Committee is provided on page 49, the report of the Investment Committee is provided on page 54 and the Nominations Committee Report on page 55.

Insurance

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

Board and committee attendance

The number of formal scheduled Board and Committee meetings held and attended (in person or virtually) by Directors during the year to 31 December 2023 (excluding committee attendance by directors not as members but by invitation) was as follows (see table below).

	Board	Board Ad/ Hoc	Audit Committee	Risk Committee	HAAC	Nomination Committee	Remuneration Committee	Investment Committee
Mark Chown	8/8	1/1	5/5	3/3	6/6	4/4	4/5	5/5
Jeffrey Hume	8/8	1/1	5/5	-	-	4/4	5/5	-
Geoffrey Spence	8/8	0/1	-	-	-	4/4	1/1	5/5
Lynn Cleary	3/3	-	2/2	-	-	-	-	-
Nicky Dunn	8/8	1/1	-	3/3	-	-	-	5/5
Charles Hammond	1/1	-	-	-	-	-	-	0/1
Jane Smallman	8/8	0/1	-	3/3	-	-	4/5	-
Matthew Thomas	8/8	1/1	-	-	6/6	-	-	-
Jenny Marek-Murray	8/8	1/1	-	-	2/3	-	-	-

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

Other authorities

Ports of Jersey Limited has been appointed by the Minister as both the sole Harbour Authority and sole Airport Authority for Jersey. Each of these appointments gives rise to a range of statutory duties, functions and responsibilities. The Harbour and Airport Authorities Committee (HAAC) has been established to advise and support the Board in this sphere. It has an independent chair and the Airport Director and Harbour Master, both of whose offices are statutory, are both members of the Committee alongside the Chair of the company and the Chair of the Board Risk Committee.

Ports of Jersey is appointed as Harbour Authority under Art. 2(2) of the Harbours (Administration) (Jersey) Law 1961, as revised. It is the Jersey Airport Authority pursuant to Art.2(1) of the Aerodromes (Administration) (Jersey) Law 1952, as revised; this appointment was by Ministerial Decision MD-E-2015-0083 of 25 September 2015.

Under the same laws, the Harbour Master and the Airport Director, as sworn officers, have a range of duties and powers that are, in relevant respects, akin to those of parish centeniers (in the case of the Harbour Master, extending to Jersey's territorial waters). The Harbour Master and Airport Director report to HAAC on the exercise of these duties and powers. This is an integral part of governance and oversight of the company's statutory duties pertaining to maritime and aviation safety and security. There are also certain spheres or matters which enable or may require both to report direct to the Minister, who is kept informed as necessary of all main issues arising on HAAC's agenda.

In its capacity as the two 'Authorities', Ports of Jersey is responsible for policing, safety and security matters in Jersey's airspace and territorial waters, and serves as duty holder in relation to Jersey's voluntary implementation of the UK Port and Marine Facilities Safety Code. The company has a specific statutory duty under Art. 6 of the 2015 Incorporation Law to discharge a number of public service obligations, which duty is governed by an Agreement with the Minister for that purpose.

In summary, the public service obligations are (a) coordinating maritime search and rescue within the Jersey region, (b) maintenance of aids to navigation, (c) custodianship of all harbours in Jersey, (d) enforcement of shipping legislation, (e) certain Port State Control functions, and (f) management of the Channel Islands Control Area. Obligation (f), as it is a commercial operation, does not form part of HAAC's remit save insofar as it may need to be considered within the general scheme of the public service obligation arrangements or in the context of particular regulatory arrangements made by the Channel Islands Director of Civil Aviation on behalf of the UK Civil Aviation Authority. Save also for obligation (c), the remaining four obligations are discharged, in accordance with the Agreement noted in the preceding paragraph and with a variety of significant best practice policies including as advised by UK agencies such as Trinity House or the Maritime and Coastguard Agency, with which close relations are maintained. We have recently agreed with the Minister that it would opportune, nearly ten years on from incorporation, to take stock of the Agreement to ensure that it is up to date and remains wholly fit for purpose.

It is important to note that the public service obligations are not tied to the company's appointment as Airport Authority and Harbour Authority and would be unaffected were the Minister to seek to consider appointing separate entities as the two Authorities.

As Harbour Authority, Ports of Jersey is also responsible for giving effect to the Government of Jersey's obligations under the 1974 International Convention for the Safety of Life at Sea (UN Treaty No. 18961), which obligations are put into effect by Orders made under the Shipping (SOLAS) (Jersey) Regulations 2004. The principal aim of these statutory arrangements is to ensure the effective provision of such search and rescue facilities in territorial waters as are deemed by the Harbour Authority to be practicable and necessary. Ports of Jersey may also be invited by the Minister from time to time to carry out other duties under, or pursuant to, his, the Minister's, own responsibilities under various laws, including the two noted above and the Shipping (Jersey) Law 2002.

Board of Directors





Jeff Hume

Interim Chair From January 2024

Appointed: January 2017

Jeff has held many Deputy Chair and Senior Independent Director roles across a variety of companies, including the Port of Dover, 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 Ports of Jersey's Nomination Committee and is a member of the Audit, Risk, Investment and Harbour and Airport Authorities Committees.



Geoffrey Spence

Interim Deputy Chair and Senior

Independent Director from January 2024

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 on financial stability, business and EU policy. He was also a member of the UK Government's Thames Estuary Commission.

Nowadays, he is the Chair of a private, charitable acute Arabia Hospital in Nazareth.

Geoffrey chairs the Ports of Jersey Investment Committee and is a member of the Nomination and Remuneration Committees.



Dr Jane Smallman
Non-Executive Director
Appointed: March 2020



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



Lynn Cleary
Non-Executive Director
Appointed: September 2023

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

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

Jane chairs the Ports of Jersey Risk Committee and is a member of the Investment and Harbour and Airport Authorities Committee.

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) which oversees one of the largest and highest profile urban regeneration projects in the UK and Europe. She also chaired The London Stadium board and the Netball World cup, held in Liverpool in July 2019.

Nicky currently chairs The Jockey Club Live and is a Trustee of The Young Vic Theatre.

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

Nicky sits on the Ports of Jersey Risk and Investment Committees.

Lynn Cleary is an experienced senior executive with significant financial services knowledge. Lynn is a former CFO of the Royal Bank of Scotland International, one of the largest Banks in the Crown Dependencies, having stepped down in September 2022. She is a fellow of the Institute of Chartered Accountants in Ireland (FCA) and a Certified Investment Fund Director (CIFD).

Lynn was also a recent President of the Jersey Bankers Association (2021-2023) and is current Chair of the Treasury Advisory Panel for the Government of Jersey. She is also a Non-Executive Director of Foresight Solar Fund Limited.

Lynn chairs the Ports of Jersey's Audit Committee and is a member of the Risk and Remuneration Committees.



Alun Griffiths

Non-Executive Director

Appointed: January 2024



Matt Thomas

Group Chief Executive Officer

Appointed: July 2019



Jenny Marek-Murray

Chief Financial Officer

Appointed: February 2023

Alun has spent the majority of his career in the engineering consultancy industry in the UK and internationally as a main board director with WS Atkins plc and since 2015 as a Non Executive Director with Ramboll A/S, a global architecture and engineering consultancy headquarters in Copenhagen.

He brings wide ranging experience in HR and organisation development and in the development and delivery of major projects.

He also sits on the boards of Severfield plc where he is senior independent director and the Remuneration Consultants Group. He is a Council Member of the University of Bath where he chairs the Remuneration Committee.

Until recently, he was Vice Chair of the Port of London Authority where he chaired the Licencing and Remuneration Committees.

Alun chairs the Remuneration Committee and is a member of the Audit Committee.

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

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

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

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

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

Jenny became Chief Financial Officer in February 2023.

Compliance and Assurance Statement

Open, Safe and Secure

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

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

The principal regulatory authorities are:

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

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

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 2023, Ports of Jersey was subject to the following external audits as part of its compliance obligations:

Aviation External Audits / Reviews			
Audit/Review Title	Agency	Business Area	Audit Dates
Aeronautical Meteorological Service	UK Met Office	Airport (ANSP)	February 2023
Air Navigation Service Provision Certification (ANSP)	EASA	Airport (ANS)	June 2023
ATCO Training Organisation Certification (ATCO TO)	EASA/UK CAA Safety Regulation Group	Airport (ANS)	June 2023
Aviation Security	UK CAA or for UK DfT	Airport (Aerodrome)	April 2023 July 2023 October 2023
Air Navigation Service Provider Quality Management System ISO 9001:2015	TuV Nord	Airport (ANSP)	May 2023

All Airport and Maritime audits and reviews in 2023 were completed without significant (Level 1) non-conformities being recorded against the business.

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

- with the requirement of regulations associated with systems as listed above, and with its own policies for those systems.
- The management of Occupational Health and Safety at Ports of Jersey has been assessed as effective, and management arrangements are sufficient to ensure compliance with the published Ports of Jersey Health and Safety Policy and Health and Safety at Work (Jersey) Law 1989. In light of planned major infrastructure developments, additional dedicated resource is being put in place from 2024.
- The requirements of the Port Marine Safety Code and the International Ship and Port Facility Security Code.



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

Maritime External Audits / Reviews			
Audit/Review Title	Agency	Business Area	Audit Dates
5 Gold Anchor	The Yacht Harbour Association	Marine Leisure	August 2023
Port Facility Security Assessment	Department for Transport	Maritime (Security)	November 2023
Port of London Authority Peer Review of Vessel Traffic Services (VTS)	Port of London	Coastguard and VTS	August 2023
MCA Review of SAR Response	Maritime Coastguard Agency	Coastguard and VTS	April 2023



Harbours and Airport Authorities Committee Report

The Harbours and Airport Authorities Committee (HAAC) supports and advises the Board on the regulatory and other non-commercial functions which Ports of Jersey is by law required to undertake as the Jersey Airport Authority and the Jersey Harbour Authority.

It oversees the discharge of the company's statutory public service obligations, and operational safety at the Airport, St Helier Harbour and the Island's outlying harbours. In particular, it supports the Board in the latter's capacity as Duty Holder under the UK Port Marine Safety Code.

The corporate governance statement on page 32 details the statutory position including Ports of Jersey's public service obligations.

HAAC is convened under an independent chair, appointed by the Board, and its membership includes the Airport Director and the Harbour Master as well as the chair of the Board and the non-executive director who chairs the Board's Risk Committee. Other directors may attend, and senior members of staff as requisite, including from Jersey Coastguard. A wide mix of attendees, generalists and specialists, helps to ensure that analysis and discussion of problems and issues, and consequent decision-making, is always well-founded.

HAAC also works with, and seeks advice from, two key third parties. On the maritime side, Ports of Jersey's retained external maritime safety adviser is William Heaps, who also serves as the company's 'designated person' for the purposes of the Port Marine Safety Code. Mr Heaps is one of Britain's most experienced experts in this field and works similarly with several major ports in England and Scotland. Beyond his relationship with the Committee, the role he plays in interacting with, and mentoring, the Harbour Master's team is of great value in ensuring that Ports of Jersey has, and sustains, a top-line marine safety culture, fully informed by best practice.

On the aviation side, similar input on safety – and also security – is provided by John Nicholas, the Channel Islands Director of Civil Aviation. His is a UK statutory role for the Islands. He has considerable prior experience as a regulator in the Civil Aviation Authority. As with Mr Heaps, Mr Nicholas' role combines formal assessment and advice on best practice with a valuable day-to-day working relationship with the Airport Director and his senior team. Such external support strongly helps to provide assurance for HAAC, and through it the Board, on the effectiveness of Ports of Jersey's overall approach to safety and security.

In this way, the company is best enabled to meet its statutory duty to provide, or ensure the provision of, safe and secure port operations for Jersey, whether by itself or any other person acting, for example, as the company's agent or contractor.

The 2015 Incorporation Law provides specifically that Ports of Jersey must exercise its powers, how it operates commercially as a publicly-owned company, in a manner that does not conflict with the interests of aviation and maritime safety and security. It is a chief duty of mine as independent chair of HAAC to seek to ensure the continuing primacy of this requirement. There is strong recognition of this point of principle, across the Airport Director's and Harbour Master's teams but also by the Board. There is a regular programme of audit and review and an embedded culture of operational safety and risk management, which is continually reinforced by management.

The Committee receives regular, detailed, reports of key risks and relevant incidents arising from or in relation to them. These focus both on appropriate responses and mitigations in given situations, major or minor, but also the learning that needs to follow; and such reports give the Committee not only the wherewithal to probe and question but also, in the resolution, the assurance it needs that the 'culture' of the organisation, as well as specific remedial actions, remain satisfactorily focussed on safety and the effective management of operational risk.

During 2023, HAAC had three scheduled meetings, and three ad hoc for consideration of certain specific issues arising out of the normal meetings cycle. Over and above there was a considerable amount of interaction on particular topics among members of the Committee and advisers, which as necessary led to ratification of relevant items at a subsequent meeting and their proper recording in minutes. As independent chair, I have always had full access to both people and papers, as do external advisers already referenced.

Principal regular items of business for HAAC during the year (for each of the Airport and Harbour) were:

- risk management reports
- health and safety reports
- compliance reports
- operational reports.

These reports are prepared by the Airport Director and Harbour Master, they record risks, issues, near-misses and occurrences to a considerable level of detail. They reflect an imperative to ensure that all and any events that create risk, undermine relevant risk appetites, or warrant reportage for learning purposes are duly recorded and reported in a way that enables management carefully to review all implications and mitigations arising. This gives HAAC the necessary level of assurance it requires but also allows the Committee readily to challenge or probe on any occurrence, large or small, and, from that, to address if necessary broader policies or procedures.

At each meeting, there is also usually a ‘deeper dive’ into particular risks, where there has been a reassessment of materiality or criticality. These reports cover the outlying harbours too, which are equally within Ports of Jersey’s province as Jersey Harbour Authority. This process of regular reporting and review is at the heart of HAAC’s role, and a crucial element of the company’s seeking to ensure full compliance with its statutory duty to conduct all port operations safely and securely.

A range of specific matters were also addressed by the Committee during the year, including the following main things:

- Two separate reviews from the maritime perspective, of specific matters arising from the collision in December 2022 between the ferry *Commodore Goodwill* and the fishing vessel *L’Ecume II* a few miles off the west coast of Jersey, with the loss of the three members of the crew of the latter. The Harbour Master and his team continue to work closely with the Police Force and the Bahamian Maritime Authority (the Bahamas is the *Goodwill*’s country of registration) to investigate the incident thoroughly. HAAC strongly endorsed the Harbour Master’s early decision, as a matter of best practice, to engage specialist external support to review in detail how our own emergency and search procedures, and traffic



management arrangements, worked in the immediate response to the accident, which was outside harbour limits but in territorial waters.

- We invited our Safety Adviser, William Heaps, to take stock of our arrangements for giving effect to the terms of the Port Marine Safety Code. This is a UK regime but we strive to follow it to the full, save for a few aspects directly related to UK law. It is pleasing to say that Mr Heaps reported back to us positively.
- We received the outcome of an inspection and audit by Trinity House of all the Aids to Navigation operated by Ports of Jersey – lights, beacons and buoys, of which there are many around the coast, helping to ensure safe passage for vessels through treacherous waters. This was an important and detailed piece of work, well facilitated by the Marine Services Team. The outcome was very positive: Ports of Jersey was commended for having a comprehensive and well-managed Aids to Navigation system in place which was accurately maintained, and which exhibited an effective approach to navigational risk analysis enabling faults to be dealt with in good time. Particular approbation was reserved for the Marine Services Team, whose task it is to maintain the Aids in all weathers.



“

Both the hard work of staff at the Airport and the Harbour and the outcomes themselves – are generally unsung but are crucial for the resilience of the Island and the dependency everyone has on safe and secure ports, through which everyone and everything comes and goes.

- During the year work continued with the Jersey Lifeboat Association to ensure their redeclaration as a search and rescue asset. The Committee on behalf of the Board as Harbour Authority, was able to approve redeclaration pursuant to its statutory responsibility for the coordination of Jersey maritime search and rescue.
 - For the whole year, we kept in view the matter of an appropriate drugs and alcohol policy at the Airport. The aim of this is to be able to reflect road traffic rules in respect of the movement of aeroplanes and vehicles on the airfield. This will require legislative changes, which we will continue to work with the ministry to effect in 2024.
- During the year, we had several valuable dialogues with the Minister about the entirety of the ‘non-commercial’ Ports of Jersey obligations under law. In particular defining the roles and responsibilities of each, particularly under the detailed Shipping (Jersey) Law 2002 which contains a diverse range of powers accruing to the Minister where he could, in practice, act but on advice. The Law is modelled on the Merchant Shipping Act 1995, important aspects of which are extended to Jersey. For completeness accountabilities and responsibilities in the event of a major aviation incident were also reviewed.
 - One specific action resulting from this dialogue has been to initiate a review and update what is known as the Public Service Obligation Agreement. Art.6 of the 2015 Incorporation Law, which sets out statutory functions of Ports of Jersey in the form of Public Service Obligations, subjects the manner of the discharge of those functions to an agreement between minister and company. The present agreement dates from the moment of incorporation in 2015. It became evident as we considered roles and responsibilities anew that some elements of the current agreement require updating and increased clarity. This will remain an area of focus in 2024.

I conclude by thanking all members of staff, and other, who are involved in delivering the outcomes whose oversight falls to HAAC. They – both the hard work of staff at the Airport and the Harbour and the outcomes themselves – are generally unsung but are crucial for the resilience of the Island and the dependency everyone has on safe and secure ports, through which everyone and everything comes and goes. I thank the senior teams equally for their support for me as independent chair of HAAC.

John Mills CBE
Independent Chair
26 April 2024

Audit Committee Report

As Chair of the Audit Committee, I am pleased to report on its work for the year ended 31st December 2023 and the publication of this Annual Report.

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

The Committee has monitored the organisation in addressing points noted in the external auditors' management letter, as well as tracking the resolution of matters raised by internal auditors throughout the year.

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

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

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

Lynn Cleary
Committee Chair
26 April 2024



Membership and expertise

During the year to 31 December 2023 the Audit Committee met five times and received papers as and when necessary. The following independent Non-Executive Directors served as Committee members during the year:

Lynn Cleary (Chair from 18th September 2023)
 Jeffrey Hume (resigned as Chair 18th September 2023)
 Mark Chown

All Non-Executive Directors are invited to Committee meetings, receive copies of the papers, and attend as they see fit.

The members of the Committee are considered to be independent and have considerable financial and commercial experience gained through a variety of corporate and professional appointments. In particular, the Board considers that Lynn Cleary has the recent and relevant financial experience required by corporate best practice. The Chief Financial Officer has been invited to attend every meeting. The Chief Executive and Head of Internal Audit also attend meetings, contributing to the debates. In addition, the Committee members meet with operational and finance team members.

External Audit

During 2023 the Company was advised by its external auditors Grant Thornton. The Committee has assessed the effectiveness of Grant Thornton's audit work in relation to the 2023 financial year and remained satisfied with their independence as auditors. The Committee are pleased to recommend to the Board that they be reappointed as auditors for the 2024 financial year.

Internal Audit

The Committee oversees and receives reports from Internal Audit on key financial risks and related processes. The Head of Internal Audit also has responsibilities in relation to operational regulatory compliance. As such, substantive elements of the financial internal audit function are fulfilled by BDO under his management. The reviews completed in 2023 focussed on capital expenditure controls and fraud awareness maturity. In addition, we received from the Head of Internal Audit a gap analysis on our Annual Report against recent C&AG best practice recommendations.

Meetings held

The Committee held five meetings during 2023. The Audit Committee has also formally met twice so far in 2024, the second of which was to review and recommend approval of the 2023 Annual Report to the Board. The Committee has met Grant Thornton without management being present and the Committee chair has also met the Grant Thornton Audit Partner independently.

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

Financial reporting – significant issues

- A** Investment properties – Their fair values at 31 December 2023. This category of assets is reviewed quarterly. Our RICS led internal team, supported by external Chartered Surveyors, concluded an uplift of £2.3m as at December 2023 including portfolio changes during the year.
- B** Provisions for claims – The adequacy of provisions in relation to the legacy fire-fighting foam contamination of ground water. The Committee considered the current circumstances and endorsed management's judgement that the rationale for the provision are no longer applicable and that it should be released.
- C** Fixed Assets and Assets Under the Course of Construction – The adequacy of carrying values has been reviewed ensuring validity and considering the future of assets impacted by the Airport and Harbour Masterplans.
- D** Insurance claims – The company is pursuing claims under its insurance policies for compensation against the business interruption caused by Covid-19. To date we have been awarded interim payments of £1.9m. The claim is ongoing. No further amounts have been accrued at this time as the outcome remains uncertain.



Risk Committee Report

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

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

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

Jane Smallman, Committee Chair
Mark Chown
Nicky Dunn

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

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

At each of its meetings, the Committee received and reviewed the organisational risk management reports which include both corporate risks as well as an overview of operational risks. Main corporate risks are reviewed on a deep dive basis, including relevant senior managers, on a rotating basis during the year.

Outside of the rotating reviews the Committee also receives updates and considers:

- Cyber Security
- Data Protection/ GDPR Compliance
- Occupational Health & Safety
- Insurance Policy Coverage
- Harbour Master Plan risks

Information Security Management

The Risk Committee continued to take keen interest in the measures taken by Ports of Jersey to ensure security of its information in particular management of cyber risk and data protection. Dashboards are provided at every Risk Committee meeting that monitor KPIs in respect to employee awareness of cyber and information security risks (training and simulated breaches), actual breaches and detected attacks. The Committee is pleased to note the continued effort of the organisation to ensure all detection measures are kept up to date and all employees have continuous training and testing. We are also pleased that there were no reportable GDPR breaches during 2023

Occupational Health and Safety

During 2023 a review of health and safety risk management arrangements, in respect of Board oversight was completed. It noted that occupational health and safety risk was not as visible to the Board with operational health and safety being the area of higher priority for the Harbour and Airport Authority Committee. To ensure equal visibility of this risk the decision was taken to reclassify it as a corporate risk to be overseen by the Risk Committee, enabling the Harbour and Airport Authority Committee to focus on its risk area of expertise. During 2023 the Risk Committee has overseen the publication of a framework of policies in respect of occupational health and safety and the implementation of occupation health and safety gap analysis audit. This audit has identified a body of works the organisation can undertake to evolve its occupational health and safety framework to continue to meet the needs of the organisation in particular as it transitions into the delivery of its masterplans.

Jane Smallman
Committee Chair
26 April 2024

Risk Management Statement

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

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

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

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

Risk Area	Principal Mitigations
<p>Operational Safety and Resilience</p> 	<p>The company’s primary statutory objective is to ensure the provision of, safe, secure and efficient port operations for Jersey.</p> <ul style="list-style-type: none"> • All key operational areas are audited regularly, both through internal analysis and external inspection to ensure compliance with all the regulatory and safety requirements of the various regulators and agencies in the UK, the EU and the Channel Islands. Please see the Compliance and Assurance Statement on page 40. • Regulatory compliance teams work with and support employees who have specific regulatory assurance responsibilities. Detailed attention is paid to comprehensive incident investigation, 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 Leadership Group performance meetings chaired respectively by the Harbour Master and the Airport Director. • The Harbour and Airport Authorities Committee oversee safety, risk and compliance of our operations, meeting quarterly and more often as required. • 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. • 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. • In respect of harbour vessel traffic services (VTS) and Coastguard, the St Helier VTS has a fully operational standalone installation in the VTS Tower at the pierheads which mirrors the capabilities of the Maritime Operations Centre. Operations can be transferred between each independent site in under 10 minutes. • 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.

Risk Area	Principal Mitigations	
<p>Commercial Growth Risk</p> 	<p>Ports of Jersey is a commercially driven and customer focused business, providing lifeline connectivity for Jersey. Every passenger and item of freight imported or exported from Jersey passes through our gateways. The pandemic had a unprecedented effect on the demand for travel, impacting both aviation and maritime sectors, with the consequential loss of services, carriers, and business partners.</p> <p>The recovery in Jersey's connectivity has been very strong and is set to overtake pre-pandemic levels in the coming years.</p>	<ul style="list-style-type: none"> • Long-term partnership agreements are in place with each of the key airline carriers and concessionaires. • An Operating Agreement is in place with Condor until March 2025. A procurement process was recently launched by Government of Jersey and States of Guernsey for the Channel Islands future ferry services. • Ports of Jersey works closely with its carriers and concessions to deliver sustainable growth. • Regular formal and informal meetings take place to develop aligned strategic priorities, shared objectives and to review performance, taking agreed actions where necessary. • Customer satisfaction is monitored regularly, and measurable customer service standards set. A customer feedback process has been developed which provides a consistent method of collecting, managing and reporting on feedback. This an integral part of the company's reporting to the Jersey Competition Regulatory Authority (JCRA). • A key priority for relevant Senior managers is to develop and maintain close relationships with major customers such as airlines, shippers and ferry operators. These relationships are encouraged across all areas of our business, both commercially and operationally. • 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.
<p>Financial Risk</p> 	<p>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.</p>	<ul style="list-style-type: none"> • 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 delivery requirements of masterplans. Once relevant planning permissions have been granted the organisation will work to transition to long term institutional debt instruments. • Appropriate close liaison is maintained with those in the Government of Jersey who have responsibility for its shareholder function. We also keep a watch on policy and legislative developments that could impact adversely upon the company. We also work closely with our economic regulator, the JCRA, a key aim of which includes that our regulated prices support Ports policy as endorsed by Government of Jersey in early 2024. • Annual external audit combined with an internal audit programme provide independent assurance of effectual financial governance controls.
<p>Investment Risk</p> 	<p>Major Capital investment programmes to develop the Island's Airport and Maritime infrastructure are underway. As well as enhancing the current ports user experience, these will future-proof the Island's gateways. The delivery of our capital programme is underpinned by comprehensive planning activities which extend throughout the organisation.</p>	<ul style="list-style-type: none"> • All developments are subject to a robust project governance framework from inception to completion. This is managed by the Infrastructure and Development Performance office in line with international best practice. • To manage Capital Expenditure governance, there are monthly Capital Leadership Group (CLG) meetings. These Prioritise projects based on a selection of criteria including risk to ensure the right projects are done at the right time. The CLG reviews and monitors Capital investment programmes, with performance reports which thereafter feed into monthly Harbour and Airport Leadership Group performance meetings, and is shared with the PoJL Investment Committee. • Infrastructure and Capital Development plans the successful delivery of asset management through a risk based approach. • Continual investment in our digital strategy provides ever increasing resilience, quality and functionality to our operations. This includes the ability for employees to work remotely, either elsewhere on our estate or if appropriate, at locations such as from home.

Risk Area	Principal Mitigations	
<p>People Risk</p> 	<p>Our employees are, far and away, our most precious and critical asset. We are proud of the talent our employees have and the specialist skills they possess, which we are committed to nurturing.</p>	<ul style="list-style-type: none"> • Considerable attention is paid to motivation, pay, terms and conditions, training, diversity, equity, inclusion 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, Graduate and Trainee programmes within various areas of the business. • Learning and development 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 2023 and continued into 2024 to build on our managers core skills in communication and relationship development of their respective teams.
<p>Sustainability Risk</p> 	<p>Core to our business strategy are the four pillars of Sustainability – Climate, Biodiversity, People & Community, Waste & Circularity.</p>	<ul style="list-style-type: none"> • The travel industry is under ever increasing scrutiny regarding the impact it has upon the planet. Ports of Jersey are committed to driving forward initiatives to reduce and mitigate not only its own impact, but also those of our business partners. We align ourselves with the Government of Jersey Carbon Neutral Roadmap and European Aviation’s commitment to carbon neutrality by 2050 in line with the Toulouse Declaration. • A dedicated Sustainability team ensures the organisation progresses its sustainability ambitions, encapsulated in the “Ports’ Planet and People Plan”, providing updates to the Leadership groups and The Board. The ambitions of this plan are also a key part of the organisation’s 5-year strategic business plan.
<p>Cyber Risk</p> 	<p>The importance of managing cyber risk is recognised at the highest levels of the organisation, and a wide range of controls, both technical and administrative are in place to detect and intercept cyber related threats.</p>	<ul style="list-style-type: none"> • Cyber risk and cyber strategy are overseen by the Information Governance Committee. This committee sits quarterly and consists of senior stakeholders from across the business. • The Information Governance Committee has established a rolling review programme with the aim of ensuring that all angles to this complex problem are covered. • Penetration testing, vulnerability scans, and application patching are undertaken frequently ensuring systems are secure and up to date. • Supply chain security assessments are conducted as part of the procurement process. • The cyber threat landscape is monitored, and controls are added/updated as required. Employee awareness training is continually updated to ensure employees have the necessary knowledge and skills to prevent inadvertent compromise of the company’s IT systems. • Several aviation regulations pertaining to cybersecurity have been released, and to ensure compliance Ports will be implementing and maintaining an Information Security Management System (ISMS) supported by an Information Security Management Manual (ISMM).
<p>Covenant Risk</p> 	<p>The organisation is subject to obligations under law and with its agreements with its shareholder.</p>	<ul style="list-style-type: none"> • The Board and its associated Committees review company performance in relation to its statutory obligations • Statutory obligations are an embedded element of organisational business plans • Regulatory audits are completed and where there is no specific regulatory audit required discretionary audits and peer reviews are completed by appropriate third parties. The outcomes of audits and reviews are monitored by the Board and its associated Committees • The Board Chair and Executives have regular contact with Ministers and their Accounting Officers ensuring the organisation fulfils its obligations as required



Investment Committee Report

As Chair of the Investment Committee, I am pleased to report below on its work for the year ended 31 December 2023.

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.

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

Geoffrey Spence, Committee Chair
Mark Chown
Nicky Dunn.

All other Non-Executive Directors had open invitations to attend meetings as they saw fit. External expertise was also invited to meetings as appropriate.

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

During 2023 the Committee focussed significant resource on oversight of plans to redevelop Elizabeth Harbour to future proof Jersey's life-line services for the long-term. There was particular focus on the progress in the planning process and oversight of the procurement strategy implemented for the marine works element of the programme. There was also oversight of the evolution of appropriate governance arrangements as the organisation moves from a development phase into a delivery phase.

In 2023 we also reviewed the high-level plans and phasing for Airport Redevelopment. Moving into 2024 the Committee looks forward to monitoring these plans as they begin to be delivered, provided an updated Airport facility with customer service at its heart.

The progression of the major capital plans in respect of the Harbour and Airport has required the organisation to review with the Committee financing arrangements to ensure delivery. We were pleased to oversee the replacement of the revolving credit facility (from 2020) with a new revolving facility with increased credit levels and an extended time frame.

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

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

In the year ahead emphasis will continue on the Harbour and Airport Masterplans. The Committee will provide critical oversight, ensuring its input is provided at key decision points, that the plans are consistent, robustly considered and cognisant of the needs of all relevant stakeholders.

Geoffrey Spence
Committee Chair
26 April 2024

Nominations Committee Report

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

The members of the Committee during 2023 were the following Non-Executive Directors (NEDs):

Mark Chown (Chair)
Jeffrey Hume
Geoffrey Spence

Mark Chown retired from the Board on 31 December 2023 and therefore from the Committee, following six years of invaluable service, four of which as Chair of the Board. We have engaged with an executive search company to assist in recruiting his successor and have publicised this opportunity both on Island and in the UK. The appointment will be made in conjunction with the Jersey Appointments Commission. The Board have agreed that Jeffrey Hume should be its Interim Chair.

Other Non-Executive Directors

The Committee has focused on Board succession, with a number of other NEDs nearing the end of their three-year terms or their anniversaries. We have also continued to analyse the current NEDs' skills and experience against the developing governance needs of the business.

The Committee re-appointed Jane Smallman and Nicky Dunn for a further term. Additionally, two NED appointments were made following a robust recruitment process that considered candidates against a defined set of criteria. Lynn Cleary joined the Board on 13 September 2023 and has become the Chair of the Audit Committee. Alun Griffiths joined on 1 January 2024 and has become the Chair of the Remuneration Committee.

Executive Board Directors

The Board has, on the Committee's recommendation, appointed Jenny Marek-Murray in February 2023 to the Board in the role of Chief Financial Officer. Jenny has worked at Ports of Jersey since 2008 mainly as the chief accountant. She has until recently led the business in environmental sustainability and has served as Company Secretary since 2019.

Other appointments

Following an intensive executive effectiveness review, we were pleased to endorse the appointments of Steve Hoesli (from October 2023) as Chief Development Officer and Stephen King as Chief Operating Officer (from March 2024). They join the Ports Executive Team alongside the Executive Board Directors, Hannah Gleave as Chief People and Sustainability Officer, William Sadler as Harbourmaster and Ashley Maggs as Airport Operations Director.

The Committee agreed that John Mills should continue to Chair the Harbours and Airports Committee for a further year.

Board composition

We recognise the important benefits of a diverse and inclusive Board, particularly in respect of length of tenure, industry experience and gender-balance. The current profile of the full Board as at year end is as follows:

Years	Board
7 years	1
6 years	1
5 years	1
4 years	1
3 years	2
0 years (3 months and 11 months)	2

The tenure of all our NEDs are within nine years in line with the spirit of the UK Corporate Governance Code.

The Board has a wide range of relevant experience in both public and private industry. This includes aviation and marine operations, logistics and utilities; operating, developing and financing major infrastructure in energy, international transport and utilities; civil and marine engineering and conservation; urban regeneration, commercial leisure, housing and property development; advisory work both within and to the UK Government and the public sector on corporate finance financing.

Further details of each director can be found on page 36.

We have a gender balance of four female directors and four males (This is covered in the Remuneration Committee section).

Jeff Hume

Interim Chair
26 April 2024



Remuneration Committee Report

The Committee sets the remuneration policy for the Executive Directors and the Company's Chair and determines the remuneration of those individuals in line with its agreed policies. Additionally, it approves the remuneration of other key individuals in the executive team and oversees remuneration policy for the wider organisation. The Committee does not consider any changes to the remuneration of the Non-Executive Directors.

The Committee members during 2023 were Jeffrey Hume (Committee Chair), Geoffrey Spence and Jane Smallman, all of whom were independent Non-Executive Directors.

Alun Griffiths joined the Board of Ports of Jersey on 1 January 2024 and, with his recent and relevant experience, became the Committee Chair. The other Committee members, from 2024 are Geoffrey Spence and Lynn Cleary.

Remuneration Policy

The objectives of our policy are principally to enable the Company to recruit, retain and motivate the Executive Directors, members of the Executive Committee and other senior managers to deliver demanding annual business objectives and to achieve the goals set out in our Strategic Business Plan. We seek to do so in a way which is appropriate, fair and equitable and which aligns our objectives and targets with those of the Government.

In doing so, we pay due regard to market practice locally and to practice across relevant enterprises in the UK to ensure that we can retain and compete effectively for talent, especially for key roles.

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

Directors' Remuneration

The remuneration received for the 12 months to 31 December 2023 was:

	Salary/ Fees £'000	Performance Related Pay 2023 £'000	Pension Contribution £'000	2023 Total £'000	2022 Total £'000	Notes
Executive Directors						
M Thomas (CEO)	272	137	44	453	432	
J Marek-Murray (CFO)	157	51	25	233	-	A
A Boustouler (Former CFO)					236	A
Non-Executive Directors						
M Chown (Chair)	60			60	60	B
J Hume (Senior Independent Director)	44			44	40	
G Spence	34			34	28	
L Cleary	12			12	-	C
N Dunn	31			31	28	
J Smallman	34			34	29	
C Hammond	5			5	28	D
Total	649	188	69	906	882	

a) Jenny Marek-Murray was appointed Chief Financial Officer from February 2023. b) Mark Chown stood down as Chair on 31 December 2023. c) Lynn Cleary was appointed in September 2023. d) Charles Hammond resigned as Director February 2023

Duties of the Committee

The Committee is charged by the Board to:

- Determine the policy on executive director and senior management remuneration (including performance-based incentives), ensuring alignment with the Company's strategic goals
- Determine the specific remuneration packages for the Executive Directors and approve the remuneration of the other members of the Executive Team
- Maintain oversight over remuneration policy and practice for the wider organisation
- Maintain contact with its shareholder through the Committee Chair
- Review its own performance and terms of reference on a periodic basis.

In executing its role, the Committee considers external benchmarking data and other information.

Executive Directors' performance related pay

In addition to paying base salaries, we have in place an annual short-term incentive plan (STIP) which can provide a bonus of up to 55% of base salary for the Chief Executive and up to 30% of base salary for the Chief Financial Officer. The STIP helps to ensure to we reward executives for delivery of key elements of the annual business plan and is an important mechanism for aligning objectives with our shareholder. To that end, the objectives are shared with and confirmed by the Minister. These include a balanced set of financial, strategic, operational and customer targets. The Committee reviews progress during the year and determines the extent to which these objectives have been met in determining the level of bonus which is to be paid.

Ancillary Benefits

Both Executive Directors are members of the Jersey Public Employees' Pension Scheme (PEPS) against which, in common with other employees, the company contributes of 16% of salary. The Chief Executive is provided with private health cover, but neither are in receipt of a company car or car allowance.

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

Senior Leadership Team

The recommendations of the 2022 Executive Effectiveness Review were implemented during the year. This led to changes in the structure of the team and to the roles of certain individuals. The Committee considered and approved changes to the remuneration of the affected senior leadership team members and approved the remuneration required to recruit two key individuals.

Pay for the wider organisation

The Committee supported the Executive Directors in developing proposals for the 2024 pay award, taking into account the impact of recent high inflation on employees and on the company. In so doing, the company has been concerned to ensure that the pay award is fair and equitable, considering both the impact of high inflation on individuals and families and the affordability of the pay review. In this context, the company has also considered the prolonged impact of the pandemic on aviation passenger volumes, and our ability to maintain services and to finance our infrastructure investment plans. Consultations are ongoing.

Gender Pay Gap Reporting

We are committed to improve female participation at every level of the company and in all areas of our operations. Given the operational nature of our industry, many roles have traditionally been undertaken by men, addressing this requires sustained investment in encouragement, recruitment, training, and development.

The gender pay gap is one important measure of our progress, it measures the simple difference in average earnings between women and men across the organisation. It is important to understand that this is not the same as equal pay which measures the difference in pay between women and men performing the same role.

Over the last year, we have seen a gradual closing of the gender pay gap, as shown below:

Measure	2022	2023	Difference
Mean	22.5%	19.6%	-2.9%
Median	24.1%	21.1%	-3.0%

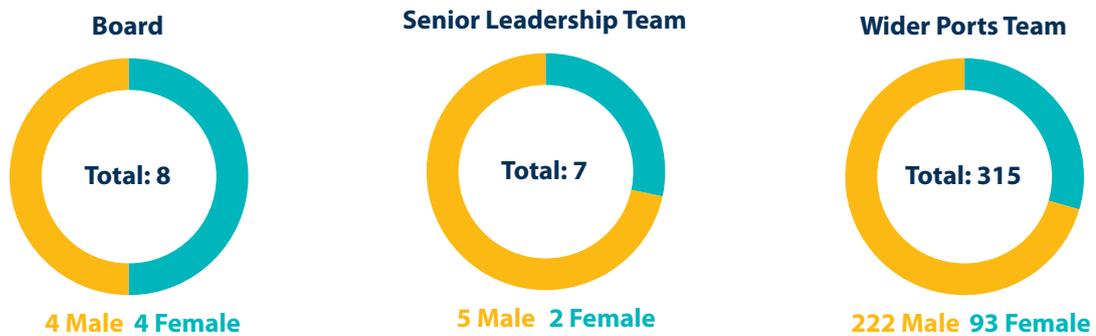
The mean is calculated as the average hourly pay for men and women across the organisation, irrespective of role.

The median is the difference between the hourly rate of middle ranking man vs the middle ranking woman.

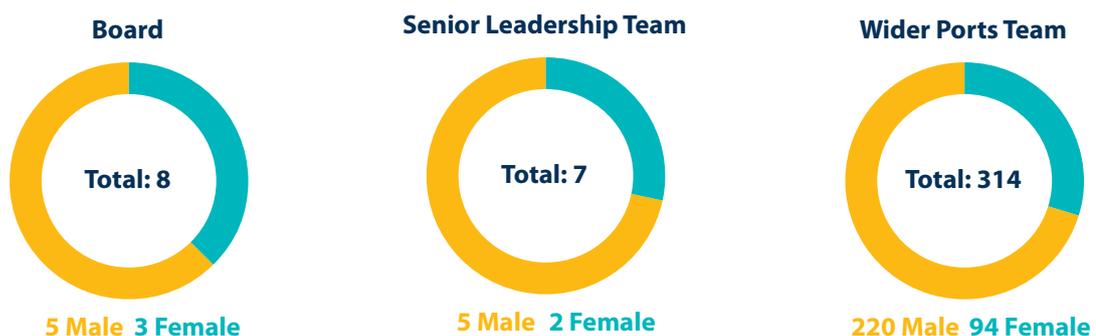
This is affected more than anything else by the proportion of men or women in each role. In Ports of Jersey, our higher paying roles include Air Traffic Controllers, Engineers, Airport Rescue and Firefighters and Marine Services. In order to further close the gender pay gap, we need to move closer to equal participation by women and men in these roles.

Our Diversity, Equity and Inclusion strategy, among other objectives, is intended to address this imbalance. We have invested in female leadership potential and in growing and promoting more women in our workforce. For example, our talent management framework to ensure that our recruitment and promotion practices and flexible working arrangements encourage a wider female candidate pool for these roles. We are also investing in the next generation of talent through apprenticeship programmes, schools and clubs to demonstrate that operational careers in the aviation and maritime industry are not viewed as gender based.

Gender balance as at 31 December 2023



Gender balance as at 31 December 2022





Full Time Employees	2023		2022	
	Individual Total Remuneration	Ratio to CEO Total Remuneration	Individual Total Remuneration	Ratio to CEO Total Remuneration
25th percentile	£36,724	12.34	£35,271	12.24
Median	£52,034	8.71	£52,611	8.21
75th percentile	£88,462	5.12	£81,677	5.29

Further fair pay information

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

The employee remuneration figures include salary, any allowances received and contributions to the company's pension schemes and the 2023 all employee pay award of 8.25% (the CEO pay award for 2023 was 7.5%).

Alun Griffiths

Non-Executive Director
26 April 2024





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 2023.

Directors of the Company

The Directors of the Company are:

Jeffrey Hume, Interim Chair
 Geoffrey Spence, Interim Senior Independent Director
 Nicky Dunn, OBE
 Jane Smallman
 Lynn Cleary (appointed on 13 September 2023)
 Alun Griffiths (appointed on 1 January 2024)
 Matthew Thomas, Chief Executive
 Jenny Marek-Murray, Chief Financial Officer

Mark Chown, previously serving as Director, resigned from the Board on 31 December 2023.

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 06 to 09.

Post balance sheet date events

There were no new significant events affecting the Company after the 2023 year end.

Re-appointment of auditors

The auditors, Grant Thornton, have indicated their willingness to continue in office.

A resolution is to be proposed at the Annual General Meeting for their reappointment as the Independent Auditor of the Company.

Forward looking statements

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

Jeff Hume
 Interim Chair
 26 April 2024

Jenny Marek-Murray
 Company Secretary
 26 April 2024

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.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Statement of Disclosure of Information to Auditors

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

Jenny Marek-Murray
Chief Financial Officer
26 April 2024

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

Opinion

We have audited the financial statements of Ports of Jersey (the 'Company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the statements of directors' responsibilities set out on page 64, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with the United Kingdom Generally Accepted Accounting Practice, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Use of our report

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

Alexander Ross Langley

For and on behalf of
Grant Thornton Limited
Chartered Accountants
St Helier, Jersey
26 April 2024

Statement of Comprehensive Income for the Year Ended 31 December 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Turnover	4	50,538	45,506
Operating costs (excluding depreciation)	6	(39,794)	(39,761)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		10,744	5,745
Gains from changes in fair value of Investment Property	12	2,259	2,987
Loss on disposal of fixed assets	11	-	(49)
Impairment of plant, property & equipment	11	-	(1,246)
Depreciation	11	(5,777)	(5,552)
Operating Income		7,226	1,885
Exceptional Marine Cost	14	-	(1,218)
Finance lease income		338	333
Finance lease modification in respect to gain	13	628	1,199
Interest income	8	148	123
Interest expense	8	(1,011)	(509)
Unrealised loss on foreign exchange		(4)	(27)
Reclassification adjustment - discontinuation of cash flow hedge		17	-
Income before taxation		7,342	1,786
Taxation	9	(643)	1,629
Taxation	9	(643)	1,629
Income for the financial period		6,699	3,415
Other Comprehensive Income:			
Reclassification adjustment - discontinuation of cash flow hedge		(17)	-
Change in fair value of cash flow hedges		(77)	(549)
Tax charge		-	110
Total Comprehensive income		6,605	2,976

Statement of Financial Position as at 31 December 2023

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Assets			
Non-current assets			
Tangible assets	11	104,449	85,005
Investment property	12	74,130	71,871
Finance lease receivable	13	4,233	3,647
Deferred tax asset	22	1,825	1,675
		184,637	162,198
Current assets			
Trade and other receivables	16	11,374	5,859
Finance lease receivable assets	13	378	336
Inventories	15	339	327
Cash and cash equivalents	17	5,335	18,261
Unrealised gain on forward foreign exchange contracts	21	-	77
		17,426	24,860
Total assets		202,063	187,058
Liabilities			
Current liabilities			
Trade and other payables	18	(11,084)	(12,133)
Revolving Credit Facility	20	(20,000)	(10,000)
		(31,084)	(22,133)
Non-current liabilities			
Provisions	19	(50)	(600)
		(50)	(600)
Total liabilities		(31,134)	(22,733)
Net assets		170,929	164,325

Statement of Financial Position as at 31 December 2023

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Shareholder's equity			
Called up share capital	23	1	1
Incorporation reserve		137,350	137,350
Retained earnings		33,578	26,880
Cash flow hedge		-	94
Total shareholder's equity		170,929	164,325

Approved and authorised by the Board and signed on its behalf on 26 April 2024.

Jeffrey Hume
Interim Chair
26 April 2024

Matthew Thomas
Group Chief Executive
26 April 2024

Statement of Changes in Equity for the Period Ended 31 December 2023

	Called up share capital £'000	Incorporation Reserve £'000	Profit and loss reserve £'000	Cash flow hedge reserve £'000	Total £'000
2023					
At 1 January 2023	1	137,350	26,880	94	164,324
Profit for the financial period	-	-	6,699	-	6,699
Other comprehensive income	-	-	-	(94)	(94)
At 31 December 2023	1	137,350	33,578	-	170,929

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

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 2023

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities			
Adjusted operating income	a	10,194	5,745
(Increase) in inventories		(12)	(11)
(Increase)/decrease in debtors		(5,515)	1,497
(Decrease)/increase in creditors		(1,785)	5,366
Exceptional marine costs		-	(1,218)
Unrealised loss on foreign exchange		(4)	(27)
Net cash inflow from operating activities		2,878	11,379
Cash flows from investing activities			
Purchase of tangible assets		(25,279)	(12,292)
Loss on disposal of tangible asset		-	(49)
Finance lease interest received		338	333
Interest received	8	148	123
Net cash outflow from investing activities		(24,793)	(11,912)
Cash flows from financing activities			
Interest paid	8	(1,011)	(509)
Utilisation of Revolving Credit Facility		10,000	-
Net cash outflow from financing activities		8,989	(509)
Change in cash during the period		(12,926)	(1,042)
Cash at 1 January		18,261	19,303
Cash at 31 December		5,335	18,261

Notes to the Statement of Cash Flows

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

	Note	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Operating income		7,226	1,885
<i>Adjustments for:</i>			
Depreciation	11	5,777	5,552
Loss on disposal of tangible asset	11	-	49
Gains from changes in fair value of Investment Property	12	(2,259)	(2,987)
Impairment of plant, property & equipment	11	-	1,246
Provision release		(550)	-
Adjusted operating income		10,194	5,745

b) Analysis of changes in net debt

	At 1 Jan 2023	Cash flows	At 31 Dec 2023
Cash and cash equivalents	18,261	(12,926)	5,335
Borrowings	(10,000)	(10,000)	(20,000)
Net Debt	8,261	(22,926)	(14,665)

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 16th September 2015 and assets were transferred from the Government of Jersey on 1st October 2015. These financial statements are the financial statements of Ports of Jersey Limited (“the Company”) for the year to 31 December 2023. 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 2024.

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 pandemic.

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

The Company’s Strategic Business Plan estimates a return to pre-pandemic levels of profitability by 2024, and demonstrates the Company has resilience, with a strategic shareholder and an experienced board and management.

During 2023, the Company refinanced its revolving credit facility. The new facility is for £60m for 3 years, with options to extend. At year end the company had drawn down £20m (2022: £10m) from this facility and held £5.3m in cash. The revolving credit facility has enabled the company to invest in its Harbour Masterplan and income generating projects to diversify its revenues, such as the expansion of the marine services fleet.

Based on the Strategic Business Plan 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 2025. Accordingly these financial statements have been prepared on that basis.

2. Summary of Significant Accounting Policies

2.1 Turnover

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

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

Revenue type	Based on	Point of recognition
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 or profit	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 2023, the Company received monies from the Government of Jersey in respect of the Jersey International Air Display (2023: £42K, 2022: £0). The Company provides an assurance statement to the Government of Jersey at the end of the year to confirm that all terms and conditions have been adhered to and that the grants has been fully utilised.

As at 31 December 2023 there are no unfulfilled conditions and other contingencies attaching to grants that have been recognised in income.

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

2.3 Tangible Assets

Terminal complexes, airfield assets, maritime infrastructure, plant and equipment and company occupied properties are stated at cost less accumulated depreciation. Assets in the course of construction are stated at cost less provision for impairment (if any). Assets in the course of construction are reclassified within tangible assets when substantially all the activities necessary to get the asset ready for use are complete. Where appropriate, cost includes 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. As at 31 December 2023 there have not been any material revisions to the useful lives and residual values of the tangible assets.

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

2.4 Impairment of Tangible Assets

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

2.5 Investment properties

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

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

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

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

2.6 Leases

Operating Leases

i) Company as lessor

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

ii) Company as lessee

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

Finance Leases

i) Company as lessor

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

ii) Company as lessee

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

2.7 Inventories

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

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

2.8 Debtors

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

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

2.9 Creditors

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

2.10 Borrowings

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

2.11 Employee benefits

i) Short term benefits

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

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

ii) Defined contribution pension scheme

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

iii) Termination obligations

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

2.12 Current and deferred taxation

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

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

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

ii) Deferred tax

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

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

2.13 Provisions

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

2.14 Dividends and reserves

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

The Company's reserves are as follows

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

2.15 Cash and liquid resources

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

2.16 Foreign Exchange Derivatives

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

The Company's functional and presentational currency is Great British Pounds (£).

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

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Estimates:

3.1 Investment properties

Investment properties were valued at fair value at 31 December 2023 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, no 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 2023 £'000	Year ended 31 December 2022 £'000
Turnover is analysed as follows:		
Airport and Harbour charges	19,228	18,225
Channel Islands Control Area (CICA)*	5,690	5,921
Marina charges	5,110	4,276
Sale of services	5,247	3,337
Concessions	5,526	5,101
Car parking	2,243	1,653
Property income due under operating leases	4,876	4,630
Recharges**	1,290	1,197
Other Income	1,034	1,165
Turnover (excluding Insurance Claims)	50,244	45,506
Insurance Claims***	294	0
Turnover	50,538	45,506

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

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

*** Insurance claims income relates to receipts in relation to the Company's Business Interruption policy. The policy covers the first 48 months of business interruptions from the onset of the COVID pandemic. The income recorded to date represents the valuation of losses provided by the underwriter, which remains subject to ongoing dialogue.

5. Operating Leases

Amounts receivable under operating leases at 31 December 2023:

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Future minimum lease payments:		
Not later than one year	4,962	4,779
Later than one year and not later than five years	11,280	10,518
Later than five years	22,441	22,395
	38,683	37,692

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 2023	Year ended 31 December 2022
	£'000	£'000
Wages and salaries	21,373	19,603
Social security costs	1,224	1,080
Pension costs	2,385	2,533
Other staff related costs	349	418
	25,331	23,634
General expenses	14,463	16,127
	39,794	39,761
	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Operating costs include:		
Staff training and development	520	269
Rentals under operating leases		
- Other operating leases	759	454
Services provided by the company's auditor		
- Audit fees	155	135
- Other non-audit services	22	19
Foreign Exchange (Gains)/ Losses	(14)	(2)

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 2023 analysed by function was:

	Year ended 31 December 2023	Year ended 31 December 2022
Operational	287	256
Other	56	67
	343	323

7. Directors' Emoluments

	Year ended 31 December 2023	Year ended 31 December 2022
	£'000	£'000
Directors' emoluments		
Salaries and incentive payments	1,097	1,039
Pensions and benefits	71	67
Directors' emoluments	1,168	1,106
Other key management personnel	776	1,259
Total key management personnel compensation	1,944	2,365

8. Net Interest (Payable)/Receivable

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Interest payable		
Interest on bank borrowings	(1,011)	(509)
Interest receivable		
Interest receivable on money markets and bank deposits	148	123
Net interest receivable/(payable)	(863)	(386)

9. Taxation on Profit

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Current tax		
Total current tax charge/(credit)	855	62
Prior year adjustment	(62)	-
	793	62
Deferred tax		
Deferred tax on timing differences	507	(1,691)
Prior year adjustment	(657)	-
	(150)	(1,691)
Total tax charge/(credit) for the period	643	(1,629)

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 2023 £'000	Year ended 31 December 2022 £'000
Profit before tax	7,342	1,786
Tax on profit at 20%	1,468	357
Effect of:		
Non-Taxable (gains)/losses on investment property	(452)	(597)
Non-Taxable impairment on assets	-	249
Other Permanent differences	(158)	53
Deferred tax	(150)	(1,691)
Reclassification adjustment - discontinuation of cash flow hedge	(3)	-
Provision in excess of final liability	(62)	-
Total tax charge for the period	643	(1,629)

10. Investments in Subsidiaries

At 31 December 2023, 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 31st December 2023, 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 2023	10,157	32,540	31,292	39,535	9,755	123,279
Additions					25,221	25,221
Transfers			448	11,092	(11,540)	-
At 31 December 2023	10,157	32,540	31,740	50,627	23,436	148,500
Depreciation						
At 1 January 2023	-	14,101	8,655	15,518	-	38,274
Charge for the period		872	1,367	3,538		5,777
At 31 December 2023	-	14,973	10,022	19,056	-	44,051
Net book value						
At 31 December 2022	10,157	18,439	22,637	24,017	9,755	85,005
At 31 December 2023	10,157	17,567	21,718	31,571	23,436	104,449

A review of our asset register identified no assets as requiring impairment.

12. Investment Property

2023	Completed Investment property £'000
Valuation	
At 1 January 2023	71,871
Additions	
Transfers	
Increase/(decrease) in fair value of investment properties	2,259
At 31 December 2023	74,130

2022	Completed Investment property £'000
Valuation	
At 1 January 2022	68,884
Additions	
Transfers	
Increase/(decrease) in fair value of investment properties	2,987
At 31 December 2022	71,871

The fair value of the Company's investment property at 31 December 2023 has been arrived at on the basis of a valuation carried out at that date externally, by a chartered surveyor, in accordance with the RICS Valuation Standards 6th Edition ("the Red Book"). The valuer has an appropriate recognised professional qualification, and recent experience in the locations and categories of the locations being valued.

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

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

	2023	2022
Commercial property:	7-10% (yield)	7-10% (yield)
Car parks:	10% (discount rate)	10% (discount rate)

13. Finance Lease Receivables

	2023	2022
	£'000	£'000
At 1 January 2023	3,983	2,784
Gain arising on lease modification	628	1,199
At 31 December 2023	4,611	3,983

Amounts receivable under finance leases at 31 December 2023

	2023		2022	
	PV of minimum lease payments	Gross Investment	PV of minimum lease payments	Gross Investment
	£'000	£'000	£'000	£'000
Not later than one year	378	380	336	339
Later than one year and not later than five years	1,263	1,576	1,084	1,354
Later than five years	2,971	22,694	2,563	19,982
	4,612	24,650	3,983	21,675
Future interest amounts		(20,039)		(17,692)
		4,611		3,983

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. Exceptional Marine Costs

	2023	2022
	£'000	£'000
Search and recovery costs	-	1,218

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

15. Inventories

	2023	2022
	£'000	£'000
Raw material and consumables	339	327

The replacement cost of raw materials and consumables at 31 December 2023 was not materially different to the amount at which they are included in the financial statements.

16. Trade and Other Receivables

	2023	2022
	£'000	£'000
Due within one year:		
Trade debtors	9,311	4,011
Tax	-	334
Other debtors	125	-
Prepayments and accrued income	1,938	1,514
	11,374	5,859

Trade receivables are net of provisions applied in line with policy. The Directors consider that the carrying amount of trade and other receivables are at amortised cost.

17. Cash and Cash Equivalents

	2023	2022
	£'000	£'000
Cash at bank	5,335	18,261

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

Cash at bank represents amounts held on operating bank accounts which generally earn interest at floating rates based on the prevailing bank base rate and are subject to interest rate risk. The company has access to an overdraft facility up to £3m with RBSI, at 31 December 2023 (2022: Nil) no funds had been drawn down. Further, the company has a purchase card debt limit with RBSI for up to £45,000. In October 2023 the Company renegotiated a £60m revolving credit facility split equally with RBSI, HSBC and Lloyds Bank. At 31 December 2023 £20m of this facility had been drawn down.

18. Creditors: Amounts Falling Due within One Year

	2023	2022
	£'000	£'000
Trade creditors	793	821
Accruals and deferred income	8,753	10,227
Capital creditors	122	180
Tax	854	62
Other creditors	562	843
	11,084	12,133

19. Provisions for Liabilities

	2023	2022
	Other provisions	Other provisions
	£'000	£'000
At 1 January 2023	600	600
Amounts paid	-	(138)
Charged/(credited) to profit and loss account	(550)	138
At 31 December 2023	50	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. The Directors consider that as most properties are now connected to mains water supplies, it is appropriate to reduce the provision. 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 & resources pursuant to the Memorandum of Understanding between the Minister and the Company dated October 2015.

The Company secured a £40m Revolving Credit Facility (RCF) with three-year commitments from RBSI and Lloyds during 2020, this facility was refinanced to £60m during 2023 for a further five years with equal commitments from RBSI, HSBC and Lloyds. As at 31st December 2023 the Company had drawn £20m of borrowing under the RCF to fund capital investments. The balance of £40m remain available to be utilised to support our future investment programme and maintain liquidity as required.

The RCF remains available until October 2028.

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 2023 was €0 (2022: €6,300,000).

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 2023	< 1 Year	Total
Foreign exchange forward exchange contracts (highly probable forecast revenues):	-	-
Notional amount (in £000s)	-	-
Fair value (in £000s)	-	-
Average forward rate (EUR/GBP)	N/A	
<hr/>		
As at 31 December 2022	< 1 Year	Total
Foreign exchange forward exchange contracts (highly probable forecast revenues):	-	-
Notional amount (in £000s)	5,916	5,916
Fair value (in £000s)	77	77
Average forward rate (EUR/GBP)	1.133	
<hr/>		
	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Financial assets at fair value through profit or loss		
Current assets		
Forward foreign currency contracts	-	77
Non-current assets		
Forward foreign currency contracts	-	77
<hr/>		

22. Deferred Tax

	2023	2022
	£'000	£'000
Accelerated capital allowances	1,675	(125)
Tax losses	3	299
Unutilised capital allowances	132	1,391
Net gain on cash flow hedges in other comprehensive income	15	110
	1,825	1,675

23. Called Up Share Capital

	2023	2022
	£'000	£'000
Called up, allotted and fully paid		
1,000 ordinary shares of £1.00 each	1	1

24. Commitments

	2023	2022
	£'000	£'000
Capital		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	2,448	8,947
	2,448	8,947

25. Pension Costs

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

In the event that the costs of the schemes' retirement benefits are such that the cap would be exceeded, the employer has the right to unilaterally reduce the benefits. Ports of Jersey currently contribute 16% of employees' salaries to the scheme. As the Government of Jersey are legally responsible for the scheme Ports of Jersey accounts for this scheme as a defined contribution scheme. The cumulative contributions of employers and employees to the scheme as at 31 December 2023 was £3.2m (2022:£3.1m). The directors consider that no significant actuarial surplus or deficit attributable to the Ports of Jersey exists in PEPS at 31 December 2023.

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 2023 for the pre-1987 scheme.

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

During 2020 the Company open a new defined contribution pension scheme, administered by Rossborough Financial Services Ltd. The cumulative contributions of employers and employees into this scheme as at 31 December 2023 was £0.3m (2022:£0.4m).

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 2023, there were no contingent liabilities.

28. Post Balance Sheet Events

There were no new significant events affecting the company after the 2023 year end.

Corporate Information

Ultimate Shareholder

Government of Jersey

Board

Jeffrey Hume	Interim Chair
Geoffrey Spence	Interim Deputy Chair and Senior Independent Director
Nicky Dunn OBE	Non-Executive Director
Dr Jane Smallman	Non-Executive Director
Lynn Cleary	Non-Executive Director
Alun Griffiths	Non-Executive Director
Matthew Thomas	Chief Executive
Jenny Marek-Murray	Chief Financial Officer

Company Secretary

Jenny Marek-Murray

Registered Office

Jersey Airport
St Peter
Jersey JE1 1BY

Auditors

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

Bankers

HSBC
Halkett Street
St Helier
Jersey JE4 8NJ

Solicitors

Carey Olsen
47 Esplanade
St Helier
Jersey JE1 0BD

Ports Executive Team

Matthew Thomas	Chief Executive
Jenny Marek-Murray	Chief Financial Officer
Ashley Maggs	Airport Operations Director
Captain William Sadler	Harbour Master
Hannah Gleave	Chief People and Sustainability Director
Stephen King	Chief Operating Officer
Steve Hoesli	Chief Development Officer

