Inspiring a zero-carbon future

Annual Report and Accounts 2023

Jersey Electricity

Inspiring a zero-carbon future

Jersey Electricity Plc is the sole supplier of electricity in Jersey, serving over 53,000 business and residential customers. The Company's operations include the importation, transmission, distribution, generation and supply of electricity as well as a range of energy related services and solutions.

Directors, Officers and Professional Advisers

NON-EXECUTIVE DIRECTORS

Phil Austin MBE
FCIB, FCMI (Chair)

Alan Bryce
MSc, CEng, FIET

Wendy Dorman
BA, ACA

Tony Taylor
BSc (Hons)

Amanda Iceton
BA (Hons)

Kayte O'Neill
BA (Hons)

EXECUTIVE DIRECTORS

Christopher Ambler
Chief Executive
BA, MEng, CDipAF, CEng, MIMechE, MBA

Lynne Fulton
Chief Financial Officer
BA (Hons), ACCA

SECRETARY

Fiona Wilson
LLB (Hons), B Com

REGISTERED OFFICE

Queen's Road, St. Helier, Jersey

PLACE OF INCORPORATION

Jersey Electricity Plc ('the Company') and Jersey Offshore Wind Limited and Jersey Deep Freeze Limited (together 'the Group') are incorporated in Jersey.

AUDITORS

PricewaterhouseCoopers CI LLP,
37 Esplanade, St. Helier, Jersey, JE1 4XA

BANKERS

Royal Bank of Scotland International Limited,
71 Bath Street, St. Helier, Jersey

BROKERS

Canaccord Genuity Wealth Management,
PO Box 3, 37 The Esplanade, St. Helier, Jersey

REGISTRAR

Computershare Investor
Services (Jersey) Limited,
13 Castle Street, St. Helier, Jersey

Contents

Our TCFD Disclosures can be found on pages 22 - 33

How we performed in 2023

Our **Key Performance Indicators** (KPIs) are quantifiable measurements which help gauge overall performance and guides our decisions on our operations and strategy.

25
CO2 LEVEL (gCO2e/kWh)

80.3
CUSTOMER SERVICE SCORE

£125.1m
REVENUE

£14.9m
PROFIT BEFORE TAX

7.9
EMPLOYEE ENGAGEMENT SCORE

608m
UNIT SALES OF ELECTRICITY

3
LOST TIME INJURIES

4
CUSTOMER MINUTES LOST

18.8p
ORDINARY DIVIDEND PER SHARE

6.2%
RETURN ON ENERGY ASSETS (5-YEAR ROLLING AVERAGE)

Chair's Review

"We are working very closely with the government supporting the implementation of the Carbon Neutral Roadmap. Myself and Senior Managers regularly meet with the Council of Ministers."

£125.1m
GROUP REVENUE

£11.4m
PROFIT AFTER TAX

Phil Austin MBE leads a highly experienced team of Executive and independent non-Executive directors providing strategic leadership and robust corporate governance to promote the long-term success of the Company.

Performance

The Group has achieved another solid year of operational and financial performance and is strategically well-positioned for the future. Wholesale prices have eased in the last year, but they remain high in relative terms, in what continues to be a challenging economic environment.

Our Energy Business delivered a Return on Assets of 7.2% in the year, restoring the under recovery of costs from prior years and bringing the 5-year rolling average to 6.2%, within the target range of 6%-7%.

We implemented a 5% rise in tariffs in January 2023 to help keep pace with wholesale prices but, due to our strong hedged position, and coupled with contractual provisions, we have been able to significantly shelter Islanders from the recent turmoil in energy markets. However, whilst wholesale prices have recently come down, they remain well above our long term hedged position and therefore we expect further upward pressure on retail prices over the next few years.

To give customers some certainty over the coming winter, we announced a further 12% tariff rise in June, to take effect from January 2024. As we look forward to 2025–2027, approximately one third of our energy is already hedged at fixed prices and our focus now is on transitioning our customers through this difficult period, whilst keeping bills as stable and at as low a cost as possible.

Our other businesses within the Group continued to perform in line with expectations, providing consistent year-on-year returns.

The Board has recommended a final dividend for the year of 11.40p, a 6% rise on the previous year, payable on 15 March 2024.

Climate Change

In April 2022, the UK became the first G20 country to introduce legislation, making it mandatory for large businesses to disclose climate-related financial information in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. At Jersey Electricity, we have made significant progress towards establishing our net-zero strategy, together with key priorities, metrics and targets. Details of our progress are set out on pages 22-33 and throughout this report.

We are continuing to work very closely with the Government in supporting the implementation of the Carbon Neutral Roadmap, and myself and senior Managers regularly meet with the Council of Ministers to discuss key energy related issues and opportunities.

Chair's Review (continued)

"I wish to thank all our teams and fellow Board members for their hard work and dedication this past year, as well as our shareholders for their continued support."

Energy Security

This year we completed a review of our Supply Security Standard. The review was driven by the recent energy crisis, the demands of the Government of Jersey's (GoJ) Carbon Neutral Roadmap (CNR) and the French fishing dispute of 2021.

Following this review, and subject to us securing long term tenure on our site at La Collette, the Board has approved a four-year £22.6m project to enhance our on-Island emergency generation capacity at La Collette Power Station (p35).

While we continue to deploy solar PV across the Island, with a view to increasing energy sovereignty and supply diversity long-term, as well as supporting the local economy, we have at the same time continued more detailed investigations into the viability of offshore wind generation and how it might integrate into Jersey's future energy system. We are actively engaging with GoJ to determine the future approach and the role Jersey Electricity Plc (JE) should play in the development of such a project (p26).

Corporate Governance

The UK Corporate Governance Code 2018 requires the Board to set key areas of focus for the year. In 2023 these included:

- Progressing stakeholder engagement
- Building on our cultural values of employee engagement, diversity and inclusion
- Helping customers become more energy efficient to cut costs
- Investing in the network to facilitate Jersey's net-zero goal

We have made good progress in all these areas and more detail is provided throughout this report. There are also reports from the Nominations Committee, Audit & Risk Committee and Remuneration Committee on pages 80-83 and 84-87.

The Board has determined its key areas of focus for 2024 to be as follows:

1. Working with stakeholders, planning for and making demonstrable progress towards Jersey's net-zero goal, whilst continuing to reduce the Company's own carbon footprint.
2. Continue to address affordability by helping customers with energy efficiency, and delivering our products and services as sustainably, and at as low a cost as possible.

Senior Appointments

Finance Director, Martin Magee, advised us in August 2022 of his intention to retire during 2023. On behalf of the Board, I would like to thank him for his significant contribution to Jersey Electricity's success over the past 21 years, and for the advanced notice of his decision, which enabled the search for his successor to be completed in good time. We were therefore delighted to appoint Lynne Fulton to the Board on 26 July. Lynne brings valuable experience of utilities from previous positions at United Utilities and Electricity Northwest. Her knowledge of energy markets is also particularly valuable in leading our energy hedging activities and in developing our future energy sourcing and product strategy, which is of paramount importance.

We were also pleased to appoint Fiona Wilson as our new Company Secretary in July 2023. Fiona joins us from the Collas Crill Group and is a qualified lawyer. She has considerable experience gained from both in house and private practice, supporting clients on a range of legal and Company Secretarial matters, and we are already benefiting greatly from her skills.

Thank You

Throughout all the challenges during 2023, none was greater than Storm Ciaran. The impact of the storm on the Island was severe and the effect was devastating, but the Community pulled together and responded in a remarkable way. I saw at first hand the work of the Jersey Electricity teams out in the field in the immediate days after the storm and how the rest of our Staff supported them and our customers during that difficult period. They all should be very proud of the enormous contribution that they made.

Finally, I would like to thank our Executive and Non-Executive Directors and colleagues at all levels throughout the business for their continued hard work and dedication. In difficult circumstances they have exceeded expectations and Jersey Electricity is now well poised to take advantage of many future opportunities.

P. AUSTIN
Chairman
20 December 2023

"We continue to deploy solar PV across the Island, with a view to increasing energy sovereignty and long-term supply diversity."

Chief Executive's Review

Jersey Electricity continues to demonstrate great resilience during what remain challenging and uncertain times for energy companies across the globe.

Although the turmoil and soaring wholesale prices that beset energy markets last year have eased, wholesale prices are still significantly higher than historical levels and we remain in a challenging economic environment.

Despite continued and significant upward pressure on our importation costs, we have been able to greatly shelter our customers from the significant tariff rises that have been experienced elsewhere. We have also continued to invest in delivering action to support the Government of Jersey (GoJ) and its ambition to achieve net-zero by 2050.

Pricing

Our focus is on delivering secure, low-carbon electricity supplies and maintaining relatively stable and competitive tariffs now and in the future. Our contractual arrangements with EDF cover imported electricity supplies to the end of 2027 and we are already actively exploring the shape of, and options for, a new contract.

In January 2023 we implemented a tariff rise of 5%, and to provide our customers with more certainty over the 2023/24 winter period, we announced, in June 2023 a further 12% rise, effective from 1 January 2024. Even with these rises, our standard domestic tariff continues to benchmark well against other jurisdictions, in particular against the UK whose equivalent tariffs are more than 60% higher.

Around one third of our electricity requirements are hedged at largely fixed prices and our risk management policies covering power procurement and foreign exchange, coupled with price protection measures negotiated within our supply contract from France, have enabled us to secure strong, long-term hedges.

Our strategy is to import competitively priced, low carbon power from France, from nuclear as well as certified hydro-electric sources, whilst continuing to work hard to reduce the costs of island sourced renewable energy to make them viable. We are now successfully building a position in larger scale solar and actively exploring offshore wind. At the same time we are monitoring the progress of new tidal technologies to see where and how they could be test-deployed in local waters.

Financial performance

Group revenue for the year to 30 September 2023 increased year-on-year by 6.5% to £125.1m. This was largely due to an 8.3% increase in Energy revenues to £97.1m. Group Profit Before Tax of £14.9m compared to £10.6m in 2022. The profit increase is attributed to £1.3m from operations, £1.6m income from interest earnings, a rebate of £3.6m relating to prior year wholesale energy costs and following a full review, our property portfolio was devalued by £1.2m. Underlying profit before tax, after removing the impacts of the rebate and property valuation was £12.5m in 2023 against £9.6m in 2022.

£97.1m
ENERGY REVENUE
UP 8.3%

£9.3m
ENERGY BUSINESS PROFIT
(EXCLUDING REBATE FOR PAST ENERGY COSTS)

"Our focus is on delivering secure, low-carbon electricity supplies and maintaining relatively stable and competitive customer tariffs now and in the future."

Chief Executive's Review (continued)

"Our people are vitally important to achieving our Vision to inspire a zero-carbon future and none of our achievements would be possible without a committed and engaged workforce."

Financial Performance (continued)

We imported 94.9% of Jersey's electricity requirements from France, with the remainder from on island sources resulting in a carbon intensity of distributed electricity of 25gCO_2e/kWh for the financial year. We generated 0.4% of our electricity on-Island from our solar and diesel plant, with the remaining 5.1% coming from the GoJ's Energy from Waste plant. Unit sales at 608 million kWhs were down 0.8% on last year's 613 million, due to the combination of a mild winter and energy efficiency, which we have been promoting actively via our MyJE app and other measures, offsetting growth from fuel switching.

Achieving Net-Zero - Sustainable Climate Action

As our awareness of the need to act in response to a global climate emergency grows, so too does the importance of ensuring we understand how we achieve the Company's net-zero ambitions in a truly sustainable manner that adds value to our communities and our island. Our focus continues to be to help customers consume less energy and utilise smart data and innovative solutions to enhance knowledge and insight for customers. In addition, this supports the optimisation of our own transitional capital investment over the next 10 to 15 years.

The GoJ's Carbon Neutral Roadmap, approved in April 2022, sets the direction of travel for net-zero and aligns with our Vision to "inspire a zero-carbon future". The first £23m of Government funding from the Climate Emergency Fund has been secured for the first four years of the roadmap and we are pleased that funding is beginning to flow into positive action to encourage delivery of low-carbon heating and transport.

This year, at the request of the GoJ, we helped to shape the Low Carbon Heating Incentive scheme (LCHI), which launched in May 2023, and we are also managing the process of a similar grant incentive scheme to encourage uptake of electric vehicles, which launched in September 2023.

In further support of the Carbon Neutral Roadmap and in line with our Sustainability Framework 'to be leaders, working collaboratively with others in the drive to Jersey's net-zero future', we have also been working with the GoJ Decarbonisation Unit to help reduce the Government's own emissions, and we have created a joint GoJ-JE Electric Transport Working Group to accelerate electric transportation initiatives.

To further facilitate the Roadmap, we have this year successfully delivered a complex project to upgrade our Evolve public charging platform including the refresh of 54 chargers (108 charging spaces) as well as improving the customer interface, back office processes and product development capability and to future-proof the public network. Our all-inclusive home EV charging subscription service, EasyCharge, which launched in May 2022, has proved popular with customers, and won the Best Use of Innovation award at the 2023 Jersey Construction Council Awards and the UK national 2023 EVie Awards.

Renewables

We have continued to increase our solar PV generation capacity to increase energy sovereignty and diversify supplies and we aim to increase on-Island solar PV generation to 20MWp by the end of 2026. Our focus is now on faster delivery of renewables via ground-based solar using low grade agricultural land that has limited alternative uses. Our 4.9MWp array in St Clement received formal planning consent during the year and is due for construction in 2024, while a 3MWp array scheduled for Sorel on the north coast is presently being considered for planning approval. Furthermore we are continuing to make good progress in securing options on newly assessed land that is suitable for ground solar, with good grid proximity and low visual impact, and which we hope will be developed in the future.

This year we accelerated our research into offshore wind generation and have been working with independent advisors to assist us in defining the role JE should play in such a development and how this might be most helpful to the Government of Jersey. We have regularly engaged with the Government's Future Energy Group (a subcommittee of the Council of Ministers) and our partners to explore how this can be most effective.

Customer Experience

This year we have invested in technological innovation, communications and employee training to improve customer experience across the business. We are therefore delighted to have achieved our highest ever rating of 80.3 in the UK Customer Satisfaction Index (UKCSI) that benchmarks Jersey Electricity as top quartile against larger UK utilities. This score is up from 74.1 last year and well above the 71.7 average of the 35 utilities taking part.

Our People

Our people are vitally important to achieving our Vision to inspire a zero-carbon future and none of our achievements would be possible without a committed and engaged workforce. This means developing a diverse workforce and an inclusive culture where everyone feels valued, supported and developed – to achieve their full potential. This continues to be a strategic priority for the business, and I am pleased that the results of our annual Employee Engagement Survey continue to improve, this year producing a score of 7.9 which puts us towards the upper end of the median segment in the UK Energy and Utilities sector.

Outlook

Although easing, the macro-economic environment remains challenging. There continues to be very considerable geopolitical uncertainty with the continued war in Ukraine as well as conflict in the Middle East which is at great risk of escalation – driving uncertainty in the global energy complex. Whilst wholesale energy prices have eased from a year ago, they remain much higher than normal levels. Inflation and interest rates remain problematic at 40 and 15 year highs respectively and these are also driving up our costs.

Our electricity purchases are well hedged for 2024 and around one third of our expected 2025-27 requirements are hedged at largely fixed prices. Current wholesale prices in France have lowered significantly since the peak in 2022 but remain substantially higher than our current importation costs and despite our best efforts, will eventually flow into retail prices. To help mitigate these increases, Jersey Electricity will continue its efforts to be as efficient as possible as well as support customers in helping them to reduce consumption and bills – whilst at the same time creating new, attractive products and services to encourage customers out of fossil fuels into more sustainable low carbon electricity and where possible, locally generated power.

Despite the very significant uncertainty and the continued upward cost pressure, this is an exciting time for Jersey Electricity and as we enter 2023/24, it presents both challenges and opportunities. In the next twelve months we will be conducting a comprehensive review of our energy sourcing strategy including examining our strategic options post-2027 when our current contract with EDF comes to an end, and will consider the potential interplay with offshore wind post-2032.

We will continue to focus on "inspiring net-zero in Jersey" including demonstrating leadership in reducing our own emissions. This means continued investment in our network, developing new products, delivering our renewables strategy and nurturing our people and culture.

We will continue to leverage the strengths of our integrated network and business model, driving innovation through customer, digital and operations.

There is no doubt that Jersey Electricity's people, its assets and businesses are playing a central role in the community and across the island in helping to deliver the Carbon Neutral Roadmap. This represents an enormous opportunity for Jersey, to benefit islanders at a local level as well as show leadership across the international community and whilst there is a great deal still to do, we remain extremely well positioned to deliver our net-zero ambition.

Our Purpose

Our Purpose is to 'enable life's essentials' by providing the people of Jersey with secure, reliable, affordable, and sustainable electricity today and long into the future.

Our Vision

Our Vision is to 'inspire a zero-carbon future' by being the energy partner of choice whilst working to seven key success factors of that Vision.

Environment

We support the Government of Jersey's Carbon Neutral Roadmap by growing electricity's share of the energy market, reducing carbon emissions, helping to conserve resources and protect the environment.

Lifestyle

We aim to enhance Islanders' lifestyles and power the economy by providing innovative, low-carbon energy services and solutions.

Our People

We aim to be an employer of choice in Jersey, where employees are engaged, supported and developed.

Customers

We put customers at the heart of our business, giving them choice, control and value for money in a transparent and trusted way.

Technology

We aim to be leaders in the application of technology, enhancing efficiencies, unlocking new services and digitally enabling our employees and our customers.

Investors

We provide fair returns to our investors over the medium to long term.

Partnerships

We aim to be the partner of choice for the Government of Jersey and the Island's parishes, supporting all their energy needs.

Our Values

Our six core Values are key to our culture. They guide the behaviours we expect of each other as we work together towards our Vision.

Excellence

We continuously strive to work in a way that is both innovative and simple to deliver cost effective solutions.

Reliability

We are trustworthy, dependable and reliable, delivering on our commitments and always there when our customers need us.

Customer Focus

We listen to our customers and seek to understand and respond to their needs, treating them the way we would wish to be treated, with respect and honesty.

Safety

We do everything safely and responsibly or not at all – nothing is more important than the safety of the public, our customers and our people.

Responsibility

We accept responsibility for everything we do, safeguarding the natural environment and the local community, as well as the interests of all our customers and people.

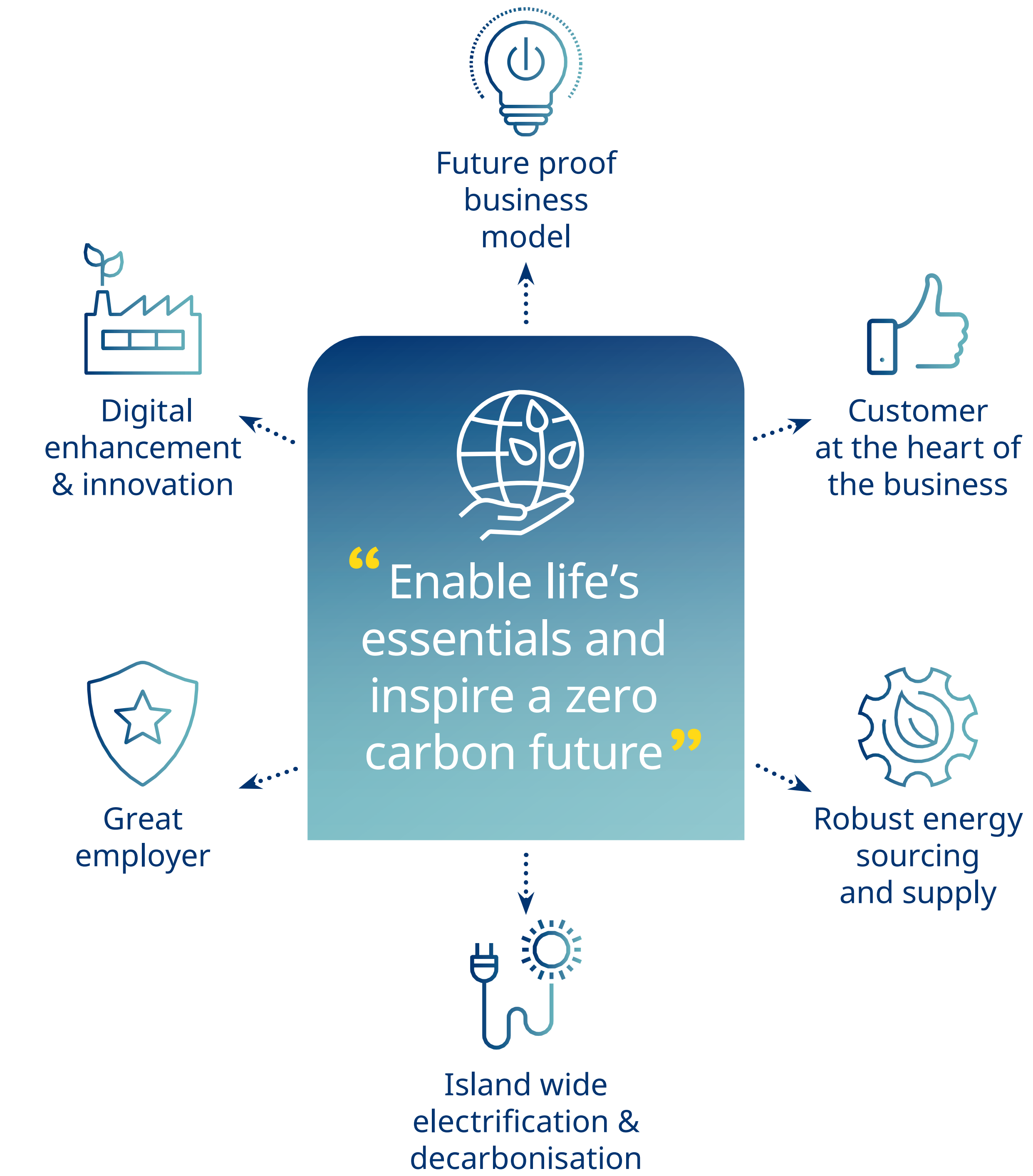
Teamwork

We value diversity and respect and value our colleagues as individuals. We believe we are stronger as a team, leading to better solutions and a more enjoyable and rewarding work life.

Our Key Strategic Priorities

Jersey Electricity's key strategic priorities are focused on delivering a safe, reliable and efficient service. We recognise our unique role in facilitating and supporting the island to achieve net zero, ensuring our business is sustainable and responsive to climate-related risks and opportunities.

Our Six Strategic Pillars:



Our strategic priorities are:

- Enable customers to convert domestic and commercial premises to value-for-money, low-carbon electric heating and cooling solutions.
- Develop affordable local renewable energy solutions.
- Provide private and public electric vehicle networks to enable a convenient solution that encourages cleaner, more efficient, electric transport.
- Provide integrated ‘beyond the meter’ services that put customers at the heart of the energy system.
- Lead in the application of technology to benefit customers by providing new and improved services and driving efficiency in our business.
- Create value for all stakeholders, by providing fair pricing for customers and fair returns for shareholders.
- Deliver a well-invested network and a highly skilled, diverse and engaged workforce committed to a zero-carbon future.

Our Business Model

Our Business	What We Do		How We Create Value
Energy Business	Generation	Our generation plant located at La Collette and Queen's Road provide resilience to the island in emergency circumstances	Our renewables strategy is focused on supporting our generation and importation strategy by developing on and off island capabilities providing additional resilience and creating long term energy stability.
	Importation	We import low carbon electricity from France through three submarine cables. This enables JE to readily access the European supply market creating resilience now and in the longer term.	
	Transmission and Distribution	Ensuring a safe and resilient service our transmission and distribution assets create long term value for all stakeholders.	Our Energy Business seeks to deliver a sustainable 'return on assets' (ROA) to our shareholders, that enables the Company to continue to invest for the future needs of our infrastructure. We target a ROA of 6%-7% over a rolling 5-year basis. Our complementary businesses operate at arm's length from the Energy Business and provide commercial services to Jersey and beyond. Our risk management framework detailed on p56 helps us meet our strategic, financial and operational objectives, enabling us to take measured risks to incentivise innovation and growth.
	Supply	Providing secure metering services and developing optimal tariff structures. Our smart meters provide accuracy and assist us and our stakeholders in understanding energy demands.	
	Beyond the Meter	Enabling customers to transition to cleaner, more energy efficient living we provide solutions to home heating, e-mobility and support our customers in being energy efficient.	
Retail	Our Retail business provides quality electrical goods at competitive prices. Our large stock means we can respond quickly to Islanders' needs and supports our smart living ambition.		
Our Other Business	JEBS/Jendev, Jersey Energy and Property provide building and consultancy services that complement our core energy and retail business.		

374
JOBS FOR ISLANDERS

c1,000
SUPPLIERS

23.6k
MY JE APP DOWNLOADS

6.2%
RETURN ON ASSETS ON 5 YEAR ROLLING BASIS

50
COMMUNITY PROJECTS

235
FUEL SWITCHES

Embedding Sustainability

As our awareness of the need to act in response to a global climate emergency grows, so too does the importance of ensuring we achieve the Company's net-zero ambitions in a truly sustainable manner that adds value to our communities and our Island.

Sustainability Framework

The UN's 17 Sustainable Development Goals (SDGs) are the global blueprint for a sustainable future.

We recognise that positive outcomes can only occur when sustainability is embedded across the organisation and our Sustainability Framework, mapped to the UN SDGs, sets out our commitments to achieving long term sustainability within our business strategy.

We are increasing the range of sustainability measurements we record and will use that data to bring efficiencies to our operational processes.

Our Island

Our strategy to import low carbon nuclear and hydro power from France has helped us to reduce emissions from the supply of electricity in Jersey by over 90% since 1990. However, it doesn't stop there. Critical to ensuring the Island's transition to net zero occurs in a sustainable way, we are continuing to develop the digitisation of our systems, leveraging smart meter data to better understand our network. This enables us to target our infrastructure investment more efficiently to support the increase in peak demand that net zero would bring.

We also recognise that sustainability means more than reducing carbon emissions. Protecting wildlife habits and increasing the biodiversity of our Island is paramount.

Following the success of our three-year woodland restoration project at Mourier Valley, we have again partnered with the National Trust for Jersey on its Green Grid project. JE employees joined volunteers from Jersey Water and JT to enhance the existing grid of over 37 miles of hedgerows by planting c1,800 hedging whips across nine fields and covering 21 field boundaries to provide wildlife corridors across the Island.

At the start of 2023, we returned to Bouley Bay to continue planting trees under the Parish Earth Partnership which aims to encourage the community to plant trees and shrubs to enhance biodiversity. Looking ahead, we will be planting a further 700 metres of whips and hedgerow at our first ground-mounted solar array in St Clement when works commence in 2024.

Community engagement and collaboration are vital for the success of these environmental projects, as is education. We are therefore proud to renew our sponsorship of the National Trust for Jersey's Education Programme by funding the Trust's full-time Education Officer for a further three years. The programme educates Jersey's young people about key environmental issues and empowers them to preserve our natural environment for generations to come. This year sessions have covered five important themes: biodiversity, seas, pollinators, woodlands and climate change.

Our Footprint

Key to improving our overall sustainability is to fully understand the extent of, and reduce, our carbon footprint. We have begun the process of baselining our current position, which involves working with suppliers and stakeholders to measure the carbon cost of completing their works. In completing this activity, Jersey Electricity will also gain a better understanding of the environmental impact of providing sustainable, affordable power to an ever-growing proportion of the Island's population. In addition, we have pledged to support and engage with our supply chain who have, or are aiming to, achieve a pathway to net-zero.

In addition, we have established a new process to remediate, contaminated soil so that it is no longer a waste product, creating a positive impact on the environment.

Just under half of our fleet is now fully electric, with the remaining vehicles set to switch to electric by the end of 2025.

Our People

We have been actively establishing and growing greater skills within the business, including our newly appointed Sustainability Business Partner and the Island's first female to qualify as a Commercial EPC Assessor.

Jersey Electricity is committed to improving the carbon literacy of every member of the workforce. This begins with accessing the Carbon Literacy Programme training scheme to raise employees' awareness and understanding. In addition, we will set in place new procedures and ways of working that reduce our overall carbon footprint across the business.

SUSTAINABLE DEVELOPMENT GOALS

Our Island

We will be leaders, working collaboratively with others in the drive to Jersey's net-zero future.

- We will seek to deliver an affordable, secure and sustainable energy supply for all islanders.
- We will provide solutions and services to enable customer and community transitions to net-zero.
- We will contribute to the regeneration of the Island's ecosystem.

7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

Our Footprint

We will achieve net-zero emissions by 2050 and inspire excellence in environmental stewardship.

- We will reduce emissions from our operations.
- We will reduce waste and drive sustainability across our business wherever we can.
- We will build a more sustainable supply chain.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

Our People

We will build a sustainable, diverse and inclusive culture, equipping our people to thrive into the future.

- We will create champions of sustainability through our culture and values.
- We will celebrate diversity, equality and inclusion in our organisation.
- We will embed health, safety and wellbeing in all we do and develop our people to be the best they can be.

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Net-Zero -
Delivering Sustainable Climate Action

Our long-term strategy is to supply clean energy services. We do this by supplying low-carbon electricity and developing innovative solutions to enable customers to make the transition from fossil fuels in a sustainable manner.

Delivering on Net-Zero (TCFD:Strategy)

Jersey already has a highly resilient, low-carbon grid, with spare capacity at all voltages. However, the growth in electricity usage to meet the Island's net-zero 2050 target is forecasted to increase peak demand by 25%.

Our focus continues to be to help customers use less energy, utilise smart data and innovative solutions to optimise the required transitional investment over the next 10 to 15 years, reducing the need for excessive network reinforcement.

Our approach to climate change is embedded within our strategic priorities. These priorities support each part of our sustainability framework, which include:

- Helping customers save energy.
- Investing in smarter living and low carbon heating solutions.
- Investing in data led technology.
- Supporting widespread use of Electric Vehicles.
- Investing in local carbon sequestration projects including tree planting.
- Developing partnerships to pursue solar and offshore wind.

Support for Government

During 2023 we have supported the government in faciltating and providing administrative services to two low carbon schemes:

- The Low Carbon Heating Incentive (LCHI) scheme launched in May 2023, which sets a target of 1000 grants to be delivered by 2025.
- Electric Vehicle Grant Scheme launched in September 2023, which supports 1,200 EV purchase and 1,000 home charger installation incentives.

To further support the Carbon Neutral Roadmap and in line with our Sustainability Framework 'to be leaders, working collaboratively with others in the drive to Jersey's net-zero future', we have also been working with the GoJ Decarbonisation Unit to help reduce the government's own emissions, and we have created a joint GoJ-JE Electric Transport Working Group.

Helping Customers Save Energy

Helping our customers save energy is a priority and our flagship energy-saving mobile application, My JE, launched in 2021, has been continuously improved to provide our customers with unparalleled energy insights. The application not only provides insight to support the business in making both operational and investment decisions, but also empowers customers to make positive changes that can really impact their energy usage.

In 2023, we introduced Pay-As-You-Go capabilities, enhanced with improved debt management information into the MyJE app and My JE now boasts over 23,602 downloads. To ensure inclusivity, we expanded its features with the launch of a web-based version, accessible via desktop computers and PCs for those without smartphones.

Further innovation is planned. We are working on an Energy Advisor, a tool that leverages machine learning to offer individualised energy recommendations based on customer consumption patterns and developing our My JE application into businesses.

Smarter Living and Low Carbon Heating Schemes

The LCHI scheme has temporarily impacted our rate of domestic fuel switches, down from our record 325 last year to 235 this year, as customers await approval of grant applications, however, we are confident of greater fuel switching success as the scheme moves forward into the new financial year.

Focus on fuel switching in the public and commercial sectors, particularly catering and hospitality, has continued with many new business leads now being evaluated.

"Our aim is to enable customers to transition to an all-electric solution at a competitive price whilst providing long term return to both customers and shareholders."

Peter Cadiou, Director of Commercial Services

TOTAL CUSTOMERS

53,343

+870 FROM 52,473 IN 2022

TOTAL CUSTOMERS ON DISCOUNTED HEATING TARIFFS

22,865

+947 FROM 21,918 IN 2022

TOTAL CUSTOMERS ON E20+

5,466

+946 FROM 4,520 IN 2022

TOTAL FUEL SWITCHES

235

-108 FROM 343 IN 2022

Sustainable Climate Action

"Our all-inclusive home EV charging subscription service EasyCharge, launched in May 2022 has proved popular with customers, with 150 installations in the first year."

Electric Transport

Home Charging

In addition to providing administration services to the GoJ for the Electric Vehicle Grant Scheme, we continue to develop innovative solutions to support customers in the transition to electric transport.

Our all-inclusive home EV charging subscription service EasyCharge, launched in May 2022, has proved popular with customers, with 150 installations in the first year. The service helps customers access convenient charging and enables us to move load from peak times to overnight off-peak periods when we have spare capacity and energy costs are lower. EasyCharge was also recognised in the 2023 Jersey Construction Council's annual awards, winning the Best Use of Innovation award.

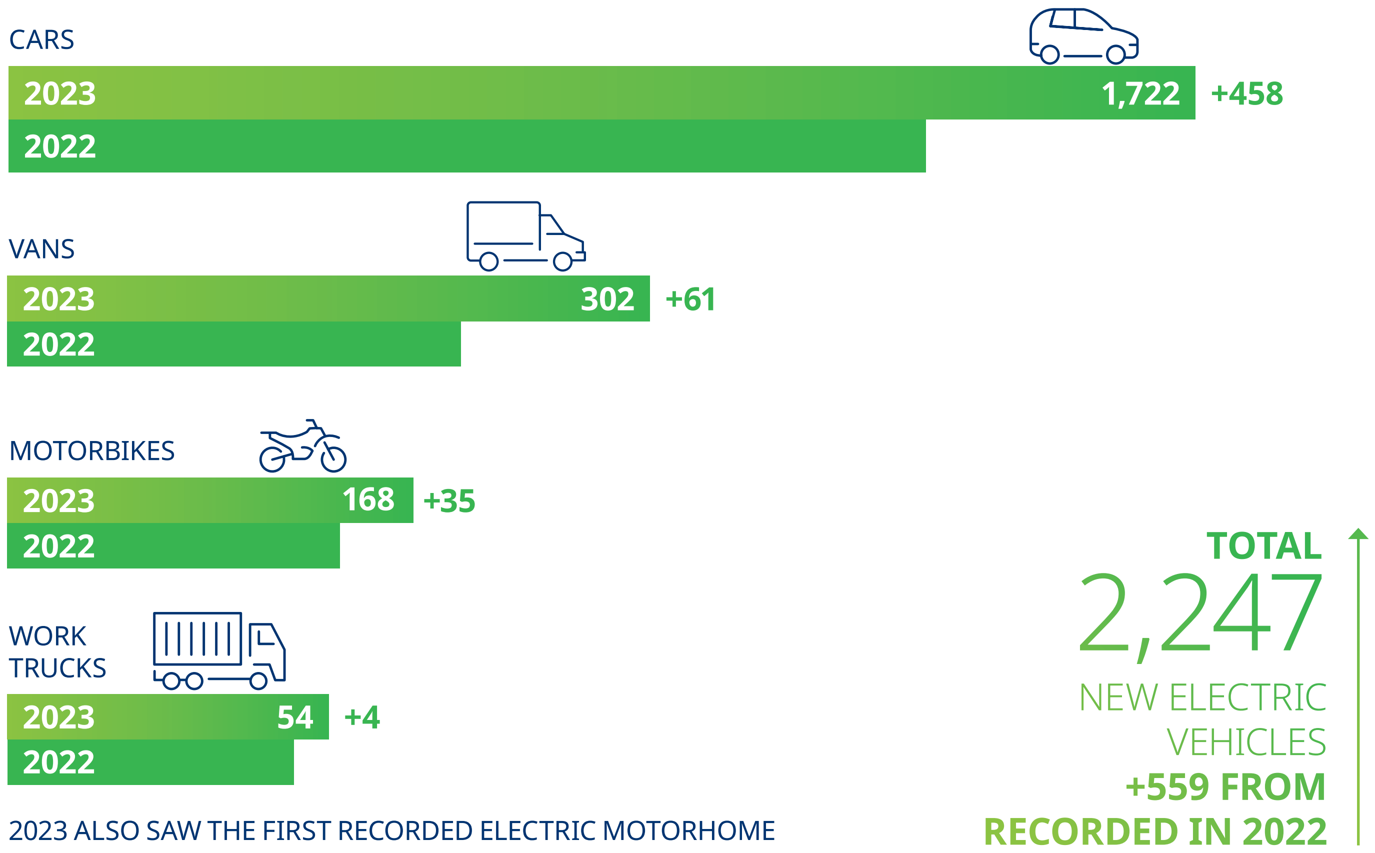
Public Charging

This year we have invested in a complex project to upgrade our Evolve public charging network of 109 charging points to future-proof the public network, improve the charging experience, and support growing demand for low-carbon electric transportation. The new platform also paves the way for the development of new products and services.

The upgrade has involved migrating to a new intuitive technology platform including an improved payment system which can be accessed through a mobile app. Run in partnership with Virta, the new platform is compatible with tens of thousands of public charging points off-Island, including the UK and Europe, enabling Islanders to charge abroad through roaming agreements, by using the app or charging tag.

We are currently in the process of securing sites for two further dual, 150kW, ultra-rapid chargers in the east and west of the Island to add to our existing one at our Powerhouse headquarters to enable faster charging for newer cars with larger batteries.

Total number of electric vehicles registered in Jersey at 30 September 2023*



***Source:** DVS Jersey

Looking Ahead

We will focus on several programmes of work including:

- Expanding home charging propositions in 2023/24 to enable multi-residential dwellings with communal, designated parking spaces to access our EV subscription-based charging services. This will require agreements and integration with the new public EV charging platform.
- Developing solutions for Company fleets and hospitality businesses looking to incentivise customers through new services.
- Developing the first high-speed EV charging hub for Jersey, with a roadmap for deploying more charging hubs across the Island in coming years.
- Exploring the feasibility of developing an Evolve forecourt solution as the EV market grows in Jersey.
- Continuing to work closely with GoJ and the public through various stakeholder groups to support the Carbon Neutral Roadmap Jersey's net-zero 2050 ambitions.
- Migrating the EasyCharge proposition on to the new Evolve platform.

Sustainable Climate Action

Renewables

Energy sovereignty and the security of imported power supplies remain areas of focus. We continue to expand our on-Island solar PV generation capabilities; we have this year expanded our research into offshore wind generation and appointed consultants CEPA to help define the role JE should play in the development of such a project.

Solar PV

The Carbon Neutral Roadmap, Bridging Island Plan and our customers support local renewables to increase energy sovereignty, and our progress in utility and commercial-scale solar PV continues. The 612kWp rooftop array on the Albert Bartlett potato processing plant, our fifth commercial-scale array and largest in the Channel Islands, has now been commissioned.

Our move towards ground-based solar has also gained support. A 4.9MWp array in St Clement received formal Planning consent during the year and is due for build in 2024 subject to tender pricing. The 3MWp array scheduled for Sorel on the north coast is in Planning and subject to public and statutory comments.

We have identified two further sites in St Mary's (5MWp and 2.8MWp) and are currently finalising agreements and conducting Planning studies. We are also evaluating two sites in St Lawrence (c,5MWp) which will go to public consultation when we have secured contracts as we look to increase on-Island solar PV generation to around 20MWp by the end of 2026.

Offshore Wind

Initial scoping of offshore wind development concepts focused on:

- Physical Infrastructure design.
- Commercial arrangements.
- Allocation of seabed rights.
- Financial and legal structuring.
- Programme for delivery.

These five areas have been considered in the context of 3 main options:

- Small scale wind farm with a single connection to Jersey.
- 500MW+ wind farm with a direct connection to Jersey and France.
- 1GW+ wind farm with a direct connection to Jersey, France and Great Britain.

We have engaged with the government's Future Energy Group (a subcommittee of the Council of Ministers) and RTE to seek initial views from the French distributors regarding the options being considered.

Next steps include defining the role(s) JE could perform in any offshore wind project and agreeing how JE and GoJ could work together to successfully deliver such a project. GoJ also intends to invite views from the sector gauge the appetite for such a project in Jersey Waters and seek feedback on how best to deliver such a project.

Understanding and Managing our Climate Related Risks (TCFD: Risk Management)

The Board retains overall accountability and responsibility for the Group's risk management and internal control systems including identifying and assessing climate related risks which pose physical and transition risks to the business, as well as providing opportunities to achieve strategy objectives and net-zero vision.

> "With a clear strategy in place and a deep understanding of our climate change risks and opportunities we have made significant progress in our TCFD compliance."
>
> Lynne Fulton,
> Chief Financial Officer

Climate related risks are incorporated within our Group Risk Management Framework and are therefore identified, assessed, and managed in the same way as other risks.

Furthermore, climate change related risks and opportunities are integrated within our Business Planning process to ensure strategic priorities and potential impacts of net-zero across the Island can be understood and aligned with various climate change scenarios.

Our Planning Horizons

We plan for short-term, medium-term and long-term horizons to deliver our purpose and Vision in a sustainable way.
Our integrated approach to business planning considers:

- What are the material issues to stakeholders, and how do they affect the way we create value?
- Our assessment of risks and opportunities.
- Our sustainability commitments, including transition to net- zero.

Short-term planning for the next financial year sets annual performance targets for financial and operational performance, whilst considering delivery of our medium-term goals.

Medium-term planning covers the next five years and is designed to help us work toward our long-term delivery.
It is focused on maintaining our excellent operational performance, whilst enhancing our capability, which includes all our resources, ensuring we fulfil our purpose.

Long-term planning up to 2050 is through which we assess and manage opportunities and risks such as climate change, population movements, changes in environmental regulations whilst maintaining relatively affordable and stable bills with a modern, responsive service.

Climate Scenario Analysis

Our Business Planning includes scenario analysis to assess risks and opportunities and the impact of climate change on the business. We have conducted a feasibility study to understand actions required to meet net-zero by 2040, in line with SBTi for the Power Sector to limit global temperature to 1.5℃ and 2℃.

We are feeding the outcomes of the study into our Business Planning process to quantify the operational and financial transitional risks and opportunities to achieve net-zero. This will ensure that we understand the impact of acceleration to 2040 (from 2050) on our current strategy for the business. We expect to have completed this work by 30 September 2024.

Sustainable Climate Action

Primary Climate Related Risks and Opportunities

Risk/Opportunity Type	Description	Strategic Response
Physical – extreme weather (Short to medium term)	Acute weather events and chronic changes to climate could impact operations for example: Rising sea levels and flooding could significantly damage assets and equipment. Strong winds could damage power lines or delay construction projects. Lack of water may threaten nuclear plants by disrupting the function of critical equipment and processes. Changes in regional weather patterns threat to impact renewables.	Flood surveys to identify substations at risk undertaken regularly. Replacement of overhead cables with underground cables (a small proportion of the network is overhead cables). Alternative on-Island capability to generate energy. Monitoring weather patterns.
Transitional (Medium to long term)	These risks are associated with the transition to a low carbon economy. Changing policies, regulations, and legislation as measures to address climate change could result in an increase in operating costs due to enhanced emission reporting.	Working with and supporting the Decarbonisation Unit within the government.
Unknown changes in demand (Medium term)	Fluctuations in unit sales of electricity due to higher demand for electricity caused by subsidies to switch to low carbon heating, adoption of electrical vehicles, energy efficient produce, requirement for energy efficient homes, which may result in larger than anticipated network reinforcement.	Future planning scenario analysis
Opportunities (Short to medium term)	Fluctuations in unit sales of electricity due to higher demand for electricity caused by subsidies to switch to low carbon heating, adoption of electrical vehicles, energy efficient produce, requirement for energy efficient homes, which may result in long-term asset growth.	Transport – provide network of reliable public charging stations for electric vehicles. Heating efficiencies – support low carbon heating systems with financing options to meet our customer needs. Low carbon lifestyles – help our customers reduce emissions and become more energy efficient – My JE App Partnering with the commercial industry to find solutions to help reduce emissions from waste. Renewables – further establishment of solar PV across the Island and investing into wind.

Sustainable Climate Action

Governing Climate Related Risks and Opportunities (TCFD: Governance)

Our governance structure and key roles and responsibilities are set out in the diagram below. The Board retains overall responsibility for climate related risks and opportunities and monitors progress of our strategic priorities, ensuring that the actions and responses to climate change risks are proportionate to Jersey Electricity.

Role of the Board

The Board has set out a Vision and Strategy which integrates achieving net-zero for the business as well as supporting and facilitating the Island's energy transition into our key strategic priorities.

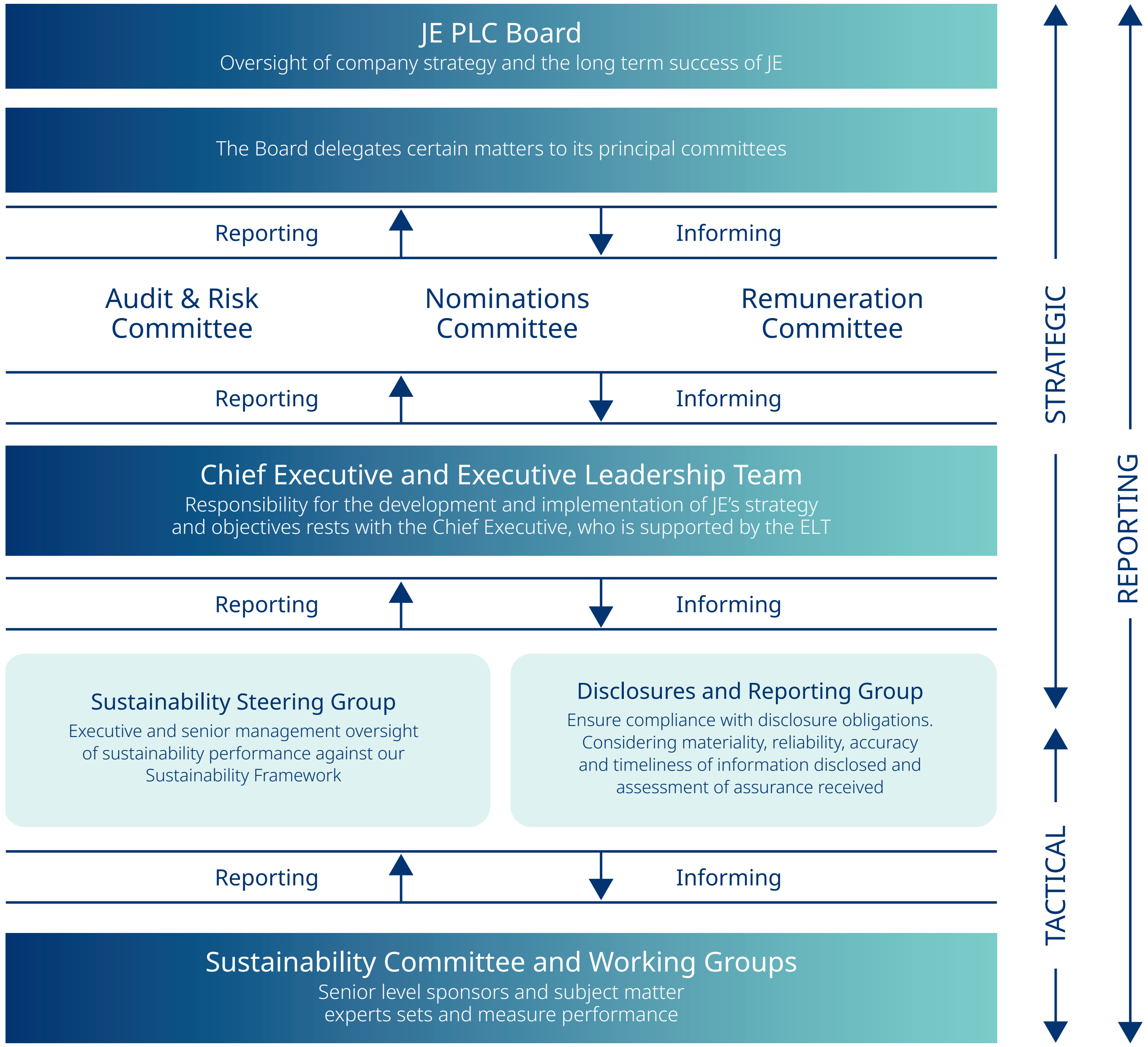
The Board has experience with climate related risks and carbon neutrality, and this continues to be enhanced through interactions with management, regulators and attending conferences and seminars.

The Board has delegated the responsibility to the Audit and Risk Committee for overseeing climate related risks and opportunities that affect strategic decisions made by the Board.

Our key priorities are integral to our performance management framework and form part of our corporate scorecard. The Remuneration Committee assess executive performance based on achievement of the scorecard and personal objectives.

Management Role

The CEO is ultimately responsible for Jersey Electricity's preparedness for adapting to climate changes and driving our strategy. Our CFO has executive responsibility for risk management and has established short-, medium- and long-term planning horizons to ensure the Company has adequate resources to understand and respond to climate-related risks. The Executive Leadership team through its groups and committees is tasked with assessing and enacting the mitigating actions.



Pathway to Net-Zero (TCFD: Metrics and Targets)

The following table shows, at high level, our actions and targets over the short, medium and long term to achieve our net zero ambition.

Our strategy and target has been to achieve net zero by 2050, however, as part of the feasibility study carried out, we are investigating the incorporation of Science Based Targets and understanding what acceleration to 2040 would have on the pathway set out below.

Category	Short-term (3 years)	Medium-term (up to 2035)	Long-term (Up to 2050)
Scope 1	100% Electric Fleet by 2025/26 (where vehicles are available) Progress: 48% of our fleet is now fully electric	Zero Marine gas oil will be used by 2030. Support initiative for production and use of hydrogen for transport as a pathway to the development of grid scale solutions.	Combination of on island solutions including Sustainable Aviation Fuel (SAF) / Hydrotreated Vegetable Oil (HVO) powered conventional generation, hydrogen-based solutions, and short-term storage solutions.
	Promote the development of offshore wind (OSW) in Jersey. Develop plans to integrate OSW into the Jersey supply mix.	On the basis that OSW progresses, implement plan to integrate OSW.	Integrate OSW with other technologies e.g. hydrogen
	Complete construction of St Clement (4MWp) and Sorel (3 MWp) solar sites. Progress: Planning permission received for St. Clement, construction due to start Q1 2024	Development of solar penetration where possible.	Achieve a minimum of 5% solar generation by 2050.
Scope 2	Implement a 'no regrets' tactical reduction in our own energy usage.	Asset standards include the most up to date industry best practice in driving efficiency of losses in network assets.	Plan for all upgrading, building and demolition to apply circularity principles in tendering, procurement, and waste management.
Scope 3	Gain a commitment from the supply chain to make monthly returns regarding their emissions and progress on achieving net-zero.	Only work with suppliers who have committed to a net- zero transition. Tender submissions to include an environmental statement.	Plan for the 100% recycling of end-of-life products.
Biodiversity	Establish a process for the monitoring and reporting of JE's impacts. Follow No Net Loss/ Net Gain principles. Embed Taskforce on Nature-related Financial Disclosures (TNFD) reporting requirements in JE's data collection.	Calculate the value of ecosystem service benefits that accrue from better management of biodiversity. Record the number of trees planted and use this to calculate the amount of carbon sequestrated.	Create biodiversity champions within the workforce. Calculate the carbon sequestration achieved and use that as the basis of JE's own 'Gold Standard' carbon offset scheme.

Sustainable Climate Action

Climate Related Metrics

	FY23	FY22	FY21	FY20
Jersey Electricity Grid (Blended) gCo2/kWh	25.3*	22.2	22.7	24.5
Electricity from low carbon sources	94.9%	95.3%	95.2%	94.7%
JE on-island solar generated (kWh)	930686	903699	855898	143667

*During winter 2023 on-island generation was partially instigated to support demand issues experienced in France. Although this was for a very short period only, this did increase our emissions during the year. However, we have also enhanced our data quality and calculation methodology and a direct comparison between this year and prior years is not applicable.

Scope 1	Amount (yr)	Unit	Emissions Factor kg per unit	Total kg CO2e
Marine Gas Oil (MGO) for JE Generation	604,455	Litres	2.76	1,668,296
Fleet Fuel Petrol	54,071.10	Litres	2.35	127,067
Fleet Fuel Diesel	72,167.74	Litres	2.66	191,966
Solar	930,686	kWh	0.015	13,960
Sulphur hexafluoride (SF6)	2.25	Kg	23,500	52,875
R410A Refrigerant Gases	2.00	Kg	1,924	3,848
			Total kg CO2e Scope 1 Emissions	2,058,174

Scope 2	Amount (yr)	Unit	Emissions Factor kg per unit	Total kg CO2e
Importation transmission Losses Nuclear	3,716,000	kWh	4	14,864
Importation transmission losses Hydro	1,976,000	kWh	6	11,856
On-Island Distribution Losses	24,312,023	kWh	21.5	522,708
			Total kg CO2e Scope 2 Emissions	549,428

Scope 3	Amount (yr)	Unit	Emissions Factor kg per unit	Total kg CO2e
Importation EDF- Nuclear	389,009,090	kWh	4	1,556,036
Importation EDF-Hydro	219,000,000	kWh	6	1,314,000
Importation EfW	32,441,821	kWh	331	10,738,243
			Total kg CO2e Scope 3 Emissions	13,608,279

TCFD Compliance

Governance (P30)	Strategy (P22-26)	Risk Management (P27-28)	Metrics & Targets (P31-32)
Compliant	Partially Compliant	Compliant	Compliant
✓	✓	✓	✓
A. Describe the Board's oversight of climate related risks and opportunities	A. Describe the climate related risks and opportunities the organisation has identified over the short, medium, and long term	A. Describe the Board's oversight of climate risks and opportunities	A. Disclose the metrics and targets the organisation uses to assess climate related risks and opportunities in line with its strategy and risk management processes
✓	!	✓	✓
B. Describe management's role in assessing and managing climate related risks and opportunities	B. Describe the impact of climate related risks and opportunities on the organisations businesses, strategy and financial planning	B. Describe management's role in assessing and managing climate-related risks	B. Disclose Scope 1, 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks
	!	✓	✓
	C. Describe the resilience of the organisations strategy taking into consideration climate related scenarios including a 2C or lower scenario	C. Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisations overall risk management	C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Key: ✓ Compliant ! Work in Progress but more to do. Transitional strategy and financial impact including scenario analysis under development and due to be completed by 30th September 2024.

Operational Review

The Energy Business has performed well during the year. We have achieved our lowest ever Customer Minutes Lost Performance and completed a review and enhancement to our Security of Supply Standard as well as offering greater resilience to our customers.

Demand

Unit sales fell for the second year, down 0.8% to 608 million kWhs from 613m due to a combination of a mild winter and energy efficiency offsetting growth. Peak demand at 159MW, recorded on 13 December 2022, was up on last year's 145MW but well below our highest recorded of 178MW set in March 2018.

We imported 94.5% (2022: 95.3%) of our requirements from France and generated 0.4% (2022: 0.3%) of our electricity on-Island from our solar PV arrays and diesel plant. We purchased the remaining 5.1% (2022: 4.4%) of our electricity from the local Energy from Waste plant.

Getting Net-Zero Ready

Jersey already has a highly resilient, low-carbon grid, with spare capacity at all voltages. Although demand is currently falling as energy efficiency gains outstrip demand growth, we forecast a 25% increase in peak demand and a 70% increase in unit sales to meet the Island's net-zero 2050 target.

New technologies and a combination of Smart Meter data, tariff data, asset rating information and asset topography data are providing valuable insights into the loading of our network, enabling us to optimise the expected £125m - £150m of investment needed over the next 10 to 15 years.

Our focus is to continue work to optimise our capability to enable customers to move from fossil fuels to electrification as easily as possible. Following a review of our loadings against UK network cable loading best practice we have introduced cyclic design ratings that allow circuits to carry between 30% and 50% more power, reducing the need for excessive reinforcements.

"During 2022/23 we have continued our great performance and response. During the year we have invested £11m in our infrastructure and enhancing our capability as we start to implement our net-zero strategy."

Mark Preece,
Chief Operating Officer

Supply Security

	2023	2022	2021	2020	2019
Customer Minutes Lost	4	5	5	5	6

Jersey has an enviable record on supply security with just four Customer Minutes Lost in 2022/23 and has consistently been over ten times more reliable than UK distributors over recent years. The energy crisis in Europe driven by Russia's war on Ukraine, the demands of the Carbon Neutral Roadmap and the 2021 French fishing dispute, which brought threats to our imported supplies from France, prompted a review of our Security of Supply Standard.

The review resulted in the Board's approval, subject to security of tenure at the La Collette site, to install new Gas Turbines (GTs) at La Collette Power Station to provide an additional 50MW of capacity at an estimated cost of £14.5m, and the eventual replacement of an existing Gas Turbine.

Such works require the demolition and removal of a redundant steam plant that has been progressively closed over many years.

The whole project is expected to take up to four years at an estimated cost of £22.6m (excluding the replacement cost of the GT), with the enhanced Security of Supply Standard adopted by summer 2028.

Current Supply Security Standard

Jersey Electricity's system is designed to meet an 'adapted N minus 1 security standard' as follows:

- A 1-in-8-year winter peak demand
- All normal load in the event of the loss on the single largest submarine cable with France (N minus 1) plus a simultaneous failure of the largest:
  - Diesel generator; and
  - Gas turbine
- 75% of peak winter load for 48 hours from on-Island generation (no simultaneous loss of on-Island capacity)
- No coincidence of the above

Enhanced Supply Security Standard 2027/28

- A 1-in-20-year winter peak demand
- Meet 99% of all demand in a 1-in-3 winter if we lose:
  - All supplies from France
  - Simultaneous loss of largest on-Island generator
- Meet 100% of demand in a 1-in-10 winter if we lose:
  - Any submarine cable
  - Simultaneous loss of two largest on-Island generators
- No coincidence of the above

Operational Review

Health and Safety

Safety remains a critical corporate value. Nothing is more important to us than the health and safety of our teams, contractors and customers.

This year we have invested in expanding our Health, Safety and Environment (HSE) team, adding experience and knowledge to enable us to shift focus from compliance to continuous improvement.

Positive Safety Culture

We have also invested in a new HSE platform EcoOnline - technology that has facilitated a more comprehensive, efficient and proactive approach to how JE manages incidents, audits and inspections. The new platform has also helped us to reframe the way we look at HSE across the business, enhancing our already positive safety culture.

Training

We have supplemented statutory training obligations in areas such as Working at Height, Forklift Truck Driving and Working in Confined Spaces, with the Institute of Safety and Health (IOSH) managing safety training across the business. In addition, junior and senior leaders have attended the new Jersey Safety Council Behavioural Safety Leadership course.

Our commitment to HSE is further demonstrated by employees across the business volunteering to serve on external committees including the Health, Safety and Sustainability subcommittees of the Jersey Construction Council, the Jersey Safety Council and the Jersey Chamber of Commerce Building, Housing and Environment Committee, sharing knowledge and best practice to improve health and safety across the Island.

To expand our own knowledge, one of our Safety Representatives from across the business joined two members of the HSE team at the Energy Network Association's Health, Safety and Environment Conference in Dublin where they engaged with industry leaders and had the opportunity to network with other HSE teams, discuss best practice and future challenges.

Looking ahead to 2023/24, we will be rolling out a Behavioural Safety Training programme across the business to continue our journey from compliance to continuous improvement.

A Special Delivery

A careful collaboration between the HSE and Engineering teams executed a successful and safe fuel delivery from La Collette Power Station for the first time in several years. The high-risk operation from the harbourside involved detailed planning from an operational and HSE standpoint, including replacing sections of the pipeline into La Collette.

Approach To Risk

The HSE team employs a comprehensive risk-based methodology across all operations and activities.

The presence of well-defined policies and procedures is of paramount importance in effectively mitigating risks. However, policies alone, while crucial, cannot fully suffice.

A synergy between ongoing risk assessment and the identification of leading indicators is vital in achieving a safe working environment. This would be unattainable without the active involvement and engagement of the workforce, which is constantly reinforced through training, HSE Committee meetings and site visits.

This approach also hinges upon a robust reporting culture. Employees are empowered to question established work practices and highlight concerns as they arise.

Our no-blame culture ensures there is no fear in reporting accidents or near misses, affording the opportunity to meet these challenges.

In a complex and high-risk environment, regrettably accidents and incidents can occur. This year saw 3 Lost Time Injuries (LTIs), none of which were of a serious nature. These 3 incidents resulted in 11 lost working days due to injury.

	FY23	FY22	FY21	FY20	FY19
Lost Time Injuries	3	2	2	1	1
Days Lost	11	32	10	7	4

"The presence of well-defined policies and procedures are of paramount importance in effectively mitigating risks. However, policies alone, while crucial, cannot fully suffice. A synergy between ongoing risk assessment and the identification of leading indicators is vital in achieving a safe working environment. "

Operational Review - Other Businesses

Our other commercial businesses complement our core Energy business, and their activities are aligned with our Group purpose, strategies and Vision.

Powerhouse.je

Our Powerhouse retail store has made significant strides in its market position and operational efficiency despite a challenging recruitment market. Among this year's achievements is authorisation to become the Island's service agent for Samsung TV, a testament to our dedication to providing high-quality services to our customers.

The Powerhouse continues to innovate in the field of electric transport. We've made substantial progress in developing our offering, with plans to expand this further in the next 12 months in line with our Vision for a zero-carbon future.

Lastly, we are proud to have won two Innovate Electrical Retail Awards, being named the Best Omnichannel Retailer and Best Independent Retailer Superstore is a prestigious achievement that highlights our commitment to excellence and innovation.

While revenues fell marginally by 1%, profits fell by 22% from £1.2m to £0.9m, from higher overhead and storage costs.

JEBS

JEBS, our Building Services division which undertakes fuel switching customers from gas and oil to electric heating and cooling systems, was temporarily impacted by the launch of the Government's Low Carbon Heating Incentive (LCHI) scheme in May 2023 as customers delayed changing their heating systems until the scheme was fully implemented and grants became available. Despite this the business recovered well, to produce a profit of £0.2m on revenues of £4m, approximately in line with last year.

The team was also heavily involved in the delivery of the upgraded public EV charging network involving 54 charging stations combining 7, 22 and 50kW chargers. In line with the Group, JEBS as a business unit is pushing ahead with the reduction of its own carbon footprint by continuing to replace its fleet of ageing diesel-powered vehicles with fully electric models. JEBS currently has 13 totally electric vehicles with a further four on order, leaving just four diesels to be replaced.

JEBS PROFITS

£0.2m

REVENUES OF £4M

Jersey Energy

Jersey Energy, and its sister business unit Channel Design Consultants in Guernsey, are now the largest MEP (Mechanical, Electrical and Plumbing) consultancy services in the Channel Islands. They have completed numerous successful projects this year, including:

- The Maison de Landes Hotel - one of the best hotels in Europe designed for people with disabilities.
- A new-build, first-time buyer housing development in St John.
- The refurbishment of the Le Marais high-rise residential blocks, which was recognised at the Jersey Construction Council Awards with the award for 'Best Project of the Year Over £10million'.
- The power and cooling infrastructure upgrades of various telecom exchanges.
- Both new and refurbished States of Guernsey office accommodation.

> "The Powerhouse continues to innovate in the field of electric transport. We've made substantial progress in developing our offering, with plans to expand this further in the next 12 months in line with our Vision for a zero-carbon future."

To further help Jersey on its journey to net-zero, Jersey Energy is proud to be the first business in Jersey to be accredited for undertaking commercial Energy Performance Certificates and looks forward to leading the scheme over the coming years. We have also invested in new monitoring equipment to aid clients in understanding their energy usage as well as dynamic simulation software to undertake detailed analysis on the energy performance of a building even before it is constructed.

Jendev

Jendev provides comprehensive digital Enterprise Resource Planning (ERP) solutions across all business domains of JE, serving both internal and external clients. Offerings encompass a dynamic blend of standardised and tailor-made systems, with a core specialisation in Microsoft Dynamics business applications. The team's extensive expertise, however, enables it to successfully execute projects spanning a wide spectrum of technologies, offering services that encompass business analysis, consulting, design, development, training, and project management. They have been instrumental in the seamless integration, delivery, and ongoing maintenance of modern cloud-based solutions.

Jendev's team continues to expand its digital proficiency, with a keen eye on strategic and relevant technologies. This proactive approach ensures it is well-positioned to deliver the latest innovations within the utilities industry, further solidifying its commitment to technological excellence.

Property

Our property portfolio includes a B&Q store and medical centre situated on our Powerhouse retail and administration office site at Queen's Road comprising several tenants, as well as 29 private houses and flats, rented on the open market.

The £1.1m profit, excluding the revaluation impact, was down £0.3m on the prior year due to one of the commercial spaces being vacated in March 2023. We are targeting to have this space occupied by April 2024.

Technology Development

"In the ever-evolving energy industry, technology and digitalisation have been instrumental in reshaping our approach to serving stakeholders and improving operational efficiencies. In the coming year, we will delve deeper into the potential of AI capabilities to aid us in dynamic demand forecasting. Additionally, we will actively harness our digital platforms, recognising their pivotal role in advancing our journey to achieving a net-zero Jersey"

Werner Borman, Director of Technology

Jersey Electricity remains steadfast in our commitment to invest in cutting-edge technology to advance customer energy efficiency, engagement, and operational effectiveness.

Leveraging Customer Platforms and Resources

Throughout 2023, we dedicated ourselves to extracting additional value from our already industry-leading platforms by seamlessly integrating and optimising our tools. Our customer care team adeptly utilised the flexibility and scalability of our cloud-based customer relationship platform, seamlessly integrated with a cloud telephony platform, resulting in enhanced call handling and improved customer identification. Moreover, our front line staff embraced a mobile workforce management platform integrated with our asset management solution, further contributing to operational efficiency.

My JE: Empowering Customers

Helping our customers save energy is a priority and our flagship energy-saving mobile application, My JE, launched in 2021. This year, we introduced Pay-As-You-Go capabilities, enhanced with improved debt management information.

Harnessing The Power of Data

The integration of our data lake with our Customer Relationship Management (CRM) platform has enabled us to gain real-time customer insights, enhancing customer engagement and energy usage management. Utilising Smart Meter data, linked to our network assets, our data lake has been instrumental in providing insights into network utilisation. This, in turn, will support our Operations teams in ensuring our infrastructure investment is optimised, enabling us to transition to a net-zero Jersey at minimised cost.

CORPORATE AND CLIENT SYSTEM UPTIME

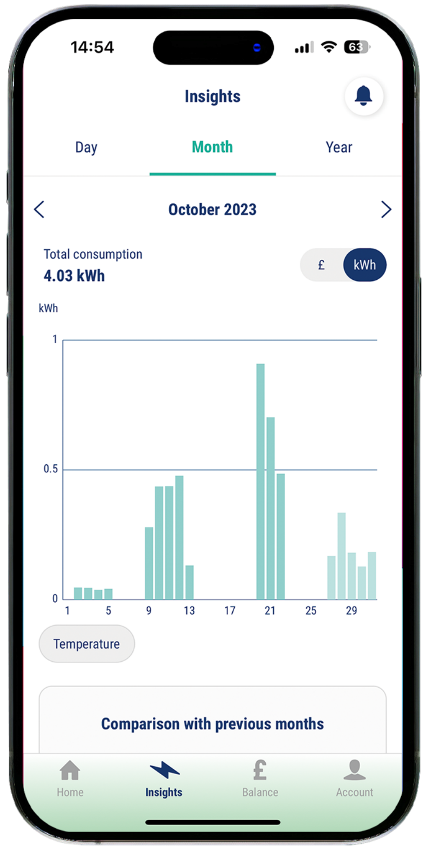
99.88%

RECORDED IN 2023

REDUCED CO2 FOOTPRINT

93%

DURING 2023



My JE App

Corporate Technology: Ensuring Uptime and Efficiency

Our corporate technology infrastructure maintained an impressive uptime rate of over 99.88%, primarily achieved through our strategic shift to cloud services and enhanced technology governance. Furthermore, JE has, through its corporate technology physical environment restructuring, reduced its CO2 footprint by 93%. This is a year-on-year saving.

Cybersecurity: A Paramount Concern

In the face of an ever-evolving cybersecurity landscape, JE has consistently invested in advanced cybersecurity toolsets to combat new threats. These investments have included cloud-based vulnerability and threat assessment tools to ensure the highest level of protection for our digital assets.

As we look forward to 2024, our commitment to innovation and excellence remains unwavering. We are dedicated to harnessing the full potential of technology to provide our customers with the best possible experience and to drive operational efficiencies.

We will be:

- Rolling out our business customer focused energy insight platform.
- Focusing on further enhancements of our corporate platforms that include a modern cloud-based human resource platform, and core enterprise management system.
- Exploring next generation operational and information technology platforms.

Our Stakeholders - Enhancing Our Customer Experience

Putting our customer at the heart of the energy system, we have continued our focus on enhancing customer experience, investing in our people, systems and communications. Achieving our highest ever rating of 80.3 for customer satisfaction, we are proud to continue to serve the Island.

Our strategy focuses on providing integrated services 'beyond the meter', gaining insights into customer needs and helping them to manage and save energy.

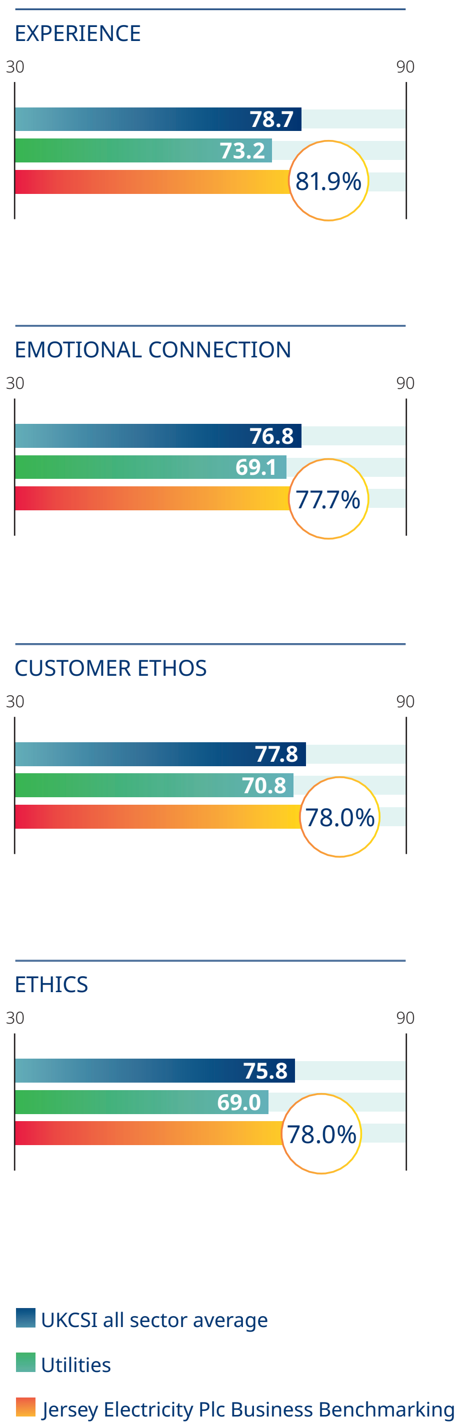
This year we have invested in training, particularly in complaint handling, improved customer communications through innovative new technological channels and employee engagement in our customer experience vision. We strive to get it right first time, every time.

We have seen our highest ever rating of 80.3 in the UK Customer Satisfaction Index (UKCSI) that benchmarks us against larger UK utilities. This score is up from 77.2 last year and above the 2023 average of 71.7 of the 35 utilities taking part. This year's score would place Jersey Electricity fourth among the 35 UK utilities in the Index and third out of 20 power utilities.

The table below shows our year-on-year comparison by category of our UKSCI score.

Having reviewed our complaint handling processes, increased complaint handling training across key areas of the business and introduced specialists to manage Customer Care more effectively, our customers felt we had improved in all aspects of complaint handling category of our UKSCI score.

> "It is pleasing to see our efforts to enhance customer experience be rewarded with our highest ever customer satisfaction score of 80.3."
>
> Chris Ambler, Chief Executive



Our Stakeholders - Enhancing Our Customer Experience

Customer Insight

75%

Three quarters of people have consistently said that their primary motivation for saving energy was to save money.

% who support the use or expansion of...

Solar panels	86%
Tidal power plant	84%
Off-shore wind turbines	81%
On-shore wind turbines	57%

50%

Nearly half said that they had downloaded the **My JE app**.

45% of these used the app at least once a week.

75% Over three quarters of people use the app to check their electricity consumption.

60%

Over 60% of people said that the upfront cost was the main barrier to making their home more energy efficient.

19%

to consider buying an electric/hybrid vehicle within 12 months.

Consumer concerns about energy use:

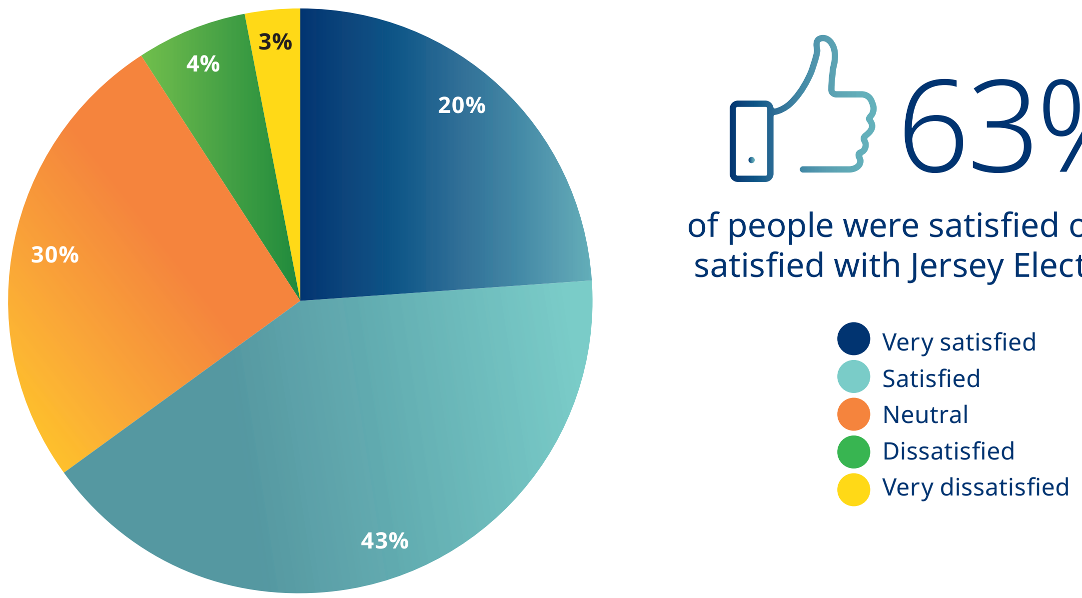
49% were concerned about the financial cost of their energy use

34% were concerned about Jersey's dependence on others

26% of people were concerned about the environmental impact of their energy use

% who trust Jersey Electricity "a lot" or "completely" when it comes to...

ensuring an uninterrupted supply of electricity	70%
supporting and caring for its employees	54%
developing high performing employees	48%
doing the best for the environment	37%
ensuring electricity is affordable for customers	29%



63%

of people were satisfied or very satisfied with Jersey Electricity.

Our Stakeholders - Our People

"Our success as a business are the people we employ. We must attract, engage, support, and retain the best people we can. We are focused on building an even stronger, more diverse business where people feel valued and supported. Each year we make progress and this year has been no exception."

Andrew Welsby, HR Director

Diversity, Inclusion and Equality

This year we have sought to build on last year's success of achieving 'Established' status in the maturity audit conduction by our D&I partners Inclusive Employers for which we had to evidence that:

- We understand the business case and use this to inform our strategic approach.
- We seek best practice and use this to improve our D&I capability.
- Ensure D&I is a leadership responsibility.

Our target is to achieve 'Integrated' status as 'inclusive leaders and role models' workplace D&I in 2024. Our immediate goals are therefore to continue to improve the level of diversity in the Company, as well as progressing development of a fully diverse and inclusive culture.

We now have 19 nationalities represented across the business, up from 14 last year, and 42% of applicants for vacancies have declared 'non-white ethnicity', up from 25% in 2020.

The gender balance in the Company continues to improve, though recruiting females for apprentice engineering roles still proves challenging. Of our overall workforce, 23% is now female versus 77% male, however we are seeing more women in senior roles with 25% of our Senior Leadership Team female, twice that of three years ago. In addition, 50% of our Board is now female.

Disappointingly, we were unable to attract any female apprentices among this year's intake of seven. We are involved in several initiatives, such as Primary Engineer, to promote careers in STEM professions among young people.

Our D&I Working Group, comprised of people with a protected characteristic, has met four times this year to help promote our inclusive culture internally and embed it across the entire workforce. We have reviewed over 40 people policies to ensure inclusive language.

Externally, we were gold sponsor for the second year of the Channel Islands Pride event further demonstrating our commitment to D&I to the wider community as well as our own people.

With a greater than 50% rise in LGBTQ+ candidates applying we believe our strategy is working.

LGBTQ+ CANDIDATES
+50%
FROM 2022

Workforce development

Ensuring we have the right talent and capabilities in the right place at the right time is vital for future success and requires much forward planning. We welcomed seven new apprentices in construction roles in our Energy business this year, and recruited two additional bursary students, bringing the total to five, including our first 'digital' bursary student who will be completing work placements in our technology department.

Evaluating and developing our management capabilities has been a focus to ensure professional development and aid succession planning. We worked with Norman Broadbent to assess Senior Leadership Team development requirements and set two-year action plans to build leadership and management capability at senior level through coaching, mentoring and professional qualifications.

During the year, members of our Leadership and Senior Leadership Teams completed Level 3 or Level 5 Chartered Management Institute (CMI) Certificates in Management. We intend to roll-out of these qualifications to employees seeking professional qualification status.

Engagement

Our Culture and Engagement Forum, created in 2020 and made up of employees from across the business, met four times this year, with rotating Board member participation, to discuss how we run the business, our strategies, and opportunities to improve how we work.

Our annual Employee Engagement Survey produced a score of 7.9, slightly up on last year's 7.8 which puts us towards the upper end of the median segment in Energy and Utilities sector. Our engagement Net Promoter Score was 39.

ANNUAL EMPLOYEE ENGAGEMENT SCORE
7.9
UP FROM 7.8 IN 2022

374
TOTAL EMPLOYEES (FTEs)

97
WOMEN EMPLOYED

19
NATIONALITIES REPRESENTED

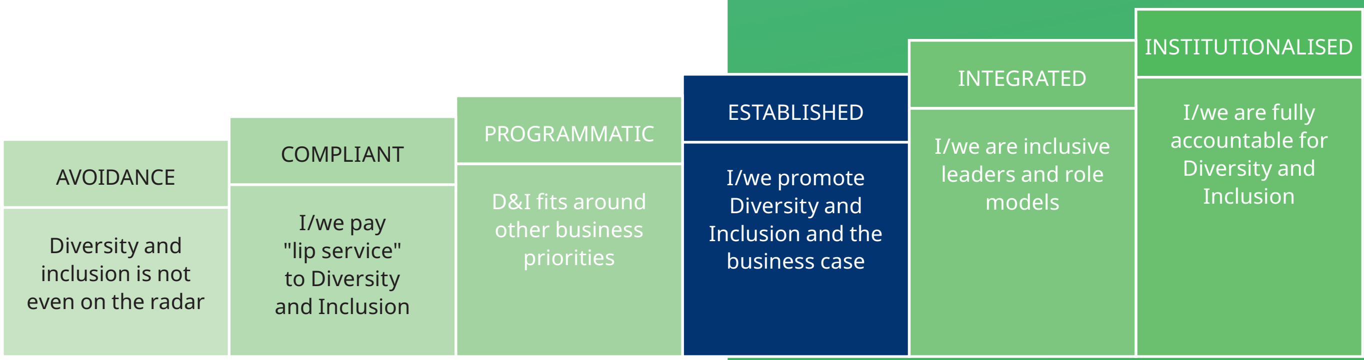
19
APPRENTICES

1
WOMAN EMPLOYED IN EXECUTIVE LEADERSHIP TEAM

5
WOMEN EMPLOYED IN SENIOR LEADERSHIP TEAM

41
AVERAGE EMPLOYEE AGE

11
AVERAGE YEARS' SERVICE



Source: Inclusive Employers

Our Community, Our Environment and Our Island

Enhancing stakeholder involvement continues to be a priority for the Board. It is essential in helping us adapt to a rapidly changing business landscape. Grasping the depth of stakeholder influence, power, and legitimacy, and ensuring we react accordingly, is vital for our business and emphasises the central role of our customers to our operations. Productive interactions with stakeholders help us to understand and address their needs more effectively, fostering mutual value for both Jersey Electricity and the broader community.

Our stakeholders encompass individuals and organisations that have a vested interest in our Purpose, Vision, operations and actions, or those who might be impacted by them. As the sole provider of low-carbon electricity in Jersey, our stakeholder spectrum is wide and multifaceted. We identify our stakeholders to include our customers, suppliers, partners, NGOs, government entities, parishes, regulatory agencies, lenders and investors, as well as, of course, our employees.

Outcomes

During 2023 we have conducted over 300 stakeholder engagements, helping those affected by our business to better understand Jersey Electricity and our Vision.

The cost-of-living crisis has emerged as a significant challenge, impacting many across our community. This economic strain has highlighted the importance of transparent, proactive communication and collaboration with our stakeholders. We recognise the increased responsibility we hold in these challenging times.

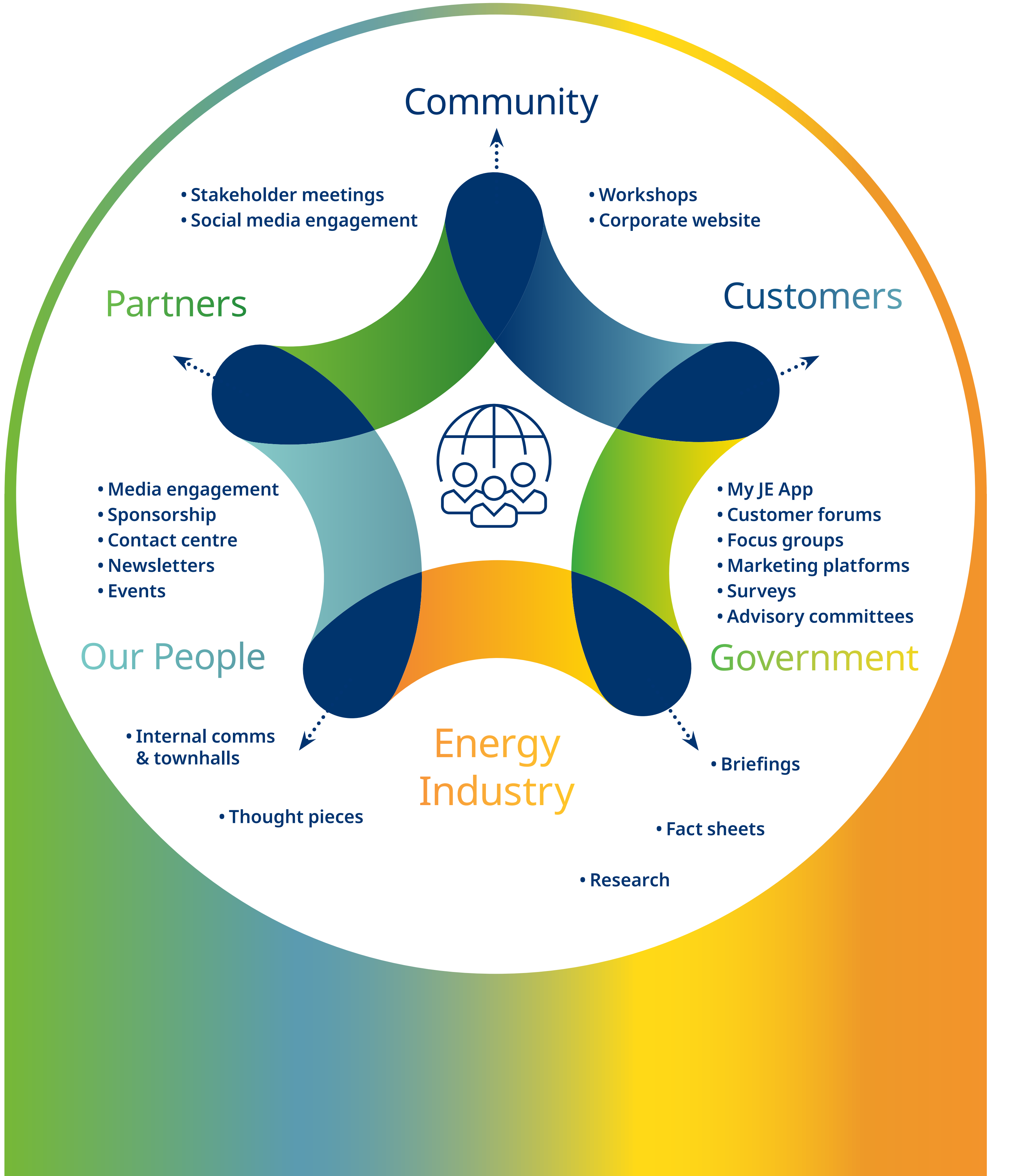
As well as affordability, our stakeholders have all expressed concerns related to reliability and sustainability. Board members and senior managers regularly engage with government ministers and senior officials on topics, including: the Island's current and future energy mix, the importance and necessary investment needed to ensure supply security, and our role in helping Jersey to achieve net-zero by 2050.

We evaluate major stakeholder interactions weekly and modify our communication strategies, especially in PR and social media, based on these evaluations. This ensures a cohesive connection between stakeholder initiatives and our marketing messages, allowing us to actively influence perceptions and adapt to emerging insights.

As low-carbon electricity becomes the increasingly dominant energy source in the Island to achieve net-zero, demonstrating value to all stakeholders will become ever more important.

> "Our customers, stakeholders and communities are extremely important to us. They are at the heart of everything we do, and it is crucial for us to maintain an open dialogue and continue to measure what is important to them."

What are we doing?



Our Stakeholders - Our Community, Our Environment and Our Island

Community

We support a wide range of good causes, charities and local awards through corporate sponsorship and the CSR (Corporate Social Responsibility) activities of our people with emphasis on the environment, health and education.

Environment

Green Grid Project

We partnered with Jersey Water and JT Group in the National Trust for Jersey's Green Grid Project to create wildlife corridors across the Island. A total of 122 employees helped to plant 1,788 hedging whips over 1,341 metres along 21 field boundaries in four days. In spring and Summer another 77 employees returned to maintain the hedges by clearing competing vegetation around all the whips.

Bouley Bay, Parish Earth Partnership

Trinity became the second parish after St Clement to participate in JE's Parish Earth Partnership for which we've offered all 12 parishes £5,000 to densely plant a small plot with native trees to increase biodiversity and aid carbon sequestration long-term. We partnered with the National Trust for Jersey and this year helped plant 120 trees at Bouley Bay, Trinity on land gifted to the Trust.

Durrell Wildlife Conservation Trust

We have a long association with Durrell Wildlife Conservation Trust. This year we joined its 'Tortoise Takeover' by sponsoring one of 50 giant sculptured tortoises used in an Island-wide community art trial before being sold at an auction that raised a total of £720,500 for the Trust.

Recognising Environmental Excellence

Now in our eighth year of sponsoring the Pride of Jersey Environmentalists Award run by the Jersey Evening Post, this year's honours went to Alastair Christie and the Asian Hornet Facebook group: For their efforts in containing and controlling the Island's Asian hornet population. Normans won the JE Sustainability Award at this year's Jersey Construction Council Awards. In addition, this year we sponsored the Public Sector category at the Digital Jersey Tech Awards which was won by Jersey Coastguards for their Trace app.

Health

Mind Jersey

We promote the importance of mental wellbeing and were therefore delighted that employees supported the challenge to 'Cycle to Finland' for World Day for Safety and Health, and to raise money for Mind Jersey. Around 80 employees raised £950 by cycling the distance to Finland in a relay on exercise bikes situated in our Powerhouse store. The Company matched the funds bringing the total raised to just under £2,000.

The Salvation Army

We raised £150 from donations at our 2022 electric blanket testing last October. The Company matched the donations enabling us to provide the Salvation Army with £300 in Pay As You Go electricity meter top-up vouchers for needy Islanders.

Citizens Advice Bureau

We are long supporters of the Citizens Advice Bureau which does much to help vulnerable Islanders. This year we provided a further £4,300 funding to enable the installation of a low-carbon electric heating system in the charity's newly refurbished headquarters.

Sanctuary Trust

We have supported the Sanctuary Trust Walk Into Light to raise money for homeless men in the community since 2018 and we were delighted to back this innovative community event again in 2023 after a three-year break due to the pandemic.

Education

National Trust Education Programme

We have renewed our sponsorship of the National Trust for Jersey's Education Programme, funding the Trust full-time Education Officer and the Trust's activities that encourage children to 'reconnect with nature', learn about the environment and climate change while complementing schools' science curricula.

Primary Engineer

As part of our drive to encourage children into engineering careers we are sponsors and an Industry Partner of Primary Engineer, a UK initiative led by Skills Jersey promoting careers related to STEM (science, technology, engineering and maths) through a competition 'If You Were An Engineer, What Would You Do? 'for which we provide mentoring engineers and judges and this year hosted grading days at our Powerhouse HQ.

Child Accident Prevention CAP) Safety In Action Week

This year 10 JE employees volunteered to present workshops on home and electrical safety to around 1,000 school children in a week-long series at Highlands College during the summer.

Grands Vaux Summer School

We helped Grand Vaux School set up a summer school, providing activities such as zip-lining, surfing lessons, Jersey Zoo visits and arts and crafts for children who would otherwise be unable to experience such pursuits.

Island Games

The Island Games is such a high-profile community event for the Channel Islands we were pleased to be able to support the Jersey Table Tennis and Air Rifle Club teams at this year's event in Guernsey.

Financial Review

Group Financial Results	2023	2022
Revenue	£125.1m	£117.4m
Profit Before Tax	£14.9m	£10.6m
Earnings Per Share	36.81p	27.17p
Dividend Per Share	18.80p	17.80p
Proposed Final Dividend Per Share	11.40p	10.80p
Net Cash*	£17.4m	£17.4m
In Year Return on Assets	7.2%	4.2%
Return on Assets - Five year rolling average	6.2%	6.2%

*Net Cash is calculated as cash of £47.4m less borrowings of £30.0m; (2022: £47.4m less £30.0m)

2022/23 has seen a return to a less volatile operating environment following the pandemic. Our hedging strategy for the procurement of power has protected us against a volatile wholesale energy market which has seen prices reach over 10 times historical levels in the same period.

Escalating inflation has put pressure on the cost base as the business continues to maintain performance and build towards a decarbonised future. Our balance sheet continues to be healthy underpinned by high quality assets.

Financial Performance

Group Revenue for the year to 30 September 2023 increased year on year by £7.7m (6.5%) due to tariff price increases in the Energy Business. Revenue across the wider group remained in line with the previous financial year.

Group Profit Before Tax for the year to 30 September 2023 was £14.9m compared to £10.6m in 2022. The profit increase is attributed to £1.8m from the energy business and £1.6m income from interest earnings. In the year the energy business received a rebate of £3.6m relating to prior year wholesale energy costs and following a full review, our property portfolio was devalued by £1.2m.

Underlying profit before tax calculated as Group Profit before tax after removing the impacts of the rebate and property valuation was £12.5m in 2023 against £9.6m in 2022.

Energy Business: Operating Profit, excluding the rebate of past energy costs, at £9.3m, was £1.8m above the £7.5m achieved in 2022. This is due a £7.4m increase in revenues, following a tariff price increase on 1 January 2023 which has been offset by a £5.6m increase in wholesale energy costs and operating costs.

Operating costs have increased due to increased inflation and increased investment in our systems and people, as we head into a period of increased capital investment and enhancing our capability as we continue to achieve our net-zero ambition and supporting the GoJ in meeting its Carbon Neutral Roadmap objectives and a net-zero Jersey.

Our 2023 in year Return on Assets (see other information, Alternative Performance Measures, p127) is 7.2% compared to 4.2% in 2022. This increase is effectively a 'truing up' of prior years under recovery and includes the rebate on prior year energy costs. We target Return on Assets to be within a 6% to 7% range over a 5-year rolling average basis. Our 2023 5-year rolling average Return on Assets is 6.2%.

Property: The £1.1m profit in our property division, is £0.3m lower than in 2022 due to one of the commercial spaces being vacated in March 2023. A new tenant is expected for the space during early 2024.

Powerhouse.je: Our Powerhouse retail business saw profits fall 22% from £1.2m to £0.9m, despite a marginal fall in revenues of 1%, due to increased overheads in staff and storage costs.

JEBS: Profits fell by £0.1m across our building services business due to an under recovery in revenue from a lower than expected number of fuel switches. The reduction was due to a slowing in the pace of switching for a short time as the government incentive scheme was being launched.

Other Business Units (Jersey Energy, Jendev, Jersey Deep Freeze and fibre optic lease rentals) produced combined profits of £0.6m being £0.1m higher than last year.

Net Interest income was £0.3m in 2023 compared to a net interest cost of £1.3m in 2022 due to a higher level of interest earned on deposits from rising interest rates. Taxation at £3.4m was higher than the previous year, due to increased taxable profits.

Group basic and diluted earnings per share, at 36.81p, compared to 27.17p in 2022, rose due to increased profitability. Dividends paid in the year, net of tax, rose by 6%, from 17.80p in 2022 to 18.80p in 2023. The proposed final dividend for this year is 11.40p, a 6% rise on the previous year. Dividend cover, at 2 times has increased from 1.5 times in 2022.

Net cash flows from operating activities at £17.6m was £3.6m lower than in 2022. Cash used in investing activities, at £11.4m was 3% higher than the prior financial year. Dividends paid were £5.8m compared to £5.5m in 2022. The resultant position was that net cash at the year-end was £17.4m, being £30.0m of borrowings offset by £47.4m of cash and cash equivalents, which was the same as last year.

Impact from Wholesale Market Volatility

Jersey Electricity currently imports c95% of Jersey's electricity requirements from Europe. It jointly purchases power with Guernsey Electricity from EDF in France under a supply contract that ends in December 2027. The supply contract allows power prices to be fixed in Euros. It combines a fixed price component with the ability to price fix future purchases over a rolling three-year period based on a market related mechanism linked to the EEX European Futures Exchange.

The goal is to provide our customers with a market-based price but with a degree of certainty in a volatile energy marketplace. Pricing decisions are made by a Pricing Management Committee, consisting of employees of Jersey Electricity, Guernsey Electricity and an independent energy market adviser and follows guidelines approved by the Jersey Electricity Board.

Over the last two years we have seen unprecedented volatility in energy markets. This resulted in many UK suppliers going out of business and in the UK, only Government intervention averted a proposed 80% year-on-year increase in energy prices. Prices still materially rose for consumers and currently, even with a subsidy regime in the UK, the average domestic customer in Jersey is paying less than half the price they would do in the UK for their electricity.

We are not immune to these conditions and our hedging policies have sheltered Jersey customers from the most extreme period of material rises that otherwise would have been experienced during this period. The 2024 and 2025 energy market remains significantly above historic norms and to enable the transition to the emerging market, tariff prices were increased by 5% on 1 January 2023 and a further increase of 12% from 1 January 2024 was announced in June 2023. Although any such rises are difficult, they are much lower than increases in other jurisdictions against which we will continue to benchmark favourably in terms of absolute price. With prices in 2024 expecting to more than 60% higher than those in the UK.

As we look forward to 2025 – 2027, approximately one third of our energy is already hedged at fixed prices and our focus is on ensuring that we transition our customers through the energy crisis whilst we maintain relative bill affordability.

Treasury matters and Hedging Policies

Operating within policies approved by the Board and overseen by the Chief Financial Officer, the treasury function manages liquidity, funding, investment, and risk from volatility in foreign exchange and counterparty credit risk.

As a substantial proportion of the cost base relates to the importation of power from Europe, which is contractually denominated in Euro, the Company enters into forward currency contracts to reduce exposure and as a tool to aid tariff planning. The average Euro/Sterling rate underpinning our electricity purchases during the financial year, because of the hedging programme, was 1.13 €/£. The average applicable spot rate during this financial year was 1.15€/£ against 1.18€/£ during the 2022 financial year.

Interest rate exposure is an area of potential risk but is managed by the £30m of private placement monies received in July 2014 having a fixed coupon and represents all our borrowings at present.

The Group may be exposed to credit-related loss in the event of non-performance by counterparties in respect of cash and cash equivalents and derivative financial instruments. However, such potential non-performance is monitored despite the high credit ratings (investment grade and above) of the established financial institutions with which we transact. We also employ a policy of diversification through use of several counterparties.

Financial Review

Defined Benefit Pension Scheme Arrangements

As of 30 September 2023, the scheme surplus, under IAS 19 "Employee Benefits", decreased slightly to £20.4m, net of deferred tax, compared with a surplus of £21.1m at 30 September 2022.

The discount rate assumption, which heavily Influences the calculation of liabilities, rose from 5.2% in 2022 to 5.4% in 2023 reflecting sentiments in prevailing financial markets. This resulted in liabilities decreasing 0.6% from £86.1m to £85.6m since the last year-end with assets falling by 1.3% from £112.5m to £111.1m in the same period.

Our defined benefits pension scheme is an area of risk that continues to require careful monitoring as it is driven largely by movements in financial markets and materially impacted by relatively small movements in the underlying actuarial assumptions. Note 16 to the financial statements provides sensitivity analysis to movements in the assumptions in the discount rate, salary increases, inflation and mortality.

The most recent triennial actuarial valuation, as of 31 December 2021 showed a surplus of £17.1m. Unlike most UK schemes, the Jersey Electricity Pension Scheme is not funded to pay mandatory annual rises on retirement. The final salary scheme was closed to new members in 2013, with new employees, since that time, being offered defined contribution pension arrangements. The next triennial actuarial valuation of the defined benefit scheme will have an effective date of 31 December 2024.

Returns to shareholders

62% of the ordinary share capital of the Company is owned by the Government of Jersey with the remaining 38% held by around 600 shareholders via a full listing on the London Stock Exchange. Of the holders of listed shares, Huntress (CI) Nominees Limited owns 5.4m (46%) of our 'A' Ordinary shares representing 17% of our overall Ordinary shares and around 5% of voting rights. This nominee company is held within the broker firm Ravenscroft which has placed our stock with several private clients, and a fund, residing largely in the Channel Islands. During the year the ordinary dividend paid increased by 6% from 17.80p net of tax to 18.80p. The proposed final dividend for 2023, at 11.40p, is a 6% increase on last year and consistent with the underlying dividend pattern in recent years and with our stated policy to aim to deliver sustained real growth in the medium-term. We are currently seeing a surge in the local RPI in Jersey, which was at a rate of 10.9% at 30 June and 10.1% at 30 September 2023 but this is predicted to fall over the coming and future years. The chart opposite shows the profile of the ordinary dividend payments over the last 5 years that have risen from 15.30p to 18.80p.

The share price at 30 September 2023 was £4.50 against £5.20 at the 2022 year end. This gives an implied market capitalisation of £138m at 30 September 2023 compared with a balance sheet net assets position of around £242m. However, the illiquidity of our shares, due mainly to having one large majority shareholder, combined with an overall small number in circulation, constrains the ability of the management team to influence the share price. We use Edison (an investment research firm) to produce regular research on our performance to aid the understanding of our value proposition to a wider body of potential investors in the quest to improve our longer-term liquidity.

Viability Statement

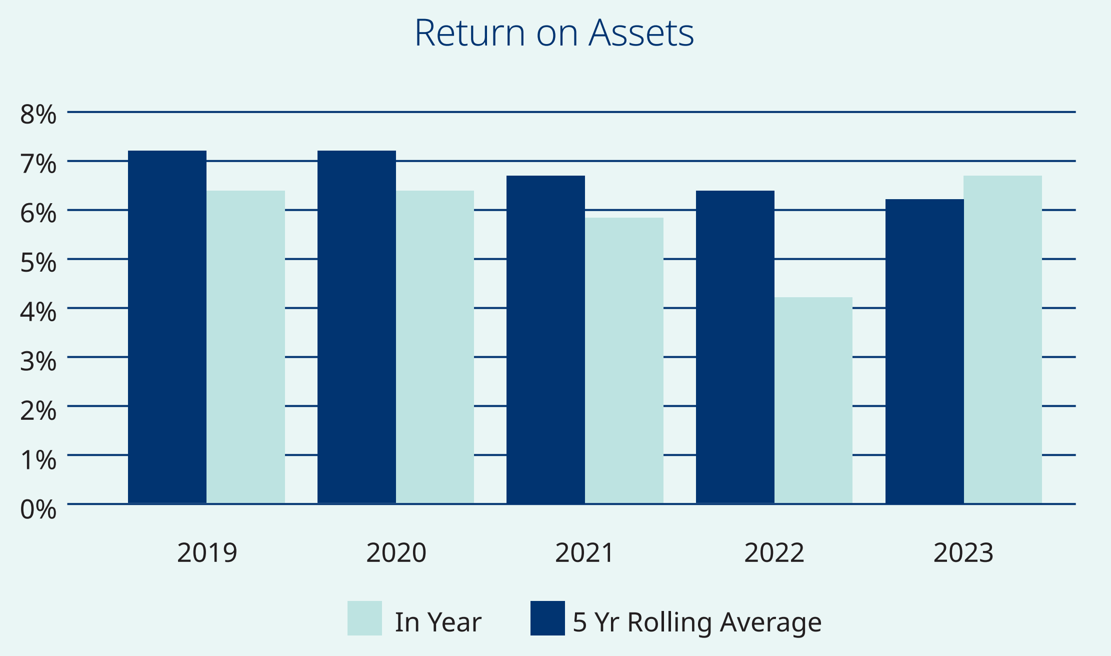
In accordance with provision 31 of the 2018 revision of the Code, the Directors have assessed the prospect of the Company over a longer period than the minimum 12 months required by the 'Going Concern' provision. The Board have reviewed a five year forecast containing a three year strategic business plan and a two year forecast to 30th of September 2028. This business plan is refreshed each year on a rolling basis.

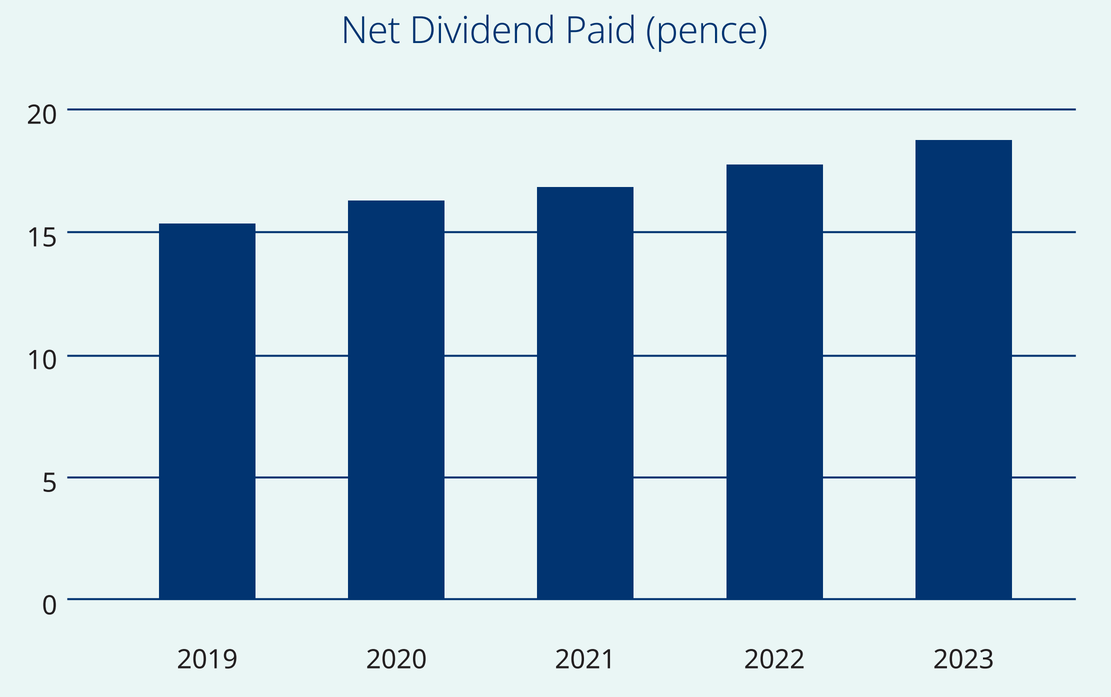
This document considers our forecast investment, hedging policy for electricity procurement and linked foreign exchange requirements, debt levels and other anticipated costs, and the resultant impact on likely customer tariff evolution.

Stress testing of the cost base of our Energy business was performed to establish the impact of material movements in both foreign exchange and wholesale electricity prices. A reduction in the volume of unit sales of electricity through, for example, energy efficiency is being mitigated by switching existing customers, who use gas/oil as their primary heating source, to all-electric solutions. A dedicated team work on initiatives in this area. However, as we employ a 'user pays' model the Board has comfort on the longer-term consequences of a reduction in the volume of electricity sales, a permanent weakening in Sterling, or a material rise in European wholesale power prices.

Based on the results of this analysis, and on the basis that the fundamental regulatory and statutory framework of the market in which the Company operates does not substantially change, the Directors have a reasonable expectation that the Company will be able to continue to operate, and meet its liabilities as they fall due, over the five-year period of their assessment through to 2028.

In making this statement the Directors have considered the resilience of the Company considering its current position, its principal risks, and the control measures in place to mitigate each of them. In particular, the Directors recognise the significance of the strong Jersey Electricity Plc balance sheet, and committed lending facilities, that will be available in most circumstances.





Group Risk Management

Understanding and managing our risks is front of mind in everything we do. Our risk management framework helps us meet our strategic and operational objectives and is designed to manage both risk and opportunities.

Overall, the framework enables our people to make informed business decisions in the best interest of our customers, the Group and our shareholders whilst encouraging us to embrace the concept of taking measured risks, which drive innovation and growth.

Governance - Board responsibility

The Board retains overall accountability and responsibility for the Group's risk management and internal control systems. The Board fulfils their role by:

- Defining the risk appetite – the Board periodically reviews the nature and amount of risk the Group is willing to accept when doing business and achieving strategic objectives
- Conducting robust risk assessments – the Board undertakes assessments of the principal and emerging risks to understand the potential that these risks may impact the ability to achieve strategic objectives
- Reviewing mitigation plans – the Board will review the principal risk assessments and agree how these risks should be managed or mitigated to reduce the likelihood of their incidence or the magnitude of their impact
- Identifying emerging risks – the Board reviews the procedures in place to identify emerging risks and challenge how these risks are being managed or mitigated
- Approving the principal risks and uncertainties disclosure - at year end, the Board reviews the descriptions of principal risk and uncertainties, explanations of how these risks are being managed or mitigated, and other relevant information describing the Group's risk management and internal control systems.

The Board recognises that the system of risk management is designed to manage, rather than eliminate, the Group's exposure to business risks, and can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

Governance – Audit and Risk Committee responsibility

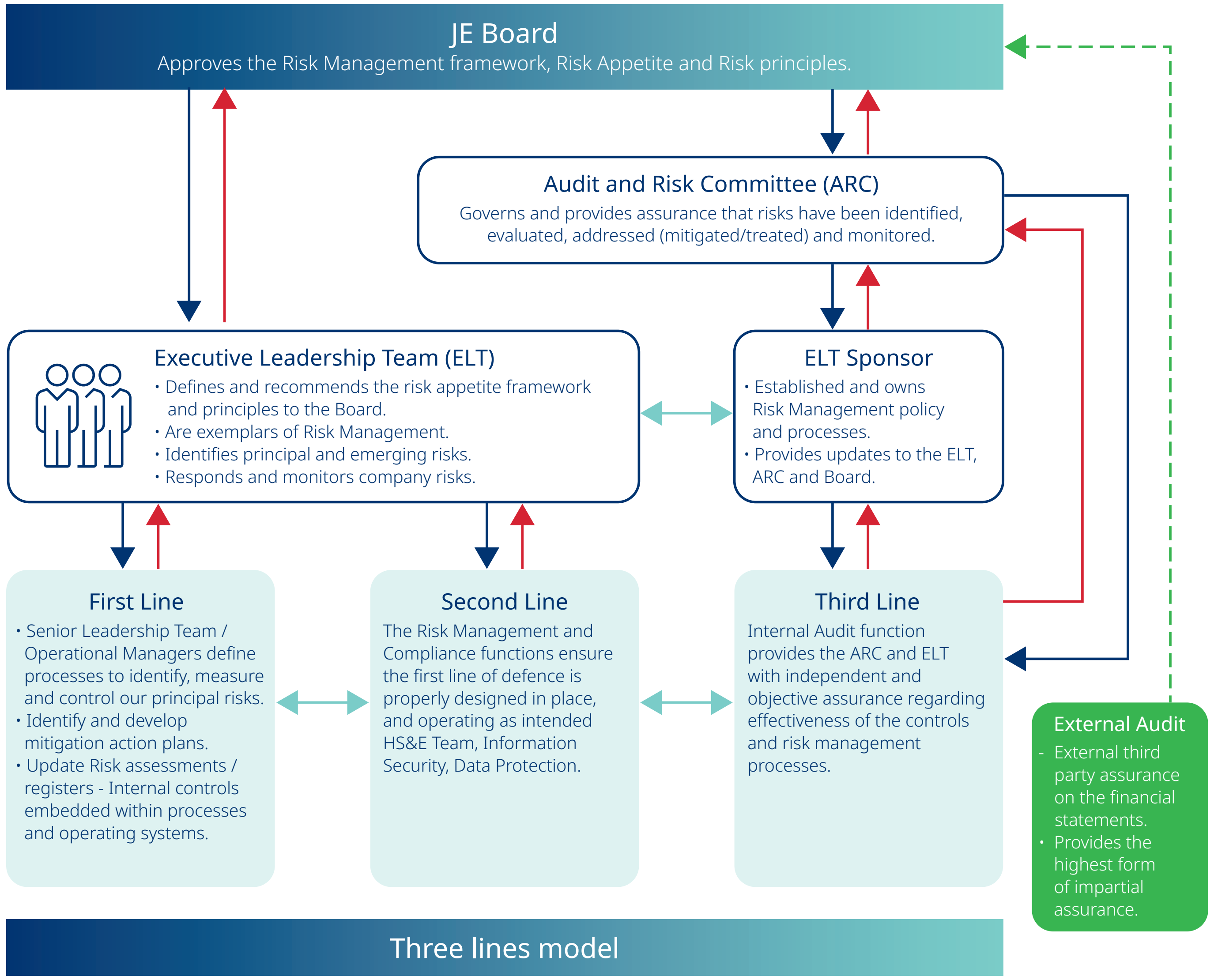
The Board has delegated the Audit and Risk Committee (ARC) with the responsibility of assessing the effectiveness of the risk management framework. The ARC fulfils their role by:

- Establishing procedures to manage risk and oversee the internal control framework.
- Reviewing and challenging the principal risks, emerging risks and the aggregate risk assessments from the 'bottom-up' risk register.
- Approving the annual internal audit plan and reviewing internal audit reports on the effectiveness of internal controls, as a result of independent assurance work undertaken throughout the year.
- Undertaking risk deep dives to review high priority risks, ad-hoc topics and emerging matters.
- Monitoring management's implementation of audit recommendations and actions arising from risk assessments.

Three Lines Model

Jersey Electricity has adopted the 'Three lines model' to embed risk monitoring and manage internal controls systematically and organisationally. The model enhances the understanding of risk management and control by clarifying roles and duties. The model distinguishes among the three groups (or lines) involved in the effective risk management:

- Functions that own and manage risks.
- Functions that oversee risk management and the risk management framework.
- Functions that provide independent assurance.



KEY

The arrows illustrate the reporting lines, direction and collaboration for each core component of this framework.

- Accountability & reporting for evaluations
- Delegation, direction & oversight
- Collaboration & communication
- External assurance reporting

Group Risk Management

Risk Management Framework

Our risk management programme clearly defines roles and responsibilities and sets out a consistent end-to-end process for identifying and managing risks, as illustrated in the diagram below

Principal Risk Register
The principal risk register is a summary of the top risks, emerging risks and uncertainties facing the Group Executive Leadership Team ('ELT'). It is collated into a group view after a process of bottom up and top-down risk assessments, with the risks assigned to a member of the Executive leadership team.

RISK LANDSCAPE

Principal and Group risks – These risks are known to the business and must be managed to ensure we achieve operational and strategic objectives.

Emerging risks – These risks are emerging threats that may potentially impact us in the future. Due to their nature, we are unable to understand the likely scale, impact or velocity of the risk. We monitor these threats until better understood.

RISK MANAGEMENT FRAMEWORK

- **Risk ownership** – each risk will have a named owner.
- **Risk causes** – a list of reasons why the risk could occur.
- **Likelihood and impact** – the possibility and estimated harm caused by the risk.
- **Inherent risk** – assessment of the risk before mitigating controls.
- **Mitigating controls** – implemented by management to reduce/eliminate the risk.
- **Residual risk** – assessment of the risk after mitigating controls are applied.
- **Risk Appetite** – set by the Board, this is the level of risk the Group is prepared to accept.
- **Action plans** – Workstreams, projects and tasks in place to strengthen controls.

MONITORING AND OVERSIGHT

Board – determines the Group's approach to risk and procedures put in place to mitigate exposure to risk.

Audit and Risk Committee – has delegated responsibility from the Board to assess the effectiveness of risk management and internal controls.

ELT risk owners – responsible for managing the risk registers, monitoring internal controls and implementing the actions plans.

Internal audit – independently reviews the effectiveness of internal controls and provides assurance to the Audit and Risk Committee.

Bottom-up registers
Each business unit is responsible for identifying risks arising from day-to-day operations.
Management must design and implement adequate control measures and undertake regular risk assessments.

The core risk assessments are undertaken by each business unit, with the risk owners responsible for identifying and assessing risks which could affect day to day business unit operations.

The bottom-up risks are consolidated into a Group risk register, along with emerging risks and opportunities, which are presented to the Executive Leadership Team (ELT) for their review. Applying a Group-wide perspective, the ELT evaluates and determines our top principal and emerging risks. The proposed principal risks, Group risk register and emerging risks are submitted to the ARC and the Board for their final challenge and approval.

During the risk evaluation phase, we assess the risk impact and define the source or potential causes of the threat. The assigned executive risk owners are accountable for confirming adequate controls are in place and that the necessary treatment plans are implemented to bring the risk within the risk appetite.

Risk Appetite

The Board has determined the risk appetite and risk tolerance for the Group's principal risks. A set of strategic statements have been developed that reflects the strategic intent and levels of risk that management deems acceptable, whilst risk tolerances set the acceptable level of variation and required action around risk ratings:

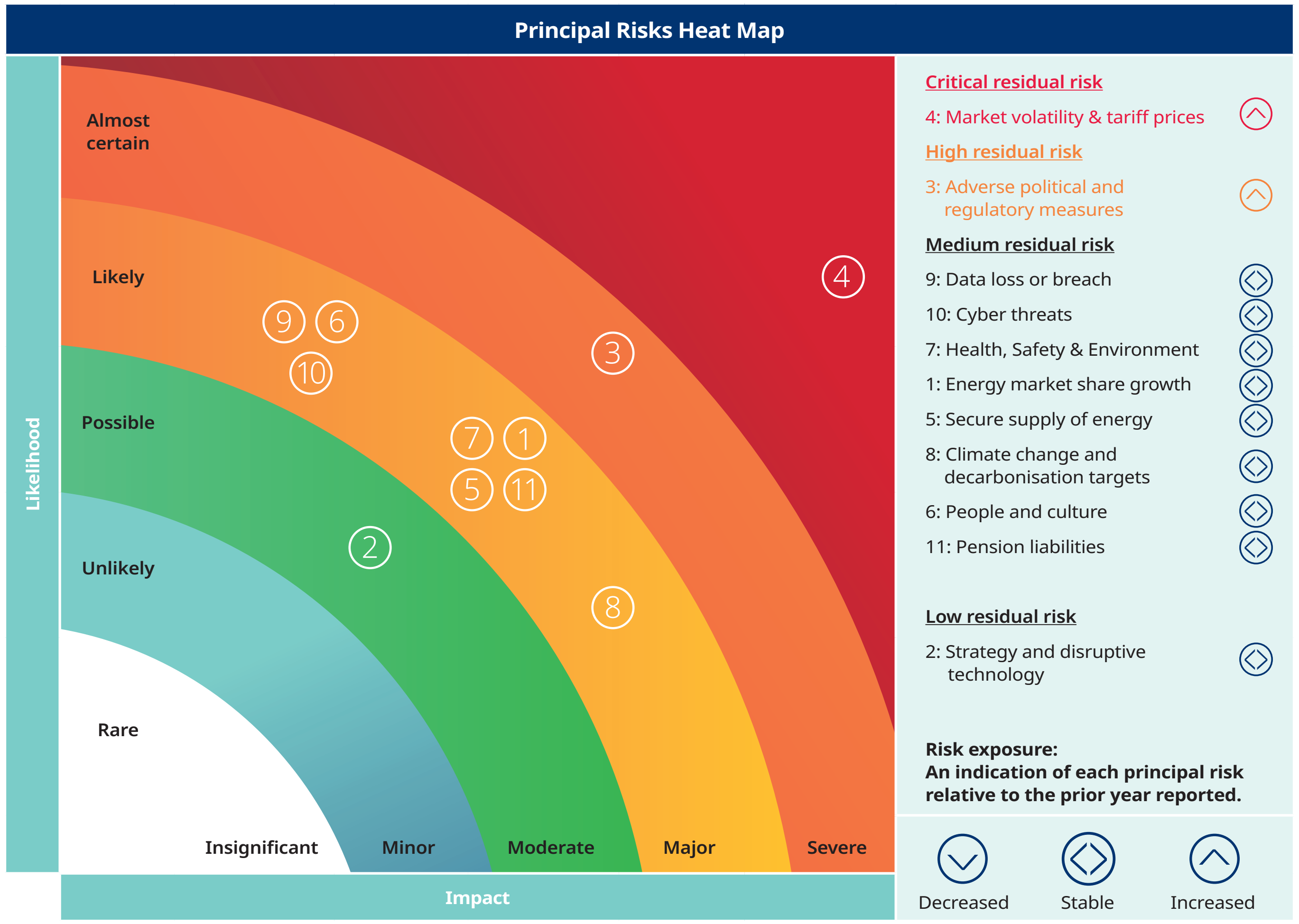
- **Averse –** Prepared to accept only the very lowest level of risks, with the preference being for low- risk delivery options, whilst recognising that these will have little or no potential for reward/return.
- **Cautious -** Willing to accept some low risks, while maintaining an overall preference for low risk delivery options that are unlikely to have a significant impact despite the probability of these having mostly restricted potential for reward/ return.
- **Moderate -** Tending towards exposure to only moderate levels of risk in order to achieve acceptable, but possible unambitious outcomes.
- **Open -** Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money.
- **Enterprise -** Ambitious and willing to be innovative and to choose options that suspend previous held assumptions and accept greater uncertainty.

Our principal risks and uncertainties

The principal risk heat map provides an indicative view of the current risk exposure (likelihood of occurrence and most likely impact) of each of the principal risks relative to each other.

Nine of the 11 principal risks have remained relatively stable in the last 12 months with the following principal risks identified as on the 'watch list', resulting in an increase in exposure and additional mitigating actions from the Board and Management:

- **Market volatility and tariff prices –** due to current economic conditions and uncertainty.
- **Adverse political and regulatory measures –** due to increased public and political interest in the energy sector.



Group Risk Management

Our principal risks and uncertainties

The following tables set out the Group's principal risks, and provides a description of the risk, risk owner, risk trend, risk appetite and mitigating actions. The principal risks are considered by the Board to be the most significant risks that could materially affect the Group's financial condition, ongoing performance and future strategy.

The risks listed do not comprise all risks faced by the Group and are not set out in any order of priority. Additional risks not presently known to management, or currently deemed to be less material, may also have an adverse effect on the business.

Risk Profiles Change Key

Increasing | Decreasing | Stable

Vision Key

Environment	Lifestyle	Our People	Customers	Technology	Investors	Partnerships
We support the Government of Jersey's Carbon Neutral Roadmap by growing electricity's share of the energy market, reducing carbon emissions, helping to conserve resources and protect the environment.	We aim to enhance Islanders' lifestyles and power the economy by providing innovative, low-carbon energy services and solutions.	We aim to be an employer of choice in Jersey, where employees are engaged, supported and developed.	We put customers at the heart of our business, giving them choice, control and value for money in a transparent and trusted way.	We aim to be leaders in the application of technology, enhancing efficiencies, unlocking new services and digitally enabling our employees and our customers.	We provide fair returns to our investors over the medium to long term.	We aim to be the partner of choice for the Government of Jersey and the Island's parishes, supporting all their energy needs.

We categorise our risks into four different areas to provide the appropriate level of governance and oversight to effectively manage these risks, as summarised below.

Risk Category: Strategic Risks

Energy market share growth	Strategy and disruptive technology	Climate change and decarbonisation targets
Description: Inability to grow anticipated unit sales and other revenue streams, resulting in long term loss of market share and depleting profit margins.	**Description:** Failure to innovate and maximise the growth potential of the business, could negatively impact our ability to compete in the market and grow unit sales of electricity.	**Description:** Climate change (and failure to take climate action) impacts our business model, capacity for growth, and could result in public pressure for governments to introduce new policies, laws & regulations.
Risk Owner: Director of Commercial Services	**Risk Owner:** Chief Operating Officer	**Risk Owner:** Chief Financial Officer
Movement: Stable	**Movement:** Stable	**Movement:** Stable
Risk Appetite: Moderate	**Risk Appetite:** Moderate	**Risk Appetite:** Cautious
Our Vision:	**Our Vision:**	**Our Vision:**
Key mitigating actions • The prime defence against falling volumes is to migrate existing customers who use gas/oil as their primary heating source to all-electric solutions. • Numerous workstreams in place to develop low carbon products and financing options, enabling growth beyond 2023. • A dedicated team working on low carbon / renewable initiatives - including EV, solar power and other renewable options.	**Key mitigating actions** • Opportunities and challenges related to growth are a major area of focus throughout the business, with advances in technology reviewed and discussed. • Refreshed Vision includes key strategic workstreams which address innovation and growth opportunities. • Macro-economic factors that could potentially impact the strategy are tracked and regularly reviewed by ELT. • Growth opportunities are reviewed in line with our risk appetite, company values, business model and culture.	**Key mitigating actions** • JE has a well-invested low carbon electricity system that can facilitate a zero-carbon future. • The Sustainability Committee, made up of representatives across all departments, work together to oversee JE's sustainability program for company wide initiatives. • Integrating the energy transition and climate concerns into processes, resulting in reviews / rethinks of our supply chain, purchases and the way we conduct our business activities. • Committed to government environmental objectives by providing renewable energy and charging outlets for EVs. • Aligned reporting with the recommendations of the Taskforce on Climate Related Financial Disclosures (TCFD) which can be found on page 22.

Group Risk Management

Risk Category: Financial Risks

Adverse political and regulatory measures

Description: The introduction of adverse political and regulatory measures could result in the attendant cost of compliance and negatively impact public relations.

Risk Owner: Chief Financial Officer

Principal Risk Trend: Increasing

Risk Appetite: Cautious

Our Vision:

Key mitigating actions

- Strategic objectives in place to ensure we balance between being the key service provider on an Island whilst recognising our responsibilities to a wide number of stakeholders.
- Transparent and regular communication with key stakeholders and policy makers.
- Benchmarking ourselves against comparable Key Performance Indicators with other jurisdictions (e.g., Tariffs, Customer Service, Customer Minutes Lost, CO2 emissions, Lost Time Accidents).
- Continuous monitoring of political and legislative developments (e.g., the Government's Energy Plan).

Market volatility and tariff prices

Description: Adverse movements in market conditions will negatively impact tariffs, causing reputational damage and making it difficult to compete against other fuel providers.

Risk Owner: Chief Financial Officer

Principal Risk Trend: Increasing

Risk Appetite: Moderate

Our Vision:

Key mitigating actions

- Power Purchase contract with EDF in place to 31 December 2027.
- Hedging and Treasury policies are reviewed annually and approved by the Board.
- Financial risks and hedging positions are reviewed regularly, with comprehensive status updates provided at each Board meeting.
- Daily monitoring of power price futures undertaken and material movements reported to management, the ARC and Board.
- The goal, where possible, is to instigate tariff rises that are similar in scale to Jersey RPI levels.

Pension Liabilities

Description: Volatility of markets impacting our Defined Benefit Pension Scheme position e.g. liabilities increase due to market conditions or demographic changes and/or investments underperform.

Risk Owner: Chief Financial Officer

Principal Risk Trend: Stable

Risk Appetite: Moderate

Our Vision:

Key mitigating actions

- The Board monitors the financial position of the Scheme and the potential impact that it may be having on the Company.
- The Trustees implemented an LDI strategy to reduce the exposure to movements in the value of pension liabilities.
- The Defined Benefit scheme was closed to new members in 2013.
- A triennial valuation is performed that formally reports on performance.

Risk Category: Operational Risks

Reliable and secure supply of energy

Description: Unable to maintain operations and continuity of electricity supply, leading to frequent disruption to supply, including an island wide power outage.

Risk Owner: Chief Operating Officer

Movement: Stable

Risk Appetite: Cautious

Our Vision:

Key mitigating actions

- Robust processes and procedures in place to prevent unplanned outages and interruptions to services.
- Three subsea cables to France provide resiliency with regards supply importation cables.
- Strong relationship with our suppliers and engage in ongoing dialogue to understand any developments that might impact security of supply.
- On-Island generation capability to limit over-reliance on any single fuel source or technology.
- Repair and maintenance programme in place to optimise the life of all assets.
- Comprehensive business continuity plans which are periodically testing under various scenario exercises.
- The completion of our smart metering rollout has enhanced metering data, enabling improved analytic insights to better manage load.

Health, safety & environment

Description: A health, safety or environmental incident, leading to a serious injury, death, hazardous event or long-term damage to the eco-system.

Risk Owner: Chief Operating Officer

Movement: Stable

Risk Appetite: Averse

Our Vision:

Key mitigating actions

- A proactive safety and environmental culture nurtured throughout the organisation which is supported by safety representatives, programmes of site inspections and regular training.
- Performance measures are explicitly presented as a separate agenda item at each Board meeting.
- A Health, Safety and Environment team sets standards and monitors performance against those standards.
- Accident, incidents and near misses are reported and recorded, with analysis performed on trends and root causes.

People and culture

Description: Inability to retain and develop the right people and skills required to achieve business objectives in a culture and environment where employees can thrive.

Risk Owner: Human Resources Director

Movement: Stable

Risk Appetite: Moderate

Our Vision:

Key mitigating actions

- Long-range workforce planning to better forecast leavers and skill shortage risk.
- Annual succession planning for leadership and critical roles, including replacement chart, indicating risk areas.
- Diversity and inclusion strategy to continually build diversity across all roles and levels within our business.
- School engagement and apprenticeship programs in place to encourage the younger generation to pursue STEM careers.
- Continuous focus on our values and culture, which are aligned with our purpose.
- Code of Conduct, Speak Up policies and other HR policies communicate expected behaviours of all our people.
- Increased emphasis on mental health, wellness programs and improving ways of working.

Group Risk Management

Risk Category: Technological Risks

Data loss or regulatory breach

Description: Data loss, release or misuse of personal and confidential information resulting in a regulatory breach, highly publicised investigations, fines / penalties and reputational damage.

Risk Owner: Company Secretary

Movement: Stable

Risk Appetite: Averse

Our Vision:

Key mitigating actions

- Appointment of a data protection officer (DPO).
- Internal privacy governance structure established.
- Documented processes and policies to enable compliance with laws and regulations.
- Enhanced data protection impact assessments (DPIA) and continuous monitoring of risk assessments.
- On-going data protection training as we recognise that data protection breaches are not always technical, and that awareness is our first point of control.
- Ongoing compliance program, including reviews of data library and monitoring of retention and destruction schedules.

Cyber threat and information security

Description: A cyber-attack or internal malicious activity could cause serious disruption to critical systems, causing major impact to operations and lead to customer, financial and reputational impacts.

Risk Owner: Director of Technology

Movement: Stable

Risk Appetite: Averse

Our Vision:

Key mitigating actions

- Use of antivirus and malware software, firewalls, email scanning and internet monitoring to identify and prevent cyber threats.
- Information Security systems that identifies, mitigates and removes malicious domains and Internet Protocols.
- IT policies in place to manage administrator, privileged and service accounts.
- Regular monitoring of unusual or suspect activity on the corporate network.
- Testing of cyber security including system penetration testing and internal phishing training exercises.
- On-going cyber awareness training across the Group.
- Core applications are only accessible through a secure portal that require multi factor authentications.

Emerging Risks

As with all businesses, we face several uncertainties which may potentially impact us in the longer term. Where there is insufficient information available to understand the likely scale, impact, or velocity of the risk, we have classified these threats as emerging risks.

We identify new emerging risks, through the evaluation of our business strategy, new technologies, products, and services as well as government policies, regulation and cyber threats. Once identified, we evaluate the impact and potential effect it could have on the Group and principal risks.

The table below highlights the latest emerging risk that may, in time, pose a threat to the Group’s business model and strategic objectives.

Ref	Emerging risk	Risk owner	Risk Description	Action plans
ER1	**Competition in energy market**	Director of Commercial Services	Government legislation or the removal of barriers to market entry, results in new entrants to the Jersey energy market, resulting in loss of market share and depleting profits.	• A New Product Development team has been created within the Group to develop new ideas for services and propositions, including Heating as a Service (HaaS), Lighting as a Service (LaaS), financing, enabling growth. • Strategy sessions with the Board to understand movement in the markets and new competition. • PMO team to enable and support successful development and launch of new products and service offerings.
ER2	**Natural resource crisis**	Chief Operating Officer	The world is experiencing the first truly global energy crisis in history, with the situation especially perilous in Europe. There are some concerns over disruption to supply from Europe (caused by war or other event). Adverse movements in market conditions, coupled with natural resource crisis which may result in more reliance on nuclear, may negatively impact tariffs.	• Business continuity plans for winter operations have been formally established. • Numerous scenario modelling and tested mitigations for technical failures to the interconnection cables and disruption to supply. • Mitigation plans to manage customer demand and local emergency generation.
ER3	**Extreme weather event**	Chief Operating Officer	Probability of extreme weather (such as storms and heatwaves) impacting on our business model and capacity for growth in demand	• Flood surveys to identify substations at risk undertaken regularly. • Replacement of overhead cables with under head cables (a small proportion of the network is overhead cables). • Alternative and on-Island capability to generate energy. • Monitoring weather patterns. • Enhanced asset management systems.

Group Risk Management

Emerging Risks (continued)

Ref	Emerging risk	Risk owner	Risk Description	Action plans
ER4	**Attracting and retaining talent**	HR Director	Talent shortage in the energy market due to ageing workforce, limited new/young talent entering the industry, cost of living in Jersey (making it difficult to attract talent from UK/overseas), lack of economic advancement opportunities (livelihood crisis) etc.	• Review pay against inflation and benchmark against comparable jurisdictions. • Defining the Employee Value Proposition. • Offering of rental property to help international hires. • Tracking turnover and understanding why employees leave the business / Island.
ER5	**Mental Health Crisis**	HR Director	Mental health stability, coupled with livelihood crisis, may result in pervasiveness of mental health ailments and/or disorders negatively impacting well-being and productivity (including mental focus to work safely).	• Mental health training provided to all staff. • Mental health first aiders within the business. • Living Leader program enabling management to identify and support mental health issues in their team. • Tracking the number of employees on long-term leave (HR KPI).
ER6	**Disruptive technology in the energy sector**	Chief Operating Officer	Advances in technology within the renewable energy sector, bring both unknown opportunities and threats in the long term. Failure to adapt and exploit opportunities will impact our ability to remain competitive and meet changes in customer demands.	• We are assessing the energy needs of the island over the longer term and how these might be met, the impact on our business and timing of change. • We continue to monitor developments in the energy technology markets. This includes attending innovation and future sessions and attending focus Groups.
ER7	**Sophisticated cyber-attacks**	Director of Technology	Cyber-attacks are part of the technology landscape today and will be in the future. No organisation, government or person will ever be fully immune to the effect of cyber-attacks. Cyber-security risks have always constantly changed, but sudden advances with AI have changed the landscape with unknown attack vectors and agencies weaponising advanced technologies. There are future risks of increases in both the volume and sophistication of cyber-attacks.	• We anticipate threats will evolve in areas such as 5G, Internet of Things, vendor software integrity, quantum computing and the use of AI and machine learning. • Evaluating modern AI cyber-security controls needs to start immediately. • Forward and modern cyber-security and technology frameworks that align with JE technology ambitions and new operational technology needs must be evaluated as part organisational changes

Horizon Scanning

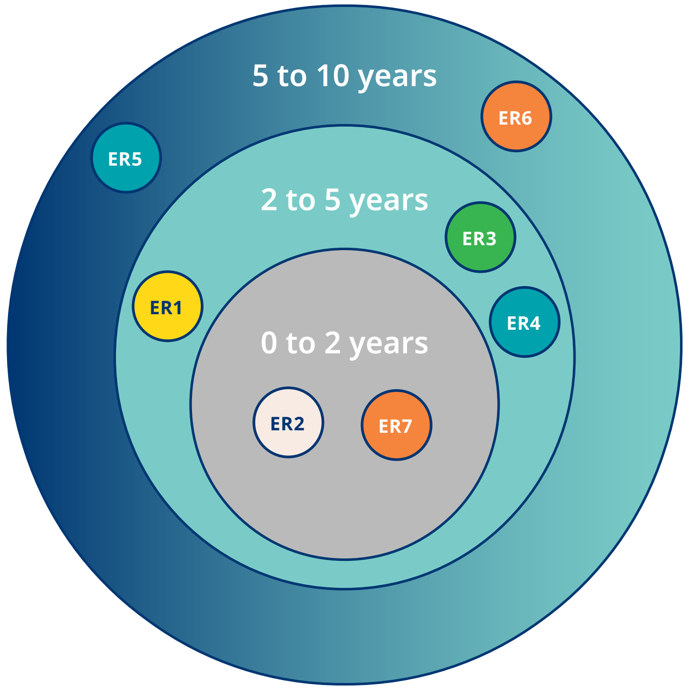
On 31 May 2023, the Board reviewed the emerging risks using a risk radar approach to identify the time horizon for each risk. Horizon scanning is not about predicting the future but to improve our understanding of the risks that may impact our business, including a review of the potential options and course of actions to mitigate these emerging risks.

The activity enables management to be make more informed decisions, which ultimately can help enhance resilience and preparedness in the face of uncertainty and change.

The risk radar presented below illustrates the results of this analysis, and indicates the perceived timeline for when each risk may impact the Company. Management are required to use this analysis to inform strategy and future planning, including identifying how the threats may be turned into an opportunity for the Company.

Emerging Risk Table

Ref	Title	Key
ER1	Competition in energy market	Economical
ER2	Natural resource crisis	Political
ER3	Extreme weather event	Environmental
ER4	Attracting and retaining talent	Societal
ER5	Mental Health Crisis	Societal
ER6	Disruptive technology	Technological
ER7	Sophisticated cyber-attacks	Technological



Board of Directors

				
	Phil Austin MBE	Wendy Dorman	Chris Ambler	Lynne Fulton
Tenure on Board	Appointed 12 May 2016 and Chair from 28 February 2019	Appointed 14 July 2016	Appointed as Chief Executive 1 October 2008	Appointed as Chief Financial Officer 27 July 2023
Committee Memberships	Nominations Committee Remuneration Committee	Audit and Risk Committee (Chair) Nominations Committee	Nominations Committee	
Experience	Financial services background and board level experience across a wide range of listed and private companies	Chartered Accountant with audit and tax experience Leadership positions including Head of Tax for PwC Channel Islands and listed company Non-Executive Director roles with audit chair experience for listed companies	Chartered Engineer in various leadership and general management roles in blue chip multinationals Strategy consultancy experience with MBA (INSEAD) Broad experience across global utility, chemicals and industrial sectors	Charted Accountant with over 25 years experience in Utilities, both regulated and non regulated. Holding leadership roles in commercial finance, regulation and strategic business planning
Relevant Skills	Extensive experience in leadership and management Deep understanding of governance standards and requirements Good communication skills Governance, including compliance with Corporate Governance Code for listed companies, risk management and oversight of ESG and Sustainability	Leadership and management Infrastructure investment Accountancy, audit and taxation Governance, including compliance with Corporate Governance Code for listed companies, risk management and oversight of ESG and Sustainability	Leadership and management Strategy development M&A and corporate finance	Leadership and management Deep understanding of utilities and the energy market. Strategy development, M&A, strategic planning and commercial finance Strong experience in Regulation, Sustainability, Strategy Development, M&A, strategic panning and commercial finance
External Appointments	Chair of Octopus Renewables Infrastructure Trust Plc	Non-Executive Director of 3i Infrastructure Plc Non-Executive Director of CQS New City High Yield Fund Limited	Non-Executive Director of Apax Global Alpha Ltd Non-Executive Director of Foresight Solar Fund Ltd	

Board of Directors




	Amanda Iceton	Alan Bryce	Tony Taylor	Kayte O'Neill
Tenure on Board	Appointed 1 June 2020	Appointed 17 December 2015 Senior Independent Director	Appointed 21 September 2017	Appointed 3 March 2022
Committee Memberships	Audit and Risk Committee Remuneration Committee	Nominations Committee (Chair) Audit and Risk Committee	Remuneration Committee (Chair) Nominations Committee	Audit and Risk Committee Remuneration Committee
Experience	Executive leadership experience as Chair and Managing Director of global management consultancy Accenture UK/Ireland Plc Extensive experience of chairing Audit and Risk committees across UK Government and listed companies	Extensive board level experience in electricity generation, and transmission and distribution in the UK and USA Non-executive experience in water industry and wind farm development Wide range of roles in corporate strategy, M&A and utility regulation	Senior management roles in leading global advertising agencies	Executive leadership roles in Strategy, Regulation, Markets and large-scale Transformation. Extensive experience working with policymakers and regulators to develop and implement frameworks and business models to support energy transition. Designing and operating electricity markets in the UK.
Relevant Skills	Digital and cyber skills developed through work with CPNI and NCSC Familiarity with UK and US GAAP accounting Strategy Leadership Preparation/approval of UK government and company accounts internationally, including USA and South Africa	Business leadership and governance Chartered engineer with extensive knowledge of the utility industry Asset and operational risk management	Strategic planning and growth Customer experience Stakeholder engagement Marketing and communications	Leadership and management Strategic planning Stakeholder engagement
External Appointments	Non-Executive Director of Paragon ID Non-Executive Director of Standard Bank Offshore Group Ltd	Non-Executive Director of Northern Ireland Electricity Networks Ltd Non-Executive Director of Northumbrian Water Ltd	Non-Executive Director of Jersey Milk Marketing Board Non-Executive Director of Channel Radio Ltd	Executive Director on the Board of National Grid ESO

Directors Report:
for the year ended 30 September 2023

The Directors present their annual report and the audited financial statements of Jersey Electricity Plc ("the Company") and Jersey Deep Freeze Limited (together "the Group") for the year ended 30 September 2023.

Principal Activities

The Company is the sole supplier of electricity in Jersey. It is involved in the generation and distribution of electricity and jointly invests in assets with Guernsey Electricity Limited importing power for both islands. It also engages in retailing, property management, building services and has other business interests, including software configuration services and consulting.

Section 172 (1) Statement

We are required under the code to report on this area, and it is central to our strategy to consider wider stakeholders. This is despite Section 172 of the Companies Act 2006 not being applicable to a Jersey incorporated company. Nevertheless, Jersey Electricity Plc has set out how they deliver against these duties where appropriate. The Board of Jersey Electricity Plc considers that it has acted in good faith and in a manner which it believes promotes the continued success of the Company, for the benefit of all its stakeholders. In addition to its shareholders, the Board engages with Government, local Parishes, suppliers, customers and employees.

Dividends

The Directors have declared and paid, and now recommend the following dividends in respect of the year ended 30 September 2023:

	2023 £	2022 £
Preference dividends		
5% Cumulative Participating Preference Shares at 6.5%	5,200	5,200
3.5% Cumulative Non-Participating Preference Shares at 3.5%	3,773	3,773
	8,973	8,973
Ordinary dividends		
Ordinary and 'A' Ordinary Shares		
Interim paid at 8.00p net of tax for the year ended 30 September 2023 (2022:7.60p net of tax)	2,450,976	2,328,640
Final proposed at 11.40p net of tax for the year ended 30 September 2023 (2022:10.80p net of tax)	3,492,960	3,309,120
	5,943,936	5,637,760

Re-election of Directors

All Directors seek re-election annually at each AGM.

Directors' and officers' insurance

During the year the Company maintained liability insurance for its Directors and Officers.

Policy on payment of creditors

It is Group policy, in respect of all of its suppliers, to settle the terms of payment when agreeing each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by those terms. The number of creditor days in relation to trade creditors outstanding at the year-end was 2 days (2022: 10 days).

Substantial Shareholdings

As at 20 December 2023 the Company has been notified of the following holdings of voting rights of 5% or more in its issued share capital:

Ordinary Shares

The Government of Jersey hold all of the Ordinary shares which amounts to 62% of the ordinary share capital and represents 86.4% of the total voting rights. This is held as a strategic investment in their balance sheet and not consolidated.

'A' Ordinary Shares

'A' Ordinary shares entitle the holder to 1 vote for every 100 shares held whereas the Ordinary shares carry voting rights of 1 vote for every 20 shares held.

Huntress (CI) Nominees Limited is the largest registered shareholder of our listed shares and hold 5,382,424 'A' Ordinary shares which represent 5% of the total voting rights. It is understood that the underlying owners of these shares are substantially private investors and a fund based in the Channel Islands

Company Secretary

Andrew Welsby, our HR Director, held this position as an interim measure, until Fiona Wilson was appointed on 26 July 2023.

Auditor

A resolution to re-appoint PricewaterhouseCoopers CI LLP as auditor will be proposed at the next Annual General Meeting.

BY ORDER OF THE BOARD
F. WILSON Secretary
20 December 2023

Corporate Governance

Corporate Governance

The Directors are committed to maintaining a high standard of Corporate Governance in accordance with The UK Corporate Governance Code 2018 ("the Code"), as incorporated within The Listing Rules, issued by the Financial Conduct Authority. The Listing Rules require the Company to set out how it has applied the main principles of the Code and to explain any instances of non-compliance. In accordance with Listing Rule ("LR") 9.8.4 R, the agreement related to 'Independent business' required by LR 9.2.2A (2) (a) R has been entered into with the Government of Jersey, with effect from 17 November 2014. The Company has complied with the independence provisions included in the agreement during this financial year and believes the majority shareholder is also compliant. The other applicable information required by LR 9.8.4 R (5)/(6) is disclosed in external appointments.

The Directors have reviewed, and applied, the latest UK Corporate Governance Code applicable to accounting periods beginning on or after 1 January 2019, together with the supporting Guidance on Board Effectiveness within these financial statements. The Code is available at: www.frc.org.uk.

Statement of Compliance

At the time of signing off the 2023 Annual Report the Board considers that it has complied with the Code, except for Provision 38 (executive pensions aligned with the workforce) and this is explained in the Remuneration Report.

The Board

The Board provides effective leadership and currently comprises six non-Executive and two Executive Directors. They are collectively responsible for the long-term success of the Company and bring together a balance of skills, experience, independence, and knowledge.

The Chairman and the Chief Executive Officer roles are divided with the former being appointed by the Directors from amongst their number. Alan Bryce is the Senior Independent Director.

Independence

The non-Executive Directors serving at the balance sheet date were Wendy Dorman, Amanda Iceton, Kayte O'Neill, Alan Bryce, Phil Austin and Tony Taylor and they were all considered independent. On appointment to the Board the required time commitment is established and any significant changes to time commitments are notified to the Board. An induction process is in place for all newly appointed Directors. The Board is responsible to the Company's shareholders for the proper management of the Company. It meets regularly to set and monitor strategy, review trading performance, perform a robust assessment of the principal risks that could threaten the business model, future performance, solvency, or liquidity (see Principal Risks section on pages 60 to 64), examine business plans and capital and revenue budgets, formulate policy on key issues and review the reporting to shareholders.

Board papers are circulated, with reasonable notice, prior to each meeting to facilitate informed discussion of the matters at hand. Members of the Board hold meetings with major shareholders to develop an understanding of the views they have about Jersey Electricity.

Table A below sets out the number of meetings (including Committee meetings) held during the year under review and the number of meetings attended by each Director.

Performance Evaluation

The effectiveness of the Board is vital to the success of the Company. An external evaluation took place during 2021 using Boardroom Dialogue Group Ltd, an external consultancy in Board matters which has no connection with the Company, the findings of which were reviewed and actions implemented in 2022. During 2023, the Board conducted an internal evalutation of sub-Committees. As the policy is to have an external review every 3 years, the next review will take place in 2024. In addition, the non-Executive Directors meet at least twice a year, without the Executive Directors being present, with an explicit topic being the performance of the Executive Directors. Finally, the Senior Independent Director meets the other non-Executive Directors once a year to discuss the performance of the Chairman (without his presence).

No of meetings	Board	Audit and Risk	Remuneration	Nominations
C. J. Ambler	6	1*	3*	2*
P. J. Austin	6	2*	3	2
A. A. Bryce	6	4	0	2
W. Dorman	6	4	0	2
L. G. Fulton	3**	3*	2*	0
A. Iceton	6	4	3	0
M. P. Magee	5***	3*	2*	0
K. O'Neill	6	4	3	0
T. Taylor	6	0	3	2

* Attendees by invitation
** L. G. Fulton attended all relevant meetings following her appointment to the board on 26 July 2023
*** M. P. Magee attended all relevant meeting up to his retirement from the board on 26 July 2023

Corporate Governance

Workforce Engagement

During 2020, a workforce Culture and Engagement Forum was established with representatives from across the Company. At least one non-Executive Director attends each meeting of this forum which provides an opportunity to gain first-hand feedback from the workforce. In addition, the maintenance of the right culture within Jersey Electricity remains a priority. The use of staff surveys to collect data, the promotion of people development (through our 'Living Leader' and other management development programs) and a continued focus on the safety of both our employees and customers are key tools in the delivery of this objective.

The key procedures which the Board has established to provide effective controls are:

Board Reports

Key strategic decisions are taken at Board meetings following due debate and with the benefit of Board papers circulated beforehand. The risks associated with such decisions are a primary consideration in the information presented and discussed by the Board who are responsible for determining the nature and extent of the risk it is willing to take to achieve the strategic objectives. Prior to significant investment decisions being taken, due diligence investigations include the review of business plans by the Board.

Management Structure

Responsibility for operating the systems of internal control is delegated to management.

There are also specific matters reserved for decision by the Board. A Board Charter detailing the matters reserved and the roles and responsibilities of the officers of the Company is available on our website (www.jec.co.uk). A summary of the key types of decision made by the Board are as follows:

- Strategy and Management including:

  Approval of the Company's long-term objectives and commercial strategy

  Approval of the annual operating and capital expenditure budgets and any subsequent material changes to them.
- Changes in structure and capital of the Company
- Financial reporting and controls including:
  Approval of the Annual Report and Financial Statements.

  Declaration of the interim dividend and recommendation of the final dividend.
- Internal controls/Risk Management

  Reviewing the effectiveness of the internal control and risk management systems. An external review of the risk management process is conducted every three years.
- Approval of contracts

  Including material contracts, investments, capital expenditure and bank borrowings.
- Board membership and other appointments

  Approval of changes to the structure, size and composition of the Board and key Committees, following recommendations from the Nominations Committee.
- Remuneration

  Determining the remuneration policy for the directors and other senior management, following recommendations from the Remuneration Committee.
- Corporate governance matters

  Undertaking a formal and rigorous annual evaluation of its own performance, that of its Committees and individual Directors. Review of the Company's overall corporate governance arrangements.
- Approval of key Company policies

  These include policies on health and safety, share dealing and diversity.

Internal Audit/Risk Management

There is a permanent internal audit function involved in a continuous structured review of the Company's systems and processes, both financial and non-financial. Internal Audit manage the process of strategic and operational risk reviews and facilitate risk review workshops with departmental managers. The Head of Internal Audit has direct access to the Audit and Risk Committee Chairman and also attends ARC meetings, at which risk based internal audit plans are discussed and approved.

Personnel

The Company ensures that personnel are able to execute their duties in a competent and professional manner through its commitment to staff training, regular staff appraisals and organisational structure.

Budgetary Control

Detailed phased budgets are prepared at profit centre level. These budgets are approved by the Board, which receives sufficiently detailed financial data to monitor the performance of the Company with explanations of any material variances.

Audit and Risk Committee

The Audit and Risk Committee (ARC) reviews the effectiveness of the internal control and risk management processes throughout the accounting period as outlined above. In addition, it conducts "deep dive" reviews on specific identified risks to test assumptions on the substance of such risks and their mitigation.

More detail on the Group's principal risks, and how they are managed, is provided in this report (see the Principal Risks section on pages 60-64).

The ARC also reviews and monitors the independence of the external auditors and the non-audit services provided to the Group.

Stakeholder Engagement

The Company maintains an active dialogue with its largest shareholders and meetings with Government of Jersey (which owns 62% of our Ordinary share capital) include both the non-Executive Chairman as well as the Chief Executive Officer. The primary responsibility for relationship matters with listed shareholders lies with the Chief Financial Officer who reports to each Board meeting on investor relations. Jersey Electricity also has a number of other important stakeholders including Government, the local Parishes, suppliers, customers and employees, and regular presentations are provided to the Board on how such relationships are managed and can be developed.

Nominations Committee Report

Committee Purpose

The purpose of the Committee is to make recommendations to the Board in respect of Board composition, Board appointments, succession planning for senior leadership roles across the Company, and to support the Board in its leadership of the Diversity and Inclusion agenda.

Membership and meetings

I am pleased to report on the work of the Nominations Committee for the financial year ended 30 September 2023.

The Committee comprises a majority of independent non-Executive Directors, the Chair of the Board and the CEO. It is supported, when required, by the Human Resources Director and the Company Secretary, and there were no changes to the membership during the reporting period. The Committee met twice, as recorded below. All of the members also met on other occasions to form the interview panel for the selection of our new CFO, Lynne Fulton.

Attendance

	Meetings	Attended	
Alan Bryce (Chair)	2	2	100%
Phil Austin	2	2	100%
Chris Ambler	2	2	100%
Wendy Dorman	2	2	100%
Tony Taylor	2	2	100%

Duties of the Committee

The Terms of Reference for the Committee and the Terms of the Appointment of non-Executive Directors are available on our website (www.jec.co.uk). A summary of the Committee's key duties, is:

- To review regularly the structure, size, balance and overall composition of the Board, and to make recommendations with regard to any changes, with due regard to the skills needed for the future.
- To give full consideration to the pipeline of succession at Board and Executive Leadership Team levels, and to lead the process for any appointments to the Board.
- To support the annual Board evaluation process and to make recommendations arising, including the annual reappointment of NEDs; and
- To support the Board in its leadership of Company culture in pursuit of greater Diversity and Inclusion.

Board Structure and Composition

During the period, the Committee maintained its oversight of the Board Structure and Composition, notably in managing the succession of our Chief Financial Officer (CFO) and overseeing the recruitment of our new Company Secretary.

As previously reported, Martin Magee advised us in August 2022 of his intention to retire during 2023. The Committee is grateful to Martin both for his contribution to Jersey Electricity over the years and for his advance notice of his decision to retire, as this enabled the search for his successor to be completed in good time to enable a smooth handover.

Russell Reynolds, recruitment specialists that are independent of the Company and the Directors, were engaged to conduct the executive search, which led to our announcement on 18 January of Lynne Fulton as Martin's replacement and her formal appointment to the Board on 26 July. Lynne's appointment followed an extensive search both on-island and in the UK, comprising advertising in the Jersey and national press, and specialist internet-based channels, as well as a targeted search using Russell Reynolds' database and networks. Around 90 potential candidates were identified. Following an initial interview of around two dozen candidates by Russell Reynolds, short-listed candidates then visited Jersey in October, both to see the island and to meet with members of the Nominations Committee, either face-to-face or virtually. The Committee then met virtually to select the final three candidates for interview on island in November. Lynne's profile matched well with the Committee's requirements for the role. In particular she brings valuable experience of utilities from previous positions at United Utilities and Electricity North West, and wider commercial and finance experience from her roles at contractors offering infrastructure build and maintenance and specialist support services. Lynne's experience of energy markets is also particularly valuable in leading our energy hedging activities and in developing our future energy sourcing and product strategy.

The Committee also oversaw the process for recruiting our new Company Secretary and was pleased to recommend the appointment of Fiona Wilson on 26 July 2023. Fiona joins us from the Collas Crill Group and is a qualified lawyer. She has considerable experience gained from both in house and private practice supporting clients on a range of legal and Company Secretarial matters.

"During the period, the Committee maintained its oversight of the Board Structure and Composition, notably in managing the succession of our Chief Financial Officer (CFO) and overseeing the recruitment of our new Company Secretary. "

Fiona is a great fit with the JE values and we are benefiting greatly from her technical skills. We are grateful to Andrew Welsby, our HR Director, for his agreeing to take on the additional role of Company Secretary on an interim basis until Fiona's appointment.

As part of succession planning, described below, the Committee has started planning to find successors for two of our NEDs, Alan Bryce and Wendy Dorman, who will reach nine years' service on the Board during 2024/25, and will consider plans for Chair succession during the coming year. As normal, we shall be using our annual review of Board skills and experience needs to inform the recruitment process for Alan's and Wendy's replacements.

In line with Listing Rules on board diversity:

- We comply on gender with at least 40% of our Board being women.
- We comply with at least one of our senior board positions being a woman, as our CFO is female.
- We do not comply on ethnicity, as none of our Board is from a minority ethnic background. We are seeking to address this in our Board succession plan.

Board Mix of Specialist Skills, Tenure and Gender

Specialist skills		Tenure		Gender	
Board Governance	3	0-3 years	2	Male	4
Operational/Engineering	2	3-6 years	1	Female	4
Digital and Cyber	1	6-9 years	4		
Finance and Accounting	4	>9 years	1*		
Strategy, M&A	3				
Customers and marketing	3				
Energy/Utilities	4				
Sustainability and Climate Change	2				

*The CEO was appointed in 2008.

Succession Planning

In addition to its consideration of Board structure, composition, skills and succession, the Committee maintains oversight more broadly, of the succession pipeline and plans at the Company's senior management levels. These comprise of the six-strong Executive Leadership Team (ELT) and the around twenty members of the Senior Leadership Team (SLT).

As reported last year, we engaged Norman Broadbent to carry out a development review of our SLT. At our December meeting, the Committee reviewed the overall results of process, which both identified overall "bench" strength and development needs. Not surprisingly, it also highlighted that in our relatively small organisation, while many SLT members had an obvious promotional route, not everyone has. The Committee is therefore encouraging various initiatives to create developmental opportunities across the organisation. At our July meeting, we reviewed the development plans for SLT members, which set out a two-year programme for each individual.

For our ELT cohort, Trusted Advisors Partnership (TAP) were engaged by the Remuneration Committee to facilitate a 360-degree process for each member of the ELT. This has provided positive and valuable feedback to the Nominations and Remuneration Committees and helped to inform some development themes for ELT members. Regarding succession for the ELT, the Company is continuing to build internal "bench" strength through the initiatives described above. Our approach to senior succession remains a mix of external appointments and internal promotions.

Board Evaluation

The Committee facilitated another internal evaluation of the performance of the Board, its committees, and the Chair. Each director again completed a questionnaire, followed by a 1:1 meeting with the Chair, and a Board discussion to consider the overall conclusions. Directors also completed a questionnaire on the Chair's performance, and the Senior Independent Director convened a meeting of the NEDs to review the conclusions. Overall, the results of all this year's evaluations were very positive, and Board members confirmed that composition of the Board and its Committees remain well balanced for the needs of the business.

Nominations Committee Report

Building on the completed actions from our last externally facilitated evaluation in 2021 and last year's internal evaluation, Board members have identified four main themes for action from this year's evaluation. These are around clarifying and communicating our role in Jersey's energy transition, working with our new Company Secretary on best practice Board agenda planning, papers and reporting, and building a more granular understanding of stakeholder needs. The Board and Committees also support continuing to use virtual meetings selectively, in particular to enable "deep dives" on strategic direction and key business topics. Activities that flowed from previous Board evaluations have continued throughout the year, including external stakeholder engagement, and NED participation at the quarterly meetings of JE's Culture and Engagement Forum.

Diversity and Inclusion

The Committee continues to support the Board in setting and monitoring progress against our Diversity and Inclusion (D&I) strategy. Our goals comprise improving the level of diversity in the Company, as well as continuing to progress the development of an even more inclusive workplace culture that both enables us to attract and retain great and diverse talent.

The composition of our employees by gender is presented below:

Diversity and inclusion

	Male	Female
Company	75%	25%
First Line Reports	74%	26%
Senior leadership team	71%	29%
Executive leadership team	84%	16%
Board	50%	50%

Overall, our Company gender balance has improved again this year by 2 percentage points, - with encouraging improvements at First Line Report, Senior Leadership Team and ELT levels of 2, 7, and 16 percentage points respectively. We have seen encouraging improvement in the year, with both our mean and median gender pay gaps which have fallen by 8% to 13.4% and 5.4% to 13.8% respectively. This outcome was a result of a continued focus on gender balanced hiring in groups where women have been underrepresented.

Workforce planning has been an important area of focus again this year to ensure JE has a clear forecast of human resource requirements over the coming 3-years. We enjoy a committed and stable workforce but know that supporting the Government of Jersey's Carbon Neutral Roadmap aspirations will require new skills sets in the business particularly in the areas of renewable energy and technology to support our continued success.

Despite significant schools' engagement over the course of the year, increasing rates of pay for apprentices to that of the Island's Living Wage coupled with a targeted advertising campaign aimed at non-school leaver, we failed to hire any women into apprenticeships for a second year. Our Diversity, Equity and Inclusion strategy is currently being reviewed and updated and a focus on hiring women into apprenticeships will remain. Following last year's award by Inclusive Employers of "Established" status on their Diversity and Inclusion Maturity model, the Business has focused on consolidating the position on its way to our target of

"Sponsorship of events like Pride gives us the opportunity to demonstrate our commitment to DEI both internally and externally. "

"Integrated" in 2024. The current level of maturity means that our leaders understand and champion the business case for D&I, building it into our strategy, and into the delivery of day-to-day services, while continually looking for best practice to improve our D&I capability. We believe our strategy and this level of inclusion maturity may be equivalent to a "Silver" level of accreditation as measured against the Inclusive Employers accreditation standard and which will be verified in the coming year. To move forward to "Integrated" and "Gold" status, would mean that all our "business as usual" processes would show clear consideration of Diversity, Equity and Inclusion (DEI) impact, DEI would be ingrained in mindsets across the organisation, both day-to-day and in strategic outcomes, leaders and managers would be held accountable for DEI, and externally JE would be seen as thought leading in DEI. These are challenging goals and are seen as a stretching target.

We continue and are building on the processes reported last year including for example, building DEI considerations into business change management and new products and services, and ensuring that we work with like-minded contractors and suppliers, championed by JE's Health Safety and Environment (HSE) team and Procurement teams. Our D&I Working Group, comprised of employees across the business belonging to diverse minority groups, has continued its work, and has been instrumental in shaping the ongoing DEI strategy for the coming years.

Externally, JE again supported the 2023 Channel Islands Pride event in September as a gold sponsor. Sponsorship of events like Pride gives us the opportunity to demonstrate our commitment to DEI both internally and externally. DEI is an integral part of or Employer Value Proposition and is key both to attracting and retaining talented people. It is again gratifying that we have been asked by other local organisations to share our experience of D&I best practice and are happy to provide advice and support.

Board Apprentice

Our Board apprenticeship to encourage greater diversity on the boards of companies and other public bodies, especially those based in Jersey, continues. Our current apprentice, Catherine Madden, is due to leave us in December, and we intend to offer another board apprentice opportunity in 2024.

Alan A. Bryce

A. BRYCE
Chairman
20 December 2023

Audit and Risk Committee Report

Membership and Meetings

The committee is made up of independent non-executive directors. There are currently four serving members, Alan Bryce, Amanda Iceton, Kayte O'Neill and myself. There have been no changes in membership during the year. I am satisfied that the current membership brings a good range of skills and experience, including recent and relevant financial experience as well as industry knowledge, digital and cyber expertise. Full biographies of all members are provided on pages 68-71.

Four scheduled meetings were held during the year. The meetings provide a forum for discussions with both Company management and the external auditor. Meetings are attended, by invitation, by the Chair, Chief Executive Officer, Chief Financial Officer, Financial Controller, Director of Technology and members of both the external audit and internal audit teams. The Company Secretarial function provides secretarial support to the Committee.

Following each meeting I report to the Board on areas discussed and any topics of note and recommendations that emerged from ARC meetings. All recommendations from the Committee during the year were accepted by the Board.

The role of the Committee

The key responsibilities of the Committee are to:

- Oversee the independence, effectiveness and remuneration of the external auditor and the quality of the audit and overseeing policy on the engagement of the external auditor to supply non-audit services.
- Monitor the integrity of the financial statements and to report to the Board on key judgements and significant issues contained therein.
- Consider, on behalf of the Board, whether the annual report and financial statements taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.
- Review and challenge the effectiveness of the Company's internal controls and risk management processes.
- Oversee the review and testing carried out by the internal audit function on the effectiveness of the Company's internal controls.
- Monitor principal and emerging risks and the robustness of the risk management framework.
- Review and assess management's oversight of cyber security risk to systems, assets, data capabilities and data privacy.
- Review and assess management's oversight of climate-related risks and opportunities including the impact of climate change to strategies, reputation, operations, asset values and capital.
- Review assurance reports from management, company secretary and internal audit regarding the risk management, regulatory compliance, business resilience and ad hoc reports covering risk management and the internal control framework.

Key activities during the year

In carrying out its annual responsibilities as set out in the Corporate Governance Code, specific areas of focus this year included:

- Assessing progress on the Company's sustainability strategy and reporting against TCFD recommendations
- Monitoring energy price volatility and controls in place to mitigate market and pricing risks.
- Reviewing the risk appetite statements, including risk tolerances and identifying risks that Jersey Electricity may be willing to accept.
- Performed horizon scanning of the emerging risks that may impact the business over the short, medium and long term.
- Further details can be found in the relevant section below.

Whistleblowing Policy

The Committee is responsible for reviewing the Company's Whistleblowing or Speak Up policy and management's response to any concerns raised through this channel. The policy was reviewed by the Committee during the year. No Speak Up incidents occurred during the year.

External Auditors

PricewaterhouseCoopers CI LLP ("PwC") replaced Deloitte as our auditor as a result of a tender process for the external audit in 2020, and they continued as our external auditor during the year. Following professional guidelines, the audit engagement partner rotates after a maximum of five years. Our current engagement partner, Lisa McClure, is in her fourth year. The Committee review PwC's independence, effectiveness, quality and objectivity annually. We considered the 2023 audit to be effective and of a high quality.

The FRC's Audit Quality Review (AQR) team routinely monitors the quality of the audit work of certain audit firms through inspections of a sample of audits and related procedures at individual audit firms. Last year, the AQR team selected PwC's audit of the Group's financial statements for the year ended 30 September 2021 as part of their sample for review and identified no key findings.

The Committee meet separately with the external auditor during the year without management present to discuss audit effectiveness and any issues they would like to raise.

The Committee will continue to keep under review all aspects of the relationship with the external auditor and will initiate its next tender process at what is deemed an appropriate time taking into consideration the period since the last tender.

During the year the Committee put in place a formal Non-Audit Services policy. All non-audit services provided to the Group must be pre-approved by the Audit Committee chair as well as going through PwC's conflict checks. As disclosed in Note 5 to the Financial Statements, no non-audit services were provided to the Group by PwC in the year.

The effectiveness of the external audit is considered on an ongoing basis driven primarily by discussions with the external auditor and finance team on the maintenance of audit quality, reports presented to the Committee by the audit team in connection with the year end audit, and a meeting each January to discuss learnings from the audit process that has just been completed for the prior year. Confirmation of auditor independence was received from PwC during the audit process.

The Committee has approved the external auditor's remuneration and terms of engagement and is fully satisfied with the performance, objectivity, quality of challenge and independence of the external auditor.

Viability and Going Concern

The Committee assessed the going concern and viability statements in the annual accounts. This involved consideration of principal and emerging risks to the business and the suitability of the five-year period adopted in the viability statement. The Committee took into account the three year detailed business plan for financial years 2024-2026 plus a two year forecast to 2028 that was presented to the board. This considered the continued volatility in energy and currency markets, higher rates of inflation and interest currently prevailing. Stress testing carried out by management based on severe but plausible scenarios were reviewed.

The Committee was satisfied that a robust assessment has been made by management of the risks that could threaten the Company's future performance, solvency and liquidity, and recommended to the Board that the going concern and viability statements could be approved.

UK Corporate Governance Code

As a company with a premium listing the Company is required to report under the 2018 Corporate Governance Code, which can be found on the website of the Financial Reporting Council - www.frc.org.uk. We continually strive to meet the expectations of public company reporting and enhance the quality of stakeholder communications.

Task Force on Climate-related Financial Disclosures (TCFD)

The FCA listing rules require premium listed companies to make disclosures under the TCFD framework for accounting periods beginning on or after 1 January 2021. This is the second year in which disclosures are required for the Company. The Audit and Risk Committee has reviewed TCFD reporting status throughout the year, including an internal audit review of our prior year disclosures and work done to further enhance our TCFD compliance. Further information can be found on pages 22 to 33. We expect to continue to focus on this during the coming year as the Company makes further progress under the four pillars of TCFD and position the Company to comply with other climate related reporting such as Taskforce on Nature-related Financial Disclosure (TNFD).

Financial Reporting Council Review

The Financial Reporting Council (FRC) carried out a review of the Group's annual report and accounts to 30 September 2022, in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures. It is important to understand the scope and limitations for their review, which was based on the annual report and accounts and does not benefit from detailed knowledge of our business or an understanding of the underlying transactions entered into. It is, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework.

The FRC have summarised and published the main findings and outcomes from the review on their website.

In addition to their findings, they provided matters for consideration which have allowed us enhance some disclosures in this year's report.

Audit and Risk Committee Report

Fair, balanced and understandable

As part of the review of the annual and interim financial statements, the Committee reviews the significant issues and in particular any critical accounting judgements and estimates identified by the Company and discussed with the external auditor, which are disclosed in Note 2 to the Financial Statements (Critical Accounting Judgements and key sources of estimation uncertainty). Comprehensive position papers on each key area are produced by the Finance team at both the half and full year. The Committee reviews any year-on-year changes in methodology for reasonableness and assesses the impact of any new accounting policies.

The Committee is also responsible for monitoring the controls which are in force (including financial, operational and compliance controls and risk management procedures) to ensure the integrity of the financial information reported to stakeholders. The Committee considers reports from the internal and external auditors and from management and provides comment on salient issues to the Board.

On behalf of the Board, the Committee considered whether the 2023 annual report and financial statements taken as a whole are fair, balanced and understandable, and whether the disclosures are appropriate. The Committee reviewed the Group's procedures around the preparation, review and challenge of the report and consistency of the narrative sections within the financial statements and the use of alternative performance measures and associated disclosures. The Committee also considers any potential inconsistencies raised by the external auditor.

Following its review, the Committee is satisfied that the Annual Report is fair, balanced and understandable, and provides the information necessary for shareholders and other stakeholders to assess the Company's position and performance, business model and strategy, and has advised the Board accordingly.

Internal Control and Risk Management

The Board is responsible for establishing and maintaining the Company's system of internal control and for the management of risk. Internal control systems are designed to meet the particular needs of the business and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. Oversight of the risk management framework and internal controls is delegated to the Committee.

Internal Audit

In my capacity as chair of ARC, I have regular meetings with Internal Audit to evaluate both performance and any impediments that might exist, which would constrain their work. The Head of Internal Audit has a direct reporting line to myself and reports operationally to the Chief Financial Officer. The ARC approves the programme of work on an annual basis and monitors results and follow up actions, reporting to the Board on any significant findings. The review of reports provided by Internal Audit and the monitoring of action points relating to findings provides the Committee and the Board with comfort over the functioning of internal controls.

The Company's internal audit activities are carried out by our internal audit team, with some audits outsourced to BDO or other third-party suppliers overseen by the Head of Internal Audit. The Committee also monitor the independence of BDO, taking account of any other services provided to the Company. The scope of internal audit reviews is appraised at the start of each review which has allowed us to identify areas in which controls can be strengthened.

A number of audit reviews carried out produced low or moderate findings. A cyber security review carried out in March resulted in some significant findings that were promptly rectified. A follow up review was carried out in May which confirmed the significant findings were cleared. It was noted that the risks identified in the initial review identified valuable insights from technology specialist in the field which has resulted in Jersey Electricity further hardening the IT environment and improving cyber security measures.

Risk Management

During the year the Board carried out its annual review of the Company's risk appetite and mapping to principal risks.

A risk management review was commissioned in 2021 to assess the Company's overall risk maturity. The report concluded that the Company is in most respects at the "Developing" level, with recommendations which could allow it to move towards an "Integrated" rating. The recommendations were discussed by the Committee and appropriate actions agreed. A follow-on review was completed in November 2022 which concluded that the Company remains at the Developing level, albeit with several recommendations from the initial report having been implemented. The initial report identified that the Risk and Internal Audit functions are not clearly separated, with the same individual responsible for both. Since the report steps have been taken to clarify the two functions, including hiring a new individual to the team to enable greater separation.

The Committee reviewed the risk register and discussed risks that were increasing, decreasing or static, together with a review of the effectiveness of mitigations. New and emerging risks were also considered, horizon scanning was performed on the emerging risks to identify expected timelines of when the Board believe risks may become realised. The focus of our work this year, as in the previous year, was around market volatility and impact on future pricing, and the war in Ukraine and implications for energy security. These two areas have been considered in depth, including a review of enhanced mitigation plans and the Board's review of the five-year plan. This is likely to continue to be an area of focus in the coming year.

Further details on risks and mitigations are set out in the Group risk management section on pages 56 to 67.

ARC Effectiveness

During the year the Board carried out a self-evaluation of its effectiveness, including a review of the Audit Committee and myself as Chair. As a result of the review, Board members who are not members of the Audit Committee have been invited to attend future meetings.

I would like to thank members of the Committee, management and PwC for their continued support throughout the year.

W. DORMAN
Audit and Risk Committee (Chair)
20 December 2023

Remuneration Committee Report

On behalf of the Board, I am pleased to present the Remuneration Committee's (the Committee) report for the financial year ended 30 September 2023.

Firstly, I would like to thank the other Committee members for their valuable help during the last year, being Phil Austin, Amanda Iceton and Kayte O'Neill.

The terms of reference for the Committee have been updated during the course of this year, in line with the UK Corporate Governance Code, and approved by the Board, and they are available on the Company's website (www.jec.co.uk).

Three meetings of the Committee took place during the last financial year with 100% attendance by all Committee members.

Remuneration Policy

In line with the authority delegated by the Board, the Committee sets the Company's Remuneration Policy and is responsible for determining the remuneration terms and conditions of employment for the Executive Directors. The Committee also reviews the remuneration for the broader senior management team and the general pay policy for the wider workforce to ensure there is a degree of alignment across the organisation.

The Committee's key considerations in reviewing Executive Directors' remuneration included alignment with the strategic objectives of the business and the extent to which remuneration will attract, motivate and retain the talent needed to achieve the long-term success of the Company. The Committee aims to set remuneration packages for the Executive Directors that reflect the market for similarly sized roles and fairly reward them for their contribution to the overall performance of the Company, over both the short and long term. Remuneration packages currently comprise basic salary and benefits together with a performance related annual bonus. Benefits for Executive Directors principally consist of membership of a pension scheme, a car allowance, private health care and a subsidised loan to assist with housing.

The salary and benefits for the Executive team are reviewed by the Committee each October.

Benchmarking

The Committee regularly commissions expert third-party advisors to undertake a comprehensive review of the competitor landscape to benchmark the remuneration for our Executive Directors and also to advise on the quantum and relevant structuring of Executive compensation. Such exercises benchmark our compensation packages against comparable companies in the UK/EU, as this is considered the relevant labour market for the skills required and also makes use of locally focused benchmarking data.

During 2022 the Committee were advised by Mercer, the independent remuneration consultants.

Mercer concluded that Executive Director remuneration was below median levels in terms of base salary and, particularly so, due to the absence of a Long-Term Incentive Plan (LTIP). The Committee thus gave considerable thought to whether an incremental LTIP should be introduced but determined that this would not be suitable at this juncture. To address the shortfall in total remuneration against benchmarks, the Committee determined to increase base pay of Mr Ambler by 7.5% and by 5.0% for Mr Magee. In addition, both Executive Directors were awarded increases of 6.5% on base salary, in line with the wider employee population.

Variable Component of Executive Remuneration

The Executive annual bonus scheme is designed to promote the short and long-term success of Jersey Electricity and progress on delivering the vision and strategy. The bonus payable to the Executive Directors is performance related, taking account of delivery against both corporate and personal objectives which are agreed by the Remuneration Committee, and approved by the Board, before the start of the financial year. This Corporate Scorecard is also shared across the wider management team to ensure alignment of understanding regarding priorities. The Corporate Scorecard covers the core measures of customer service/satisfaction, employee engagement, health and safety, financial performance and delivery on key strategic objectives. For example, during the year to September 2023, key strategic objectives in the Corporate Scorecard included a review of JE's security of supply standard and resilience plans; scenario planning for future energy sourcing, in line with Jersey's carbon neutral roadmap, and the delivery in the short term of on-island renewable energy projects. The Scorecard has linkages to both our sustainability and TCFD objectives.

Each Executive Director has a maximum cap on their total variable pay. These maximum total variable awards are payable for outstanding performance only. The bonus scheme was amended in 2018 to allow the Committee the discretion to defer up to 50% of the award for a period of two years, with the ultimate pay-out linked to movements in the listed share price in the period before vesting. The deferred bonus represents a portion of the bonus payable to the executive directors, attributable to the year ended 30 September 2022. The estimated deferred amount was £56,440 for Mr. Ambler, which will be payable October 2024. The deferred element of the bonus is subject to malus and clawback provisions.

The remuneration of basic salary/fees and bonuses paid in year as well as the deferred bonus attributable to the prior year, to Directors for the year ended 30 September 2023 was as follows:

	Basic salary/fees £	Bonus paid in year £	Bonus deferred £	Benefits in kind £	**Total 2023 £**	Total 2022 £
EXECUTIVE DIRECTORS						
C. J. Ambler	298,515	93,000	56,440	16,255	**464,210**	425,040
L. G. Fulton (appointed 26 July 2023)	35,000	-	-	6,110	**41,110**	-
M. P. Magee (retired 26 July 2023)	205,669	100,000	-	10,948	**316,617**	313,948
NON-EXECUTIVE DIRECTORS						
P. J. Austin	58,000	-	-	1,551	**59,551**	44,762
A. A. Bryce	36,000	-	-	1,551	**37,551**	31,762
W. Dorman	35,000	-	-	1,551	**36,551**	29,762
A. Iceton	32,000	-	-	1,551	**33,551**	26,762
K. O'Neill (appointed 3 March 2022)	34,000	-	-	1,551	**35,551**	17,247
T. Taylor	34,000	-	-	1,551	**35,551**	26,762
Total	768,184	193,000	56,440	42,619	**1,060,243**	916,045

Service Contracts

The Executive Directors' service contracts provide for a notice period of 12 months, and they are put forward for annual re-election at each Annual General Meeting (AGM). The non-Executive Directors' service contracts have no unexpired term at the time of election, or re-election, at the AGM.

Pension Benefits

The Company has two pension plans available to employees – a defined benefit scheme, which closed to new members in 2013, and a defined contribution scheme which remains open to all staff. The defined benefit scheme has a contribution rate of 20.6% for the employer, and 6% for the employee.

The defined benefit pension scheme provides for no contractual increases for pensions in payment. It was agreed by the Board at the time of Mr Ambler's appointment that he would participate in a non-contributory version of the defined benefit scheme (see also page 73, the Statement of Compliance section).

Ms Fulton is a member of the defined contribution scheme.

Set out below are details of the pension benefits to which each of the Directors is entitled. These pensions are restricted to the scheme in which the Director has earned benefits during service as a Director but include benefits under the scheme for service both before and after becoming a Director, including any service transferred into the scheme from a previous employment.

	Increase in accrued pension during the year[1]	Accrued pension at 30.9.2023[2]	Transfer value at 30.9.2023[3]	Transfer value at 30.9.2022[3]	Directors' contributions during year	Increase/ (decrease) in transfer value less Directors contributions[4]
C. J. Ambler	£15,014	£91,599	£1,082,968	£995,985	-[5]	£86,983
M. P. Magee	£15,441	£128,922	£1,819,020	£1,813,973	£13,961	(£8,914)

Notes

1. The nominal increase in accrued pension during the year represents the additional accrued pension entitlement at the year-end compared to the previous year-end, which can be seen in last year's Director's Disclosures paper. The employer cash contributions during the year were £79,405 and £50,841 for Mr. Ambler and Mr. Magee respectively.
2. The pension entitlement shown, calculated using the data provided by the Company on 14 September 2023, is that which would be paid annually on retirement at age 60 or at date of calculation if over National Retirement Age, based on service at the year-end.
3. The transfer values have been calculated using the basis and method appropriate at each reporting date. It is assumed that the deferred pension commences from the earliest age at which the member can receive an unreduced pension. The transfer values include the value of any accrued AVC pensions.
4. The increase in transfer value over the year is after deduction of contributions made by the Director and transfers-in during the year.
5. As highlighted in the table above, it was agreed by the Board at the time of Mr. Ambler's appointment that he would participate in a non-contributory version of the defined benefit pension scheme.
6. Along with all other Scheme members, Directors have the option to pay Additional Voluntary Contributions (AVCs) to the Scheme to purchase additional final salary benefits. AVCs paid by the Directors during the year were nil.

Remuneration Committee Report

CEO Pay Ratio

The CEO pay ratio was disclosed for the first time in 2021. This reflects how the total remuneration of the CEO compares to the rest of the employees in the organisation at the 25th, 50th, and 75th percentiles. The increase shown in the table below reflects a market adjustment to CEO terms following an external benchmarking review.

Year	25th %ile	50th %ile	75th %ile
2023	8.7:1	6.5:1	4.6:1
2022	8.1:1	6.2:1	4.3:1
2021	8.4:1	6.3:1	4.4:1

Share Schemes

At the 2011 AGM approval was granted to launch an all-employee share scheme. To date, 4 tranches of shares have been issued to employees with a maximum total of 400 shares per employee having vested. The last tranche of 100 shares issued during the 2020 financial year vested in September 2023. There are no other share-based incentives such as option schemes or long-term incentive plans operated by the Company. However, the Committee has the discretion to defer up to 50% of the performance bonus to Executive Directors for a period of two years with the ultimate pay-out linked to movements in the listed share price in the period before vesting.

Workforce Engagement

Under the most recent changes to the UK Corporate Governance Code, committees are required to disclose more details on workforce engagement and wider remuneration considerations. As detailed elsewhere in the Annual Report, the Company has conducted employee surveys for a number of years which provide very valuable data on employee engagement across a number of factors, including remuneration. Employee engagement is a key aspect of the Corporate Scorecard. In addition, each year the Committee is provided with a paper setting out details of all employee pay and workforce policies across the Company. The discussions on this topic provide us with helpful insights for framing executive pay considerations.

During the 2023 financial year, the workforce engagement and culture forum met 4 times. Each session was attended by one of our non-Executive Directors, which provided an ideal opportunity to gain first hand feedback from the workforce.

Non-Executive Directors' Remuneration

The remuneration of the Non-Executive Directors (NED) is determined by the Executive Directors, with the assistance of independent advice concerning comparable organisations and appointments and also taking into account the particular Committees in which they are involved.

Mercer were engaged to conduct a benchmarking exercise on NED remuneration and provide objective advice. Having not been reviewed since 2017, the fees were deemed to have fallen behind market comparators and were increased to £30,000 for the NEDs and £53,000 for the Chair.

A small premium was paid in the financial year to those who chaired Committees (Audit & Risk: £5,000; Jersey Electricity Defined Benefit Pension Scheme: £5,000; Remuneration: £4,000; Nomination: £2,000) and to those who were members of the Audit & Risk Committee (£2,000) for additional responsibility, and to Directors based off-Island (£2,000) for travelling time.

External Appointments

The Company encourages Executive Directors to broaden their experience by accepting non-Executive appointments to companies or other organisations outside the Group. Such appointments are subject to prior approval by the Board, having taken into consideration the expected time commitments, and the Board also determines the extent to which any fees may be retained by the Director.

At the balance sheet date, the external appointments held by Executive Directors, excluding those directly connected with their employment by the Company, were as follows:

C. J. Ambler

Foresight Solar Fund Ltd and Apax Global Alpha Ltd

The total non-Executive Director fees for such appointments were £95,838 of which £76,670 was retained by the individual, and the remainder paid to the Company.

M. P. Magee (retired 26 July 2023)

Jersey Post International Limited

During M. P. Magee's appointment as Executive Director for the Company, his non-Executive Director fee for his appointment at Jersey Post International Limited was £18,750, of which £15,000 was retained by the individual and the remainder paid to the Company.

Directors' Loans

At the time of hiring the Executive Directors, and bringing them over to live in Jersey, the Company provided secured loans to assist them with the purchase of a residential property on the island. Since then, substantial, or full, repayments have been made by the Executive Directors and the balances on such loans were:

	30.9.2023	30.9.2022
C. J. Ambler	£300,000	£300,000

Directors' Share Interests

The Directors' beneficial interests in the shares of the Company at 30 September 2023 were as shown in the table below:

	A Ord Shares		Preference 3.5%	Shares	Preference 5%	Shares
	2023	2022	**2023**	2022	**2023**	2022
C. J. Ambler	**7,720**	7,620	**-**	-	**-**	-
A. A. Bryce	**4,500**	4,500	**-**	-	**-**	-
P. J. Austin	**7,000**	7,000	**-**	-	**-**	-
W. Dorman	**3,500**	3,500	**-**	-	**-**	-
T. Taylor	**9,000**	9,000	**-**	-	**-**	-
M. P. Magee*	**13,800**	13,800	**800**	800	**160**	160
A. Iceton	**6,000**	3,500	**-**	-	**-**	-
K. O'Neill	**-**	-	**-**	-	**-**	-
	51,520	48,920	**800**	800	**160**	160

*As at retirement 26 July 2023

There have been no other changes in the interests set out above between 30 September 2023 and 20 December 2023.

Tony Taylor

T. TAYLOR
Chairman
20 December 2023

Financial Statements

Directors' Responsibilities for the Financial Statements

The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Companies (Jersey) Law 1991 ("Company Law") requires the Directors to prepare Financial Statements for each financial year. The Directors are required by the IAS Regulation to prepare the Group Financial Statements under IFRS (International Financial Reporting Standards) as adopted by the European Union. The Financial Statements are also required by Company 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.

International Accounting Standard 1 requires that Financial Statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. However, Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

- The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey and in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.
- The Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. The Financial Statements are therefore prepared on a going concern basis. Further details of the Group's going concern review are provided in note 1 of the financial statements on page 90.

Having taken advice from the ARC, the Board considers the Annual Report and financial statements, taken as a whole, to be fair, balanced and understandable and that they provide the information necessary for shareholders to assess the Company's and Group's performance, business model and strategy.

Responsibility Statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- the management report includes a fair review of the development and performance of the business and the position
- of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

C. J. AMBLER
Chief Executive
20 December 2023

L. Fulton
Chief Financial Officer
20 December 2023

The notes on pages 102 to 129 form an integral part of these accounts. The independent auditor's report is on pages 92 to 97.

Independent Auditor's Report to the Members of Jersey Electricity plc

Report on the audit of the consolidated financial statements

Our Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Jersey Electricity plc (the "company") and its subsidiaries (together "the group") as at 30 September 2023, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

What we have audited

The group's consolidated financial statements comprise:

- the consolidated balance sheet as at 30 September 2023;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of the group, as required by the Crown Dependencies' Audit Rules and Guidance. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Our Audit Approach

Audit scope

- We conducted our audit work in Jersey.
- We tailored the scope of our audit taking into account the operations of the group, the accounting processes and controls and the industry in which the group operates.
- The group is based solely in Jersey and the consolidated financial statements are a consolidation of the company, Jersey Deep Freeze Limited ("JDF") and Jersey Offshore Wind Limited ("JOWL").
- Our audit work was focused on the company as it contributes substantially all of the group's total assets and profit from operations before taxation. A lower level of focus was placed on balances and transactions at the subsidiaries, based on our risk assessment and their minor contribution to the group's profit from operations before taxation.

Materiality

- Overall group materiality: £740,300 (2022: £523,000) based on approximately 5% of profit from operations before taxation.
- Performance materiality: £555,200 (2022: £392,000).

Key audit matters

- Recognition of energy and retail revenue.
- Assessment of pension assumptions applied in the valuation of the defined benefit obligation.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report to the Members of Jersey Electricity plc (continued)

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the Key audit matter
Recognition of energy and retail revenue *Refer to note 1 (Accounting policies), and note 3 (Business segments) to the consolidated financial statements.* The group recognised £97.1m of energy revenue and £18.6m of retail revenue. Revenue from the energy segment comprises charges for the consumption of electricity by customers and service connections. Revenue from the retail segment is derived from the sale of consumer products in the company's "Powerhouse" store and online. Energy and retail revenue are material to the consolidated financial statements and revenue recognition was identified as an area of focus in the audit plan we presented to the Audit and Risk Committee.	We obtained an understanding and evaluated the overall control environment around the recognition of revenue from energy and retail. We assessed the accounting policy for compliance with the accounting framework. For energy revenue: We evaluated the operating effectiveness of the IT General Controls surrounding the smart meter, billing and general ledger systems. We traced data from the meter reading systems to the general ledger system. We applied approved tariff rates to the readings from the general ledger system and recalculated the expected revenue. We reconciled the expected revenue to the invoices raised to customers from the general ledger system. For retail revenue: We evaluated the operating effectiveness of the IT General Controls surrounding the electronic point-of-sale system sitting within Navision and general ledger system. We performed a margin analysis between cost of sales and revenue based on the data obtained from the general ledger. The margin analysis was based on tests of detail performed on the cost of sales by agreeing a sample of expenses to supporting documentation. For both energy and retail revenue, we matched revenue from the general ledger system to receipts in the bank statement using data analytics and investigated material unmatched items. Based on the work detailed above, we had no material matters to report to those charged with corporate governance.
Assessment of pension assumptions applied in the valuation of defined benefit obligation *Refer to note 1 (Accounting policies), note 2 (Critical Accounting Judgements and key sources of estimation uncertainty), and note 16 (Pensions) to the consolidated financial statements.* The group has a defined benefit pension plan that was recognised as a net surplus of £25.5m at the year-end. This comprises estimated plan liabilities of £85.6m and plan assets of £111.1m. We consider the valuation of the defined benefit obligation liabilities to be a key audit matter as the valuation requires significant levels of judgement and technical expertise including the use of actuarial assessment to support the directors in selecting appropriate assumptions. Changes in a number of key financial and demographic assumptions (including discount rates, salaries increase, inflation, and mortality rates) can have a material impact on the calculation of the pension obligation. The group used an independent qualified actuary to assess the defined benefit obligation at year end.	We obtained an understanding and evaluated the overall control environment around the defined benefit obligation. We assessed the accounting policy for compliance with the accounting framework. We confirmed that the group's actuarial experts are qualified, appropriately affiliated to third party industry bodies, and are independent of the group. We engaged our auditor's experts to evaluate the assumptions made in relation to the valuation of the scheme liabilities. We benchmarked the various assumptions used and compared them to our internally developed benchmarks. We considered the consistency and appropriateness of methodology and assumptions applied compared to the prior year end and the most recent actuarial valuation. We tested the completeness and accuracy of the retirement benefit obligation disclosures. Based on the work detailed above, we had no material matters to report to those charged with corporate governance.

Independent Auditor's Report to the Members of Jersey Electricity plc (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, the industry in which the group operates, and we considered the risk of climate change and the potential impact thereof on our audit approach.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated financial statements as a whole as follows:

Overall group materiality	£740,300 (2022: £523,000).
How we determined it	Approximately 5% of profit from operations before taxation
Rationale for benchmark applied	We believe that group's profit from operations before taxation is the most appropriate benchmark because this is the key metric of interest to members. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2022: 75%) of overall materiality, amounting to £555,200 (2022: 392,000) for the group financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £37,000 (2022: £26,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all the information included in the Annual Report and Accounts 2023 (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information which includes reporting based on the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 based on these responsibilities.

Responsibilities for the consolidated financial statements and the audit

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of Jersey law and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group'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 group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Jersey Electricity plc (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the consolidated financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This report, including the opinions, has been prepared for and only for the members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on other legal and regulatory requirements

Company Law exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Independent Auditor's Report to the Members of Jersey Electricity plc (continued)

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement, included within Group risk management, the Statement of Director's responsibilities and the Financial Review is materially consistent with the consolidated financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the consolidated financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's ability to continue to do so over a period of at least twelve months from the date of approval of the consolidated financial statements;
- The directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the "Code"); and considering whether the statement is consistent with the consolidated financial statements and our knowledge and understanding of the group and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the consolidated financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Other Matter

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these consolidated financial statements will form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ("ESEF RTS"). This auditor's report provides no assurance over whether the annual financial report will be prepared using the single electronic format specified in the ESEF RTS.

Lisa McClure.

LISA McCLURE
for and on behalf of
PricewaterhouseCoopers CI LLP
Chartered Accountants and Recognized Auditor
Jersey, Channel Islands
20 December 2023

Consolidated Income Statement for the year ended 30 September 2023

	Note	2023 £000	2022 £000
Revenue	3	**125,078**	117,421
Cost of sales		**(80,924)**	(77,242)
Rebate of past energy costs – non recurring item	3	**3,593**	-
Gross profit		**47,747**	40,179
Movement in valuation of investment properties	10	**(1,215)**	1,020
Operating expenses		**(32,010)**	(29,293)
Group operating profit	3	**14,522**	11,906
Finance income		**1,871**	218
Finance costs		**(1,528)**	(1,523)
Profit from operations before taxation		**14,865**	10,601
Taxation	6	**(3,432)**	(2,135)
Profit from operations after taxation		**11,433**	8,466
Attributable to:			
Owners of the Company		**11,280**	8,326
Non-controlling interests	18	**153**	140
		11,433	8,466
Earnings per share			
- basic and diluted	8	**36.81p**	27.17p

Consolidated Statement of Comprehensive Income for the year ended 30 September 2023

	Note	2023 £000	2022 £000
Profit for the year		**11,433**	8,466
Items that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on defined benefit scheme	16	**(815)**	8,976
Income tax relating to items not reclassified	6	**163**	(1,795)
		(652)	7,181
Items that may be reclassified subsequently to profit or loss:			
Fair value (loss)/gain on cash flow hedges	21	**(3,361)**	4,815
Income tax relating to items that may be reclassified	6	**672**	(963)
		(2,689)	3,852
Total comprehensive income for the year		**8,092**	19,499
Attributable to:			
Owners of the Company		**7,939**	19,359
Non-controlling interests		**153**	140
		8,092	19,499

All results in the year have been derived from continuing operations.

The notes on pages 105 to 134 form an integral part of these accounts. The independent auditor's report is on pages 96 to 100.

Consolidated Balance Sheet as at 30 September 2023

	Note	**2023 £000**	2022 £000
Non-current assets			
Intangible assets	9	**681**	967
Property, plant and equipment	10	**216,136**	216,235
Right of use assets	10	**3,194**	3,280
Investment properties	10	**27,615**	28,830
Trade and other receivables	13	**300**	300
Retirement benefit asset	16	**25,546**	26,434
Derivative financial instruments	21(ii)	**129**	2,640
Other investments	11	**5**	5
Total non-current assets		**273,606**	278,691
Current assets			
Inventories	12	**9,187**	7,173
Trade and other receivables	13	**25,959**	19,934
Derivative financial instruments	21(ii)	**64**	483
Cash and cash equivalents		**47,429**	47,397
Total current assets		**82,639**	74,987
Total assets		**356,245**	353,678
Liabilities			
Trade and other payables	14	**19,459**	21,043
Current tax liabilities	6	**3,301**	2,088
Lease liabilities	15	**81**	69
Derivative financial instruments	21(ii)	**536**	330
Total current liabilities		**23,377**	23,530
Net current assets		**59,262**	51,457
Non-current liabilities			
Trade and other payables	14	**26,249**	25,162
Lease liabilities	15	**3,193**	3,251
Derivative financial instruments	21(ii)	**225**	-
Financial liabilities - preference shares	17	**235**	235
Borrowings	15	**30,000**	30,000
Deferred tax liabilities	6	**31,422**	32,126
Total non-current liabilities		**91,324**	90,774
Total liabilities		**114,701**	114,304
Net assets		**241,544**	239,374
Equity			
Share capital	17	**1,532**	1,532
Revaluation reserve		**5,270**	5,270
ESOP reserve		**(35)**	(38)
Other reserves		**(455)**	2,234
Retained earnings		**235,100**	230,232
Equity attributable to the owners of the Company		**241,412**	239,230
Non-controlling interests	18	**132**	144
Total equity		**241,544**	239,374

Approved by the Board on 20 December 2023

P. J. AUSTIN
Director

L. G. FULTON
Director

Consolidated Statement of Changes in Equity for the year ended 30 September 2023

	Note	**Share capital £000**	**Revaluation reserve £000**	**ESOP reserve £000**	**Other reserves* £000**	**Retained earnings £000**	**Total £000**
At 1 October 2022		**1,532**	**5,270**	**(38)**	**2,234**	**230,232**	**239,230**
Total recognised income and expense for the year		**-**	**-**	**-**	**-**	**11,280**	**11,280**
Amortisation of employee share option scheme		**-**	**-**	**3**	**-**	**-**	**3**
Movement on hedges (net of tax)		**-**	**-**	**-**	**(2,689)**	**-**	**(2,689)**
Actuarial loss on defined benefit scheme (net of tax)		**-**	**-**	**-**	**-**	**(652)**	**(652)**
Equity dividends	7	**-**	**-**	**-**	**-**	**(5,760)**	**(5,760)**
At 30 September 2023		**1,532**	**5,270**	**(35)**	**(455)**	**235,100**	**241,412**
At 1 October 2021		1,532	5,270	(79)	(1,618)	220,178	225,283
Total recognised income and expense for the year		-	-	-	-	8,326	8,326
Amortisation of employee share option scheme		-	-	41	-	-	41
Movement on hedges (net of tax)		-	-	-	3,852	-	3,852
Actuarial gain on defined benefit scheme (net of tax)		-	-	-	-	7,181	7,181
Equity dividends	7	-	-	-	-	(5,453)	(5,453)
At 30 September 2022		1,532	5,270	(38)	2,234	230,232	239,230

*'Other reserves' represents the foreign currency hedging reserve.

Consolidated Statement of Cash Flows for the year ended 30 September 2023

	2023 £000	2022 £000
Cash flows from operating activities		
Operating profit	**14,522**	11,906
Depreciation and amortisation charges	**11,581**	11,094
Share-based reward charges	**3**	41
Loss/(gain) on revaluation of investment property	**1,215**	(1,020)
Pension operating charge less contributions paid	**73**	1,303
Deemed interest income from hire purchase arrangements	**183**	50
Profit on sale of property, plant and equipment	**(3)**	(7)
Operating cash flows before movement in working capital	**27,574**	23,367
Working capital adjustments:		
Increase in inventories	**(2,014)**	(257)
Increase in trade and other receivables	**(3,835)**	(1,926)
(Decrease)/Increase in trade and other payables	**(617)**	4,444
Net movement in working capital	**(6,466)**	2,261
Interest paid on borrowings	**(1,368)**	(1,380)
Preference dividends paid	**(9)**	(9)
Income taxes paid	**(2,089)**	(3,020)
Net cash flows from operating activities	**17,642**	21,219
Cash flows from investing activities		
Purchase of property, plant and equipment	**(13,046)**	(11,001)
Investment in intangible assets	**(92)**	(319)
Deposit interest received	**1,688**	168
Net proceeds from disposal of fixed assets	**3**	7
Net cash flows used in investing activities	**(11,447)**	(11,145)
Cash flows from financing activities		
Equity dividends paid	**(5,760)**	(5,453)
Dividends paid to non-controlling interest	**(165)**	(154)
Repayment of lease liabilities	**(242)**	(206)
Net cash flows used in financing activities	**(6,167)**	(5,813)
Net increase in cash and cash equivalents	**28**	4,261
Cash and cash equivalents at the beginning of the year	**47,397**	43,136
Effect of foreign exchange rate changes	**4**	-
Cash and cash equivalents at the end of the year	**47,429**	47,397

IAS 7 'Statement of Cash Flows' requires the explanation of both cash and non-cash movements in assets and liabilities relating to financing activities. See notes 7 and 15.

Of the £47.5m cash and cash equivalents at 30 September 2023, £40.0m (2022: £40.0m) is on fixed term deposits with an average of 70 days remaining (2022: 49 days).

Notes to the Consolidated Statements for the year ended 30 September 2023

1 Accounting Policies

Basis of preparation

The Group's accounting policies as applied for the year ended 30 September 2023 are based on all International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) which have been adopted by the EU, including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The principal accounting policies which have been applied consistently are:

Basis of accounting

The consolidated financial statements have been prepared under the historic cost convention as modified by the revaluation of investment properties and derivative financial instruments.

Basis of consolidation

The Group's consolidated financial information for the year ended 30 September 2023 comprises the Company and its subsidiaries.

The Company's subsidiaries are the entities over which the Company has control. Control is determined by the Company's power over the investee, its exposure, or rights, to variable returns and its ability to use its power over the investee to affect the amount of the returns to the Company.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

The consolidated financial information includes the Group's share of the post-tax results and net assets under IFRS of the jointly controlled entities using the equity method of accounting. Equity accounting is a method of accounting by which an equity investment is initially recorded at cost and subsequently adjusted to reflect the investor's share of the net profit or loss of the investee. Jointly controlled entities are those entities over which the Group has joint control with one or more other parties and over which there must be unanimous consent by all parties to the strategic, financial, and operating decisions.

Under Article 105 (11) of the Companies (Jersey) Law 1991 ("the Law"), the Directors of a holding company need not prepare separate financial statements if consolidated accounts for the Company are prepared, unless required to do so by the members of the Company by ordinary resolution. The members of the Company had not passed a resolution requiring separate financial statements and, in the opinion of the Directors, the Company meets the definition of a holding company as set out in the Law. As permitted by the Law, the Directors have elected not to prepare separate financial statements.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement (see page 6). The financial position of the Group, its cash flow and its liquidity position are described in the Financial Review (see page 52). In addition, note 21 to the financial statements includes the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to risks. The Group has sufficient financial resources together with many customers both corporate and individual. Therefore, the Directors believe that the Group is well placed to manage its business risks successfully. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements and in making the viability statement on pages 54 and 80.

Foreign currencies

The functional and presentational currency of the Company is Pounds sterling. Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses arising on translation are included in net profit or loss for the year.

Revenue

The Group recognises revenue from the following services:

i) Energy sales

Energy sales revenue is recognised on the basis of energy sold to customers during the period as well as fixed daily charges. Revenue for energy sales is therefore accounted "over time" and may include an estimated assessment of energy supplied to customers where there is a difference between the date of the last meter communication and the balance sheet date, using historical consumption patterns.

Service connections revenue is derived from the provision of a connection to an existing mains cable, laying required infrastructure to the boundary of a customer's property and connecting to their domestic supply. Management considers that the combination of these activities comprise a distinct performance obligation to the customer. Service connection income is recognised at the point in time that the service is complete.

1 Accounting Policies (continued)

Revenue (continued)

Capital contributions arise where a property developer is charged for the provision of a first-time supply to the property/properties. These charges cover the immediate infrastructure requirements as well as future investment needed to meet the additional demands placed on existing network infrastructure from new connections. Management considers that the obligation to invest in the network is highly interrelated with the ongoing and future obligation to provide electricity supply services, particularly to maintain continuous supplies into the future. The investment in the network from the infrastructure charges enables the Group to continue providing value to the customer through the supply of electricity. The associated asset arises from the investment in the network and therefore the Group recognises infrastructure income through revenue on a straight-line basis over the life of the associated asset. Capital contributions are initially recorded within deferred income and recognised over the life of the investment to which they relate.

ii) Retail

Revenue resulting from the sales of goods within our retail business is recognised on sale to the customer at that point in time, as this is the point at which the Company recognises the transfer of risks and rewards. Retail additionally sells service contracts to customers where the obligations to the customer are recognised as revenue on a monthly basis for the duration of the service contract.

iii) Building Services

Revenue within JEBS, our contracting and building services business, is recognised as the service is provided. JEBS recognises the revenue over time driven by the stage of completion for each contract, which is usually assessed by reference to costs incurred over the same period.

iv) Property

Rental income is accrued monthly over the term of the rental agreement.

v) Other

IRU

Indefeasible rights of use (IRU) sales are recognised as the service is provided over the term of the contract.

Through Jersey Electricity's interest in submarine cables, the Group has the ability to sell dark fibre to telecom network operators seeking to extend their own networks through IRU agreements. Income from IRUs where an IRU agreement does not transfer substantially all the risks and benefits of ownership to the buyer or is deemed not to extend for substantially all of the assets' expected useful lives, is recognised on a straight-line basis over the life of the agreement. Where agreements extend for substantially all the assets' expected useful lives and transfer substantially all the risks and benefits of ownership to the buyer, the resulting profit/ (loss) is recognised in the consolidated income statement as a gain/(loss) on disposal of fixed assets.

Jendev

Revenue from Jendev arises from ongoing support contracts and implementation and development contracts. Revenue from ongoing support contracts are recognised on a straight-line basis over the term of the contract. Revenue from implementation and development contracts is recognised based on the stage of completion for each contract driven by the cost of work performed.

Jersey Deep Freeze

Jersey Deep Freeze is a 51% (2021: 51%) controlled subsidiary. Revenues are derived from the provision of goods and service contracts. Revenue from the provision of goods is recognised at point of delivery to the customer. Revenue from service contracts is recognised on a straight-line basis over the term of the contract.

vi) Interest free financing

Both retail customers and those wishing to fuel switch to electric heating can qualify for interest free credit terms. Where financing is provided, repayment terms are typically up to five years. As such a deemed interest charge is calculated on an annual basis and offset against revenue

Taxation

The tax expense represents the sum of tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on the difference between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profits. Deferred tax is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, on a non-discounted basis, and is recorded in the income statement, except where it relates to items recorded to equity via other comprehensive income, in which case the deferred tax is also dealt with in that statement.

1 Accounting Policies (continued)

Intangible assets

The costs of acquired computer software are capitalised based on the costs incurred to acquire and bring to use the specific software and are amortised over their useful lives. Costs directly associated with the development of computer software programmes that will generate economic benefits over a period in excess of one year are capitalised and amortised over their estimated useful lives. Costs include employee costs relating to software development and an appropriate proportion of directly attributable overheads. Amortisation is charged on a straight-line basis over its expected useful life which is estimated to be up to four years.

Property, plant and equipment

In accordance with IAS 16 costs are capitalised where it is probable that future economic benefits associated with the asset being purchased or constructed will flow to the entity; and the cost of the asset can be measured reliably.

For assets under construction, all costs incurred which are directly attributable to bringing the asset to a point of use, including direct materials and direct labour costs are capitalised as incurred.

Property, plant and equipment ("PPE") excludes investment property and is stated at cost less accumulated depreciation and impairment losses, if any. Assets are depreciated on the straight-line method to their expected residual values over their estimated useful lives from the financial year following acquisition. Property, plant and equipment include capitalised employee, interest and other costs that are directly attributable to construction of these assets. Property, plant and equipment under the course of construction is not depreciated and is carried at cost less impairment.

Owner-occupied property is classified within PPE.

Depreciation is charged as follows:

Buildings	up to 50 years
Interlinks	up to 30 years
Plant, mains cables and services	up to 60 years
Fixtures and fittings	up to 15 years
Computer equipment	Up to 4 years
Vehicles	Up to 10 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Customer contributions in respect of additions to plant are treated as deferred income within trade and other payables which is classified as non-current liabilities and released to the income statement over the estimated operational lives of the related assets.

Right of use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Where a modification to a lease agreement decreases the scope of the lease, the carrying amount of the right of use asset is adjusted and a gain or loss is recognised in proportion to the decrease in scope of the lease. All other modifications to lease agreements are accounted for as a reassessment of the lease liability with a corresponding adjustment to the right of use asset.

Impairment of property, plant, equipment and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is stated as a revaluation increase.

1 Accounting Policies (continued)

Investment properties

Investment properties are stated at fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement for the period in which they arise. The Group's policy on freehold properties is to classify it as an investment property both when the property is held for capital appreciation or rental purposes and when it is fully occupied by external tenants.

Investment in joint arrangement

The results, assets and liabilities of the joint arrangement are incorporated using the equity method. Investment in the joint arrangement is therefore carried in the consolidated balance sheet at cost as adjusted by changes in the Group's share of net assets, less any impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour and overheads that have been incurred in bringing the inventories to their location and condition at year end. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price.

Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits with an original maturity of three months or less.

Short-term investments

Short-term investments comprise cash deposits which are readily convertible to a known amount of cash, subject to an insignificant risk of change in value.

Trade and other receivables

Trade receivables are initially recognised at invoice value which is deemed to be fair value and do not carry any interest and are reduced by appropriate allowances for estimated irrecoverable amounts.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group's assessment for calculating expected credit losses is made by reference to its historical collection experience, including comparisons of the relative age of the individual balance and the consideration of the actual write-off history. The provisioning rates applied in the calculation are reviewed on an annual basis to reflect the latest historical collection performance data and management's expectation of future performance and industry trends. Furthermore, where the Group has assessed a known risk of recoverability relating to known customers these balances are provided for in full.

Trade and other payables

Trade and other payables are initially recognised at invoice value which is deemed to be fair value and are not interest bearing and are subsequently stated at their amortised cost. Amortised cost is considered by the Directors to be equivalent to invoiced value.

Borrowings

Borrowings are measured at amortised cost using the effective interest method. Interest expense is recognised by applying the effective interest rate.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. Changes in the fair value of derivative financial instruments which are designated as highly effective hedges of future cash flows are recognised directly in other comprehensive income and any ineffective portion is recognised immediately in the consolidated income statement. When hedges mature that do not result in the recognition of an asset or a liability, amounts deferred in other comprehensive income are recognised in the consolidated income statement in the same period in which the hedged item affects net profit or loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the consolidated income statement as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Until that time, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss that has been recognised in other comprehensive income is transferred to the consolidated income statement.

Following the adoption of IFRS 9 and as permitted by this standard, the Group has elected to continue to apply the hedge accounting requirements of IAS 39. This policy choice will be periodically reviewed to consider any changes in our risk management activities.

1 Accounting Policies (continued)

Financial instruments (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated income statement in the period in which they occurred.

Dividends

Dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders. Interim dividends are recorded in the period in which they are paid.

Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and where 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 reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Retirement benefits

The Company provides pensions through both a defined contributions scheme and a defined benefit scheme. In the latter the cost of providing benefits is determined using the projected unit credit method, with full actuarial valuations being carried out at a minimum every three years. Actuarial gains and losses are recognised in full, directly in retained earnings in the period in which they occur and are shown in the statement of comprehensive income. The net figure derived from the current service cost element of the pension charge, the expected return on pension scheme assets and interest on pension scheme liabilities, including past service cost, is deducted in arriving at operating profit. Retirement benefits recorded in the balance sheet represent the net financial position of the Group's defined benefit pension scheme.

Under the Scheme regulations, following settlement of the final obligation by the Trust, any remaining surplus held by the fund would be passed back to the company.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are not separately disclosed due to their immaterial value.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest because of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Accounting developments

In preparing these Consolidated Financial Statements, the Group has applied all relevant IFRS, IAS and Interpretations issued by the IFRIC which have been adopted by the EU as of the date of approval of these Consolidated Financial Statements. The following new accounting standards, amendments to existing accounting standards and/or interpretations of existing accounting standards are mandatory for the current period and have been adopted by the Group. All other new standards, amendments to existing standards and new interpretations that are mandatory for the current year have no bearing on the operating activities and disclosures of the Group and consequently have not been listed. The Group has not adopted any new standards or interpretations that are not mandatory.

New standards, amendments and interpretations effective or adopted by the Group

Amendments to IAS 16 'Property, Plant and Equipment: Proceeds Before Intended Use' is effective from 1 January 2022 and was endorsed by the UK Endorsement Board in April 2022. The standard has not had any impact on the financial reporting of the Group, given the nature of the amendments and the usual course of business.

1 Accounting Policies (continued)

Financial instruments (continued)

New standards, amendments and interpretations issued, but not yet adopted by the Group

A number of standards, amendments and interpretations have been issued but not yet adopted by the Group within these financial statements, because application is not yet mandatory or because UK adoption remains outstanding at the date the financial statements were authorised for issue.

IFRS 17 'Insurance contracts' is effective from 1 January 2023 (1 October 2023 for the Group). The Group's initial expectation is that adoption of this standard will not have a material impact on the Group's consolidated financial statements.

Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' is effective from 1 January 2023 (1 October 2023 for the Group). Adoption of the amendment is expected to result in a gross up of deferred tax assets and liabilities but is not anticipated to have a material impact on the net deferred tax balances within the consolidated financial statements of the Group.

There are a number of other interpretations and amendments issued but not yet effective at 30 September 2023. These are not anticipated to have a material impact on the Group's consolidated financial statements.

2 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are monitored on an ongoing basis. Changes to accounting estimates are recognised in the period in which an estimate is revised if the modification affects only that period (or also in future periods if applicable).

Critical accounting judgements

The following are the critical judgements, that the Directors have made in the process of applying the Group's accounting policies and are considered to have a significant effect on the amounts recognised in financial statements.

i) Hedge accounting

The Group utilises currency derivatives to hedge a proportion of its future purchases of electricity from France which currently extend to the next three calendar years. Judgement is applied in establishing the quantum of these future foreign exchange commitments as the volume and price of imported electricity vary annually. All such currency derivatives are fair valued, based on market values of equivalent instruments at the balance sheet date.

ii) Decommissioning

A judgement has been made that the Company does not meet the recognition criteria (set out in IAS 37 Provisions) as it does not have any set obligation to decommission any of our material assets, but a risk exists that costs may be incurred in the future. The assets concerned are our power station at La Collette, which is leasehold with a current end date of 2056, and our submarine cables to France and Guernsey. None of the assets have a definitive planning or legal obligation to decommission at the end of life but obligations could develop over time, for example, for environmental reasons. There are varying external opinions as to whether subsea cables should be left in place, or removed, at the end of their useful life as over time the interconnector asset becomes part of the marine infrastructure.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation and uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Retirement benefit obligations

The Group provides pensions through a defined benefits scheme for a number of its employees which is accounted for in accordance with IAS 19 'Employee Benefits'. The benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgement is required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded. The discount rate used in 2023 was 5.4% and in 2022 was 5.2%.

3 Business Segments

The business segments below are those reported to the Directors for the purposes of resource allocation and performance assessment:

	2023 External £000	2023 Internal £000	2023 Total £000	2022 External £000	2022 Internal £000	2022 Total £000
Revenue						
Energy – arising during the course of ordinary business	**97,053**	**89**	**97,142**	89,683	100	89,783
Building Services	**3,349**	**831**	**4,180**	3,365	780	4,145
Retail	**18,514**	**56**	**18,570**	18,695	41	18,736
Property	**2,350**	**641**	**2,991**	2,345	639	2,984
Other*	**3,812**	**466**	**4,278**	3,333	625	3,958
	125,078	**2,083**	**127,161**	117,421	2,185	119,606
Intergroup elimination			**(2,083)**			(2,185)
Revenue			**125,078**			117,421
Operating profit						
Energy profit before rebate of past energy costs**			**9,329**			7,502
Rebate of past energy costs			**3,593**			-
Energy profit including rebate			**12,922**			7,502
Building Services			**162**			266
Retail			**917**			1,174
Property			**1,149**			1,436
Other*			**587**			508
			15,737			10,886
Revaluation of investment properties			**(1,215)**			1,020
Operating profit			**14,522**			11,906
Finance income			**1,871**			218
Finance costs			**(1,528)**			(1,523)
Profit from operations before taxation			**14,865**			10,601
Taxation			**(3,432)**			(2,135)
Profit from operations after taxation			**11,433**			8,466
Attributable to:						
Owners of the Company			**11,280**			8,326
Non-controlling interests			**153**			140
			11,433			8,466

*The Other segment includes the divisions of Jersey Energy and Jendev as well as Jersey Deep Freeze Limited, the Group's sole subsidiary.

Materially, all the Group's operations are conducted within the Channel Islands. All transfers between divisions are on an arms-length basis. Revaluation of investment properties is shown separately from Property operating profit.

Revenues disclosed by the business segments above are recognised both on a point in time and over time basis. The treatment of revenue recognition in accordance with IFRS 15 is detailed for each of these business segments in note 1 to these financial statements.

**During the year ended 30 September 2023, the Company received a credit which has been disclosed as 'Rebate of past energy costs – non-recurring item' within gross profit in these financial statements. This was a rebate from the French network operator (RTE) in respect of payments made in 2022 which they were instructed to return to us as part of a regulatory decision due to volatility in the energy marketplace during 2022. Due to the unknown timing, amount and eligibility regarding this reimbursement, it was not possible to disclose this rebate in relation to the prior year ending 30 September 2022.

4 Directors and Employees

Detailed information in respect of Directors' shareholdings and emoluments, pensions and benefits is given in the Remuneration Committee Report. The number of persons (full time equivalents) employed by the Company (including non-Executive Directors) at 30 September was as follows:

	2023 Number	2022 Number
Energy	**265**	253
Other businesses	**92**	92
Trainees	**17**	18
	374	363

The aggregate payroll costs of these persons were as follows:	**2023 £000**	2022 £000
Wages and salaries	**21,317**	20,144
Social security costs	**1,184**	1,097
Pension*	**1,622**	2,888
	24,123	24,129
Capitalised manpower costs**	**(1,772)**	(1,748)
	22,351	22,381

* The pension costs above relate to the defined benefit pension scheme note 16. The contributions recognised as an expense relating to the defined contribution scheme are included within wages and salaries and amount to £0.8m (2022: £0.7m).

** Capitalised manpower costs are included in note 10 under categories 'Mains cables and services', 'Fixtures, fittings, vehicles' and 'Interlinks'

5 Group Operating Profit

Operating profit is after charging/(crediting):

	2023 £000	2022 £000
Fees payable to Group auditor		
Auditor's remuneration for audit services	**447**	264
Auditor's remuneration for non-audit services	**-**	-
Other operating charges		
Depreciation of property, plant, equipment and right-of-use assets (note 10)	**11,203**	10,809
Amortisation of intangible assets note 9	**378**	285
Movement in expected credit losses	**240**	25

6 Taxation

	2023 £000	2022 £000
Current tax:		
Jersey Income Tax - ordinary activities	**3,301**	2,088
Total current tax	**3,301**	2,088
Deferred tax:		
Current year	**131**	47
Total tax on profit on ordinary activities	**3,432**	2,135

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of Jersey Income Tax to the profit before tax is as follows:

	2023 £000	2022 £000
Profit from ordinary activities before tax	**14,865**	10,601
Tax on profit on ordinary activities at standard income tax rate of 20% (2021: 20%)	**2,973**	2,120
Effects of:		
Expenses not deductible for tax purposes	**343**	42
Income not taxable for tax purposes	**(197)**	(339)
Non-qualifying depreciation	**313**	312
Group current tax charge for year	**3,432**	2,135

The following outlines the major deferred tax (assets)/liabilities recognised by the Group and Company:

Group and Company	**2023 £000**	2022 £000
Accelerated capital allowances	**26,427**	26,280
Derivative financial instruments	**(114)**	559
Pensions	**5,109**	5,287
Provisions for deferred tax	**31,422**	32,126

Deferred tax movements in the year:

Group and Company	**2023 £000**	2022 £000
At 1 October	**32,126**	29,321
Charged to profit and loss account	**131**	47
(Credited)/charged to statement of comprehensive income	**(835)**	2,758
At 30 September	**31,422**	32,126

The Company is taxed solely in Jersey as it has no legal presence in any other jurisdiction. The applicable rate of income tax for utility companies in Jersey is 20%. There are no current indications, political or otherwise, that these rates are expected to change in the foreseeable future. The effective tax rate on pre-tax profits is 23% (2022: 20%) due to the way capital allowances are applied in place of depreciation expenses which are included in the pre-tax profit figure. As the tax liability rests with the Government of Jersey, the right to offset assets and liabilities allows the balance sheet to show the net deferred tax liability position.

There is no tax impact on the Group arising from the proposed dividend shown in note 7.

7 Dividends Paid and Proposed

Equity:

		Per Share		In Total	
		2023 pence	2022 pence	**2023 £000**	2022 £000
Ordinary and 'A' Ordinary:					
Dividend paid	final for previous year	**10.80**	10.20	**3,309**	3,125
	interim for current year	**8.00**	7.60	**2,451**	2,328
		18.80	17.80	**5,760**	5,453
Dividend proposed final for current year		**11.40**	10.80	**3,493**	3,309

The proposed dividend is subject to approval at the forthcoming AGM and has not been included as liabilities in these financial statements. These dividends are shown net of 20% tax.

Dividends paid out to non-controlling interests in relation to Jersey Deep Freeze Limited are disclosed in note 18.

8 Earnings Per Ordinary Share

Earnings per Ordinary and 'A' Ordinary share (basic and diluted) of 36.81p (2022: 27.17p) are calculated on the Group profit, after taxation, of £11,280,000 (2022: £8,326,000), and on the 30,640,000 (2022: 30,640,000) Ordinary and 'A' Ordinary shares in issue during the financial year and at 30 September 2023. There are no share options in issue nor any impact arising from the vesting of the employee share option scheme and therefore there is no difference between basic and diluted earnings per share.

9 Intangible Assets

	Computer Software £000
Cost	
Cost as at 1 October 2022	**2,740**
Additions	**92**
Disposals	**(62)**
At 30 September 2023	**2,770**
Amortisation	
At 1 October 2022	**1,773**
Charge for the year	**378**
Disposals	**(62)**
At 30 September 2023	**2,089**
Net book value	
At 30 September 2023	**681**

	Computer Software £000
Cost	
Cost as at 1 October 2021	**2,421**
Additions	**319**
At 30 September 2022	**2,740**
Amortisation	
At 1 October 2021	**1,488**
Charge for the year	**285**
At 30 September 2022	**1,773**
Net book value	
At 30 September 2022	**967**

The above amortisation charges are included within operating expenses in the consolidated income statement.

The gross carrying amount of intangible assets with a net book value of zero at 30 September 2023 was £1.5m (2022: £1.3m). The average remaining useful life of intangible assets is 3 years.

10 Property, plant, equipment, right of use assets and investment properties

	Freehold Land and Buildings £000	Leasehold Buildings £000	Plant £000	Mains Cables and Services £000	Fixtures, Fittings and Vehicles £000	Interlinks £000	Total £000	Right of Use Assets £000	Investment Properties £000
Cost or valuation									
At 1 October 2022	**37,610**	**18,022**	**118,934**	**106,047**	**24,081**	**98,220**	**402,914**	**3,610**	**28,830**
Expenditure/lease additions	**406**	**111**	**2,960**	**5,356**	**2,075**	**68**	**10,976**	**-**	**-**
Revaluation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45**	**(1,215)**
Disposals	**-**	**(3)**	**(575)**	**-**	**(764)**	**-**	**(1,342)**	**-**	**-**
At 30 September 2023	**38,016**	**18,130**	**121,319**	**111,403**	**25,392**	**98,288**	**412,548**	**3,655**	**27,615**
Depreciation									
At 1 October 2022	**12,615**	**8,462**	**74,557**	**37,225**	**14,245**	**39,575**	**186,679**	**330**	**-**
Charge for the year	**754**	**419**	**3,215**	**1,564**	**2,004**	**3,116**	**11,072**	**131**	**-**
Disposals	**-**	**(3)**	**(575)**	**-**	**(761)**	**-**	**(1,339)**	**-**	**-**
At 30 September 2023	**13,369**	**8,878**	**77,197**	**38,789**	**15,488**	**42,691**	**196,412**	**461**	**-**
Net book value at									
30 September 2023	**24,647**	**9,252**	**44,122**	**72,614**	**9,904**	**55,597**	**216,136**	**3,194**	**27,615**

	Freehold Land and Buildings £000	Leasehold Buildings £000	Plant £000	Mains Cables and Services £000	Fixtures, Fittings and Vehicles £000	Interlinks £000	Total £000	Right of Use Assets £000	Investment Properties £000
Cost or valuation									
At 1 October 2021	37,166	17,373	115,789	101,639	22,987	98,182	393,136	3,326	27,810
Expenditure/lease additions	515	281	3,513	4,408	1,628	38	10,383	344	-
Revaluation	-	-	-	-	-	-	-	(60)	1,020
Reclassification	-	368	(368)	-	-	-	-	-	-
Disposals	(71)	-	-	-	(534)	-	(605)	-	-
At 30 September 2022	37,610	18,022	118,934	106,047	24,081	98,220	402,914	3,610	28,830
Depreciation									
At 1 October 2021	11,909	8,016	71,645	35,729	12,824	36,463	176,586	213	-
Charge for the year	777	405	2,953	1,496	1,949	3,112	10,692	117	-
Reclassification	-	41	(41)	-	-	-	-	-	-
Disposals	(71)	-	-	-	(528)	-	(599)	-	-
At 30 September 2022	12,615	8,462	74,557	37,225	14,245	39,575	186,679	330	-
Net book value at									
30 September 2022	24,995	9,560	44,377	68,822	9,836	58,645	216,235	3,280	28,830

10 Property, plant, equipment, right of use assets and investment properties (continued)

Property, plant and Equipment

Depreciation is included in operating costs in the consolidated income statement. No depreciation is charged on freehold land.

The gross carrying amount of property, plant and equipment still in use with a net book value of zero at 30 September 2023 was £62.8m (2022: £61.3m).

Right of Use assets

The Group leases land and buildings as part of its Energy business, classified as of right of use assets. In addition to the depreciation expense relating to right of use assets of £131k (2022: £117k), the finance costs included in the consolidated income statement arising from the lease liability was £151k (2022: £134k). The maturity analysis of lease liabilities is presented in note 15.

Investment properties

Investment properties are made up of a portfolio of commercial and residential properties.

Two commercial leases are held with B&Q and The Medical Centre. The B&Q lease is a fully-repairing lease with a 48-year term from May 2000 and a tenant-only break option, which in March 2021 deferred to May 2038. The Medical Centre lease is an internal repairing lease with a 30-year term from May 2005 and two remaining break options at 20 and 25 year anniversaries. The Company is obliged to keep the Medical Centre wind, watertight and structurally sound, whilst no obligations exist to the Company with regards to the B&Q lease which is fully repairing.

The residential properties comprise 29 units which are let out on licences or leases with terms no greater than one year.

The investment properties were valued as at 30 September 2023 by independent professionally qualified valuers who hold a recognised relevant professional qualification and are based in Jersey with knowledge of the local market. The properties are held for investment purposes, primarily in freehold ownership and thus the valuation is of the freehold interests based on market value, in accordance with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards, January 2022 (the "Red Book"). Market value is defined in the Red Book as "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. At each financial year-end the finance department verifies major inputs to the independent valuation report, assesses property valuation movements and holds discussions with the independent valuer.

Commercial properties have been valued on the basis of an equivalent yield of 6.25% for the B&Q site and 9.0% for the medical centre before deductions for acquisition costs. Therefore, these are understood to be level 3 fair value. If yields were 50 basis points higher, the valuation of commercial properties would increase by £1.1m. If yields were 50 basis points lower, the valuation of commercial properties would decrease by £1.2m.

The movements in level 3 fair values are as follows:

Movement in valuation of Commercial Properties	**2023 £000**	2022 £000
At 1 October	**15,770**	15,850
Revaluation	**(1,150)**	(80)
At 30 September	**14,620**	15,770

In the case of residential properties, the valuation is based on market value assuming vacant possession. The valuation is based on the comparable method, by reference to recent local market transactions of similar properties and is therefore deemed to be of level 2 fair value.

The rental income arising from the properties during the year was £1,428k (2022: £1,456k) with maintenance and repair costs of £331k (2022: £203k). Under the terms of the lease arrangements with residential tenants, the Company is obliged to keep the rented premises in a good state of condition and repair.

In accordance with IAS40 investment properties are not depreciated. The minimum lease payments receivable are detailed in note 21.

11 Other Investments

	2023 £000	2022 £000
Joint arrangement	**5**	5

Principal group investments

The Company has investments in the following subsidiary undertakings and joint arrangement which principally affected the profits or net assets of the Group.

	Country of incorporation or principal business address	Principal activity	Shareholding	% Holding	Financial Year End
Joint arrangement:					
Channel Islands Electricity Grid Limited	Jersey	Administration of cable links between France, Jersey and Guernsey	5,000 Ordinary	50	30 November
Subsidiary undertaking:					
Jersey Deep Freeze Limited	Jersey	Sale and maintenance of refrigeration and catering equipment	51 Ordinary	51	30 September
Jersey Offshore Wind Limited	Jersey	Investment in offshore wind (electricity generation) projects	2 Ordinary	100	30 September

Channel Islands Electricity Grid Limited (CIEG)

CIEG is a 50%/50% joint venture between Jersey Electricity Plc and Guernsey Electricity Limited. The principal activity of the business is to administer the ongoing operations of the cable links between France, Jersey and Guernsey.

The Company's interest in CIEG is accounted for as a joint arrangement under IFRS 11 'Joint arrangements'.

Jersey Deep Freeze Limited

The Company owns 51% (2021: 51%) of the issued ordinary share capital of Jersey Deep Freeze Limited, a Jersey company whose principal business is the sale and maintenance of refrigeration equipment to commercial businesses.

The results are consolidated into these Group financial statements, as the Group is considered to exert control under IFRS 10.

Jersey Offshore Wind Limited

This wholly owned subsidiary was incorporated on 29th March 2023. The entity was set up in support to JE's exploration of offshore wind.

12 Inventories

The amounts attributed to the different categories within inventories are as follows: :

	2023 £000	2022 £000
Fuel oil	**3,932**	1,887
Commercial stocks and work in progress	**3,811**	4,068
Generation, distribution spares and sundry	**1,444**	1,218
	9,187	7,173

During the year £15.1m (2022: £15.1m) was recognised directly in cost of sales in respect of inventories sold or used in operations or production.

13 Trade and Other Receivables

	2023 £000	2022 £000
Amounts receivable within one year:		
Trade receivables	**21,036**	17,436
Prepayments and other receivables	**4,923**	2,498
	25,959	19,934
Amounts receivable after more than one year:		
Secured loan accounts	**300**	300

Unbilled revenues included within trade and other receivables in the balance sheet at 30 September 2023 amounted to £6.1m (2022: £6.1m).

The secured loans include a loan to a Director.

The fair value of trade and other receivables is considered by the Directors to be equivalent to its carrying value.

14 Trade and Other Payables

	2023 £000	2022 £000
Amounts falling due within one year:		
Trade payables	**518**	2,202
Other payables including taxation and social security	**10,316**	10,203
Accruals	**7,796**	8,132
Deferred revenue	**829**	506
	19,459	21,043
Amounts falling due after more than one year:		
Accruals	**89**	102
Deferred revenue	**26,160**	25,060
	26,249	25,162

The fair value of trade and other payables is considered by the Directors to be equivalent to its carrying value.

15 Borrowings

Unsecured borrowing at amortised cost	2023 £000	2022 £000
Loan obtained from private placement	**30,000**	30,000

A long-term loan of £30m was drawn down on 17 July 2014 via a private placement and is in place with Pricoa Capital Group (an affiliate of Prudential Financial, Inc). The loan consists of two tranches:

a. £15m for 20 years at a fixed rate coupon of 4.41%

b. £15m for 25 years at a fixed rate coupon of 4.52%

The terms of the loan contain financial covenants which require a net debt to regulated asset value ratio of less than 50% and an EBITDA to borrowings cost ratio greater than 4%, as defined in the loan agreement. The calculations are carried out based on the Group's interim and annual performance and position. The Group continues to meet these covenants.

In addition, borrowings are supplemented by an unsecured five year £10m revolving credit facility (RCF) with the Royal Bank of Scotland International Limited (RBSI) which provides flexibility to the Group when the timing of future planned capital expenditure is variable. The facility is due to expire in July 2024. This facility bears the same financial covenant restrictions as the private placement above.

A one year £2m overdraft facility also exists with RBSI.

Neither of the credit facilities were drawn at 30 September 2023.

The fair value of the loan obtained from the private placement at 30 September 2023 is considered to be £24.5m (2022: £25.9m) based on the interest rate offered by UK 15 and 20 year bonds as a proxy to the risk free rate at this date coupled with the deemed credit risk margin included within the overall rate at the inception of the loan. The loan is classified as level 2 in the fair value hierarchy.

Lease liabilities	2023 £000	2022 £000
At 1 October	**3,320**	3,107
Additions during the year	**45**	285
Unwind of discount	**151**	134
Repayment in the year	**(242)**	(206)
	3,274	3,320
As at 30 September:		
– Current	**81**	69
– Non-current	**3,193**	3,251
	3,274	3,320

Right of use assets recognised under lease arrangements are detailed within note 10.

The maturity of future lease liabilities are as follows:

	2023 £000	2022 £000
Payable within one year	**227**	228
After one year but within five years	**908**	871
After five years but within ten years	**1,094**	1,089
After ten years	**4,980**	5,718
	7,209	7,906
Less: future finance charge	**(3,935)**	(4,586)
Present value of lease obligations	**3,274**	3,320

16 Pensions

Introduction

The Company sponsors a funded defined benefit pension scheme for qualifying Jersey employees – the Jersey Electricity Pension Scheme. The Scheme is administered by a separate board of Trustees, which is legally separate from the Company. The Trustees are composed of representatives of both the employer and employees. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy for the assets and the day-to-day administration of the benefits.

Under the Scheme, employees are entitled to annual pensions on retirement at age 65 of one-sixtieth or one eightieth (depending on the category of membership) of the final pensionable salary for each year of service. Pensionable salary is defined as the best successive 12 months' salary in the past three years. Benefits are also payable on death and following other events such as withdrawing from active service. No other post-retirement benefits are provided to these employees.

Profile of the Scheme

The Defined Benefit Obligation (DBO) includes benefits for current employees, former employees and current pensioners. Broadly, about 38% of the DBO is attributable to current employees, 8% to deferred pensioners and 54% to current pensioners. The Scheme duration is an indicator of the weighted-average time until benefit payments are made. For the Scheme as a whole, the duration is around 15 years at 30 September 2023 reflecting the approximate split of the defined benefit obligation.

Funding requirements

The last funding valuation of the Scheme was carried out by a qualified actuary at 31 December 2021 and showed a surplus of £17.1m. The Company has agreed to pay contributions of 20.6% (26.6% for non-contributory members) of pensionable salaries in respect of current accrual, with contributory members paying a further 6% of pensionable salaries. The next funding valuation is due no later than 31 December 2024.

Risks associated with the scheme

The Scheme exposes the Company to some risks, the most significant of which are:

Asset volatility

The DBO is calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit.

The Scheme holds a significant proportion of growth assets (such as equities) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the Scheme's long-term objectives.

Changes in bond yields

A decrease in corporate bond yields will increase the value placed on the Scheme's DBO for accounting purposes, although this will be partially offset by an increase in the value of the Scheme's bond holdings.

Inflation risk

A portion of the Scheme's DBO is linked to inflation, and higher inflation leads to a higher DBO. Most of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation may also increase the deficit.

Life expectancy

Most of the Scheme's obligations are to provide benefits for the lifetime of the member, so increases in life expectancy will result in an increase in the DBO.

Risk management

The Company and Trustees have agreed a long-term strategy for reducing investment risk as and when appropriate. This includes an asset-liability matching policy which aims to reduce the volatility of the funding level of the Scheme by investing in assets which perform in line with the liabilities of the Scheme.

Asset class	Target weighting
Growth portfolio	**69%**
Global Equities	26%
Hedge Funds	30%
Multi Asset Credit	13%
Matching portfolio	**31%**
Liability Driven Investment ("LDI")	31%
Total	**100%**

16 Pensions (continued)

Risk management continued

Within the growth portfolio, Global Equities is expected to outperform the liabilities over the long term. The equity allocation is allocated equally across three active global equity managers with contrasting investment styles. The Hedge Funds provide diversification to equity markets within the growth portfolio, whilst still aiming to outperform the liabilities. The Multi Asset Credit allocation offers exposure to the credit universe and has a more defensive stance than equity.

The matching portfolio consists of a Liability Driven Investments (LDI) strategy which includes the use of fixed interest government bonds (gilts), index-linked gilts, cash and various derivative instruments such as swaps and repurchase agreements. The strategy is used with the aim to match the interest rate and inflation exposure of a portion of the Scheme's liabilities and help reduce the funding level volatility.

Since Q2 2020, the Scheme has seen a steady improvement in the funding level. Therefore, a de-risking framework was put in place whereby an improvement in the funding level to a predefined level will trigger a de-risking step, which involves reducing assets in the growth portfolio in favour of the matching portfolio. The de-risking framework is reviewed by the Trustees on a regular basis and upon changes in the investment strategy or following market shocks.

Over 2023, the Trustees reviewed the LDI strategy and agreed to implement a more bespoke LDI approach alongside enhanced monitoring to more closely manage interest rate, inflation rate, and liquidity risk.

The Trustees insure certain benefits which are payable on death before retirement.

Reporting at 30 September 2023

The results of the latest funding valuation at 31 December 2021 have been adjusted to the new balance sheet date, taking account of experience over the period since 31 December 2021, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the Defined Benefit Obligation, and the related current service cost, were measured using the projected unit credit method.

The principal assumptions used to calculate the liabilities under IAS 19 are as follows:

Main financial assumptions

	Value at 30 September 2023 % p.a.	Value at 30 September 2022 % p.a.
Discount rate	**5.4**	5.2
Jersey RPI inflation	**3.6**	3.7
Pension increases in payment		
– Short term (year 1)	-	-
– Long term (year 2 onwards)	-	-
Pension increases in payment for pensions purchased with AVCs:	**3.6**	3.7
Salary increase:		
– Short term (year 1)	**8.0**	6.0
– Short term (year 2)	**3.6**	5.0
– Long term (year 3 onwards)	**3.6**	3.7

The financial assumptions reflect the nature and term of the Scheme's liabilities.

16 Pensions (continued)

Main demographic assumptions

	Value at 30 September 2023	Value at 30 September 2022
Post-retirement mortality base table	**SAPS "S3P" (All) tables for males and SAPS "S3P" (Mid) tables for females with 95% scaling**	SAPS "S3P" (All) tables for males and SAPS "S3P" (Mid) tables for females with 95% scaling
Post-retirement mortality future improvements	**CMI 2022 projections (A = 0.0%, Sk = 7.0) with long-term improvements of 1.25% p.a.**	CMI 2021 projections (A = 0.0%, Sk = 7.0) with long-term improvements of 1.25% p.a.
Life expectancy for male currently aged 60	**26.4**	27.0
Life expectancy for female currently aged 60	**28.5**	29.0
Life expectancy at 60 for male currently aged 40	**27.9**	28.5
Life expectancy at 60 for female currently aged 40 Pre-retirement mortality	**30.0**	30.5
DB transfers	**0% of deferred members are assumed to transfer out**	0% of deferred members are assumed to transfer out
Age difference	**A male member is assumed to be 3 years older than his wife/partner**	A male member is assumed to be 3 years older than his wife/partner
	A female member is assumed to be 1 year younger than her husband/partner	A female member is assumed to be 1 year younger than her husband/partner
Proportion married	**85% of males and 62.5% of females are assumed to be married at retirement or earlier death**	85% of males and 62.5% of females are assumed to be married at retirement or earlier death
Cash commutation	**Active and deferred members commute 20% of pension at a rate equivalent to 90% of the value of the member's pension**	Active and deferred members commute 20% of pension at a rate equivalent to 90% of the value of the member's pension

The mortality assumptions are based on the recent actual mortality experience of Scheme members and allow for expected future improvements in mortality rates.

Assets

The Scheme assets are invested in the following asset classes. All assets have a quoted market value in an active market.

	Value at 30 September 2023 % p.a.	Value at 30 September 2022 % p.a.
LDI/UK Gilts	**27,709**	14,915
Equities	**29,650**	38,925
Diversified Growth Funds	**53,395**	58,640
Cash and cash commitments	**358**	64
Total market value of assets	**111,112**	112,544

16 Pensions (continued)

Reconciliation of funded status to balance sheet

	Value at 30 September 2023 % p.a.	Value at 30 September 2022 % p.a.
Fair value of Scheme assets	**111,112**	112,544
Present value of funded Defined Benefit Obligation	**(85,566)**	(86,110)
Funded status and asset recognised on the balance sheet	**25,546**	26,434
Related deferred tax liability	**(5,109)**	(5,287)
Net pension asset	**20,437**	21,147

Profit and loss and comprehensive income

Amounts falling due within one year:	2023 £000	2022 £000
Service costs:		
Current service cost	**1,119**	2,763
Past service cost	**1,383**	-
Administration expenses	**493**	530
Financing cost		
Interest on net defined benefit liability / (assets)	**(1,373)**	(405)
Pension expense recognised in profit and loss	**1,622**	2,888
Remeasurements in OCI:		
Return on plan assets (in excess of) / below that recognised in net interest	**3,074**	47,459
Actuarial gains due to changes in financial assumptions	**(1,692)**	(55,391)
Actuarial gains due to changes in demographic assumptions	**(1,114)**	(375)
Actuarial losses/(gains) due to liability experience	**547**	(669)
Total amount recognised in OCI	**815**	(8,976)
Total amount recognised in profit and loss and OCI	**2,437**	(6,088)

Changes in Defined Benefit Obligation over the year	2023 £000	2022 £000
Opening defined benefit obligation	**86,110**	142,295
Current service cost	**1,119**	2,763
Interest expense on DBO	**4,365**	2,937
Contributions by scheme participants	**435**	450
Actuarial gains on scheme liabilities arising from changes in financial assumptions	**(1,692)**	(55,391)
Actuarial gains on scheme liabilities arising from changes in demographic assumptions	**(1,114)**	(375)
Actuarial losses/(gains) on scheme liabilities arising from experience	**547**	(669)
Net benefits paid out	**(5,587)**	(5,900)
Past service cost	**1,383**	-
Closing defined benefit obligation	**85,566**	86,110

16 Pensions (continued)

Changes to fair value of the Scheme assets during the year	2023 £000	2022 £000
Opening fair value of Scheme assets	**112,544**	161,056
Interest income on Scheme assets	**5,738**	3,342
Remeasurement gains/(losses) on Scheme assets	**(3,074)**	(47,459)
Contributions by the employer	**1,549**	1,585
Contributions by scheme participants	**435**	450
Net benefits paid out	**(5,587)**	(5,900)
Administration costs incurred	**(493)**	(530)
Closing fair value of Scheme assets	**111,112**	112,544

Actual return on scheme assets	2023 £000	2022 £000
Interest income on Scheme assets	**5,738**	3,342
Remeasurement gain/(loss) on Scheme assets	**(3,074)**	(47,459)
Actual return on Scheme assets	**2,664**	(44,117)

Analysis of amounts recognised in OCI	2023 £000	2022 £000
Total remeasurement (losses)/gains	**(815)**	8,976
Total (loss)/gain	**(815)**	8,976

Sensitivity analysis

The tables below set out the impact to the balance sheet and profit and loss from changes to some of the key assumptions in the discount rate, salary increases, inflation and mortality.

	Change £000	New value £000
Discount rate: Following a 0.5% p.a. decrease in the discount rate		
Pension expense for the following year	**582**	762
DBO at 30 September 2023	**6,069**	91,635
Discount rate: Following a 0.5% p.a. increase in the discount rate		
Pension expense for the following year	**(593)**	(413)
DBO at 30 September 2023	**(5,516)**	80,050
Salary increases: Following a 0.5% p.a. increase in the salary increase		
Pension expense for the following year	**156**	336
DBO at 30 September 2023	**1,532**	87,097
Inflation rate: Following a 0.5% p.a. decrease in inflation		
Pension expense for the following year	**(166)**	14
DBO at 30 September 2023	**(1,786)**	83,780
Inflation rate: Following a 0.5% p.a. increase in inflation		
Pension expense for the following year	**174**	354
DBO at 30 September 2023	**1,865**	87,431
Mortality Following a 1 year increase in life expectancy		
Pension expense for the following year	**263**	443
DBO at 30 September 2023	**3,780**	89,316

17 Share Capital

	Authorised	Issued and fully paid	Authorised	issued and fully paid
	2023	2023	2022	2022
	£000	£000	£000	£000
'A' Ordinary shares 5p each (2021: 5p each)	**1,250**	**582**	1,250	582
Ordinary shares 5p each (2021: 5p each)	**1,500**	**950**	1,500	950
	2,750	**1,532**	2,750	1,532
5% Cumulative participating preference shares £1 each	**100**	**100**	100	100
3.5% Cumulative non-participating preference shares £1 each	**150**	**135**	150	135
	250	**235**	250	235

Equity shares

'A' Ordinary shares entitle the holder to 1 vote for every 100 shares held whereas the Ordinary shares carry voting rights of 1 vote for every 20 shares held. At 30 September 2023 there were 11,640,000 'A' Ordinary and 19,000,000 Ordinary shares in issue.

Preference shares

Preference shares are classified as financial liabilities under IFRS. Dividends paid to preference shareholders in the year were £9,000 (2022: £9,000) and are recorded in finance costs in the consolidated income statement. 5% preference shares carry voting rights of 1 vote per 5 shares and 3.5% preference shares carry voting rights of 1 vote per 10 shares.

ESOP reserve

The Jersey Electricity Employee Benefit Trust was established on 24 May 2012 when the Company introduced a new employee share scheme for eligible employees of the Group based on a three-year vesting period. As at 30 September 2023, 7,900 remain within the Trust as unallocated shares with a combined valuation of £35,000 representing a market value of £4.43 per share. These shares are expected to form part of a future employee share scheme. The Trust was funded by way of an interest free loan and for accounting purposes is seen as an extension of the Group.

18 Non-controlling Interests

	2023	2022
	£000	£000
At 1 October	**144**	158
Share of profit on ordinary activities after taxation	**153**	140
Dividends paid	**(165)**	(154)
At 30 September	**132**	144

Non-controlling interests represent 49% (2022: 49%) ownership of the issued ordinary share capital of Jersey Deep Freeze Limited.

19 Financial Commitments

	2023	2022
	£000	£000
Five-year capital expenditure plans:		
Contracted	**2,966**	1,970
Not contracted*	**122,197**	92,062
	125,163	94,032

*Although this sum is approved in principle it is still subject to formal business cases being reviewed in due course.

20 Leasing

Operating leases with tenants

The Group leases out all its investment properties and certain other freehold properties under operating leases. The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	2023	2022
	£000	£000
No later than 1 year	**1,611**	1,676
Later than 1 year and no later than 2 years	**1,447**	1,254
Later than 2 years and no later than 3 years	**1,398**	1,254
Later than 3 years and no later than 4 years	**1,020**	1,206
Later than 4 years and no later than 5 years	**1,020**	1,020
Later than 5 years	**9,236**	10,257
	15,732	16,667

21 Derivatives and financial instruments and their risk management

(i) Categories of financial instruments

The carrying values of the financial assets and liabilities of the Group are as follows:

Financial assets	2023	2022
	£000	£000
Fair value through other comprehensive income		
Derivative financial instruments	**193**	3,123
Amortised cost		
Secured loan accounts	**300**	300
Trade and other receivables (excluding prepayments)	**21,036**	17,436
Cash and cash equivalents	**47,429**	47,397
	68,765	65,133

Financial liabilities	2023	2022
	£000	£000
Fair value through other comprehensive income		
Derivative financial instruments	**761**	330
Amortised cost		
Secured loan accounts	**30,000**	30,000
Trade and other payables	**10,835**	12,405
Cash and cash equivalents	**235**	235
	41,070	42,640

The primary financial risk faced by the Group is foreign exchange exposure as the largest single cost in the consolidated income statement is the importation of electricity from Europe that is denominated in Euros.

The Group's currency exposure at 30 September 2023, taking into account the effect of forward contracts placed to manage such exposures, was £2.4m (2022: £2.4m) being the translated Euro liability due for imports made in September but payable in October.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy. This hierarchy is based on the underlying assumptions used to determine the fair value measurement as a whole and is categorised as follows:

Level 1 financial instruments are those with values that are immediately comparable to quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 financial instruments are those with values that are determined using valuation techniques for which the basic assumptions used to calculate fair value are directly or indirectly observable (such as to readily available market prices); and

Level 3 financial instruments are shown at values that are determined by assumptions that are not based on observable market data (unobservable inputs).

The derivative contracts for foreign currency shown above are classified as level 2 financial instruments and are valued using a discounted cash flow valuation technique. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contracted forward rates, discounted at a rate that reflects the credit risk of various counterparties.

21 Derivatives and financial instruments and their risk management (continued)

(ii) Foreign exchange risk

The Group utilises currency derivatives to hedge the payment of a proportion of its future purchases of power from France which currently extend to the next three calendar years.

Due to the nature of the Euro denominated purchases being largely underpinned by contracted amounts the Group has accurate expectations of the values and timings of future liabilities, reducing the risk of exposure to hedge against ineffectiveness which would arise if units imported were to vary by more than 20% from established patterns.

Foreign exchange hedging instruments are contracted to mature as the liabilities fall due and so minimise any timing or other uncertainties of future cash flows.

Currency derivative

	2023 £000	2022 £000
Derivative assets		
Less than one year	**64**	483
Greater than one year	**129**	2,640
Derivative liabilities		
Less than one year	**(536)**	(330)
Greater than one year	**(255)**	-
Total net (liabilities)/assets	**(568)**	2,793
Tax on items recorded through the balance sheet	**113**	559
	(455)	2,234

At the balance sheet date, the total notional amount of outstanding forward foreign exchange contracts that the Group has committed are as below:

Forward foreign exchange contracts	2023 £000	2022 £000
Less than one year - operational expenditure	**36,395**	33,855
Greater than one year and less than three years	**47,227**	48,804
	83,622	82,659

The fair value of currency derivatives that are designated and ineffective as cash flow hedges amount to £nil (2022: £nil). In the current period amounts of £3.4m net were debited (2022: £4.8m credit) to equity, being £3.2m fair value loss (2022: £7.2m fair value gain) and £0.2m debit (2022: £2.4m debit) recycled to the consolidated income statement. Gains and losses on the derivatives are recycled through the consolidated income statement at the time the purchase of power is recognised.

The table below provides the reconciliation for the cashflow reserve:

Hedging Reserve	2023 £000	2022 £000
At 1 October	**2,234**	(1,618)
Amounts recycled from other comprehensive income to income statement	**(165)**	(2,382)
Changes in fair value recognised in other comprehensive income	**(3,196)**	7,197
Tax on items recorded in other comprehensive income	**672**	(963)
At 30 September	**(455)**	2,234

Given the limited exposure to foreign exchange rate risk at the year-end no sensitivity analysis has been presented.

(iii) Commodity risk Power Purchases

The Group has power purchase agreements with EDF in France. As at 30 September 2023, the import prices, but not volumes, have been substantially fixed for 2023. The Group entered into a 10-year framework agreement with EDF on 1 January 2013 which has a commitment to procure around 35% of expected volume requirements at known prices. During 2017 this agreement was extended by a further 5 years to 2027. The remainder of the requirement will be decided by a market pricing mechanism, but with no volume commitment, with a goal to deliver a degree of stability in tariff pricing to our customers.

21 Derivatives and financial instruments and their risk management (continued)

(iv) Credit risk

The Group's principal financial assets are cash and cash equivalents, short-term investments and trade and other receivables. The Group's credit risk is primarily attributable to its trade and other receivables. The amounts presented in the consolidated balance sheet are net of allowances for expected credit losses which are set out below. The trade and other receivables at 30 September 2023 outside agreed credit terms are as follows:

	2023 £000	2022 £000
Less than 30 days	**1,454**	1,194
Greater than 30 days	**1,108**	304
Greater than 60 days	**231**	156
Greater than 90 days	**1,235**	366
	4,028	2,020

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group monitors its credit exposure to its counterparties via their credit ratings and through its treasury policy, thereby limiting its exposure to any one party to ensure that they are within Board approved limits and that there are no significant concentrations of credit risk.

For trading related receivables, the credit worthiness and financial strength of customers is assessed at inception and on an ongoing basis. Payment terms are set in accordance with industry standards. Deposits are requested where credit knowledge of the customer is limited. The Group works closely with its customers to assist them in effectively managing their bill payments.

The Group has no other significant concentration of credit risk. Exposure is spread over a large number of counterparties and customers with a maximum credit exposure of £26.5m (2022: £26.6m).

Expected credit losses provision

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which assesses if a material expectation exists for lifetime expected loss allowances against all trade receivables based on historical realised write-downs. Where specific customers are viewed to be at risk of default due to known or expected economic circumstances, their receivable balances at the balance sheet date are provided for in full.

An explanation of the Group's assessment for calculating expected credit losses and balance write-offs is detailed in note 1.

An expected credit losses provision is recorded against assets which are past due but for which no individual provision is made. This is calculated based on historical experience of levels of recovery.

Movements in the provision for expected credit losses were as follows:	2023 £000	2022 £000
At 1 October	**303**	303
Charge for expected credit losses - included within operating costs	**240**	25
Amounts written (off)/back	**(53)**	(25)
At 30 September	**490**	303

Provision of impaired receivables (by age) is as follows:	2023 £000	2022 £000
0-180 days	**200**	56
181-360 days	**140**	101
Greater than 360 days	**150**	146
	490	303

(v) Capital management

Strong capital management is an integral part of the Directors' strategy to achieve the Group's stated objectives. The capital managed by the Group consists of borrowings, cash and cash equivalents and equity of the Group. The Directors review financial capital KPI's on a monthly basis. The £30m private placement drawn down in July 2014 provides long-term funding to the Group supplemented by a five year £10m revolving credit facility. Liquid funds are managed daily and placed on short-term deposits maturing to meet liabilities when they fall due. The Group is subject to externally imposed capital requirements in respect of the borrowing facilities detailed in note 15. The Group has complied with these requirements throughout the year.

21 Derivatives and financial instruments and their risk management (continued)

(vi) Liquidity risk

The Group maintains a strong liquidity position and manages the liquidity profile of its assets, liabilities and commitments so that cash flows are appropriately balanced and all financial obligations are met when due.

Maturity of financial liabilities at 30 September	2023 £000	2022 £000
Less than one year	**21,416**	22,782
More than one year and less than five years	**35,260**	34,007
More than five years	**42,767**	44,106
	99,443	100,895

Financial liabilities shown above include interest payments payable on the £30m private placement.

Borrowing facilities

The Group had undrawn borrowing facilities at 30 September 2023 of £12.0m (2022: £12.0m) in respect of which all conditions precedent had been met. The overdraft facility of £2.0m is annually renewable, and the Revolving Credit Facility was renewed in July 2019 for a further five years.

Maturity of financial assets and liabilities

The financial assets of the Group comprise deposits placed with banks which all expire in less than one year. The maturity profile of the Group's financial assets and liabilities at 30 September was as follows:

Maturity of financial assets at 30 September	2023 £000	2022 £000
Less than 3 months: cash and cash equivalents and short-term investments	**7,429**	7,397
Greater than 3 months: short-term investments	**40,000**	16,000

Interest rate risk

Interest rate exposure on the £30m of private placements borrowing is managed by having fixed coupons.

22 Ultimate controlling party and related party transactions

Government of Jersey ("GoJ")

Under IFRS 10, an investor controls an investee only if all three elements of control identified in the standard are present. Although the GoJ holds the majority voting rights, the Directors have concluded that two of the three elements to establish control are not present, and as a result we do not consider that the GoJ should be considered an ultimate controlling party. The two elements and the basis for our conclusions are set out below:

1) That an investor has control if it has power over the investee, i.e., the investor has existing rights that give it the ability to direct the relevant activities (the activities that significantly affect the investee's returns) [IFRS 10]. The GoJ do not have control over Jersey Electricity's operating activities and there are no representatives on the Board from the Government of Jersey. Pursuant to Rule 9.2.2 of the Listing Rules, a Relationship Agreement was signed in 2014 to ensure the GoJ understands the implications of the listed status of Jersey Electricity and that it cannot control the Company's operating activities despite their majority ownership.

2) That an investor has control if it has the ability to use its power over the investee to affect the amount of the investor's returns [IFRS 10]. The Jersey Electricity Board set the dividend policy for the Company, and only data that is available to all shareholders is shared with the GoJ.

The Company has elected to take advantage of the disclosure exemptions available in IAS 24 (paragraphs 24 and 25) with regard to the reporting of;

- the amount of the transactions,
- the amount of outstanding balances, including terms and conditions and guarantees,
- provisions for doubtful debts related to the amount of outstanding balances,
- expense recognised during the period in respect of bad or doubtful debts due from related parties,

on the basis that the GoJ, despite not being a controlling party, has significant influence by virtue of holding the majority voting rights and by means of legislation, specifically the Electricity (Jersey) Law 1937.

All transactions are undertaken on an arms-length basis in the course of ordinary business.

Energy from Waste Plant

Jersey Electricity signed a 25-year agreement in 2008 with the Government to purchase electricity produced by the EFW plant and to share existing facilities with EFW. This agreement gives rise to the high value transactions with the Government during the year with the value of electricity purchased from the facility during the year being £2.5m (2022: £2.2m) whilst the value of services provided to the plant was £0.1m (2022: £0.4m).

Remuneration of key management personnel

The remuneration of key management personnel of the Group (which is defined as the Executive and non-Executive Directors) is set out below.

	2023 £000	2022 £000
Short-term employee benefits	**951**	739
Post-employment benefits	**101**	102
Non-Executive Director's benefits	**238**	177
	1,290	**1,018**

Phil Austin, who is a non-Executive Director, is also a Board member of Ravenscroft Cash Management Ltd which provides treasury services to Jersey Electricity plc. Such services are provided on normal contractual terms, similar to their other clients.

Five Year Group Summary (unaudited)

Financial Statements	**2023**	2022	2021	2020	2019
Income Statement (£m)					
Turnover	**125.1**	117.4	118.6	111.7	110.7
Operating profit	**14.5**	11.9	20.5	16.2	16.1
Profit before tax	**14.9**	10.6	19.1	14.8	14.8
Profit after tax	**11.4**	8.5	16.3	11.7	11.9
Dividends paid (£m)	**5.8**	5.5	5.2	4.9	4.7
Balance Sheets (£m)					
Property, plant and equipment	**216.1**	216.2	216.6	217.9	217.0
Net current assets/(liabilities)	**59.2**	51.5	45.3	37.1	27.9
Non-current liabilities	**(91.3)**	(90.8)	(87.5)	(83.0)	(79.2)
Net assets	**241.5**	239.4	225.4	205.0	198.6
Financial Ratios and Statistics					
Earnings per ordinary share (pence)	**36.8**	27.2	52.7	37.9	38.4
Gross dividend paid per ordinary share (pence)	**23.5**	21.8	21.1	20.1	19.1
Net dividend paid per ordinary share (pence)	**18.8**	17.4	16.9	16.1	15.3
Dividend cover (times)	**2.0**	1.6	3.1	2.4	2.5
Cash at bank/(net debt) (£m)	**17.4**	17.4	13.1	5.5	(5.1)
Capital expenditure (£m)	**11.1**	10.4	9.9	12.0	13.3
Electricity Statistics					
Units sold (m)	**608**	613	639	619	627
% movement	**-0.7%**	-4.3%	3.3%	-1.2%	-1.1%
% of units imported	**94.5%**	95.3%	95.2%	94.7%	94.1%
% of units generated	**0.4%**	0.3%	0.4%	0.2%	0.3%
% of units from Energy from Waste	**5.1%**	4.4%	4.4%	5.1%	5.6%
Maximum demand (megawatts)	**159**	145	170	141	150
Number of customers	**53,343**	52,473	51,912	51,522	51,103
Customer minutes lost	**4**	5	5	5	6
Average price per kilowatt hour sold (pence)	**14.6p**	14.5p	13.9p	13.6p	13.3p
Manpower Statistics (full time equivalents)					
Energy	**265**	253	238	199	188
Other	**92**	92	88	97	94
Trainees	**17**	18	21	9	11
Total	**374**	363	347	305	293
Units sold per energy employee (000's)	**2,260**	2,422	2,686	3,112	3,336
Number of customers per energy employee	**204**	207	218	259	272

Alternative Performance Measures

The tables below provide details for the alternative performance measures disclosed within the annual report.

Return on energy assets

The return on energy assets is defined as the return on capital employed by the Energy Division.

	2023	2022
	£000	£000
Capital employed by Energy division at 1 October (A)	178,696	179,636
Capital employed by non-Energy Divisions at 1 October	37,539	36,914
Total property, plant and equipment as at 1 October (note 10)	216,235	216,550
Energy operating profit (note 3) (B)	12,922	7,502
% return (B/A)	**7.2%**	**4.2%**
5 year rolling average	**6.2%**	**6.2%**

Dividend cover

Dividend cover measures the number of times a company can pay its current level of dividends to shareholder.

	2023	2022
	£000	£000
Earnings per ordinary share (pence) (A)	36.8	27.2
Net dividend paid per ordinary share (pence) (B)	18.8	17.8
Dividend cover (times) (A/B)	**2.0**	**1.5**

Financial Calendar

2 January 2024	Preference share dividend
23 February 2024	Record date for final dividend
5 March 2024	Annual General Meeting
15 March 2024	Final dividend for year ended 30 September 2023
20 May 2024	Interim Management Statement – six months to 31 March 2024
7 June 2024	Record date for interim ordinary dividend
24 June 2024	Interim dividend for year ending 30 September 2024
1 July 2024	Preference share dividend
18 December 2024	Announcement of full year results

Annual General Meeting
The Annual General Meeting will be held at the Powerhouse, Queens Road, St. Helier, Jersey on Tuesday 5 March 2024 at 2:00pm. Details of the resolutions to be proposed are contained in the Notice convening the Meeting.

Press releases and up-to-date information on the Company can be found on the Company's website (www.jec.co.uk).

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