

Jersey Harbours Annual Report & Accounts 2010



**PORT OF
JERSEY**



**JERSEY
COASTGUARD**

› OUR KEY OBJECTIVES

- 1 Keeping the port open, welcoming and safe
- 2 Looking after our customers
- 3 Self funding and sustainable
- 4 Developing competitive commercial port, marina and shipping activities

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➤ Your Lifeline Port



2010 was a significant year for Jersey Harbours – both in the challenges faced but equally in the success it achieved. Through exceptional performance over the last five years within a tough economic climate, the transformation into three modern operating brands has gone on to achieve organisational turn around, significantly surpassing financial forecasts (see page 7). This has been achieved primarily through enhancing the performance of our current operations, plus the welcomed diversity of the Jersey Boat Show.

Jersey Harbours remains a dynamic organisation, led by a professional and committed performance leadership team and a dedicated workforce. The establishment of a Harbours Advisory Group proved a great success, working comfortably alongside the management team to provide a focused and independent advisory group on strategic matters. The worthiness of such a group's influence has led to the subsequent evolution into a joint Shadow Board to oversee both Jersey Harbours and Jersey Airport as integration between the two organisations is anticipated.

The fact remains Jersey Harbours continues to be the Island's lifeline, with almost 99.6% of essential goods entering through the Port of Jersey. Despite these challenging times, passenger numbers continue to rise and are up by 3% on 2009. The same can be said for visiting yachts and their crew, with once again significant increases over recent years.

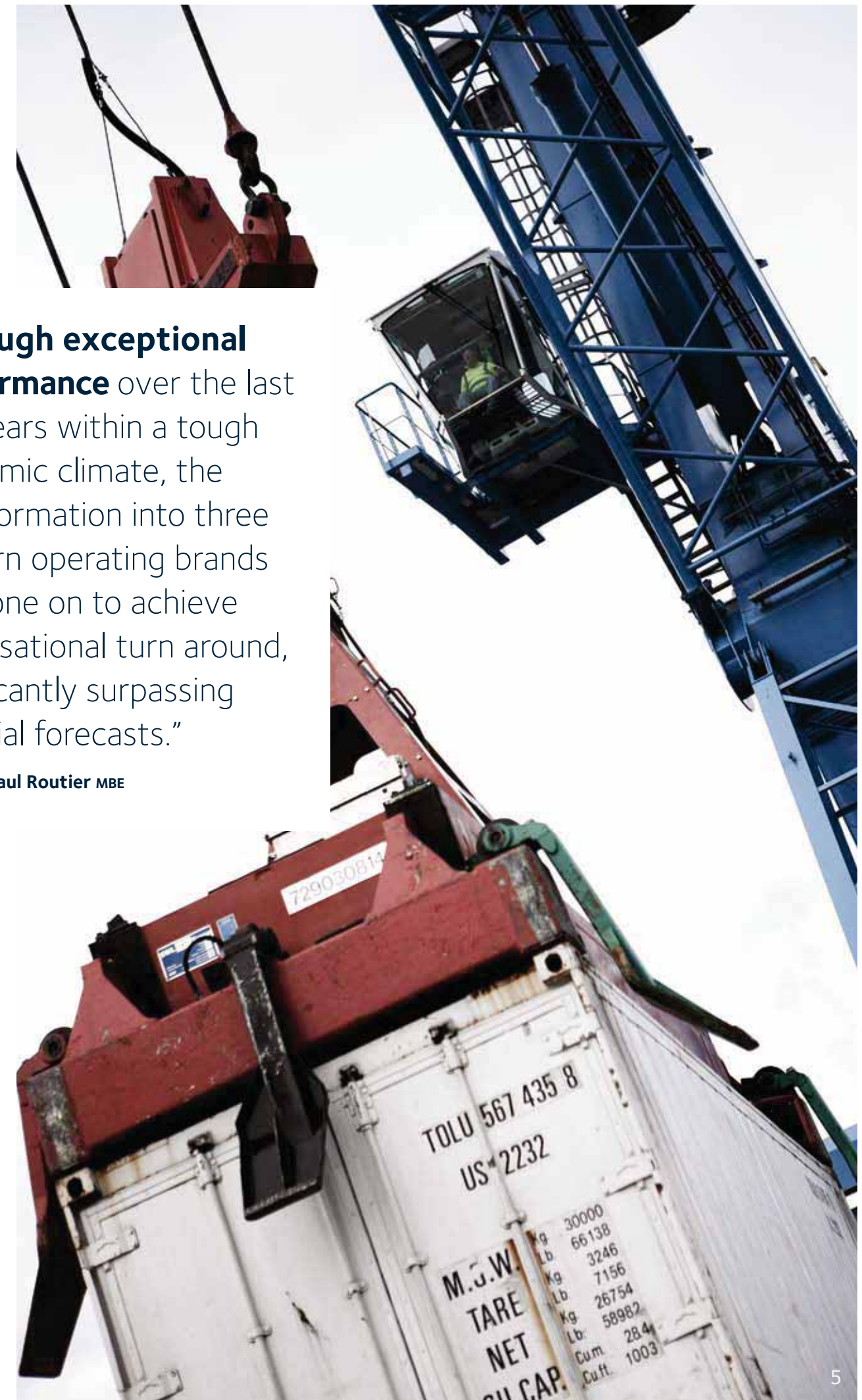
Although a trading entity of the States, Jersey Harbours, like many other departments, is taking positive steps to reduce its overheads and financial commitments. Our headcount remains on a par with 2009. At the same time we are encouraging new interest in the marine leisure industry and actively supporting new initiatives such as the Port of Jersey's apprenticeship programme as well as the merchant navy cadetship programme in association with Trinity House. Both of these schemes have had notable success in 2010 and this will continue in the future.

The Barclays Wealth Jersey Boat Show continues to exceed our expectations and received a welcome boost thanks to the sponsorship support offered to it in 2010. Another successful year concluded for the Boat Show when it received recognition from the Chartered Institute of Marketing (CIM), winning the overall accolade for Best Integrated Marketing Campaign of the Year. Who could have imagined that in such a short space of time this free community event would grow so significantly, welcoming in excess of 30,000 visitors and now sitting comfortably alongside other well-established boat shows such as Southampton and Paris.

At a time when we reflect upon the successes of a previous year it is also an opportunity to look forward to the challenges that face us in the future. Integration with colleagues at Jersey Airport offers up a number of challenges across both organisations. Major capital works to improve both our commercial port and marine leisure facilities continue, as does the need for us to remain a safe and compliant organisation, ready and able to face what lies ahead and a commitment to investing in our future.

Senator Paul Routier MBE

Assistant Minister for Economic Development with responsibility for Harbours and Airport and Assistant Minister, Chief Minister's Department



“Through exceptional performance over the last five years within a tough economic climate, the transformation into three modern operating brands has gone on to achieve organisational turn around, significantly surpassing financial forecasts.”

Senator Paul Routier MBE

Our Performance

PROGRESS IN A CHANGING WORLD: The 2006-2015 Strategic Analysis in Context



In late 2005 the then Harbours and Airports Committee made a strong recommendation that Jersey Harbours should become a "wholly States owned Limited Company". This recommendation, which the Committee believed would

offer "best value for the Jersey tax-payer", was based on an extensive report prepared by Deloitte, and a subsequent detailed ten-year strategic analysis and cost benefit analysis driven by members of the Jersey Harbours management team.

While the clear recommendation for incorporation has not yet been acted upon, I am pleased to report that this has not stopped Jersey Harbours from leading and delivering significant activity to ensure its current and future viability as a corporate entity.

It is now five years since the 2006, ten-year business plan was developed as a result of the strategic and cost-benefit analysis that were put in place. At this 'half-way to 2015' point, it is appropriate to consider how much has been achieved and how the successful effort put into the last five years significantly shape opportunities for the future.

The Status Quo: The strategic analysis plainly showed that without successful re-alignment of costs, income and expenditure Jersey Harbours would, by 2009, be into a negative cash balance and require financial support from the States to continue operating; this was perceived as the 'Status Quo'.

Modernisation: Avoiding this potential demand on States resources and to ensure that new commercial objectives could be met required direct, immediate and often difficult change. This modernisation ranged in scope from the development of a fully effective executive Leadership Team to drive performance, introduction of new ways operate and relate with our customers, through to identifying and maximising new commercial opportunities such as the successful Jersey Boat Show, now in its fourth consecutive year. The effective branding of our key business divisions with associated financial transparency and commercial objectives underpinned all activities.

Transformation and Turnaround: The table opposite, adapted from the 2005 Strategic Analysis, shows the

anticipated Status Quo position in 2010 and 2015 and details how Jersey Harbours has responded to this challenge through successful modernisation. Using cash balance as a broad but effective indicator, the five-year position (2010) shows a considerable change in fortunes from a forecast deficit to a significant, positive balance. It equally shows that the 10-year (2015) cash balance target has already been surpassed.

Some particular elements of the 2006 analysis have not yet been fully acted upon. The analysis stated that "the single most influential element of the business plan and Cost Benefit Analysis is the management and development of our estate". Progress on this has been piecemeal largely due to the complex nature of the States property and land holding as well as the long-term planning required to ensure the port always, now and in the future, has room to operate. The port masterplan was reviewed in 2009/10, paying particular attention to Marine Leisure and identified clear benefits over costs with associated increases in revenue. Specific premises have been vacated, but as yet it has not been possible to realise the anticipated resultant income streams. For example, defining the harbour estate, balancing tariffs with pay awards, and agreeing the policy for Heritage funding are similarly broad-ranging and challenging.

Significantly exceeding the levels of benefit that were forecast in 2006 in half the projected time is notable and clearly demonstrates what should be achieved in future years given the potential of known opportunities. With the creation of the Jersey Harbours Advisory Group in 2009 (now superseded by the Harbours and Airport Shadow Board), I further strengthened our governance and provided the initial impetus to develop and deliver against these opportunities.

My personal thanks must go to the team at Jersey Harbours who together have performed exceptionally, leading the transformation and turn around of our operational and financial performance, positioning Jersey Harbours as a dynamic, modern and viable organisation.

Captain Howard Le Cornu
Chief Executive Officer, Jersey Harbours

PERFORMANCE 2005-2010

| Cash Balance (Trading Fund) | Forecast | Achieved |
|-----------------------------|----------|----------|
| 2010 | -£1.5m | £14.06m |
| 2015 | £6.0m | |

Keeping the Port open and safe

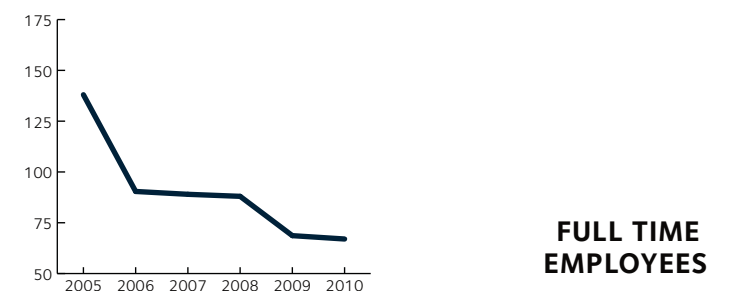
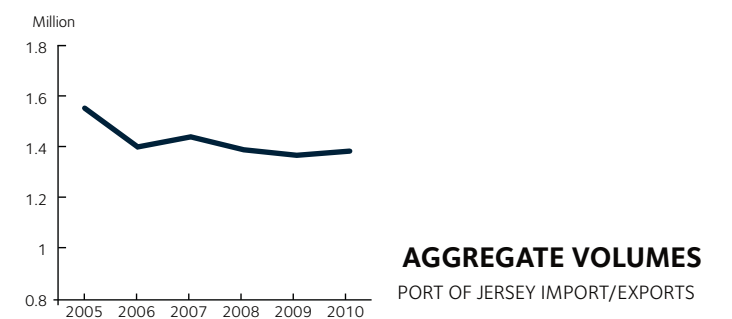
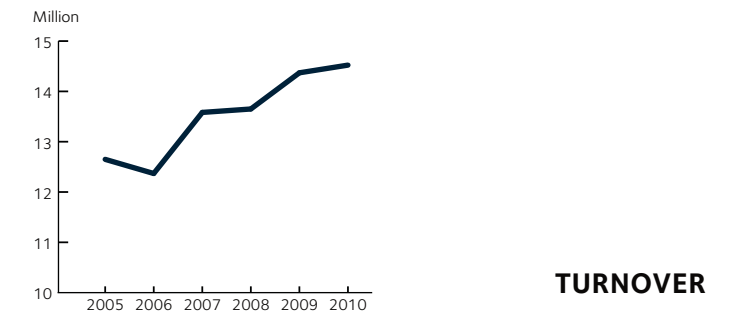
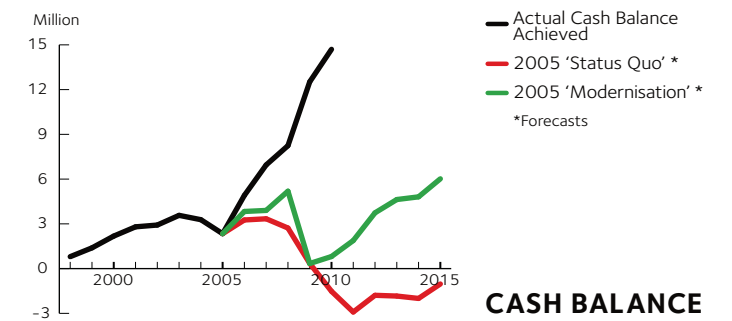
- Highest standards of compliant safety management systems (PMSC, ISPS, BS OHS18000)
- Role of Maritime Regulator created and separated
- Jersey Radio/Port Control reformed to Jersey Coastguard, training to highest professional standards
- Refurbishment of Passenger Terminals
- Introduction of non-exclusive stevedore licences
- Transfer of specialist engineering services to Transport and Technical Services

Self Funding and Sustainable

- Implementation of GAAP Accounting
- Over 50% reduction of headcount to 68 (May 2010); (forecast <20% reduction)
- Broad alignment of existing tariffs to OMV or cost
- Consistent application of RPI+ related harbour charge increases
- Introduction of new revenue streams
- Alignment of existing rental incomes to cost and/or market value
- Intensive value re-engineering of all capital expenditure programmes reducing infrastructure costs

Looking after our Customers and Growth

- Creation of three operating brands and P&L's and associated financial transparency/funding policies
- Master plan for Marine Leisure
- Introduction of non-exclusive stevedore licences
- The introduction and consolidation of the Jersey Boat Show
- Vacated La Folie and other areas for development
- Vacation and rental of additional commercial space
- The creation of a one-stop shop for Jersey Marinas



Source: States of Jersey Financial Accounts 2005-2010

➤ A Professional Port

A PROFESSIONAL TEAM

Jersey Harbours is led by an Executive Team made up of the CEO/Harbour Master, Commercial Director, Finance and Business Resource Director, Technical Services Manager and the Deputy Harbour Master, reporting to the Assistant Minister for Economic Development.



HOWARD LE CORNU CEO / Harbour Master

Howard became Harbour Master in April 2001. He began his maritime career as a cadet in 1977 with Blue Star Line, where he worked until the late 80s. He is a former Master with British Channel Island Ferries and Wightlink, Isle of Wight Ferries and Hi-Speed Operations Manager with The Red Funnel Group. Whilst retaining his Harbour Master position he became Chief Executive of Jersey Harbours in July 2005. He holds an MBA in Strategic Management.



MYRA SHACKLADY Commercial Director

Myra joined Jersey Harbours from Milford Haven Port Authority, the third largest port in the UK, in 2007 as Commercial Director. A P&O Group Management graduate, her career has spanned over 35 years in the marine industry, having worked for several major shipping companies in a variety of senior positions, in Sales, Marketing, Terminal, Marine and Port operations in both the UK and Europe. As a Director, Myra has responsibility for Profit & Loss Accounts as well as Brand for Port of Jersey and Jersey Marinas.



ANDREW BOUSTOULER Finance and Business Resource Director

Andrew qualified as a Chartered Certified Accountant in 2001. He joined Jersey Harbours from Jersey Airport and was appointed to his current position in 2007 and has responsibility for Finance, IT, Property and Business Compliance. Immediately prior to joining the States of Jersey he was employed by a local law firm having been Called to the Bar in 1998.



RAY HINE Technical Services Director

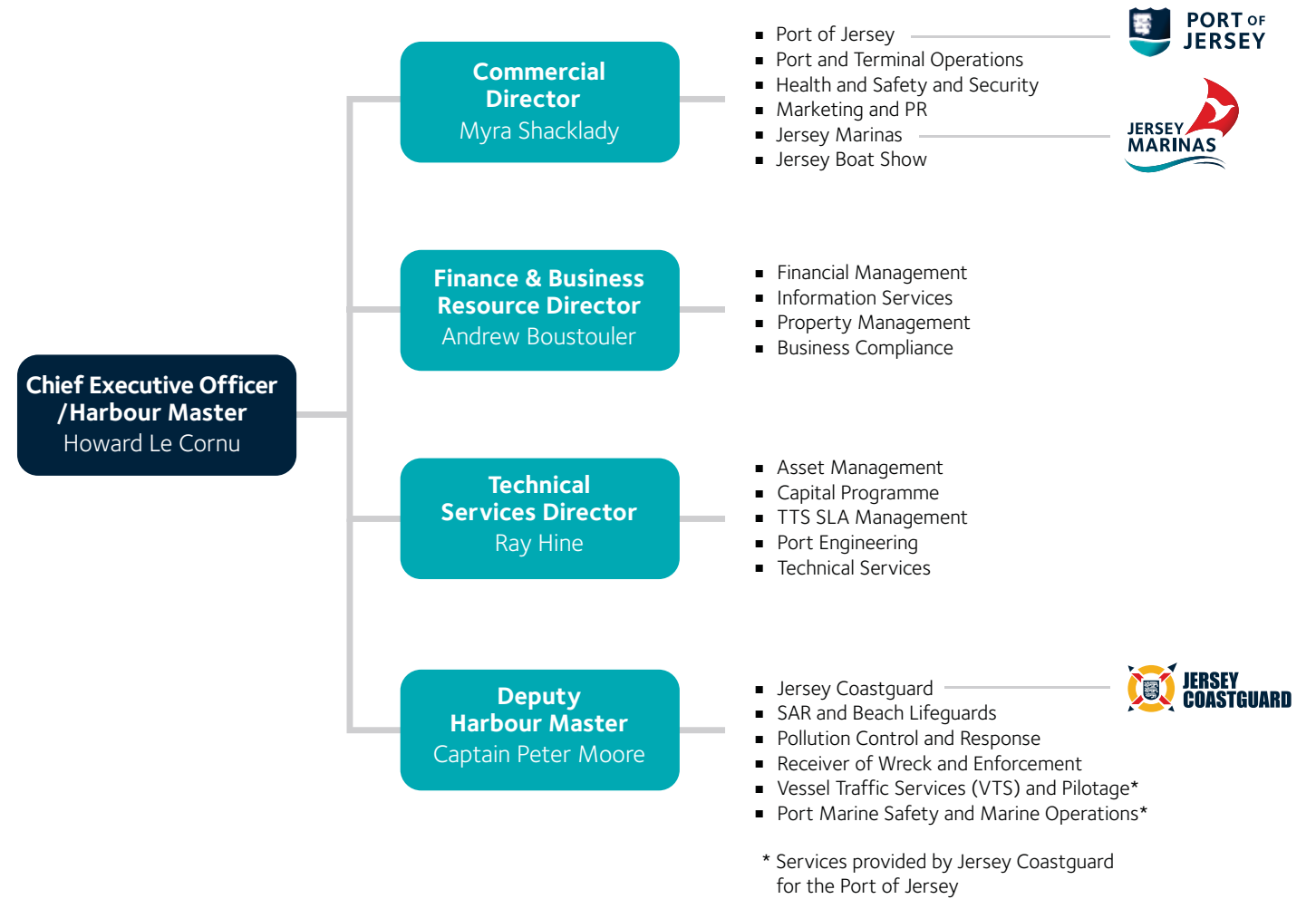
Originally from New Zealand, Ray has almost 30 years experience travelling the world working on complex projects in Australasia, South East Asia, the Middle East, Africa and Europe. A civil/structural engineer he joined Jersey Harbours in 2009 as Technical Services Manager and, in 2010, joined the Executive Team.



CAPTAIN PETER MOORE Deputy Harbour Master

Peter joined Jersey Harbours in 2002 as an Assistant Harbour Master and Pilot. He was promoted to Deputy Harbour Master in 2006. He first went to sea as a deck cadet with Blue Star Line in 1970; this was the start of a 32 year career at sea of which 12 years were spent in command. He was a customer of the Port for over 18 years having worked for both Commodore Shipping and Condor Ferries. Peter has responsibility for Profit & Loss Accounts for Jersey Coastguard.

➤ ORGANISATION CHART



Our Vision

To provide modern Port, Marina and Coastguard services with guaranteed long-term viability

Jersey Harbours is a designated States of Jersey Trading Operation. As such, the organisation is charged with the administration, management, operation, financing, development and maintenance of the harbours of Jersey and their associated facilities.¹

The organisation has a responsibility to make a contribution to the income of the States of Jersey. This sum is agreed annually with the States Treasury.²

Under Ministerial Government, the Economic Development Department has responsibility for all areas of economic policy and development in Jersey, including agriculture, fisheries, tourism and finance. It also has an overview of policies that may affect the harbours and airport, air and sea links, and postal and telecommunications services. It also oversees consumer and regulatory services.

Jersey Harbours is split in to three divisions:



PROVIDING A MODERN COMMERCIAL PORT WITH LONG-TERM VIABILITY

Within the harbours and territorial waters of Jersey, Jersey Harbours is entrusted with the:

- Administration of harbours and territorial waters including the upkeep of heritage harbours
- Putting into effect legislation relating to shipping and sea navigation
- The same power of detention and arrest and enforcing the maintenance of public order as possessed by a Centenier³

Further operational responsibilities of the Port of Jersey are to:

- Administer the International Ship and Port Security Code
- Remove vessels from the harbour
- Regulate vessel movements within the harbour
- Loading and discharge of cargo
- Circulation of traffic and parking on any harbour
- Maintain order and control the movements of persons and vehicles on any harbour⁴



INTERNATIONALLY RECOGNISED AS A LEADING MARINE LEISURE DESTINATION

Jersey Marinas comprises the Five Gold Anchor award-winning Elizabeth, St Helier and La Collette Marinas totalling approximately 1,000 berths. We offer a boat parking service to both boat owners and marine traders by providing the services of 65 and 25 tonne hoists.

Jersey Marinas' staff are responsible for the day-to-day management of the marinas and outlying harbours. They allocate berths, issue winter and annual contracts, maintain waiting lists and manage the arrival of 7,900 visiting boats each year; assisting them in berthing and providing tourist information.



ENSURING SAFER LIVES, SAFER SHIPS AND CLEANER SEAS

Differing from some other jurisdictions, Jersey Harbours is also entrusted with the role of the Coastguard, which includes:

- Preservation of life and vessels at sea
- Take or co-ordinate measures to prevent, reduce and minimise the effects of marine pollution
- Receiver of wreck – salvage, jetsam, flotsam, lagan and derelict vessels⁵
- Being the competent authority for maritime security and applying measures to enhance this⁶

¹ Public Finances (Transitional Provisions – States Trading Operations (Jersey) Regulations 2005
² Public Finances (Jersey) Law 2005
³ Harbours (Administration) Law 1961, as amended
⁴ Harbours (Jersey) Regulations 1962, as amended
⁵ Shipping (Jersey) Law 2002 (articles 185, 186 and 188)
⁶ Community Provisions (Ship and Port Facility-Security) (Jersey) Regulations 2004 (Regulations 4 & 5)



AT A GLANCE 2010 2009

| | | |
|---|-------------|-------------|
| Turnover ¹ | £14,522,000 | £14,143,000 |
| Total Passengers | 755,000 | 730,000 |
| Total Cars | 127,000 | 120,000 |
| Total Freight (tons) | 500,000 | 516,000 |
| Total Visiting Yachtsmen | 23,200 | 21,400 |
| Average Days Stayed | 2.2 | 2.3 |
| Total VTS Traffic Reports | 3,521 | 4,271 |
| Response Time (from Jersey Coastguard in minutes) | 7.5 | 9.2 |

Note

¹ Turnover excludes interest received on Trading Fund balances as this is not deemed to contribute to Operating Profit. Interest Receivable is identified separately and included in Retained Profit.



► Our Objectives

All of the activities detailed in this report demonstrate successful movement towards our objectives for 2010 leading us in to 2011, which are:

OBJECTIVE 1

To keep the Port open and safe, protecting the long-term interests of end-users of the services and facilities

- Compliance with the Port Marine Safety Code, and security and other maritime legislation.
- Review organisational risk register that also demonstrates effective contingency and crisis management.
- Maintain, so far as is viable, an open port, berths and associated facilities.
- Quality operational management that secures the asset base to ensure long-term viability, and an open and safe port.
- Repositioning and public awareness of the Coastguard.
- Ensure port master-planning meets the long-term needs of the Trading Operation and designated port operational area.

States Strategic Plan Priorities: 2, 10

OBJECTIVE 2

To satisfy all current and prospective demands for commercial and community services and facilities to meet the needs of all customers

- Review tariff structure in-line with the commercial objectives and economic criteria, with appropriate and balanced tariffs.
- Increase the number of boats, berths and associated ancillary businesses and develop associated facilities in direct support of the marine leisure industry.
- Customer user groups for each business segment to enable constant consultation and co-ordination, adding value to all services.
- Alignment with the UK Coastguard through audits and benchmarks.
- Develop and train staff skills to UK Coastguard and VTS standards.

States Strategic Plan Priorities: 2, 3, 10

OBJECTIVE 3

To maintain robust financial management to achieve self-sufficiency, and positively contribute to Jersey's economic development

- Establish effective governance, leadership structure and accountability with Economic Development Department and Treasury ensuring commercial separation, economic partnership and operating effectiveness.
- Clear financial management plans indicating long-term view on sustainability and funding.
- Develop and prioritise existing and new business streams and infrastructure, encouraging new enterprise with innovation and entrepreneurship.
- Funding review of Coastguard and other community functions with agreed policies.

States Strategic Plan Priorities: 2, 3, 10

OBJECTIVE 4

To promote competition, efficiency, economy and effectiveness in commercial activities connected with port and shipping services

- Port of Jersey – to provide a gateway to the Island for visitors and local residents travelling by sea, and freight imported and exported, and ensure sufficient surplus to allow strategic long-term investment and a return to the States of Jersey, meeting stakeholder expectations.
- Jersey Marinas – to provide profitable marine leisure facilities and services, and to support local ancillary industries so that Jersey is positioned as a top Northern European marine leisure destination.
- Jersey Coastguard – keeping the Island's territorial waters open, safe and clean, meeting our international obligations and offering a value for money service to government.

States Strategic Plan Priorities: 2, 3, 10



› Our Employees

Jersey Harbours employed 68 direct employees as of the 31st December 2010 and incurred reduced staff costs of £3,752,937 which includes pensions, social security payments, temporary staff and seasonal cover.

EMPLOYEES ARE RESPONSIBLE FOR:

- Marine leisure services, which administer and maintain approximately 1,000 marina berths together with all outlying harbours moorings and over 20,000 visiting yachtsmen and 7,500 yachts every year. They are also responsible for managing boat park and hoisting operations.
- Jersey Coastguard services which operate a 365 day, 24hr 'bluelight' service. They also provide pilotage and vessels conservancy.
- Port Operations staff oversee the safe running of the port, including the Vessel Traffic Service (VTS), which is manned by Jersey Coastguard.
- Additional services such as engineering, property management, human resources, corporate support, finance, compliance, marketing and communications make up the remaining employees within the Port.

COMMUNICATION

We strive to ensure that all staff are fully aware and understand initiatives and policies relating to the successful operation of the Port. We distribute regular online communication to all staff and endeavour to hold quarterly staff briefings.

TRAINING

Staff are encouraged to study for relevant professional qualifications and are also given the opportunity to apply for courses offered by the States of Jersey Learning and Development Department.

APPRENTICESHIP SCHEME

Two recruits were selected from a short list of ten candidates as part of Port of Jersey's land-based four-year apprenticeship programme, launched in 2009. The candidates have been given unrivalled exposure to the inner workings of Jersey Harbours, covering all aspects of the department's work, including Port Operations, Marine Leisure, Jersey Coastguard and the States tug Duke of Normandy. Training is being provided for each area of work, enabling them to gain professional qualifications such as first aid, the VHF operator's licence, navigation skills and RYA Day Skipper.

TRINITY HOUSE CADETSHIP PROGRAMME

The cadetship programme, kindly supported by Trinity House, follows a two-year foundation degree programme at a residential nautical college in the UK providing practical competence both at college and at sea. In September 2010, Jersey's first ever Trinity House Cadetship candidate was accepted by the world-renowned maritime organisation.

STARTERS/LEAVERS

In 2010 there were five new starters, five leavers and eighteen seasonal staff, which includes the Beach Lifeguards who are managed by Jersey Coastguard and funded by the Economic Development Department.



› FACTS AND FIGURES

| | 2010 | 2009 | 2008 |
|----------------------------|-------|-------|-------|
| Average Headcount | 74 | 77 | 81 |
| Staff Costs (£,000) | 3,753 | 3,798 | 3,790 |
| Training Spend/Staff Costs | 1% | 1.2% | 1.4% |



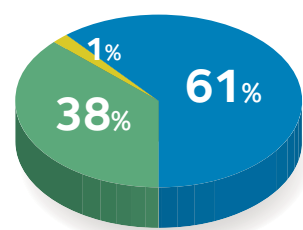
› EMPLOYEES WORKING AT JERSEY HARBOURS

| | PORT OF JERSEY | JERSEY MARINAS | JERSEY COASTGUARD |
|----------------------------|----------------|----------------|-------------------|
| Total Full Time Employees* | 39 | 17 | 12 |

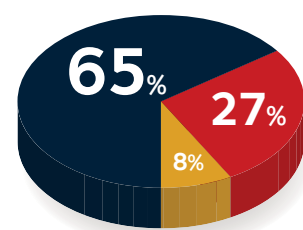
*At 31st December 2010

Financial Performance

INCOME ANALYSIS

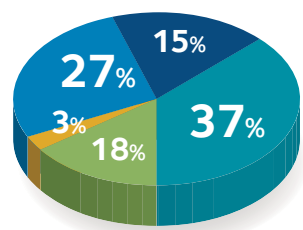


- Sales of Services
- Hire and Rentals
- Other

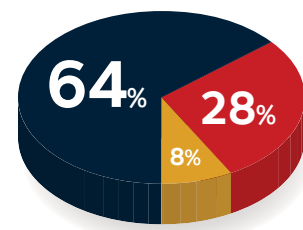


- Port of Jersey
- Jersey Marinas
- Jersey Coastguard

EXPENDITURE ANALYSIS



- Staff Costs
- Supplies and Services
- Premises and Maintenance
- Depreciation
- Other



- Port of Jersey
- Jersey Marinas
- Jersey Coastguard

2010 AND 2009 CONSOLIDATED PROFIT & LOSS ACCOUNT

| | NOTE | 2010 | | 2009 | |
|---|------|--------------|--------------|-------------|-------------|
| | | £ | £ | £ | £ |
| Turnover | 1 | | 14,522,000 | | 14,143,000 |
| Cost of Sales | 2 | | (8,085,000) | | (6,961,000) |
| Gross Profit | | | 6,437,000 | | 7,182,000 |
| Operating Expenses | | (3,509,000) | | (3,452,000) | |
| Depreciation | | (2,534,000) | | (2,626,000) | |
| Impairment | | (12,457,000) | | | |
| | | | (18,500,000) | | (6,078,000) |
| Operating Profit | | | (12,063,000) | | 1,104,000 |
| Profit on Sale of Fixed Assets | | 204,000 | | | |
| Interest Receivable | | 109,000 | | 226,000 | |
| Interest Payable/Return to States of Jersey | | (203,000) | | (442,000) | |
| | | | 110,000 | | (216,000) |
| (Loss)/Profit for the Financial Year | | | (11,953,000) | | 888,000 |

| KPIs | 2010 | 2009 |
|---------------------------|-------------------|-------|
| Gross Profit/Turnover | 44.3% | 50.8% |
| Operating Profit/Turnover | 2.7% ³ | 7.8% |
| Staff Costs/ Turnover | 25.8% | 26.9% |

Notes

- 1 Turnover excludes interest received on Trading Fund balances as this is not deemed to contribute to Operating Profit. Interest Receivable is identified separately and included in retained Profit.
- 2 Cost of sales represents operating costs, excluding depreciation and Indirect Support Costs, for example Finance, HR, IT, etc. These are designated Operating Expenses and shown separately.
- 3 Excludes impairment.

➤ Financial Performance

➤ 2010 BALANCE SHEET AS AT 31st DECEMBER 2010

| | 2010 | | 2009 | |
|--|-------------|-------------|-------------|-------------|
| | £ | £ | £ | £ |
| Fixed Assets | | 93,670,000 | | 104,510,000 |
| Current Assets | | | | |
| Debtors | 1,093,000 | | 1,319,000 | |
| Balance due from Consolidated Fund | 14,637,000 | | 12,493,000 | |
| Cash at Bank and in Hand | 62,000 | | 31,000 | |
| | 15,792,000 | | 13,843,000 | |
| Current Liabilities | | | | |
| Creditors (falling due within one year) | (1,728,000) | | (1,355,000) | |
| Net Current assets / (Liabilities) | | 14,064,000 | | 12,488,000 |
| Total Assets Less Current Liabilities | | 107,734,000 | | 116,998,000 |
| Creditors (falling due after one year) | | - | | - |
| Net Assets | | 107,734,000 | | 116,998,000 |
| Reserves | | | | |
| Accumulated Revenue Reserve | | 104,997,000 | | 116,949,000 |
| Revaluation Reserve | | 2,587,000 | | - |
| Capital Grant Reserve | | 150,000 | | 49,000 |
| | | 107,734,000 | | 116,998,000 |



“Our lifeline port is no overstatement. 99.6% of goods arriving into the Island enter through the Port of Jersey.”

Myra Shacklady
Commercial Director



Port of Jersey

PORT OF JERSEY: PASSENGERS, FREIGHT AND FUEL

The Port of Jersey is Jersey's lifeline to the outside world with 99.6% of all goods arriving in the Island entering through the port.

Today's passenger ferry operators expect a modern, fast, safe and efficient turnaround of their vessels, with the provision of appropriate security, customs and immigration services.

The commercial operations of the Port of Jersey ensure that the port's passenger, freight and fishing operators are able to run their activities efficiently. Port of Jersey makes a financial return that supports the re-investment in facilities and infrastructure.

In 2010, freight movements handled by Port of Jersey equated to imports of 412,000 tons and exports of 87,000 tons as well as 755,500 passenger movements. The fishing industry continues to play an important role and is a significant factor in the economic life of the Island.

Freight revenues from the Port of Jersey continue to fund Jersey Coastguard.

ACHIEVED IN 2010

- Incentive packages with ferry operators
- Refurbishment of Elizabeth Terminal
- Implemented new security contract
- Re-launched upgraded website
- Upgraded tanker berth mooring facilities
- Upgraded public lighting
- Re-engined Pilot Boat RIVAL
- Completed refit of the Duke of Normandy
- Carried out crane study to ensure optimum use of existing assets and determined future requirements
- Repaired New North Quay deck and crane rails
- Repaired Maritime Museum walls and stabilised foundations

KEY ACTIVITIES AND ACTIONS IN 2011

- Ferryspeed warehouse
- Elizabeth Trailer Park Reconfiguration
- Elizabeth Terminal Security (phase 4)
- Increased CCTV security
- Substation upgrades
- Offshore beacons
- Improve public lighting
- Replace X-Ray equipment
- Upgrade seating and carpet at Elizabeth Terminal



FACTS AND FIGURES

| PASSENGER BREAKDOWN | 2010 | 2009 | 2008 |
|---------------------|----------------|----------------|----------------|
| UK | 190,000 | 188,500 | 170,000 |
| Inter Island | 104,000 | 105,500 | 98,500 |
| France | 460,000 | 434,000 | 460,000 |
| Other | 1,500 | 2,000 | 3,500 |
| Total | 755,500 | 730,000 | 732,000 |

| CAR BREAKDOWN | 2010 | 2009 | 2008 |
|---------------|----------------|----------------|----------------|
| UK | 59,000 | 58,000 | 50,000 |
| Inter Island | 9,500 | 9,000 | 8,000 |
| France | 59,000 | 53,000 | 63,000 |
| Total | 127,500 | 120,000 | 121,000 |

| FREIGHT MOVEMENTS (tons) | 2010 | 2009 | 2008 |
|--------------------------|----------------|----------------|----------------|
| RoRo | 277,000 | 281,000 | 273,500 |
| LoLo | 118,000 | 114,000 | 136,000 |
| Fuel | 104,000 | 121,000 | 117,500 |
| Total | 499,000 | 516,000 | 527,000 |



Shipping Services

There were three ferry companies operating from the Port of Jersey during 2010. Condor Ferries operated regular crossings from Jersey to the French port of St Malo and on the northern route to Portsmouth, Weymouth, Poole and Guernsey. Manche Îles Express operated services to Carteret, Granville, Guernsey and Sark. Compagnie Corsaire operated a seasonal foot passenger service from Jersey to St Malo (from April until September). Huelin-Renouf Shipping and Channel Seaways operated LoLo services from the UK to the Channel Islands, France and Holland.

PASSENGER AND FREIGHT VESSELS:

CONDOR FERRIES/FREIGHT

Commodore Clipper

A purpose built conventional freight/passenger vessel operating a daily (excluding Sunday), year-round service between Portsmouth and the Channel Islands.

Commodore Goodwill

A purpose-built conventional freight vessel operating a daily service between Portsmouth and the Channel Islands and a weekly connection between the UK, Channel Islands and France.

Condor Vitesse, Condor Express and Condor Rapide

Operated by Condor Ferries between the south coast ports of Weymouth and Poole to the Channel Islands and France. The vessels are up to 86m long and primarily carry passenger cars up to a maximum capacity of 175 and are licensed to take up to 741 passengers. Condor Rapide was introduced into service in 2010 and operates between the Channel Islands and St Malo throughout the year.

MANCHE ÎLES EXPRESS

Victor Hugo and Marin Marie

Both operated by Manche Îles Express and owned by the Conseil Général de la Manche (General Council of La Manche). These foot passenger only vessels are registered in France and operate from Normandy to St Helier, St Peter Port (Guernsey) and St Anne (Alderney), from 1 April until the 30 September and on weekends and school holidays during the rest of the year. They have a speed of 26-28 knots and cross the Channel in one hour and 10 minutes.

COMPAGNIE CORSAIRE

Jacques Cartier

Operating the St Malo to Jersey route, this is a foot passenger only service. Operated by Compagnie Corsaire, the Jacques Cartier began her service to Jersey in August 2007. She has the capacity for up to 200 passengers and operates a daily service between April and September.

HUELIN-RENOUF SHIPPING

Huelin Dispatch

Operated by Huelin Renouf, it is the third of the company's vessels to be named the Huelin Dispatch. Brought into service in 2009, it will be seen in Channel Islands waters for the next 20 years. A geared vessel (it has its own cranes) Huelin Dispatch is capable of individually lifting 35 tonne or in tandem, up to 70 tonne and is capable of carrying 167 x 20 foot containers.

Huelin Endeavour

The Endeavour was brought into service in 2009 to enhance the Island's lifeline link and is capable of carrying 132 x 20 foot containers. In addition to operating on the Jersey and Guernsey routes alongside the Huelin Dispatch, the Endeavour is the primary vessel servicing the Company's freight links to Alderney and the Port of Cherbourg.

CHANNEL SEAWAYS

This family owned shipping and logistics company has been providing the all important lifeline links between the Islands and the UK for the past 40 years with a twice weekly service. With offices in Guernsey, Jersey, Alderney, Poole and Holland offering shipping services between the UK and the Islands, it also offers a worldwide shipping service through its Dutch office.

CRUISE SHIPS:

Interest in Jersey as a cruise destination was consistent in 2010 with six cruise ships expected. However, due to inclement weather conditions a number of these cruise ships were unable to moor in Jersey waters.

The increased interest in Jersey comes as a direct result of the work undertaken in recent years to promote the Island as a cruise destination at many of the large cruise travel trade events in the UK.

Port of Jersey is an active member of 'Cruise Britain' which works collectively to encourage and promote cruising around the UK. While the number of cruise ships visiting Jersey are not particularly large in size, they do attract high calibre and high-spending passengers who take advantage of Jersey's attractions, shops and restaurants when they come ashore, bringing in noticeable additional business.

LOGISTICS OPERATORS:

FERRYSPEED

A RoRo operation, Ferryspeed has been servicing the Island for over 25 years. Specialising in temperature-controlled goods, Ferryspeed has between 20-25 trailers arriving twice a day, all year round.

PAUL DAVIS FREIGHT

A Bristol-based company delivering a daily service to every one of the UK's offshore islands including the Channel Islands, Isle of Man, Isle of Wight, Scilly Isles and the Scottish Islands.



Jersey Marinas

JERSEY MARINAS: MORE BOATS, MORE BERTHS, MORE BUSINESS

The growing popularity of boating as a major leisure activity has provided Jersey Harbours with one of its main areas of growth – revenue from this sector has doubled over the past ten years.

To meet this demand, Jersey Harbours provides berths and moorings for both local and visiting craft within the three, Five Gold Anchor, marinas as well as facilities for marine trade businesses and a large boat park at La Collette.

Jersey Marinas are also responsible for outlying harbours, moorings, piers and quays.

It is also responsible for operating the two modern boat hoists at La Collette. These cope with vessels up to 28 metres in length and 65 tonnes in weight.

Marine leisure plays a vital role in the Island's economy, both by bringing visitors to Jersey and directly supporting many local businesses. Supporting growth of the marine leisure industry in the Island is key and led to the development of the Jersey Boat Show in 2008. Three years on, this free three-day maritime festival is considered 'a must have' event by Government and the marine leisure industry and is now the third largest boat show event in the UK.

Whilst revenues have grown as a result of increased contractual berths made available to the local market through marina re-configuration, strong sales for industry at the Jersey Boat Show and higher charges levied for larger vessels, the long-term position is still significantly impacted by Jersey Marinas' obligation to fund the outlying and non-commercial, heritage harbours.

ACHIEVED IN 2010

- Ground Chain replacement in Gorey Harbour
- Re-launched upgraded website
- Audited all outlying harbour moorings
- Upgraded berth electricity supply system at St Helier Marina
- Standardised controls, forms, procedures and publications
- Completed design work relating to the replacement of all pontoons in La Collette Marina

KEY ACTIVITIES 2011

- La Collette replacement pontoons and lighting upgrade
- Buster Boat Upgrade
- Gorey Old Harbour Ground Chains
- Refurbish St Helier Marina facilities
- St Aubin's Fort and Harbour stabilisation works
- Dredging of St Aubin's Harbour
- Replace mooring chains risers and buoys of St Helier Old French Harbour
- Upgrade Wi-Fi facilities in all marinas
- Upgrade Elizabeth Marina lighting



FACTS AND FIGURES

With new marina facilities being built on the French coast, visiting vessels are set to rise. On average, visiting yachts stay in Jersey for 2 days, spending £93 per crew member, per visit.

| MARINE LEISURE | 2010 | 2009 | 2008 |
|---------------------|--------|--------|--------|
| Visiting Yachtsmen | 23,200 | 21,400 | 20,000 |
| Visiting Vessels | 7,900 | 7,500 | 7,300 |
| Average Days Stayed | 2.2 | 2.3 | 2.4 |



“Jersey Marinas continues to build on its great strengths, and has become even more dedicated to service delivery.”

Howard Le Cornu
Chief Executive Officer

Jersey Boat Show



JERSEY BOAT SHOW 2010: RIDING ON A WAVE OF SUCCESS

The third annual Jersey Boat Show in 2010, held over the Bank Holiday weekend of 1-3 May attracted thousands of islanders and visitors to the Port of Jersey and Jersey Marinas for this free festival weekend, with marine traders reporting buoyant and strong sales.

The Jersey Boat Show is now firmly established as a prominent event in the Island's extensive calendar of activity and continues to be a vital showcase for the local maritime industry. In addition to the significant benefits for tourism it is also provides a platform for Jersey to broaden its international reputation among its overseas marine connections.

the pontoons to visit the boats of all shapes and sizes, ranging from aspiring super yachts to practical power boats. While on shore, visitors were able to sample seafood and Genuine Jersey products in the newly created fisherman's village or wander around the many trade stalls along the quay offering a range of marine-based equipment and accessories.

The 2010 Jersey Boat Show attracted in excess of 30,000 visitors enjoying a free community event, which, to-date has brought in almost £11m worth of revenue for the Island's marine leisure and ancillary businesses.

In the space of just three years, the Jersey Boat Show continues to grow and flourish and with an ever-increasing profile both nationally and internationally it sits comfortably alongside more established shows such as those of Southampton and Paris.

For the first time, Jersey Marinas secured a one-year sponsorship deal with Barclays Wealth. This leading globe wealth manager and the UK's largest, is committed to investing in the communities in which it operates and viewed the partnership with the Jersey Boat Show as a key part of its Island community involvement

strategy. Over and above its valuable financial contribution, Barclays Wealth staff worked tirelessly alongside Jersey Marinas to ensure the event was a resounding success.

With more than 115 exhibitors taking part over the three days, visitors and locals alike flooded down to



OBJECTIVES

- 1 Growth of Marine Business to enhance revenues
- 2 Growth as an Industry trade show to develop the local economy
- 3 Growth of event-led tourism

FACTS AND FIGURES

| EXHIBITORS | 2010 | 2009 | 2008 |
|---------------------------------|------|------|------|
| Number of Local Exhibitors | 67 | 52 | 30 |
| Number of Off-island Exhibitors | 29 | 24 | 16 |
| Food and Beverage Suppliers | 19 | 12 | 9 |
| Total Exhibitors | 115 | 88 | 55 |

| ATTENDANCE FIGURES | 2010 | 2009 | 2008 |
|-----------------------|--------|--------|--------|
| Boat Show (estimated) | 30,000 | 20,000 | 12,000 |
| Pontoons (actual) | 12,500 | 9,400 | 7,800 |

Jersey Boat Show Exhibitors have included:



➤ Jersey Boat Show

THE ROYAL NAVY SAILS IN

It was a mark of Jersey Boat Show's significance and prestige in the European maritime calendar that the Island once again played host to the Royal Navy. The impressive 79-metre River Class Offshore Patrol Vessel, HMS MERSEY and its crew were guests of honour at this year's event. As always, it proved a popular attraction for the thousands of visitors who stepped on-board to view it throughout the weekend.

During the Boat Show weekend the vessel was presented with the Jersey Cup, which is awarded to the fishery patrol ship that has proved to be the most efficient and effective over the past year.



A WIN AT THE CIM

The 2010 Jersey Boat Show received further accolade in November 2010 when it won 'Best Integrated Marketing Campaign' from the Island's Chartered Institute of Marketing (CIM) at their annual presentation.

The awards ceremony, organised by the Jersey branch of CIM, aims to recognise, celebrate and reward the outstanding achievements undertaken by marketing organisations and local businesses throughout the year. According to the judging panel, the Jersey Boat Show "demonstrated an extremely well planned and executed marketing campaign, setting clear objectives and utilising a wide range of relevant media channels to communicate its messages."



FEEDBACK TO THE 2010 JERSEY BOAT SHOW

'It is a pleasure to be associated with the Jersey Boat Show and my officers and crew are all looking forward to giving the people of Jersey, and other visitors, a warm and traditional welcome on board when the ship is open to visit'.

Lieutenant Commander Carl Wiseman, HMS MERSEY



'The event was a great success and was attended by many local families and individuals in addition to scores of visitors. I'd like to take this opportunity

to thank both the team from Harbours and Barclays Wealth for putting on such a great event, which we should all be very proud of'.

Richard Corrigan, Director, Barclays Wealth, Jersey

'The show is now hugely popular with islanders and I think its success is based on the fact that it is a free event for all the family, appealing to all generations, whether you're an experienced mariner or not. All our traders, from the luxury to the smaller end of the market, have reported good business, reflecting the real range of opportunity in the maritime world'.

Myra Shacklady, Commercial Director, Port of Jersey

'We are very pleased to have come over for the show. Everyone here in Jersey has been very helpful and it has all been incredibly well put together. We have enjoyed the good atmosphere and it really has been a very positive experience for us'.

Ben Toogood, UK 'Windy' Sales Representative

'I am delighted with the show, particularly as even by Saturday we had sold a number of boats. The show had a lovely atmosphere with plenty of visitors and the organisation behind it was very good. Marine life is so much part of the Island and the Boat show is a great celebration of this and a fantastic promotional event'.

Bob Gallichan, Managing Director, Gallichan Marine

'I have been stopped in the street by people saying what a fantastic event and I have read all the emails from exhibitors expressing their appreciation and desire to be included next year, which is really encouraging'.

Senator Paul Routier MBE, Assistant Minister Chief Minister's Department

'Congratulations to you and your team for the way in which the 2010 Boat Show was planned and managed. Without doubt, the Jersey Boat Show now fits very comfortably into the annual event calendar as one of the Island's premier business and pleasure events'.

Simon Edsall, Managing Director, Condor Ferries



Jersey Coastguard

JERSEY COASTGUARD: WATCH, ADVISE, RESPOND

Differing from other jurisdictions, Jersey Harbours is entrusted by the States of Jersey with the role of coastguard, preservation of life and vessels at sea, which includes the 999 emergency service.

The operations room at Maritime House provides a 24-hour, 365 days a year service to both commercial and leisure vessels in port and coastal waters through scheduled information broadcasts and ad hoc communications. The Watch Officer on duty at the marine centre is also responsible for the effective implementation of emergency procedures in response to all incidents at sea (search and rescue, fire, medical or pollution) and acts as the communications link between the casualty and the various emergency agencies.

The officers coordinate the various assets available for use in search and rescue operations, including managing the RNLI lifeboats based at St Helier and St Catherine, the Beach Lifeguard Service and the Fire and Rescue Service inshore rescue craft. They can also call on the services of the other Channel Islands and French lifeboats, the Channel Island Air Search (CIAS) spotter plane based in Guernsey and rescue helicopters based in Granville and UK.

Jersey Coastguard provides the following services to the Port of Jersey:

- Vessel Traffic Services (VTS)
- Acts as an operations communications hub between ships, allied port services and customers
- Monitors aids to navigation for territorial waters
- Accepts Masters service messages to port agencies, stevedores boatmen and pilots
- 24 hour VHF for Jersey Marinas
- Receiver of Wreck

ACHIEVED IN 2010

- Aids to Navigation audit and formalised program of review and replacement
- Establishment of joint membership of OSRL with Guernsey
- Opportunity to hold joint oil spill response exercises
- Joint Harbour and Airport Emergency exercises
- Increase in use of Coastguard services for leisure industry

KEY OBJECTIVES AND ACTIVITIES 2011

- Upgrade of four offshore beacons to include IALA shapes and lights
- Purchase of new oil pollution recovery skimmer
- Purchase of new oil pollution boom
- Upgrade CH 18 weather broadcast system
- Upgrade VHF DF system at La Corbière
- Introduction of SARIS 4 and provision of associated training.
- Audit of training and operational procedures by UK Coastguard
- Audit of training and operations of Vessel Traffic Services (VTS)



FACTS AND FIGURES

| COASTGUARD IN NUMBERS | 2010 | 2009 | 2008 |
|-------------------------------------|-------|-------|-------|
| Leisure traffic reports | 3,060 | 3,246 | 2,403 |
| Commercial vessel services messages | 461 | 1,025 | 1,315 |
| Leisure vessel check in reports | 1,742 | 1,591 | 1,322 |
| Total VTS traffic reports | 3,521 | 4,271 | 3,718 |

| REPORTED INCIDENTS | 2010 | 2009 | 2008 |
|--------------------------------|---------|---------|---------|
| St Helier ALB / ILB | 32 / 19 | 45 / 27 | 30 / 25 |
| St Catherines ILB | 18 | 17 | 14 |
| Fire Service Rescue | 23 | 35 | 26 |
| CIAS | 1 | 9 | 4 |
| Other Vessels | 40 | 52 | 26 |
| States Vessels | 23 | 21 | 21 |
| Helicopters UK / HMCG / French | 1 | 4 | 3 |



➤ Safety Management and Operations Compliance

Jersey Harbours has adopted a safety management system that spans across all its operational areas. The principles of risk management underpin the system. A comprehensive set of risk assessments have been undertaken in all areas to develop policy and procedures using the 'As Low As Reasonably Practicable' (ALARP) principle. Those with lower risk factors are continuously monitored and those above are reviewed to consider additional controls. Higher risks appear on the Corporate Risk Register and those which have an impact on island maritime risk are included on the Island's Risk Register.

PORT MARINE SAFETY CODE (PMSC)

The code is not mandatory in Jersey, however Jersey Harbours have made a decision to adopt the code formally. The code was adopted in 2000, with a more structured safety management system implemented in 2002. The code was then implemented and embedded into the safety management system in 2008.

INTERNATIONAL SHIPS AND PORTS FACILITIES SECURITY CODE

This code was implemented worldwide through the medium of SOLAS XI-2 in December 2002 as a reaction to the 9/11 bombings in New York. It was adopted here in Jersey in 2004. The port was audited as compliant with the current requirements in 2009. A continual program of internal and external audits have proven compliant in 2009.

IALA/TRINITY HOUSE AIDS TO NAVIGATION STANDARDS

Port of Jersey and Jersey Coastguard are responsible to the Minister (who is the Local Lighthouse Authority (LLA)) for the provision of aids to navigation for the port and territorial waters respectively. The legislation recognises Trinity House as the General Lighthouse Authority (GLA).

BRITISH SAFETY COUNCIL (BSC) FIVE STAR ACCREDITATION

Towards the end of 2009, Jersey Harbours took the decision to obtain British Safety Council Accreditation. An initial audit was undertaken in October 2009 to determine the scope of work required to achieve this. A task force was subsequently appointed and work allocated in order to achieve the required results. The work was completed on time and following



A member of the
BRITISH SAFETY COUNCIL

a successful external audit by the BSC, Jersey Harbours was awarded a three-star accreditation in November 2010.

SMALL VESSEL INTERNATIONAL SAFETY MANAGEMENT (ISM) SYSTEM

The Small Vessel ISM System implemented by Jersey Harbours on the Duke of Normandy has continued to work throughout 2010. The system covers all aspects of safety training, familiarization, maintenance and the operation of critical systems on board. The system complements the Port Marine Safety Code and is embedded in the organisation's overall safety management culture.

➤ FACTS AND FIGURES

| PORT OF JERSEY | 2010 | 2009 | 2008 |
|--------------------------|------|------|------|
| Maritime-based Incidents | 6 | 4 | 6 |

| JERSEY HARBOURS SHORE-BASED INCIDENTS | 2010 | 2009 | 2008 |
|---------------------------------------|------|------|------|
| Lost Time Incidents /100 employees | 3.9 | 1.33 | 5.12 |
| Major Incidents | 0 | 0 | 0 |
| Fatalities | 0 | 0 | 0 |



Corporate Social Responsibility

Through our operations services and interaction with key stakeholders, we measure our impact on the environment and society.

ENERGY

We are always investigating ways to make efficiencies throughout the business. We currently run all of our navigational aids on solar power, which reduces the need to service the buoys and increases their reliability for mariners.

RECYCLING

All waste within our marinas and outlying harbours is recycled. An initiative led by our Transport & Technical Services department (TTS) enabled this to happen, as changes in their equipment meant we could offer a recycling facility to our customers.

EMPLOYEES

We encourage our employees to make a conscious decision in favour of environmental and social issues in their professional (and private) lives by adopting the Eco-Active Marine initiatives.

COMMUNITY INVESTMENT

We support our local community in a number of ways:

- We charter, free of charge, the Duke of Normandy for use in race starts for local yacht clubs.
- We permit the use of piers and quays for fetes and charitable events such as the Jersey Hospice Dragon Boat Race and Fisherman's Festival at no cost.
- We provide supporting infrastructure to achieve these and other activities.
- We directly support charities, small businesses and initiatives through the allocation of grants and sponsorship.
- In particular, we support maritime charities such as:
 - The RNLI (through the provision of Jersey Coastguard resources, port berthing and land space at no cost).
 - Channel Islands Air Search (by annual donation).
 - The Jubilee Sailing Trust and other charity vessels (through the provision of pilotage and berthing at no cost).
 - The Royal Navy (through the provision of pilotage and berthing at no cost).
 - Reduced rentals on some property leases (in return for the delivery of RYA training courses to encourage increased nautical competencies for the local maritime community).



Jersey Harbours Advisory Group

Established in December 2009, the Jersey Harbours Advisory Group (J-HAG) was appointed to help face the significant challenges from the process of developing the three businesses (Port of Jersey, Jersey Marinas and Jersey Coastguard) in the context of a substantial capital investment programme and at a time of waterfront development. Balancing the interests of a diverse range of stakeholders over the period was seen to be important and an informed structured input from a focused group of independent advisors who could build a deep understanding of the organisation helped facilitate this.

Terms of Reference for J-HAG:

- 1 To act in an advisory role to the Jersey Harbours Executive Team in developing strategy and business operations and ensuring they are subject to rigorous independent, commercial challenge in a manner which enhances governance at a pivotal time.
- 2 To use experience, skill and leadership to facilitate governance processes to contribute to an informed position on the ability of Jersey Harbours to be incorporated.
- 3 In particular, to contribute to Jersey Harbours decision making process, specifically, but not limited to:
 - Identifying, and with direction from the Economic Development Department, pursue the recommendations and opportunities as identified in the various reports (e.g. Fisher's Review 2008).
 - Identifying and analysing trends in the Port and Marinas industries and Coastguard services that may influence strategic decisions by Jersey Harbours in its engagement with industry and in addressing threats and opportunities.
 - Providing counsel on the Harbours' commercial relationships with stakeholders, which have bearing on the Harbours financial position and business sustainability.
 - Providing counsel on best practice engagement with industry to further Harbours' strategic and competitive position in the market.

strategic and competitive position in the market.

- Where appropriate, directly support Harbours' engagement with customers to optimise the relationship between them to mutual benefit.
 - Making recommendations to assure the future viability and sustainability of the Port and its businesses as the Island's strategic maritime asset, including the identification and use of appropriate performance indicators.
- 4 Develop specific recommendations to the Assistant Minister for Harbours on anything related to the future direction and governance structures for Jersey Harbours. It is anticipated that these may be taken to the Council of Ministers and/or Corporate Management Board, if appropriate.
 - 5 Undertake other appropriate roles as agreed with the Chairman from time to time.

The group evolved in November 2010 following the creation of a new joint Shadow Board for Jersey Harbours and Jersey Airport to provide strategic oversight of the two organisations. The primary role of the Board is to act in an advisory capacity to Economic Development Ministers and while it will make recommendations it does not change the political or accounting officer responsibilities.

In late 2010, the Minister for Economic Development also announced his intention to recruit a Group Chief Executive Officer to oversee all future strategic and financial structures of both Jersey Harbours and Jersey Airport.



Frank Walker OBE, Charles Clarke, Margaret Llewellyn OBE

For further details on any of the information raised in the Annual Report and Accounts 2010, please contact Jersey Harbours:

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