Jersey Electricity

Inspiring a zero-carbon future

Annual Report and Accounts 2024

Inspiring a zero-carbon future

Jersey Electricity Plc is the sole supplier of electricity in Jersey, serving around 54,000 residential and business customers. The Company's operations include the generation, importation, transmission, distribution 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

Andrew Welsby
BA, MA, FCPID

REGISTERED OFFICE

Queen's Road, St. Helier, Jersey
Registration No.67

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.

INDEPENDENT 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

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HELP US CUT PAPER

Printing of this Annual Report is carbon balanced, with trees planted to help offset the climate impact of its production. While Jersey Electricity Plc has sought to reduce the environmental impact of this publication as far as possible, we encourage readers to opt out of receiving printed copies and make use of our website, **jec.co.uk/investors**, to reduce material and resources used.

100

Jersey Electricity

ESTABLISHED 1924

Powering the moments that matter for 100 years

Jersey Electricity reached 100 years old in 2024.

Over the past century, we have become so much more than just an electricity provider. We have become an energy services partner to the Island, we have adapted and grown, in partnership with our community, as our energy needs have evolved.

While the way we have generated the energy that feeds our homes, schools and public services has changed, we have stayed true to our north star of safely providing secure, reliable and affordable electricity.

1920s
Establishing an Island's supply
JE establishes the Island's power supply with the ambition to bring light and warmth to every Islander. Our first power station is located at Albert Pier, now Liberty Wharf.

1930s
Moving to a new power station
We move to larger premises at Queen's Road where we can generate power in greater volume to meet demand for electricity. The mains network is extended to every parish.

1940s
The occupation stalls expansion
The occupation stalls expansion and supplies are rationed. We resume control of Queen's Road power station on VE Day.

1950s
Electric cookers fuel our growth
A decade defined by diversification, we start selling electrical equipment and customers first benefit from cheaper tariffs for water and off-peak storage heating.

1960s
La Collette and stock market listing
La Collette Power Station is built to increase generation capacity. The building is funded through listing the Company on the London Stock Exchange in 1963.

2020s
Innovation and community

Clockwise from left: La Collette Power Station, St Clement solar array, Community beach clean, and Storm Ciarán clean up operation

1970s
Growth, growth, growth
Operational employees moved out of Queen's Road and into La Collette, which is expanded to accommodate more generating equipment.

1980s
A director's vision comes to fruition
We begin importing low carbon energy from France as EDF1 – our first subsea cable – is commissioned and built, a bold strategic decision which virtually decarbonises our electricity.

1990s
A link between Islands
After great discussion, a deal is struck with Guernsey Electricity to link them into the French connection via Jersey, creating the Channel Islands Electricity Grid (CIEG) joint venture.

2000s
A decade for doing
A second cable from Jersey to France is laid, accompanied by the first cable connecting Jersey and Guernsey, while significant infrastructure investment takes place to reinforce the local network.

2010s
Jersey's low carbon future
With two new submarine cables to France completed, our renewables and low-carbon transport strategies advance with the Powerhouse's first solar array and expanded public EV charging network.

How we performed in 2024

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

£135.7m
REVENUE

£15.1m
PROFIT BEFORE TAX

609m
UNIT SALES OF ELECTRICITY

24.85
CO2 LEVEL (gCO2e/kWh)

9.5*
CUSTOMER MINUTES LOST

19.80p
ORDINARY DIVIDEND PER SHARE

6.3%
RETURN ON ENERGY ASSETS (5-YEAR ROLLING AVERAGE)

34
EMPLOYEE NET PROMOTER SCORE

77.5
CUSTOMER SERVICE SCORE

*Excludes Storm Ciarán Network Impact

Chair's Review

In our centenary year, Jersey Electricity has continued to deliver on its promise to 'enable life's essentials' and create value for Islanders and shareholders. At the same time, through our net zero focused strategy we have begun a significant programme of investment, playing our part in Jersey's transition to net zero.

£135.7m
GROUP REVENUE

£15.1m
PROFIT BEFORE TAX

Phil Austin MBE oversees a team of experienced Executive and independent Non-Executive Directors. Together they provide strategic leadership coupled with strong corporate governance to support the long-term success of the Company.

One Hundred Years of Service

In this, our centenary year, we have taken time to reflect on the significant achievements of Jersey Electricity over the past 100 years, from its formation in 1924 at Albert Pier, to the move to the Queen's Road Power Station in 1964, the formal opening of La Collette in 1973 and the first undersea cable to France in the mid 1980s – all of these developments followed pivotal and bold decisions, which have served the Island well. Throughout the last century, Jersey Electricity has been at the heart of the Island's transformation, empowering our communities and championing sustainability through resilience and visionary thinking.

Performance

Whilst, in operational terms, the 2023/24 year got off to a very difficult start with Storm Ciarán, the performance of the Group, throughout the year was a good one.

The ongoing Russia – Ukraine war and the rising tensions in the Middle East continue to create uncertainty in the energy markets and, despite some easing during the year, along with falling inflation, they remain unstable and above historical levels.

Revenue for the Group rose 8.5% in the year to £135.7m, producing a Profit Before Tax of £15.1m. Unit sales of electricity remained flat, with growth in connections and fuel switches being offset by efficiencies. Our Energy Business delivered a Return on Assets of 7.3% in year, delivering an on target performance of 6.3% on a rolling five year basis.

All our other businesses continued to perform in line with expectations.

The Board has recommended a final dividend for the year of 12.00p, a rise of 5.3% on the previous year, payable on 14 March 2025.

Chair's Review (continued)

Strategic Investment: net zero readiness

An investment of £180m is planned over the next five years to improve the energy network and services. This year, 'The Big Upgrade' began on the electricity network, with a £120m investment programme aimed at strategic asset replacement and network reinforcement, ensuring both network health and capacity are ready for net zero. Additionally, a £30m resilience programme commenced at La Collette to significantly increase supply security for the Island. Our renewable strategy continues to progress on-Island whilst we remain in discussion with the Government of Jersey (GoJ) about what role Jersey Electricity could play if they proceed with an offshore wind project. Our first on-Island utility-scale solar array is currently under construction, with commissioning planned for January 2025.

Corporate Governance

The UK Corporate Governance Code 2018 requires the Board to set key areas of focus for the year. In 2024 these included:

1. Working with stakeholders, planning for and making demonstrable progress toward Jersey's net zero goal, whilst contributing to reduce the Company's own carbon footprint.

2. Continuing to address affordability by helping customers with energy efficiency and delivering our products and services as sustainably, and at as low cost, as possible.

We have made good progress in both areas and more details are provided throughout this report, see pages 30 to 45.

There are also reports from the Nominations Committee, Audit & Risk Committee and Remuneration Committee on pages 86 to 97.

The Board determined its key areas of focus for 2025 as follows:

1. Continue to progress towards Jersey's net zero goal and continuing to reduce the Company's own carbon footprint.

2. Continue to support customers with energy efficiency, ensuring our stakeholder outcomes are safe, reliable, affordable and sustainable energy services.

"I am proud of the work JE does in pursuit of its purpose and together, with the Board, confident that the Business will play a pivotal role in supporting Jersey's sustainable future."

Chair's Review (continued)

Senior Appointments

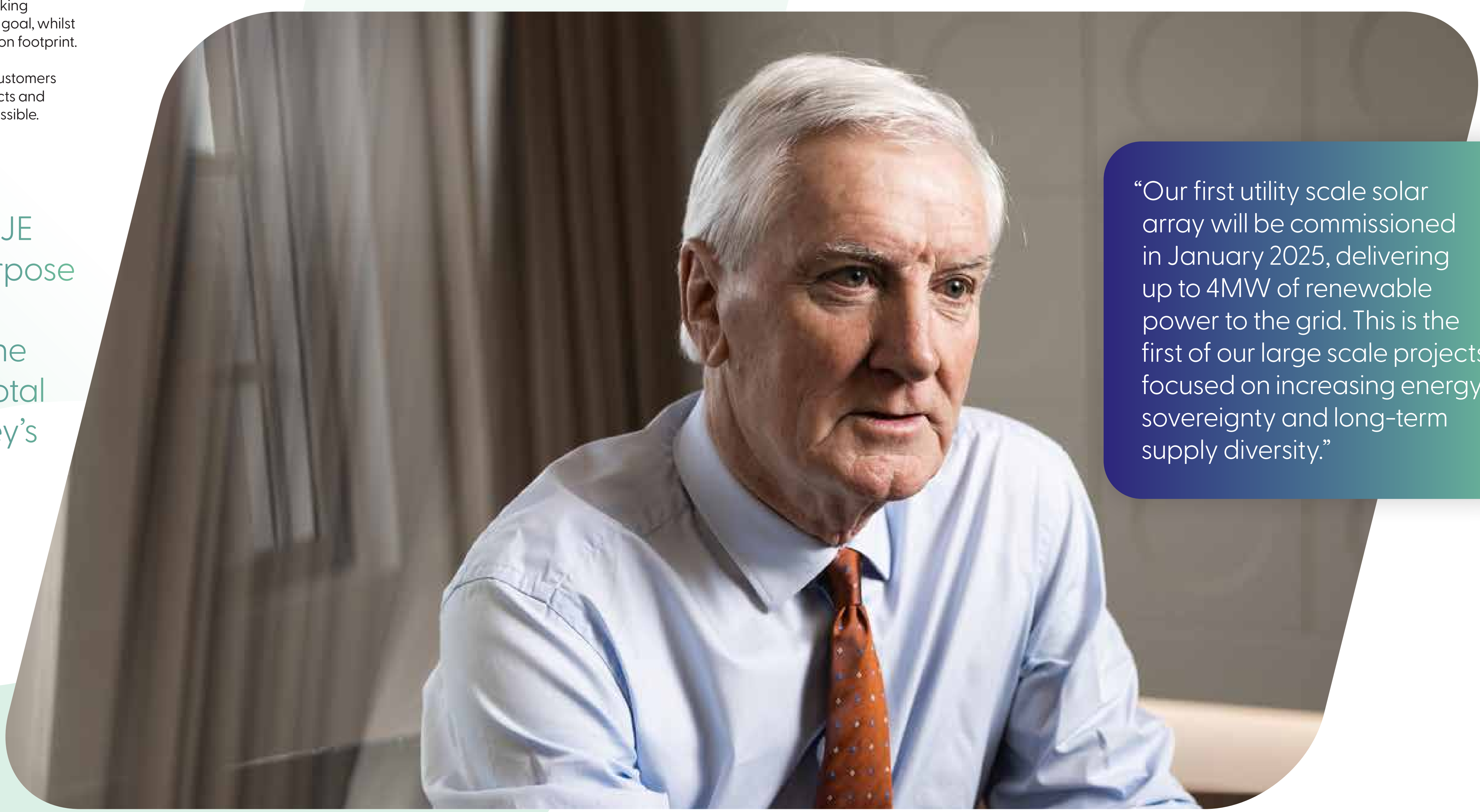
The tenures of Alan Bryce, our Senior Independent Director and Chair of the Nominations Committee, and Wendy Dorman, Chair of the Audit & Risk Committee, will conclude in December 2024 and July 2025, respectively. To ensure a seamless transition, we have undertaken a competitive recruitment process, led by independent search consultants, and I am delighted to welcome to the Board, with effect from 1 October 2024, Iman Hill and Roger Blundell, both experienced directors with broad industry and commercial backgrounds.

I would like to thank Alan and Wendy for their significant input during their time on the Board. Jersey Electricity has gone through substantial change during their tenure and their experience and guidance has played a big part in its success.

Thank You

In looking back over 100 years of operation, it is amazing to see the how the Company has developed into what it is today – the brave, and sometimes bold, decisions that were taken along the way, and the life-changing technological improvements which could never have been anticipated. Throughout all of that, though, there has been a constant – the dedication, expertise and passion of our staff to provide the best service possible to our customers, at all times. For that, we thank employees, past and present.

Finally, I would like to extend my thanks to my fellow Directors for their support and expertise. It is very much appreciated.



"Our first utility scale solar array will be commissioned in January 2025, delivering up to 4MW of renewable power to the grid. This is the first of our large scale projects focused on increasing energy sovereignty and long-term supply diversity."

Chief Executive's Review

2023/24 has been an unprecedented year for Jersey Electricity. We launched a major strategic programme to ensure our infrastructure remains safe, reliable, affordable, and sustainable, supporting Jersey's net zero transition. During Storm Ciarán our operations and infrastructure showed great resilience, and I am very proud, not only of the JE team but also the whole community in the way it responded.

As the challenge of decarbonisation becomes increasingly urgent due to global warming, the need to ensure Jersey continues to have a safe, reliable, affordable and sustainable energy system becomes all the more imperative. Jersey Electricity plays a significant role in supporting the Island's net zero ambitions and has committed to achieving net zero by 2040. In 2023/24, we focused on three major areas to ensure these goals are met; firstly network investment branded "The Big Upgrade" focusing on transmission and distribution; secondly supply security and backup which advanced the La Collette Resilience Project; and finally long term clean, green energy which made significant progress in developing on-Island solar as well as advancing our strategy around offshore wind. The flexibility of the Group's business model allows investment to be targeted to have the greatest impact on net zero as well as create the most value for all stakeholders.

£108.1m
ENERGY REVENUE

£13.0m
ENERGY BUSINESS PROFIT

The progress described in these pages is largely due to the efforts of our JE team, which includes our skilled colleagues, suppliers and partners. Ensuring a safe, healthy and inclusive working environment for our colleagues and contractors remains our primary priority.

Affordability

Although the wholesale energy market has shown signs of stabilisation in 2024, prices are still above historic levels and the overall economic environment remains challenging.

Despite the continued and significant upward pressure on our importation costs, we have been able to greatly shelter our customers from the significant prices rises experienced elsewhere. Since the Russian invasion of Ukraine we estimate that customers in Jersey avoided around £200m of costs that they would have faced elsewhere.

However, we have not been completely immune from increasing costs and in January 2024 we implemented a 12% increase in tariffs, with a further increase of 7.5% to be implemented in January 2025. We have worked hard to ensure any increase in prices are kept as small as possible and our standard domestic tariff continues to benchmark well compared to other jurisdictions with UK price capped tariffs being around 50% higher than Jersey's equivalent tariff.

Our importation contract with EDF continues to perform well and I am pleased that we have been able to materially hedge Jersey's remaining electricity requirements through to the end of 2027, reducing our risk to further volatility in the wholesale market significantly. Our contractual arrangements with EDF to supply electricity ends in December 2027 and our negotiations to secure competitive contractual arrangements from January 2028 are well progressed.

Chief Executive's Review

Financial Performance

2023/24 was a solid year of financial performance. Group Revenue for the year to 30 September 2024 increased year-on-year by 8.5% to £135.7m, assisted by the 12% tariff increase implemented in January 2024. Group Profit Before Tax at £15.1m this year was broadly in line with last year's level of £14.9m.

We imported around 95% of Jersey's electricity requirements from France with the remainder from on-Island sources. This resulted in an average carbon intensity of distributed energy of 24.85 gCO_2e/kWh.

Unit sales of electricity of 609 million, represented a slight increase above 2022/23 of one million units. Although we continue to see underlying growth in connections and fuel switching to electricity, this is largely offset by efficiency in usage of electricity. This reflects our strategy to encourage energy efficiency by offering free monitoring services such as those facilitated by the MyJE app whilst at the same time encouraging new customer-product relationships such as electric transportation and electrified heat solutions.

Network Investment ("The Big Upgrade")

This programme represents our largest investment programme we have undertaken for some years. 'The Big Upgrade' will see JE investing £120m in the electricity network over the next five years.

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 to meet the Island's net zero 2050 target.

The investment programme is aimed at ensuring JE delivers subsea cable replacements, transmission and distribution asset replacement and increases generation capabilities that support Jersey in its transition to net zero. As part of this programme we have accelerated the replacement of our oldest subsea cable, as it has started to show signs of deterioration. See page 38 for more details.

Supply Security

Jersey has an enviable record of supply security. 2023/24 has delivered a customer minutes lost of 9.5* (2023:4.0) and customer interruptions of 19.3* (2023: 4.4).

Last year we advised that we had undertaken a comprehensive review of our Security of Supply Standard, prompted by the energy crisis (driven by Russia's war on Ukraine), the demands of the Carbon Neutral Roadmap and the 2021 French fishing dispute. The review resulted in the Board's approval of the La Collette Resilience Programme, a critical programme which will ultimately lead to the installation of new Gas Turbines at the site to provide an additional 50MW of capacity.

The programme commenced this year with work to prepare the site for construction. The programme is expected to take up to four years at an estimated cost of £30m and will lead to the formal adoption of the enhanced Security of Supply Standard by summer 2028.

"The majority of our electricity needs are now largely hedged through to the end of 2027, significantly reducing our exposure to further volatility in the wholesale market. However, continuous monitoring of the market remains essential."

*Excludes Storm Ciarán

Chief Executive's Review (continued)

Long Term Green, Clean Energy

Our strategy is to import competitively priced low carbon power from France, from nuclear and certified hydro-electric sources alongside the development of diversified, indigenous renewables as they become economically viable. In addition to importing power from France, we are continuing to work hard to reduce the costs of Island sourced renewable energy to make them a meaningful and viable alternative component in the mix, as we build further on our knowledge and capabilities.

Offshore Wind

During the last year we have continued to explore Offshore Wind including examining how it might be optimised in Jersey's energy system, possible roles for JE and how we might helpfully partner with the Government of Jersey. We have regularly engaged with the Government's Future Energy Group, a subcommittee of the Council of Ministers, as well as with potential partners, to explore how the proposals can be most effective for Jersey.

On-Island Solar

During year we launched our Solar 5000 campaign. This represents our goal to power the equivalent of 5,000 homes with solar power by 2030. We are hoping to achieve this based on a mix of utility scale ground mounted solar arrays supported by continued parallel investment in rooftop solar.

We are finalising construction of our first utility scale ground mounted solar array in St Clement. The array will deliver 4MW of energy and is scheduled to be commissioned in early 2025.

With planning permission now in place for the next array in the north of St John's on the edge of Sorel, we expect to start construction imminently and commission later in 2025.

Stakeholders

Our Customers and Community

Our customers and our community are at the heart of everything we do.

In 2024 we achieved a customer satisfaction score of 77.5, placing JE second amongst a peer group of 35 other electricity and water utilities. This is an excellent position, but we do not take this for granted and we know there is more to be achieved.

This year we have launched our "Think Customer" initiative. This initiative represents an investment in improving people skills, processes and systems to ensure that the Company is fully equipped to deliver a consistent customer experience across the group.

We have continued to support the community and NGOs throughout the year with active involvement in more than 40 community projects and initiatives across the Island.

Government

During the year, and at the request of Government, we have continued to support the administration of the Low Carbon Heating Incentive Scheme (LCHI) as well as a similar scheme for the purchase of electric vehicles.

We continue to work closely with the Government to support the delivery of the Carbon Neutral Roadmap (CNR) and delivery of the Island's net zero goal by 2050.

Our People

Our people are crucial for achieving our vision of a zero-carbon future. Our success relies on a committed, engaged and capable workforce. Developing a diverse team with an inclusive culture, where everyone feels valued and supported to reach their full potential, is a key strategic priority. During the year we migrated to a new employee engagement system and the results from this were a pleasing top quartile performance relative to UK Energy and Utilities peers with an ePNS score of 34 and a response rate of 75%. We nevertheless are striving hard to incorporate the very best practice and continue to better ourselves.

Our Shareholders

Through our strategy, which aims to achieve financial resilience, we deliver a stable, reliable return for our shareholders. This year our Return on Assets for the year was 7.3%, which represented 6.3% on a 5 year rolling basis, in line with target. We increased our dividends by 5.3% .

Outlook

Although the macro-economic environment is easing, it remains challenging. Geopolitical uncertainty persists with the ongoing conflict in Ukraine and escalating tensions in the Middle East, contributing to instability in the global energy market.

The majority of our energy volumes are now largely hedged through to the end of 2027, significantly reducing our exposure to further volatility in the wholesale market. However, continuous monitoring of the market remains essential.

Our focus will be on supporting our customers in achieving maximum energy efficiency and on developing new products and services that can facilitate the transition for customers from fossil fuels to sustainable low-carbon electricity at an affordable price.

The next twelve months will present both challenges and opportunities for the Group. We are aiming to complete our post-2027 importation contract by the end of the financial year and will continue to explore potential synergies with offshore wind post-2032.

With continued emphasis on our strategic programmes, the coming year will see us advance our infrastructure investment programmes, increase local renewables penetration, expand product offerings for fuel switching and leverage digital innovation to enhance operational efficiency.

Jersey Electricity's people, assets and businesses play a central role in the community, adding significant societal value to the Island. This presents an enormous opportunity for Jersey to benefit Islanders at a local level and demonstrate leadership within the international community.

We have an ambitious agenda and much work ahead, but we are well-positioned to continue delivering safe, reliable, affordable, and sustainable services now and long into the future.

Purpose, Vision and Values

Our Purpose

Our Purpose is to 'enable life's essentials' by providing the people of Jersey with safe, reliable, affordable, and sustainable services 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.

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

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.

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

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

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

Investors
We provide a fair return to our investors over the medium to long term.

Our Values

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.

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.

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

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

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

Excellence
We continually strive to work in a way that is both innovative and simple to deliver cost efficient solutions.

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

Our Strategy

Our Strategy

Our strategy has for many years been to supply low carbon electricity to homes and businesses on the Island, whilst maintaining competitive prices and delivering long-term stable returns for shareholders. Our strategy is designed to meet our four key stakeholder outcomes to deliver a safe, reliable, affordable and sustainable service that delivers a great customer experience, throughout all our businesses and operations.

Climate change affects everyone and the transition towards net zero is rapidly evolving. At Jersey Electricity, we understand that sustainability goes beyond net zero, focusing on maintaining an ecosystem that's sustainable for today, tomorrow and the long term.

Our strategic priorities are focused on not just achieving net zero within our own operations but also embracing our crucial part in supporting Jersey's overall transition to net zero. Our focus is on driving progress towards net zero by developing, building, and operating clean, green, secure and affordable electricity infrastructure that delivers the needs of today and the future. We aim to offer comprehensive 'beyond the meter' solutions that facilitate customers moving to a low-carbon future at an affordable price.

To summarise, our strategic priorities deliver a sustainable transition to a decarbonised future that provides value and benefit to all our stakeholders.

Stakeholder Outcomes

Our priorities are:

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

Key resources critical to success

Employees
The success of our strategy is dependent on the talent, diversity, innovation and values of the people we employ.

Customers
We must ensure that we deliver a great customer experience that meets our customers' requirements not just for today but over the long term. Maintaining our customers' confidence by delivering a safe, reliable, affordable service over the long term is vital in ensuring our customers have sustainability. We aim to always deliver the right solutions, in the right way.

Communities and society
We need the support of the communities we work in and the backing of society to deliver a sustainable decarbonised future.

Government
Our relationship with government as policy maker as well as shareholder is critical to maintain momentum behind our strategy.

Natural environment
Using the Island's natural resources to build renewable sources of energy as well as building and delivering products and services that are themselves sustainably sourced is critical to our success.

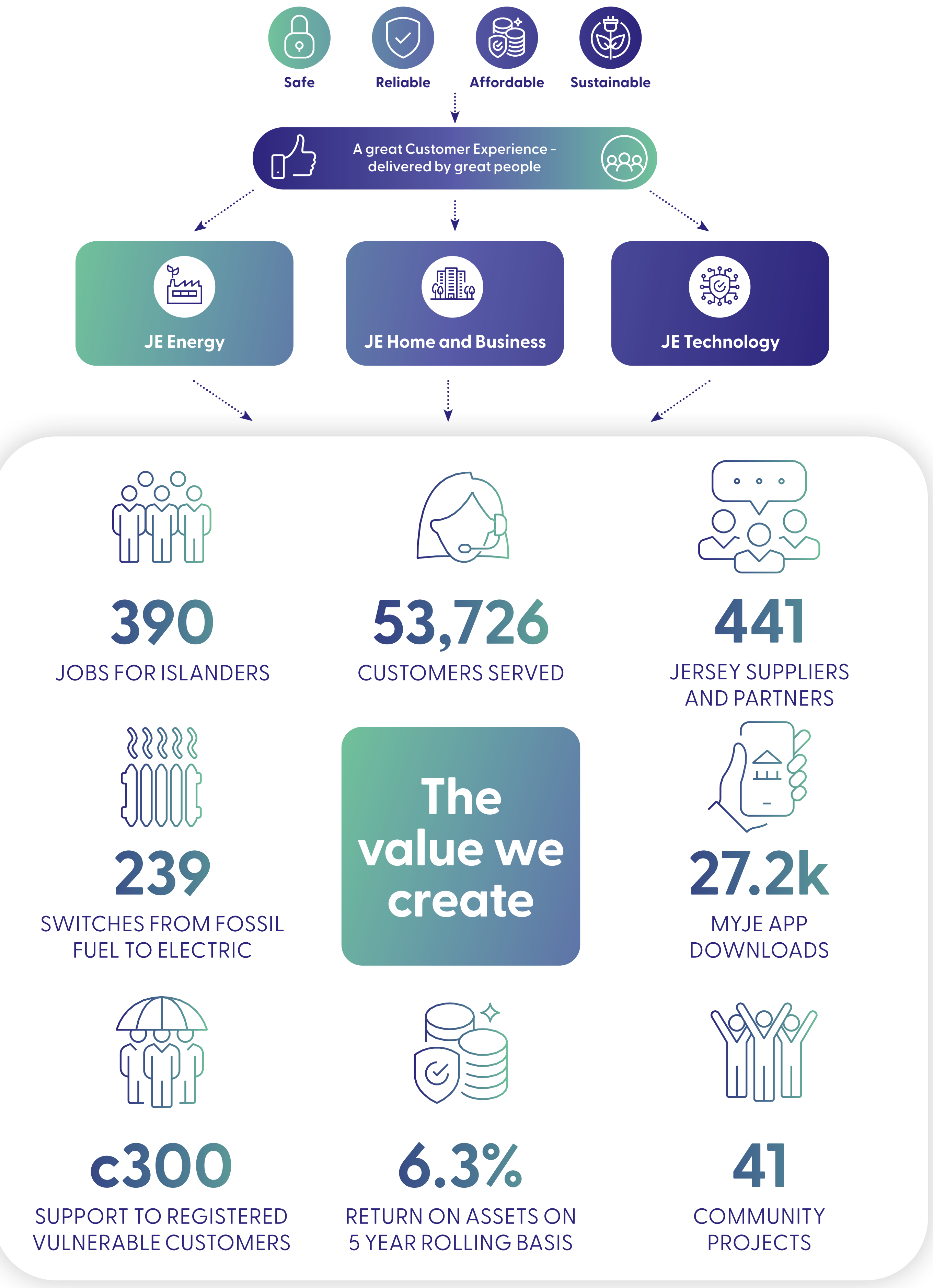
Shareholders
Maintaining a sound approach to managing risk and sound finances enables us to remunerate shareholders appropriately to support the investment required to deliver our strategy.

Partners, suppliers and contractors
We rely on a healthy, on and off Island supply chain that can support our strategy.

Our Business Model

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.	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 five-year basis.
	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.	
	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.	
Home and Business	Beyond the Meter Services	Enabling customers to transition to cleaner, more energy efficient living we provide solutions to homes and businesses for heating 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 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 p58 helps us meet our strategic, financial and operational objectives, enabling us to take measured risks to incentivise innovation and growth.
	JEBs, Jersey Energy and Property	Provide building and consultancy services that complement our core energy and retail business.	
Technology	Jendev	Provides comprehensive digital Enterprise Resource Planning (ERP) solutions across all business domains, EV private and public network and solutions.	



Understanding our stakeholders

> "As low carbon electricity becomes Jersey's primary energy source for net zero, stakeholder engagement will become increasingly important."
>
> Chris Ambler, CEO

The Board prioritises enhancing stakeholder involvement to adapt to the changing business landscape. Understanding stakeholder influence and responding effectively is crucial for our business, underscoring our customers' central role. Engaging with stakeholders helps us address their needs better, creating mutual value for Jersey Electricity and the community.

Our stakeholders include individuals and organisations with an interest in our Purpose, Vision, operations, and actions, or those affected by them. As Jersey's sole low-carbon electricity provider, we have a broad range of stakeholders: customers, suppliers, partners, NGOs, government entities, parishes, regulatory agencies, lenders, investors, and employees.

Outcomes

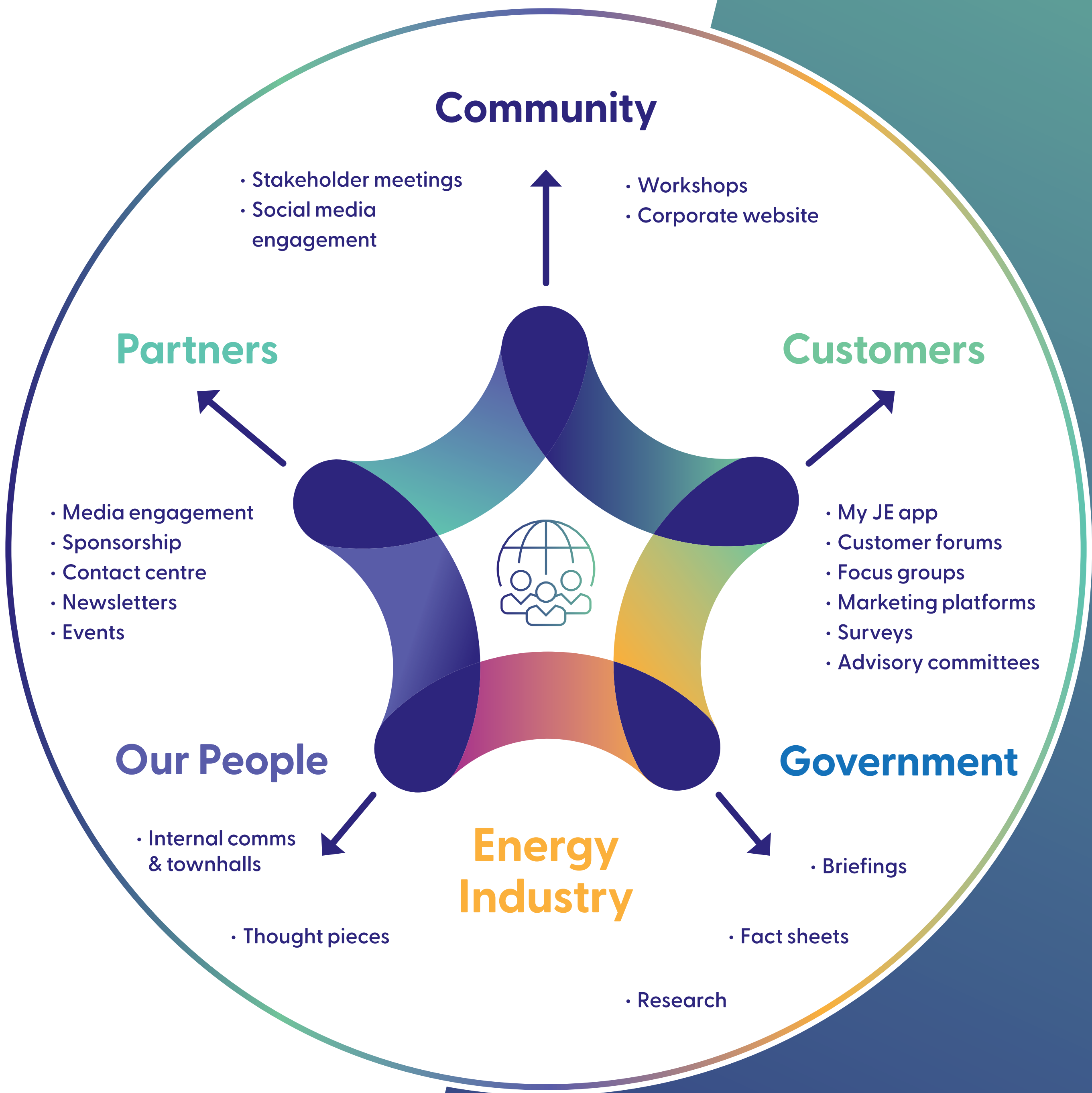
Providing safe, reliable, affordable, and sustainable energy are key outcomes required by our stakeholders. Our prices are among the lowest in Europe, while delivering steady growth for shareholders. We ensure the Island's energy infrastructure is fit for now and the future.

During 2024 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 is a major challenge affecting many. This economic strain underscores the need for clear, proactive communication and collaboration with stakeholders. We acknowledge our increased responsibility during these times.

In addition to affordability, stakeholders have raised concerns about reliability and sustainability. Board members and senior managers frequently discuss with government ministers and officials topics such as the Island's current and future energy mix, the importance of, and investment needed for, supply security, and the role in helping Jersey achieve net zero by 2050.

Our approach to sustainability and our sustainability frame work is detailed on pages 30 to 35.



Understanding our stakeholders (continued)

People

Our success depends on our employees. We need to attract, engage, support, motivate, and retain talent.

Diversity, Equity and Inclusion

We have continued to build on achieving 'Established'/'Bronze' status in the maturity audit conducted by our Diversity, Equity and Inclusion (DE&I) partners Inclusive Employers.

Our immediate goals are to continue to progress the development of a fully diverse and inclusive culture.

Our DE&I Working Group, comprised of people with a protected characteristic, has met three times this year to help promote our inclusive culture internally and embed it across the entire workforce. This summer we held our first culture day, where all members of the organisation shared food (and some also dressed) representing their local cuisine.

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

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 continue to develop our Senior Leadership to build leadership and management capability at senior level through coaching, mentoring and professional qualifications.

Understanding our stakeholders (continued)

"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."

Andrew Welsby,
People and Culture Director

24
NATIONALITIES REPRESENTED

16
APPRENTICES

24/76%
FEMALE / MALE
GENDER DIVERSITY

12
YEARS AVERAGE SERVICE

Supporting employees to speak up

The foundation of a healthy business culture is one where everyone feels confident to report any concerns of wrongdoing without fear of repercussion, and where issues identified are dealt with quickly and appropriately. JE encourages employees to speak up and they are protected from any adverse impact of doing so. The number of reports of suspected wrongdoing has increased in 2023/24, with three reports made through JE's speak up channels, compared to none the previous year. This increase is partly a result of a concerted effort to make the reporting process simpler and accessible and is to be expected with a growing employee population.

Engagement

A key way to measure how healthy a business culture is, is through listening to employee feedback. Through this, JE can take appropriate action to improve employee experience where possible. 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.

Understanding our stakeholders (continued)

Customers

Engagement with our customers demonstrates the requirements for JE to provide an efficient service that is reliable and resilient with a high-quality customer service when there is a need to contact us.

We appreciate the essential role we play in our customers' lives and putting customers at the heart of our business ensures we have continued focus on increasing the maturity of our customer experience. Operational performance in JE is excellent and we want to enhance this by ensuring that customer touch points and the products we develop provide a consistent customer journey in each part of the Group.

In 2024 we achieved a customer satisfaction score of 77.5, placing JE second, when compared to 35 other utility businesses. This is an excellent position, but we do not take this for granted. There is more to do.

This year we have launched our Think Customer initiative. This initiative represents an investment in improving our systems, processes and providing our people with the tool kits to deliver a consistent customer experience across the Group.

We continued to engage with our customers through focus groups and our customer insights surveys. These communication channels enable customers to voice their priorities as well as enable JE to communicate our investment plans. It's important that customers understand that JE's plans and investments are aimed at caring for the Island now and in the future.

77.5 CUSTOMER SATISFACTION SCORE

2nd OUT OF 35 UTILITIES

Understanding our stakeholders (continued)

Community and NGOs

In 2024, we developed the **"100 Projects that Matter"** initiative, a programme designed to support not-for-profit organisations, charities, registered community groups, and schools. The initiative was officially launched in November 2024. Reflecting our continued dedication to the local community, with a focus on projects that align with education, health, diversity, equity and inclusion as well as the environment.

Highlights from 2024

National Trust Education Programme

We continued sponsoring the National Trust for Jersey's Education Programme, funding a full-time Education Officer and activities that help children reconnect with nature and learn about the environment.

Primary Engineer

As an Industry Partner of the Primary Engineer initiative, we supported STEM education through mentoring, judging, and hosting grading days at our Powerhouse HQ as part of the "If You Were An Engineer, What Would You Do?" Competition.

Child Accident Prevention (CAP) - Safety in Action Week

JE employees volunteered to deliver safety workshops to around 1,000 children at Highlands College, focusing on home and electrical safety.

The Samaritans

We funded the installation of a low-carbon electric heating system at the Samaritans' headquarters, supporting their vital work with vulnerable Islanders.

Recognising Environmental Excellence

We proudly sponsored the Environmentalist Award at the Pride of Jersey Awards, honouring local contributions to environmental conservation.

Grands Vaux Summer School

We supported the Grands Vaux Summer School, offering enriching activities for local children during the summer.

Product Manager Reka Wilson introduces King Charles to JE's public EV charging solution Evolve.

Understanding our stakeholders (continued)

3,142
ELECTRIC VEHICLES REGISTERED IN JERSEY 2024

Government

Throughout 2024 we have continued to work closely with the government in many areas. Together, we have an instrumental role in addressing the challenges for Jersey to meet net zero and the delivery of the Carbon Neutral Roadmap (CNR).

During the year we have continued, as requested by the government, to support them in the administration of the Low Carbon Heating Incentive Scheme (LCHI) as well as a similar scheme for the purchase of electric vehicles (EV).

The EV scheme has proved popular – with a record number of EV vehicles registered in Jersey through the year. The scheme, now fully utilised, was closed at the end of 2024.

Understanding our stakeholders (continued)

Shareholders

Meeting the needs of our shareholders ensures that the business remains sustainable, helping Jersey Electricity meet all our stakeholder needs and deliver long term societal value.

Our governance framework and approach to risk management is set out on pages 56 to 67. Our vertically integrated business model means that financial resilience is strong and enables us to make efficiencies throughout the value chain, resulting in strong operational and financial performance, as well as long term stability for the Island.

Delivering a stable, reliable return for our shareholders is a key part of our strategy and financial resilience. This year we delivered a 5.3% increase in dividend and our Return on Assets for the year was 7.3%, which represented 6.3% on a 5-year rolling basis, which is line with target.

5.3%
INCREASE IN DIVIDEND

7.3%
IN-YEAR RETURN ON ENERGY ASSETS

6.3%
RETURN ON ENERGY ASSETS 5-YR ROLLING AVERAGE

Sustainability at JE: more than achieving net zero

In 1987, the United Nations Brundtland Commission defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet their own needs." This concept has been a part of JE's business model for many years. Sustainability involves achieving net zero in a manner that creates and distributes value among all stakeholders.

Sustainability Framework

The UN's 17 Sustainable Development Goals (SDGs) are the global blueprint for a sustainable future. These are not limited to the ecological environment or climate, but rather encompass the mindset of sustainability to everything we do. It is this definition of sustainability that flows into JE's primary objective to be safe, reliable, affordable and sustainable. Simply put, it defines how we approach the whole ecosystem we operate within.

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

We continue to expand, assess and monitor the range of sustainability measurements, and we record that data to bring efficiencies to our operational processes.

SUSTAINABLE DEVELOPMENT GOALS

Our 2024 Progress

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

£4m invested in on-Island Solar

UK Tariff Prices are **50%** higher than Jersey

96% of customers within **1.5 miles** of an EV charger

Our Footprint

We will achieve net zero emissions by 2040 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

95% Jersey's electricity requirements via low carbon sources

£18m investment in resilient infrastructure

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, equity 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

99% of our people carbon literacy trained

34 Employee Net Promoter Score

Sustainability at JE (continued)

Our Island

On average, our Energy business imports 95% of its electricity needs from France. This energy is a mix of low carbon nuclear and hydro power, and this strategy benefits Jersey by reducing carbon emissions. In fact, we have reduced emissions from the supply of electricity by over 90% since 1990.

Leveraging data

We are investing in next generation smart meters, supported by new metering software that will bring about an ever-greater understanding of our network. This will allow more informed decision making, particularly around energy delivery and network development to maximise the potential of the resources we have and minimise waste.

Long term green, clean energy

Our renewables strategy is aimed at utilising local resources to deliver low carbon power that will both supplement and, in part, replace the importation of power from France.

During the year we launched our Solar 5000 campaign. This represents our aim to power 5,000 homes with solar power by 2030. We are hoping to achieve this based on a mix of utility scale ground mounted solar arrays supported by rooftop solar. We are finalising construction on our first utility scale ground mounted solar array, in St Clement, which is scheduled to be commissioned in January 2025 (see page 40 for more details).

We also recognise that sustainability means more than reducing carbon emissions. Protecting wildlife habits and increasing the biodiversity of our Island is paramount. Indeed, as we begin the journey on our ground mounted solar installations, we look for ways to create symbiotic synergistic opportunities for both power production and the natural environment. A key approach in this effort is agrivoltaics, which combines solar energy generation with agricultural practices. By installing solar panels above crop fields or grazing areas, agrivoltaics allows for dual land use, promoting renewable energy whilst enhancing local biodiversity. This innovative approach can provide shaded areas for wildlife, reduce soil erosion, and improve water retention in the soil, all while contributing to sustainable farming practices. We are excited to explore agrivoltaics as a means to not only generate clean energy for the Island but also support the preservation and growth of our Island's ecosystems.

In July, King Charles visited Jersey and our display at the "Royal Exhibition" demonstrated a mock-up of an agrivoltaics installation. Significant research is being undertaken to look at how ground mounted solar can be used in conjunction with both arable and livestock agriculture, in some cases improving crop yields. Additionally, such sites can reduce soil erosion and provide rain harvesting and reduced water usage. We already plan to combine livestock farming with the ground based solar sites we have under construction to reduce the requirement of machinery to maintain the land.

REDUCTION IN EMISSIONS SINCE 1990

90%

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

Sustainability at JE (continued)

Our Footprint

As we set out our goal to achieve net zero for our emissions by 2040*, we continue to build out our scope, both up and down our supply chains, and measurements of our carbon footprint. Aligning ourselves to the principles of the task force on climate related financial disclosures (TCFD) we are implementing new software solutions to improve both data capture and monitoring.

The impact our business has in terms of carbon emissions and the wider ecological environment has become an integrated part of our organisational culture.

Our governance structure for sustainability is set out on page 70. Members of the Sustainability Committee come together across the organisation and drive a focus on reducing our carbon footprint and at the same time, consider wider ecological impacts in all our decision making.

Climate Related Disclosures

Our Climate related Disclosures can be found on pages 68 to 77.

*For Jersey Electricity Operations - Scope 1 and 2 emissions

Sustainability at JE (continued)

Our People

Sustainability around our people recognises the importance of a healthy workplace culture where employees are treated with dignity and respect. It is important that our people are kept informed on issues around sustainability. In August 2024, we held an all-employee event “Power Up” and sustainability formed a significant part of this event.

Employees have also undertaken company-wide carbon literacy training and our ‘Living Leader’ program (provided to all employees since 2018) provides the foundation of how we encourage all our people to behave with openness, compassion and integrity.

However, this is about more than our employees understanding net zero. Jersey Electricity listens to its employees by means of biannual employee engagement surveys. All results, suggestions and findings are shared, with any key themes and trends forming part of our continuous improvement programmes, both group wide, as well as on an individual team basis.

The overall engagement score forms a part of the corporate scorecard. In 2024 we moved to measure employee net promoter score (ePNS) rather than just employee satisfaction. The ePNS score can effectively indicate engagement, productivity and culture - key from a sustainability perspective. This year we achieved an ePNS score of 34 which is in the upper quartile for utility performance and in line with last year’s performance.

Sustainability at JE (continued)

Business Unit Review
Energy

The Energy Business has had another year of continued good performance. The start of the year tested our network resilience and incident response, with the arrival of Storm Ciarán on 1 November 2023. This was the worst storm Jersey has experienced in decades and brought the impacts of climate change directly to our Island.

Our fault response remained good, with an overall fault rate of 1%. At its peak, 2,000 customers supplies were affected. Our operational teams, supported by partners from the UK, restored supplies quickly and over 95% of those customers affected, were back on supply within four days.

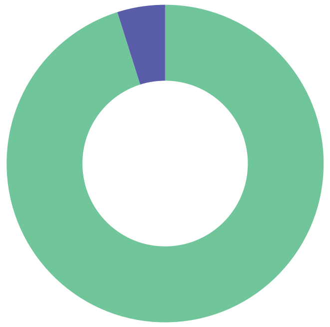
The impact of Storm Ciarán was severe and devastating, but the responses from our operational partners in the UK, our customers, businesses and the community, was nothing short of remarkable.

Safe **Reliable** **Affordable**

Energy Demand and Mix

Milder winters, coupled with growth in demand being offset by more efficient customer usage has meant that unit sales have remained stable, at 609 million units, compared to 608 million in 2023. Our peak demand reached 163 MW, again very similar to the 2023 peak, of 159 MW.

We imported 94.5% (2023: 94.5%) of our requirements from France and generated 0.2% (2023: 0.4%) of our electricity on-Island from our solar PV arrays. We purchased the remaining 5.3% (2023: 5.1%) of our electricity from local generation and the Energy from Waste (EfW) plant.



Low carbon power
Energy from Waste/on-Island diesel plant

KPIs	2024	2023
No. customers	**53,726**	53,343
Customer Minutes Lost (CMLs)	**9.5** (excl Storm Ciarán)	4.0
Customer Interruptions (CIs)	**19.3** (excl Storm Ciarán)	4.4
% Energy imported	**94.5**	94.5
Energy generated from on-Island Solar	**1m units**	0.93m units
Network investment (£m)	**18**	11
Blended gCO2e/kWh	**24.85**	25.3
Lost time accidents	**1**	3

"Storm Ciarán tested our network resilience and incident response to the maximum. Our operational response was exceptional, and the mobilisation of our UK partners was vital in helping us restore supply."

Mark Preece,
Chief Operating Officer

Business unit review Energy (continued)

Safe Reliable Sustainable

The Big Upgrade

£120m
INVESTMENT OVER NEXT FIVE YEARS

THE BIG UPGRADE

In 2024, we embarked on one of our largest investment programmes for some time. 'The Big Upgrade' will see JE investing £120m in the electricity network over the next five years.

The investment programme is aimed at ensuring JE delivers both subsea cable replacements, asset replacement and increases in our network and generation capabilities that support Jersey in its transition to net zero.

As we embark on our Big Upgrade programme, we have accelerated the replacement of one of our subsea cables. The cable has demonstrated signs of deterioration with instances of fibre losses in this calendar year. The rate of deterioration is difficult to predict and hence the decision has been made to accelerate the cable's replacement. On this basis the Directors have taken the decision to fully impair the asset as at 30 September 2024 by £1.5m. Our supply of security standard includes contingency plans in case of asset failures and our plans remain robust (see page 63) with import capacity and on-Island generation sufficient to meet the Island's needs should such a failure occur. The acceleration of this investment is targeted at mitigating any medium to longer term exposure, as well as ensuring we secure long term capacity and overall efficient delivery.

Leveraging Data

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 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 investment programmes to ensure our programmes deliver at the most efficient whole life cost. This also includes enabling our customers to move from fossil fuels to electrification as easily as possible, and, 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.

Our Big Upgrade programme is aimed at ensuring our service remains safe, reliable, affordable and sustainable over the long term.

"At the end of the year we have initiated 'The Big Upgrade', a programme which over the next few years, will see a step change in the scale of investment by JE. It will leave a positive legacy for our communities at an affordable cost for customers and a fair return to shareholders."

Mark Preece,
Chief Operating Officer

Business unit review Energy (continued)

Reliable Affordable

Supply Security

Jersey has an enviable record on supply security. 2024 has delivered a customer minutes lost of 9.5 (2023: 4.0) and customer interruptions of 19.3 (2023: 4.4) Although this represents an increase on 2023, it is still significantly lower than other jurisdictions and there is no evidence to suggest that this relates to any underlying network issues.

Last year we advised that, prompted by the energy crisis, driven by Russia's war on Ukraine, the demands of the Carbon Neutral Roadmap and the 2021 French fishing dispute, a review of our Security of Supply Standard was completed.

The review resulted in the Board's approval of the La Collette Resilience Programme and includes the installation of new Gas Turbines at the site to provide an additional 50MW of capacity.

The programme commenced this year with work starting to prepare the site for construction. The programme is expected to take up to four years at an estimated cost of £30m with the enhanced Security of Supply Standard adopted by summer 2028.

The enhanced security of supply standard delivers:

- **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

19.3
CUSTOMER INTERRUPTIONS
+15 FROM 2023

9.5
CUSTOMER MINUTES LOST
+5.8 FROM 2023

Business unit review Energy (continued)

Safe Affordable Sustainable

Long Term Green and Clean Energy

With around 95% of our current electricity needs being delivered through low carbon sources, our renewables strategy looks to complement this by investing in renewable generation.

Offshore Wind

During the last year we have continued to explore JE's role in Offshore Wind 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 the proposals can be the most cost effective.

On-Island Solar

During the year we launched our Solar 5000 campaign. This represents our aim to power the equivalent of 5,000 homes with solar power by 2030. We will achieve this ambition based on a mix of utility scale ground mounted solar arrays supported by rooftop solar.

We are finalising construction on our first utility scale ground mounted solar array, in St Clement. The array will deliver up to 4MW of energy and is scheduled to be commissioned in January 2025. With planning permission being granted for an array at Sorel Point, we are hoping to start construction and commission during 2025.

Business unit review Energy (continued)

Safe

Health and Safety

Nothing is more important to us than the health, safety and wellbeing of our customers, teams and contractors.

A positive safety culture

Over recent years we have invested in our resources, systems and process. Our aim being to shift from a compliance culture to a proactive, continuous improvement culture.

Expanding our Health, Safety and Environment (HSE) team, as well as investment in our EcoOnline platform, have facilitated a more comprehensive, efficient and proactive approach to how we manage incidents, audits and inspections. Our EcoOnline systems help us analyse trends, allowing us to identify both specific and general training needs.

JE apprentice Cody O'Gorman addressing the ENA Conference.

Sharing best practice

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.

In June 2024, Jersey Electricity hosted the UK's Energy Network Association annual conference. This allowed an opportunity to share best practice and discuss future challenges with other Energy Network businesses across the UK.

Looking ahead to 2025 we will be continuing to roll out a Behavioural Safety Training programme, alongside a programme of safety culture.

Approach to risk

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

The presence of well-defined policies and procedure 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. In 2024 we have had one Lost Time Injury (LTI), which was not of a serious nature and resulted in 24 lost working days due to injury.

1
LOST TIME INJURY

Business Unit Review
Home and Business: Beyond the Meter Services

Safe | Reliable | Affordable | Sustainable

A great Customer Experience - delivered by great people

Our strategy focuses on four areas:

- **Reducing upfront costs to customer –** providing innovative financing options enabling customers to avoid large upfront costs.
- **Providing a single point service –** providing a single point efficient service that works in partnership with the customer through and beyond the switching process.
- **Avoiding large network reinforcement costs -** by enabling individual customers and Islanders to share in the benefits of an all-electric heated Jersey we can avoid significant costs that would otherwise be required to enable the network to carry additional load.
- **Providing long term shareholder return –** delivering a fair return to shareholders over the long term.

"Our goal is to help over 85% of fossil fuel customers switch to clean energy by 2040, with efficient switching and running costs."

Peter Cadiou
Business Development Director

Support for Government and Stakeholders

During 2024 we have continued to support the government in facilitating and providing administrative services to three 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 Purchase Incentive (EVPI) Scheme launched in September 2023, which aims to support the purchase of 1200 EVs.
- Electric Vehicle Charger Incentive (EVCI) scheme launched in September 2023 which aims to support 1,000 home charger installations.

Jersey Electricity collaborates closely with key stakeholders to support Jersey's ambition of achieving carbon neutrality by 2050, as outlined in the Carbon Neutral Roadmap, by actively engaging with a variety of stakeholders to advance this goal. Our participation includes involvement in the Government's Energy Suppliers Group forum, the Chamber of Commerce Building, Housing, and Environment Committee, and support for the Jersey Construction Council.

Helping Customers Save Energy

Supporting our customers to understand energy usage and save energy is a priority for JE. Our heating solutions are focused on enabling customers to transition to low carbon energy whilst encouraging the use of technologies that also deliver lower running costs, such as Air Source Heat Pumps. This ensures customers can balance upfront costs with long term energy efficiency.

As part of our ongoing commitment to customer service and energy efficiency, we are pleased at the success of our Thermal Camera Loan Scheme. The scheme enables customers to use and evaluate their home's energy efficiency and identify areas for thermal improvements, ultimately saving money and energy through increased awareness.

	2024	2023
No. Customers	**53,276**	53,343
Number of Fuel Switches (JE)	**239**	235
No Customer on Discounted Heating Tariffs	**23,657**	22,865

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. My JE now boasts over 27,166 downloads.

During 2024, we have been developing a My JE for Business app. The app is designed to provide similar insights for business usage as the My JE app does for home usage. My JE app for business is due to be launched in 2025.

Business unit review Home and business: Beyond the meter services (continued)

The Rooftop Revolution

In 2024, as part of our Solar 5000 campaign, we launched the Rooftop Revolution. This plays a key part in both our renewables strategy as well as our home and business heating solutions.

The proposition focuses on delivering homes and business with energy direct from their rooftop and, at the same time, facilitating a switch from fossil fuel to electric heating.

In addition, JE has been working on a Power Purchase Agreement framework, designed to create a level of security for those customers who export to the grid.

je ROOFTOP REVOLUTION

Business unit review Home and business: Beyond the meter services (continued)

Evolve

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, continues to be popular with customers, now with 308 installations (up 158 from 2023). 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.

Public Charging

Last year we upgraded our public charging stations. These are run in partnership with Virta and 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 enabling faster charging for newer cars with larger batteries

Award winning

We are really proud to have received national recognition of our innovative home electric vehicle charging solution, EasyCharge, at the Electric Vehicle Innovation & Excellence Awards (EVies). EasyCharge triumphed over several industry giants including Octopus Energy, OVO Energy, and Hive (British Gas) to win the 'Best Consumer Proposition' award for the utility and energy sectors. Developed in-house with innovative technology, EasyCharge aims to support the transition to electric transport for our customers.

TOTAL CUSTOMERS
3,142
NEW ELECTRIC VEHICLES
+895 RECORDED IN 2023

CHARGING POINTS PER 100,00 POPULATION
110
+5 FROM 2023

Business Unit Review
Other Businesses

Our other commercial businesses complement our Energy business, and their activities are aligned with our Group purpose, vision and strategy.

Powerhouse.je

Our Powerhouse retail store continues to make strides in its market position and operational efficiency despite a continued challenging recruitment market. During the year, the business acquired an additional 4,800 sqft of additional retail space and has started a programme of expansion, which aims to diversify our product mix and create a relaxing, friendly and helpful shopping experience for our customers.

Leveraging the services developed in 2023, we are refining our Samsung repair service and are planning to expand this service to incorporate LG TV repairs.

As we look forward to 2025, we will be implementing a new technology platform that will underpin our retail operations, and further enhance our customers' shopping experience. Profit for the year was £0.6m compared to £0.9m in 2023. This was predominantly due to a fall in revenues following a slower than anticipated year and high inflation affecting storage costs.

JEBS

JEBS, our Building Services division, undertakes fuel switching customers from gas and oil to electric heating and cooling systems. During 2023 fuel switching was temporarily impacted by the launch of the Government's Low Carbon Heating Incentive (LCHI) scheme as customers delayed changing their heating systems until the scheme was fully implemented and grants became available. During 2024 the fuel switching run rate began to return to normal levels and revenues increased by £0.5m and profit by £0.1m.

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. At the end of 2024 JEBS has achieved the transition to a 100% all-electric fleet.

Jersey Energy

Jersey Energy, which includes Channel Design Consultants in Guernsey, continues to set industry standards as the premier MEP (Mechanical, Electrical, and Plumbing) consultancy services provider in the Channel Islands. The year 2024 has been marked by several significant projects, underscoring our commitment to excellence and innovation:

- **The Limes:** Completed the construction of 127 new apartments and the refurbishment of 15 apartments, inclusive of underground parking and communal gardens for Andium Homes.
- **Telecoms Data Center:** Ongoing major refurbishment utilising advanced 3D modelling techniques for enhanced design accuracy and coordination.
- **Jersey Water Headquarters:** Design and ongoing site work at the new headquarters located at Rue des Pres Trading Estate.
- **Sexual Assault Referral Centre:** Finalised building services design with construction scheduled to commence shortly.
- **Ports of Jersey:** Engaged in multiple projects, including significant plant upgrades at the airport and improvements to the electrical infrastructure at the harbours.

Our strategic vision includes expanding our business and service offerings across the Channel Islands, supporting the Islands' transition towards a sustainable, zero-carbon future. Integral to this vision is our commitment to staff training, ensuring our team acquires new skills necessary to provide optimal solutions for our clients.

Our investment in staff has yielded positive results. One engineer earned a distinction for their HNC, while others are taking City & Guild courses in power generation and electrotechnical engineering. We also provide training in historic building engineering, management, leadership, CPD and IOD courses.

Jersey Energy has invested in state-of-the-art surveying equipment, including a CAT underground scanner, advanced energy logging tools, and a high-tech thermal imaging drone. These investments enhance our service capabilities, positioning us at the forefront of industry innovation.

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 £0.9m profit in our property division, is £0.2m lower than in 2023. In March 2023 one of the commercial spaces at Queen's Road was vacated. The new tenant arrived in April 2024, and accounts for the small year-on-year reduction in profit. This excludes the revaluation of our property portfolio. The revaluation impact decreased by £0.3m, in 2024.

Jersey Energy is proud to be the first business in Jersey to be accredited to undertake commercial Energy Performance Certificates

Business Unit Review Technology: Building a smarter utility

At Jersey Electricity, we're dedicated to harnessing the power of technology to drive a smarter, more sustainable future for our customers. Through our commitment to investing in the right technologies, we aim to enhance customer energy efficiency, enabling us to deliver a smarter, more sustainable future for our customers.

By investing in the most effective solutions tailored to our needs, we're building a more resilient, efficient, and effective business that serves our customers better.

27.2k
MYJE APP DOWNLOADS

99.89%
UPTIME EFFICIENCY RATE

Throughout 2024, we dedicated ourselves to extracting additional value from our already industry-leading platforms by integrating and optimising our tools.

Empowering Teams, Optimising Operations

In the past year, we have made good progress in human capital enablement by implementing a new core people platform that has advanced how our people work.

We launched a modern Human Resources platform to streamline our HR functions and team management. This system automates processes, leading to organisation-wide enhancements in efficiency and effective HR processes. To enhance employee recognition, we introduced a platform dedicated to staff appreciation. This system bolsters workplace culture and increases productivity by offering tools for recognition and rewards. These features align with our commitment to attracting and retaining talent and improving company morale.

We enhanced operational efficiency and improved financial controls by implementing solutions to align travel and expense authorisation, automating processes, and simplifying compliance. This allows us to manage expenses more efficiently, supporting improved cost management.

My JE: Empowering Customers

Our flagship energy-saving mobile application, My JE, launched in 2021, has been continuously improved to provide our customers with improved 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.

My JE now boasts over 27,166 downloads, with an average of c13,000 monthly active users during 2024.

We are excited to have introduced a new feature within My JE: the Energy Advisor in 2024. This tool provides customers with custom advice based on their individual energy utilisation, offering tailored recommendations to enhance efficiency and reduce costs. In 2024, we also developed the My JE for Business solution, which we are looking to launch in 2025.

Energising Our Digital Infrastructure

This year, we focused on building a robust corporate infrastructure foundation designed to support our long-term ambitions and operational resilience. Our infrastructure refresh programme involved implementing a core network infrastructure that enables seamless cloud adoption across our organisation. Key elements of this project included upgrading our corporate fibre network, enhancing network infrastructure, and investing in advanced storage and processing capabilities. Each component has been carefully designed to ensure resilience, stability, and the flexibility needed to adapt to future demands. These advancements strengthen our operational backbone, positioning us to scale and meet the evolving needs of our customers and business alike.

Our corporate technology infrastructure maintained an impressive uptime rate of over 99.89%.

Safeguarding Our Systems, Protecting Our Future

In today's rapidly changing cybersecurity landscape, JE prioritises a proactive approach to threat evaluation and mitigation. This involves continuously assessing emerging threats and adapting our defences accordingly, while also fostering a culture of innovation and agility in the development and deployment of fit-for-purpose cybersecurity solutions. By embracing this dynamic approach, we ensure our digital assets remain protected against the evolving threat landscape.

We invest in technology that supports our business goals. By prioritising reliability, efficiency, and sustainability, we focus on customer satisfaction, cost savings, and progress.

In the future we will be:

- Implementing a new security framework that will provide future risk aligned threat detection and prevention for further improved security posture.
- Evaluating opportunities for our next generation smart meter network to bring future energy efficiency opportunities and service options to customers
- We will be investing in our core enterprise software system to improve efficiency, accuracy and decision-making capabilities.

Jendev

Jendev offers comprehensive digital enterprise resource planning solutions across JE's business domains for internal and external clients. Their services include standardised and custom systems, specialising in Microsoft NAV and Dynamics applications. They handle projects involving various technologies, providing business analysis, consulting, design, development, training, and project management. Jendev integrates, delivers and maintains on-premises and cloud-based solutions while expanding its digital skills to incorporate strategic technologies.

"My JE now boasts over 27,166 downloads, with an average of c13,000 monthly active users during 2024."

Financial Review

Our financial performance in 2023/24 remains strong, with a healthy balance sheet supported by high-quality assets. Our power procurement and hedging strategy has shielded us from the wholesale energy market volatility in recent years, where prices have soared up to more than tenfold from the historic prices. Despite the challenges posed by the macro-economic climate, which have pressurised the cost base, our financial performance and long-term resilience remains strong.

Group financial results	2024	2023
Revenue	**£135.7m**	£125.1m
Profit Before Tax	**£15.1m**	£14.9m
Earnings Per Share	**37.92p**	36.81p
Dividend Per Share	**19.80p**	18.80p
Proposed Final Dividend Per Share	**12.00p**	11.40p
Net Cash*	**£19.2m**	£17.4m
In **Year** Return on Assets	**7.3%**	7.2%
Return on Assets - Five-year rolling	**6.3%**	6.2%

*Net Cash is calculated as cash of £49.2m less borrowings of £30.0m; (2023: £47.4m less £30.0m)

Financial Performance

Group revenue for the year to 30 September 2024 increased year-on-year by £10.7m (8.5%) largely due to tariff price increases in the Energy Business. Revenue across the wider group remained materially in line with the previous financial year.

Group Profit before tax for the year to 30 September 2024 was £15.1m compared to £14.9m in 2023. The property revaluation impact decreased by £0.3m from a £1.2m reduction in 2023, to £0.9m. Profit before tax excluding property revaluation and interest income is at £15.3m compared to £15.7m in 2023, predominately due to slightly reduced profits in the Retail and Property Businesses.

Energy Business: Operating Profit at £13.0m, is in line with the prior year. Revenue increased by £11m, following a tariff price increase on 1 January 2024, however, this was offset by a £11m increase in wholesale energy costs and operating costs.

Operating costs increased year-on-year due to a combination of high inflation and continued investment in our people, processes and technology to support growth in our capital, maintenance and IT programmes.

GROUP REVENUE
£135.7m
8.5% YEAR-ON-YEAR INCREASE

ENERGY BUSINESS OPERATING PROFIT
£13.0m

TAXATION
£3.4m
2023 £3.4M

GROUP PROFIT BEFORE TAX
£15.1m
2023 £14.9M

5.3%
DIVIDEND INCREASE

NET CASH
£19.2m
2023 £17.4M

Financial review (continued)

Financial Performance (continued)

Energy (continued): As we embark on our Big Upgrade programme, we have accelerated the replacement of one of our subsea cables. The cable has seen some deterioration, and the cable has been impaired, resulting in a £1.5m charge in the year. Our operating plans have been reviewed should a failure occur and we expect no material short term increases in operating costs should this occur.

The Energy Business delivered a Return on Assets (ROA) of 7.3% in year, compared to 7.2% in 2023. Our target is to deliver between 6%-7% ROA on a rolling five year basis. The 2024 rolling 5 year ROA is on target at 6.3%. (see other information, Alternative Performance Measures).

Property: The £0.9m profit in our property division, is £0.2m lower than in 2023. In March 2023 one of the commercial spaces at Queen's Road was vacated. The new tenant arrived in April 2024, which accounts for the small year-on-year reduction in profit.

Powerhouse.je: Profit in our retail business was £0.6m compared to £0.9m in 2023. This was predominantly due to a fall in revenues following a slower than anticipated year and high inflation affecting storage costs.

JEBS: Profits increased by £0.1m across our building services as the level of activity returned to expected levels following the temporary reduction in the pace of fuel switching 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 £0.4m being £0.1m below last year.

Net interest income was £0.8m in 2024 compared to a net interest income of £0.3m in 2023.

Taxation: at £3.4m was in line with the prior year.

Group basic and diluted earnings per share, at 37.92p, comparable to 36.81p in 2023, rose due to increased profitability. Dividends paid in the year, net of tax, rose by 5.3%, from 18.80p in 2023 to 19.80p in 2024. The proposed final dividend for this year is 12.00p, a 5.3% rise on the previous year. Dividend cover, at 1.9 times, is broadly in line with 2023.

Net cash at £19.2m was £1.8m higher than in 2023. This increase was due to £6.8m increased net cashflows from operating activities (mainly driven by favourable working capital movements) offset by increased cash in investment activities of £5m.

Financial review (continued)

"As we look forward over 85% of our energy is already hedged for 2025, with 2026 and 2027 materially hedged."

Impact from Wholesale Market Volatility

Our 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 Plc Board.

Over the last three years we have seen unprecedented volatility in energy markets. This resulted in many UK suppliers going out of business and at its peak required government intervention to avoid an 80% increase in energy prices. Even with the government subsidy and price cap, prices still materially rose for consumers. Although the government subsidy has ended in the UK, a price cap is still in place and currently, the average domestic customer in Jersey is paying 50% lower than customers do in the UK for their electricity.

Our hedging policies have, to date, sheltered Jersey customers from the most extreme period of material rises that otherwise would have been experienced during this period. During 2024 the wholesale market has eased, and prices have started to reduce. However, the market remains higher than the historical norms. To enable the transition to these emerging market conditions, tariff prices were increased by 12% on 1 January 2024. A further increase of 7.5% is planned from 1 January 2025.

Although any such rises are difficult, they are much lower than increases in other jurisdictions which we continue to benchmark favourably in terms of absolute price. After the 7.5% increase our prices remain 50% lower than the UK.

As we look forward over 85% of our energy is already hedged at fixed prices for 2025. In addition, 2026 and 2027 are now materially hedged.

Our focus remains to ensure that we transition our customers through the energy crisis whilst we maintain 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 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 1.12 €/£. The spot rate at the 30 September 2024 was 1.2€/£, which resulted in a £3.5m adverse fair value adjustment through Other Comprehensive Income (OCI).

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 (continued)

Defined Benefit Pension Scheme Arrangements

As of 30 September 2024, the scheme surplus, under IAS 19 "Employee Benefits", increased to £22.4m, net of deferred tax, compared with a surplus of £20.4m on 30 September 2023.

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. Details of assumptions, movements in scheme assets and liabilities, including sensitivity analysis can be found in Note 16 (page 125) to the financial statements.

The most recent triennial actuarial valuation, as of 31 December 2021 showed a surplus of £17.1m. Our next triannual valuation is due on 31 December 2024.

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.

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 from 18.80p net of tax to 19.80p. The proposed final dividend for 2024, at 12.00p, is a 5.3% increase on last year. This is consistent with the underlying dividend pattern in recent years and our stated dividend policy to deliver sustained real growth in the medium-term.

The share price at 30 September 2024 was £4.30 against £4.50 at the 2023 year end. This gives an implied market capitalisation of £132m at 30 September 2024 compared with a balance sheet net assets position of around £245m. 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.

"During the year the ordinary dividend paid increased by 5.3% from 18.80p net of tax to 19.80p. The proposed final dividend for 2024, at 12.00p, is a 5.3% increase on last year. This is consistent with the underlying dividend pattern in recent years and our stated dividend policy to deliver sustained real growth in the medium-term.

Financial review (continued)

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. Each September the Board approves a five-year strategic company business plan. 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 2029.

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:

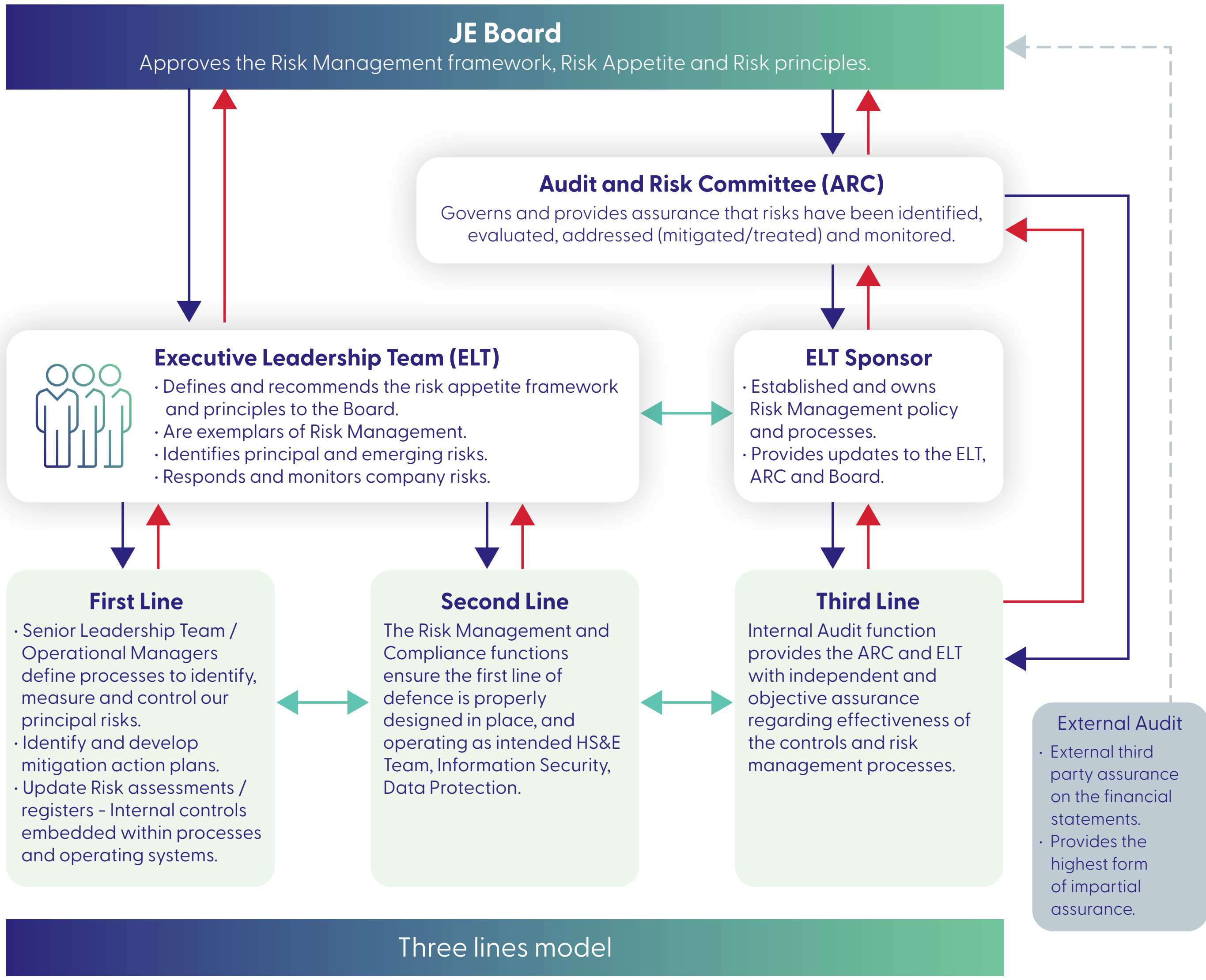
- Establishing procedures to manage risk and oversee the internal control framework.
- Reviewing and challenging the principal risks, emerging risks and the aggregate risk assessments from the 'bottom- up' risk register.
- Approving the annual internal audit plan and reviewing internal audit reports 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 (continued)

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 Company. 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.

Group Risk Management (continued)

Risk Appetite

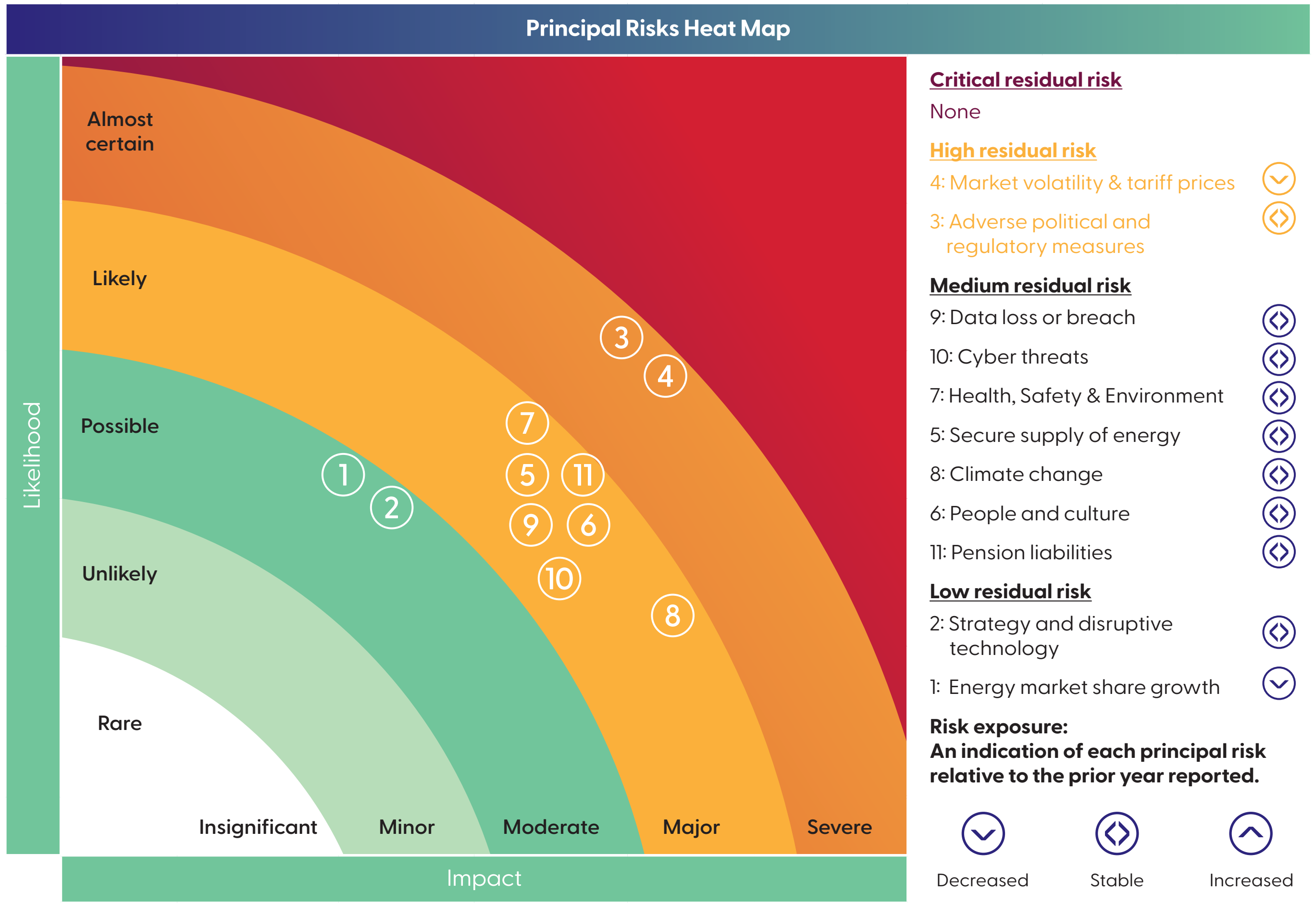
The Board has determined the risk appetite and risk tolerance for the Group's principal risks. A set of strategic statements have been developed that reflects the strategic intent and levels of risk that management deems acceptable, whilst risk tolerances set the acceptable level of variation and required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

- 9 of the 11 principal risks have remained relatively stable in the last 12 months. The following principle risks have reduced in the year:
- Market volatility and tariff prices - has reduced in its risk rating from critical to severe. This is due to the easing of the wholesale market during the last twelve months. However, the market remains volatile and above historic norms. This risk is identified as on the 'watch list', resulting in an increase in exposure and additional mitigating actions from the Board and Management.
- Energy market share growth - has reduced in its risk rating as the strategy and number of new product offerings has increased through the year, along with the Low Carbon Incentive scheme established by the government of Jersey. This enables customers to fuel switch and purchase electric vehicles more easily than in prior years.



Group Risk Management (continued)

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
We support the Government of Jersey's Carbon Neutral Roadmap by growing electricity's share of the energy market and 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 a fair return 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.

We categorise our risks into four different areas to provide the appropriate level of governance to effectively manage these risks:

- **Strategic Risks**
- **Financial Risks**
- **Operational Risks**
- **Technological Risks**

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. A failure of two or more of our subsea cables could result in short-term on-Island generation which is more carbon intensive.
Risk Owner: Business Development Director **Movement:** Decreasing **Risk Appetite:** Moderate **Our Vision:**	**Risk Owner:** Chief Operating Officer **Movement:** Stable **Risk Appetite:** Moderate **Our Vision:**	**Risk Owner:** Chief Financial Officer **Movement:** Stable **Risk Appetite:** Cautious **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 products and solutions that enable customers to fuel switch at an affordable cost. · 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 pages 68 to 77. · Management of our subsea cable strategy and contingency planning.

Group Risk Management (continued)

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: Stable

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. European energy price levels have fallen from the unprecedented levels seen in 2022/23 but are still above historic levels.

Risk Owner: Chief Financial Officer

Principal Risk Trend: Decreasing

Risk Appetite: Moderate

Our Vision:

Key mitigating actions

- Power Purchase contract with EDF in place to 31 December 2027. Contract negotiations post 2027 are progressing well - new contract signing targeted for summer 2025.
- 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.
- Management of subsea cable strategy and contingency planning to minimise cost impact.

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.
- Plans currently in places to replace our oldest subsea cable, N2.
- 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 tested 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: People and Culture 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 (continued)

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**	Business Development Director	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 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 (continued)

Emerging Risks (Continued)

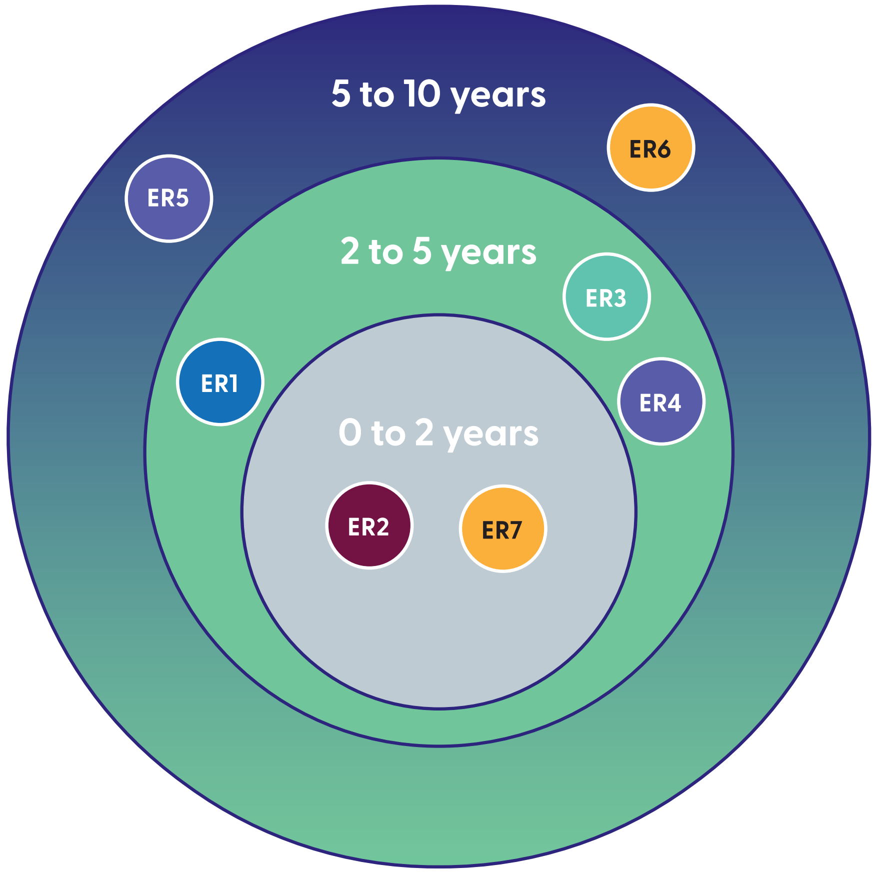
Ref	Emerging risk	Risk owner	Risk Description	Action plans
ER4	**Attracting and retaining talent**	People and Culture Director	Talent shortage in the energy market due to ageing workforce, limited new/young talent entering the industry, cost of living in Jersey (making it difficult to attract talent from UK/overseas), lack of economic advancement opportunities (livelihood crisis) etc. New products and services may require new skills and experience in our workforce.	• 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**	People and Culture 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. • We are evaluating the impact of AI on cyber-security and developing AI policies, controls and awareness training needs.. • 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

The Board regularly review 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.

Emerging Risk Table

Ref	Title	Key
ER1	Competition in energy market	Economical
ER2	Natural resource crisis	Political and Environmental
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



Group Risk Management (continued)

Climate Related Disclosures (TCFD)

Jersey Electricity has been reporting under the guidelines established by the Task Force on Climate-related Financial Disclosures (TCFD) since 2022 and continues to follow these principles in this annual report.

From 2024, the International Sustainability Standards Board (ISSB) assumes responsibility for the TCFD framework and has introduced a new framework under IFRS (IFRS S1 and S2), which is in the process of being endorsed in the UK. Once this has been confirmed it is anticipated that we will use this IFRS framework as basis to our reporting in future years.

Our Compliance Statement

Governance	Strategy	Risk Management	Metrics & Targets
Compliant	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 organisation's businesses, strategy and financial planning	B. Describe management role in assessing 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 organisation's strategy taking into consideration climate related scenarios including a 2°C 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

Group Risk Management (continued)

Governance

Our governance structure and key roles and responsibilities are set out in the diagram on the following page. 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.

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.

Two members of the Board have experience in risk management and oversight of ESG and sustainability, and this continues to be enhanced through interactions with management, regulators and attending conferences and seminars. Please refer to page 87 for the Board's skill mix.

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.

Management Role

The CEO is ultimately responsible for Jersey Electricity's preparedness for adapting to climate change and driving our strategy. Our Corporate Scorecard measures our overall performance and is used as a key tool to measure remuneration for the Executive Leadership Team (ELT). The scorecard is linked directly to our key stakeholder outcomes to deliver safe, reliable, affordable and sustainable services and links to both our sustainability and TCFD objectives.

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.

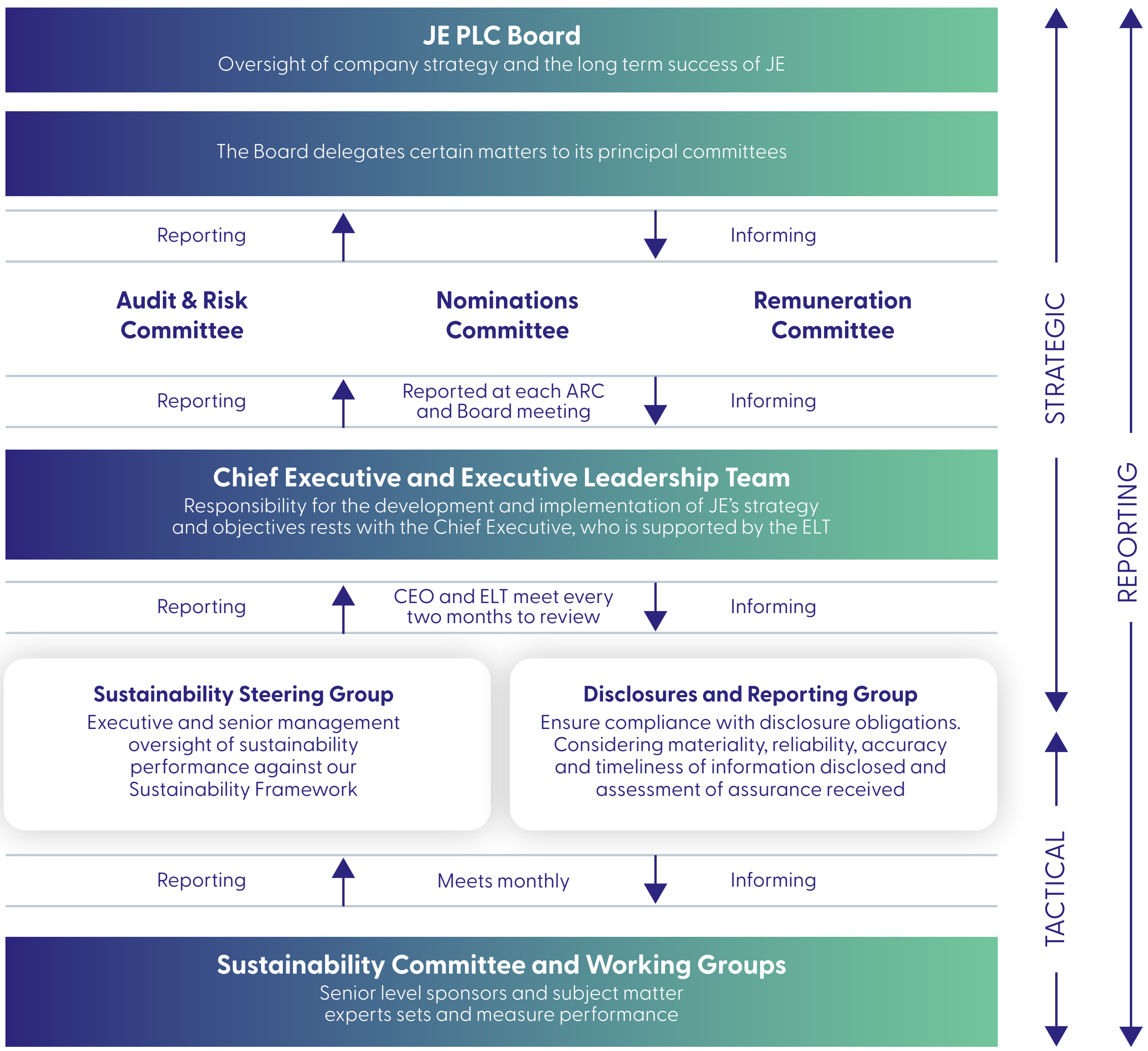
Our governance framework set out on page 70, enables the ELT to understand risks and opportunities on climate related issues and support the business in assessing and taking necessary actions to ensure the business remains on track with its strategic objectives and targets relating to climate change.

Sustainability Steering Group

This group is charged with overseeing the company's sustainability efforts, ensuring alignment with strategic goals as well as the identification and ongoing management of climate related risks. It comprises all members of the ELT, with the exception of the CEO, one of which has extensive experience in sustainability and climate related risks. In addition, it also includes senior leaders from around the business as well as our sustainability business partner, who is a subject matter expert in climate change. It receives information from the Environment and Sustainability Committee and holds delegated authority to approve sustainability initiatives and projects. These projects are designed to support the organisation's decarbonisation efforts, manage climate related risks and deliver against our stated climate related targets.

Group Risk Management (continued)

Our Governance Reporting Structure



Group Risk Management (continued)

Strategy

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:

- The material issues for stakeholders and how they affect the way value is created.
- 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 2040 is how we assess and manage risk and opportunities such as climate change, population movements, changes in environmental regulations whilst maintaining an affordable and stable electricity supply with a modern, responsive service.

Whilst we recognise the importance of conducting a scenario analysis against a 1.5°C- 2°C temperature increase, for the purposes of our own analysis, we have also considered reports prepared for Government where the basis has been the IPCC (Intergovernmental Panel on Climate Change) RCP8.5 scenario. This is a pathway where greenhouse gas emissions continue to grow unmitigated, leading to a best estimate global average temperature rise of *4.3°C by 2100 (*UK Met office).

Our Risk and Opportunity Assessment

The table below lists out some of the primary climate related risks and opportunities the organisation has identified

Risk/Opportunity Type	Description	Strategic Response
Physical risks – extreme weather (Short, medium and long term)	Acute weather events and chronic changes to climate could impact operations for example: Increased intensity of rainfall and resultant flash flooding could significantly damage assets and equipment. Strong winds could damage power lines or delay construction projects. Lack of sufficient water for cooling may threaten nuclear plants by disrupting the function of critical equipment and processes. Changes in regional weather patterns threaten to impact renewables. Increased incidence of storms raises costs of insurance premiums and/or reduces the number of insurance providers in the market.	Flood surveys to identify assets at risk are undertaken in conjunction with the Government of Jersey. 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 and receipt of timely warnings from Jersey Met and Government as demonstrated in Storm Ciarán. Alternative insurance products may be investigated to protect assets, such as disaster bonds.

Group Risk Management (continued)

Risk/Opportunity Type	Description	Strategic Response
Transitional risks (Short, medium and 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. The UK is expected to endorse ISSB standards in 2025, with listed UK companies likely to be caught in the first wave of reporting. The ISSB commenced research projects for future standards, including biodiversity, ecosystems and ecosystem services. These are likely to be aligned to TNFD. Actively engaging with schools and colleges to encourage careers at Jersey Electricity. Challenges with recruitment of sufficient headcount with the required skill sets to perform functions critical to the delivery of strategic goals (e.g. engineers, individuals to carry out reinforcement works or fuel switch).	Working with and supporting the Decarbonisation Unit within the government. JE has already begun a TNFD identification, assessment and reporting programme to ensure full compliance with the standards. Broadening our recruitment horizons and leveraging off our work with diversity and inclusion to be an employer of choice.
Unknown changes in demand (Medium to long term)	Fluctuations in unit sales of electricity due to higher demand for electricity caused by subsidies to switch to low carbon heating, adoption of electric vehicles, energy efficient produce, requirement for energy efficient homes, which may result in larger than anticipated network reinforcement. Similarly, milder winters and energy efficient technologies could result in significant loss of unit sales and therefore under-recovery against assets installed to fortify the network.	Historical analysis shows that increases in demand (fuel switches, growing number of electric vehicles) have not led to any increase in unit sales, suggesting market growth is being offset by efficiencies. Our medium term (5 years) planning assumptions are that on a weather corrected basis, unit sales growth will remain stable with growth being offset by efficiency. Long term planning assumptions maintain a relative modest view of unit sales but with an increase of around 25% at peak demand. Next generation smart meters (alongside new metering software) will provide significantly more data to allow for appropriate network management strategies which reflect varying demand.
Opportunities (Short to medium term)	Moving to a low-carbon economy, driven by heating switches, adoption of EVs, and desire for more efficient homes, backed by incentives, may lead to higher demand of unit sales of low carbon electricity which would potentially deliver benefit to all stakeholders. Through increasing assets, built to manage change, there is scope for innovation in products developed. Increased incidence of heatwaves during summer could drive growth in domestic cooling solutions, which could lead to a change in the demand profile during the summer.	Transport – provides a network of reliable public charging stations for electric vehicles. Heating efficiencies – support low carbon heating systems with financing options to meet our customer needs. Air-to-air heat pump systems can work in reverse as air-conditioning in summer. 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 in wind.

Group Risk Management (continued)

We support our purpose through the supply of low carbon electricity and developing innovative solutions to enable customers to make the transition from fossil fuels in a sustainable manner.

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 strategy is focused on ensuring our business is resilient from climate change and Jersey has infrastructure that supports and accelerates the transition to net zero for the Island. Our climate change strategic actions focus on:

Save Energy - helping customers use less energy (page 43)

- **The Big Upgrade -** upgrade our network to ensure that it is resilient to climate change and increasing the capacity of our network so that it can support the growth in demand from a decarbonised Island (page 38).
- **Long term, green and clean energy -** our renewable strategy focused on replacing and supplementing importation of energy from France. Our solar 5000 campaign launched in 2024 which sets out our goal to achieve 5000 homes powered by solar by 2030. In addition to solar we continue to explore the potential for Offshore Wind, supporting the government where we can.
- **Home and Business solutions** to support customers in their transition from fossil fuels to low carbon energy. Our goals is to help over 85% of fossil fuel customers switch to clean energy by 2040, with efficient switching and running costs (page 42 to 45).
- **Public network and private EV charging -** we continue to develop innovative solutions to support customers in the transition to electric transport. With public chargers available Island-wide and a platform that 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 (page 45).

Planning Assumptions and Scenario Analysis

Our baseline planning assumptions are aligned to JE meeting net zero by 2040 and Jersey being net zero by 2050. These assumptions are built in to our business planning process so that we can understand the customer and demand impacts on our networks and assess our operational requirements, including our investment, workforce and supply chain requirements. This base planning assumption is directly aligned with the Government of Jersey's Carbon Neutral Roadmap (CNR). To understand the risks and opportunities to this baseline we have performed the following scenario analysis:

1. Falling short – the switch from fossil fuels to electric for homes, transport and business does not happen at a rate that will meet the 2050 target.
2. Driving the change – the increase in electrification of transport occurs more rapidly and goes someway to offsetting the shortfall in reduction of heating emissions in scenario 1.
3. Energising the Island – this scenario is an acceleration of the carbon neutral roadmap and large scale renewables – such as offshore wind that would require a portfolio of energy sources to be actively managed.

For each scenario, we understand the impact on our overall demand profile and customer requirements. As part of this analysis we identify no regrets investment to ensure flexibility in our network and offer opportunities to respond rapidly should acceleration of the CNR start to occur.

Group Risk Management (continued)

Risk Management

Understanding and Managing our Climate Related Risks

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 strategic objectives and net zero vision.

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.

Assessments of climate and weather-related risk mitigation are undertaken when considering new or replacement assets. Locally, extreme weather events such as the flooding in Grands Vaux and the significant impacts of Storm Ciarán in 2023 have tested the resilience of our infrastructure and operations.

Whilst attribution of climate change to specific weather events is still a growing science, the World Weather Attribution Group has stated that the storms experienced across the UK and Ireland during the autumn of 2023, likely saw a 20% increase in rainfall due to climate change.

As a part of our risk and strategy review, we have explored the impact of potential flooding on our assets that climate modelling predicts. These include but are not limited to increasingly frequent and intense overtopping of coastal defences during storm events, general long-term sea level rise, and the potential changes to precipitation rates and patterns arising from changes in the energy balance, known as radiative forcing, of the Earth's atmosphere.

The table below lays out the risks and opportunities the business has considered in relation to climate change, including physical risk to our assets. In this context, and when considering operational resilience, the primary risks relating to Energy assets have been identified as follows

Location	Assets	Primary Risk	Mitigation
La Collette	Power station, switchgear, critical inventories	Coastal flooding	Seawalls, monitoring controls located at Queen's Road
Island-wide	Substations	Depending on location, coastal or general flooding	No substations below ground level, use of flood risk mapping, network can be rerouted
Island-wide	Overhead powerlines	Wind storms	Continued replacement of overhead lines as part of the network upgrade
Archirondel	Shore-end subsea cables, critical substation	Coastal flooding	This site has been independently assessed and is considered sufficiently above existing sea-levels

The Government of Jersey has already undertaken significant research regarding flood risk, with information included in the National Oceanographic Centre's Jersey Sea Level and Coastal Conditions Climate Review (2018), the Jersey Government's Shoreline Management Plan (2020) and AECOM's Jersey Flood Risk Assessment Plan (2021). All the modelling has been based on the RCP8.5 scenario, often considered to be the "worst case" or "do nothing" scenario encapsulated in the fifth Assessment Report (AR5) issued by the IPCC.

Understanding how flooding will affect our assets:

The data from the reports commissioned by the Government, has, in turn been shared with us, allowing for the mapping of various flooding risks, broken down by time horizons and recurrence intervals (also known as return periods). This data has been incorporated into our own ArcGIS (Geographic Information System) which allows the risk areas to be clearly highlighted on maps against our energy assets.

This has enabled us to review both the nature and likely recurrence of flood risks including, but not limited to, continuity of business and energy supply to our customers, direct risk to our assets and potential insurance risks. This information will form a significant part of planning for replacement and future asset site locations

Group Risk Management (continued)

"The ISSB commenced research projects for future standards, including biodiversity, ecosystems and ecosystem services. These are likely to be aligned to TNFD. JE has already begun a TNFD identification, assessment and reporting programme to ensure full compliance with the standards."

Group Risk Management (continued)

Metrics and Targets: Pathway to Net Zero

The following table shows, at a 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 by a third party, we have now aligned to Science Based Targets (SBTis) and have accelerated our strategy and targets for JE to achieve net zero by 2040.

Category	Short Term (3 years)	Medium Term (up to 2035)	Long Term (up to 2040)
Scope 1	100% Electric vehicle fleet by 2025/26 (where suitable vehicles are available). 90% (2023: 48%) of our fleet is now fully electric. Promote the development of offshore wind (OSW) in Jersey waters and develop plans to integrate such generation into the Jersey supply mix. Complete construction of a total of 25MWp of solar generation on-Island by 2028. We currently have 4MW in construction, to be commissioned January 2025.	Zero marine gas oil will be used by 2030. Support initiatives to produce and use hydrogen for transport as a pathway to the development of grid scale solutions. Integration of offshore energy production to the grid. Continue solar penetration where possible.	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. Integration of OSW with other technologies including hydrogen or storage. Achieve a minimum of 5% solar generation.
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. We have scoped a new reporting platform to aid transparency with our supply chain. We are looking to implement this during 2025.	Only work with suppliers who have committed to a net zero transition with tender submissions including an environmental statement.	Plan for 100% recycling of end-of-life products.
Biodiversity	Establish a process for the monitoring and reporting of our impacts. Follow No Net Loss/Net Gain principles. Embed Taskforce on Nature-related Financial Disclosures (TNFD) reporting requirements in our data collection. We have begun the identification assessment and reporting programme with TNFD standards.	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 sequestered.	Create biodiversity champions within the workforce. Calculate the carbon sequestered to form the basis of our own "Gold Standard" carbon offset scheme.

Climate Related Metrics

	FY24	FY23	FY22	FY21
Jersey Electricity Grid (Blended) gCO2e/kWh	24.85	25.3	22.2	22.7
Electricity from low carbon sources	94.7%	94.9%	95.3%	95.2%
JE on-Island solar generated (kWh)	1,070,078	903,699	855,898	143,667

Scope 1	Amount (yr)	Unit	Emissions Factor kg per unit	Total kg CO2e
Marine Gas Oil (MGO) for JE Generation	560,701	Litres	2.76	1,547,535
Fleet Fuel Petrol	47,095	Litres	2.35	110,673
Fleet Fuel Diesel	62,234	Litres	2.66	165,542
Fleet Fuel HVO	3,068.76	Litres	0.03558	109
Solar	1,070,078	kWh	0.040	42,803
Sulphur hexafluoride (SF6)	0.7	Kg	23,500	16,450
R410A Refrigerant Gases	0.00	Kg	1,924	0.00
			Total kg CO2e Scope 1 Emissions	**1,883,113**

Scope 2	Amount (yr)	Unit	Emissions Factor g per unit	Total kg CO2e
Importation transmission Losses Nuclear	16,052,712	kWh	4	64,211
Importation transmission losses Hydro	8,979,000	kWh	6	53,874
On-Island Distribution Losses	25,820,939	kWh	21.5	555,150
			Total kg CO2e Scope 2 Emissions	**673,235**

Scope 3	Amount (yr)	Unit	Emissions Factor g per unit	Total kg CO2e
Importation EDF Nuclear	391,529,552	kWh	4	1,556,118
Importation EDF Hydro	219,000,000	kWh	6	1,314,000
Importation EFW	32,055,908	kWh	331	10,610,506
			Total kg CO2e Scope 3 Emissions	**13,490,624**

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	Chartered 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. Strong experience in Economic Regulation, Sustainability, Strategy Development, M&A, strategic planning, business transformation and commercial finance
External Appointments	Chair of Octopus Renewables Infrastructure Trust Plc	Non-Executive Director of CQS New City High Yield Fund Limited	Non-Executive Director of Foresight Solar Fund Ltd	

Board of Directors (continued)

	Alan Bryce	**Tony Taylor**	**Kayte O’Neill**	**Amanda Iceton**
Tenure on Board	Appointed 17 December 2015 Senior Independent Director	Appointed 21 September 2017	Appointed 3 March 2022	Appointed 1 June 2020
Committee Memberships	Nominations Committee (Chair) Audit and Risk Committee	Remuneration Committee (Chair) Nominations Committee	Audit and Risk Committee Remuneration Committee	Audit and Risk Committee Remuneration Committee
Experience	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.	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
Relevant Skills	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	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
External Appointments	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	Non-Executive Director of Paragon ID Non-Executive Director of Standard Bank Offshore Group Ltd

Directors Report: for the year ended 30 September 2024

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 2024.

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.

Dividends

The Directors have declared and paid, and now recommend the following dividends in respect of the year ended 30 September 2024:

	2024 £	2023 £
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 8.40p net of tax for the year ended 30 September 2024 (2023:8.00p net of tax)	2,573,096	2,450,976
Final proposed at 12.00p net of tax for the year ended 30 September 2024 (2023: 11.40p net of tax)	3,675,852	3,492,960
	6,248,948	5,943,936

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 11 days (2023: 2 days).

Substantial shareholdings

As at 4 December 2024 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 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. **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

'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.

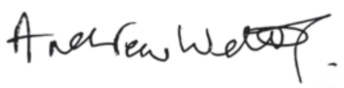
Huntress (CI) Nominees Limited is the largest registered shareholder of our listed shares and hold 5,382,424 'A' Ordinary shares which represent 5% of the total voting rights. It is understood that the underlying owners of these shares are substantially private investors, and a fund based in the Channel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

Company Secretary

On 20 May 2024, Fiona Wilson resigned as Company Secretary and Andrew Welsby, our People and Culture Director was appointed.

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
A. Welsby Secretary
18 December 2024

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 2024 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. Policy states an external review will take place every 3 years and internal reviews will be undertaken in the intervening period. An external evaluation took place during 2024 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 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).

Table A

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

* Attendees by invitation

Corporate Governance (continued)

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.

Corporate Governance (continued)

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 attends ARC meetings, at which risk based internal audit plans are discussed and approved.

Personnel

The Company ensures that personnel can 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 56 to 67).

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, Chief Executive and Chief Financial 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 several 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

2023/24 Focus Areas

- Non-Executive Director Recruitment
- Executive Leadership Team development
- Senior Leadership development

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.

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;
- To support the Board in its leadership of Company culture in pursuit of greater Diversity and Inclusion.

Membership and meetings

I am pleased to report on the work of the Nominations Committee for the financial year ended 30 September 2024. This will be my final report as I step down from the Board on 31 December 2024, and I would like to thank my colleagues on the Committee, and Andrew Welsby our People & Culture Director, for their support throughout my tenure.

The Committee comprises a majority of independent Non- Executive Directors, the Chair of the Board and the CEO. There were no changes to the membership during the reporting period.

The Committee met twice, as recorded below.

Attendance

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

Board Structure and Composition

During the period, the Committee maintained its oversight of the Board Structure and Composition, notably in managing the selection of two Non-Executive Directors.

Both the Chair of the Audit and Risk Committee and the Chair of the Nominations Committee (also the Senior Independent Director) reach the end of their tenure during 2024/25, standing down at the end of December 2024 and July 2025 respectively. To ensure a smooth transition, the Committee recommended, and the Board agreed, to a period of 'overlap'. Furthermore, it was decided that a search for two new Non-Executive Directors (NEDs) should be conducted in a timely manner during the report period. The process is detailed below, and I am pleased to report that Iman Hill and Roger Blundell joined the Board on 1 October 2024.

Trusted Advisors Partnership, who are independent of the Company and the Directors, and have acted for us before, were engaged to conduct the search for the two roles. Having refreshed our skills matrix, the Board was clear that we should look for the opportunity to broaden the skills mix around the Board table, as well as replacing the skills that were deemed essential including engineering, asset management, audit and risk management. It was noted that recent appointments had already considerably strengthened the Board's expertise in the electrical energy industry and utilities. TAP engaged with more than two dozen potential candidates, who were considered at a meeting of Board members to identify a long list of twelve candidates for interview. A panel comprising four members of the Nominations Committee interviewed candidates during May and selected five to be invited to Jersey in July, meeting with the other Board directors and executives. Wendy Dorman and I did not participate at this stage, nor vote in the final appointment decisions, which were overseen by the Board Chair.

Roger Blundell was CFO at Grosvenor Property UK from 2007-2022 with overall responsibility for all financial aspects of the business. He is currently a board member of the UK Government Property Agency, where he chairs the Investment Committee, a member of the Council of University College London, where he chairs the Finance Committee, and is a Trustee of the National Portrait Gallery, where he chairs the Audit and Risk Committee. It is intended that Roger will replace Wendy Dorman as chair of our Audit and Risk Committee during 2025. Iman Hill is an experienced executive in the oil and gas industry, where until recently she was CEO of the International Oil and Gas Producers' Association. While there, she led the development of the Association's carbon transition strategy, supporting the industry in reducing emissions, and improving performance in health and safety, and the environment and engineering asset management. She is currently a NED of United Oil and Gas and ReconAfrica. She was appointed in August as Country Manager and Managing Director in Egypt for VAALCO Energy Inc. The table below showing skills, and diversity reflects the position at the period end on 30 September 2024. The new appointments were made after the period end.

During the year our Company Secretary resigned, and was replaced on an interim basis by Andrew Welsby, our People & Culture Director. We are grateful to Andrew for his agreeing again to take on this additional role. The Committee has overseen the process for recruiting our new Company Secretary. The selection process came to a conclusion after period end, and we expect to be announcing the appointment of the successful candidate shortly.

In line with Listing Rules on board diversity, we make the following statements for the period end:

- 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. As described above however, the Board considers that it will comply in 2024/25, following the appointment of Iman Hill.

> "During the period, the Committee maintained its oversight of the Board structure and its composition, notably in managing the selection of two new Non-Executive Directors"

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				
Human Resources	4				

*CEO

Ethnic Background

White	8
Mixed/Multiple	-
Asian	-
Black	-
Other Ethnicity	-
Not Specified/Prefer not to say	-

Nominations Committee Report (continued)

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).

During the year the Committee has continued to monitor satisfactory progress with the two-year development programme for our SLT, which flowed from the Norman Broadbent review in 2023.

Again, at our December meeting, the Committee reviewed the overall progress with our ELT and SLT development programmes focusing on succession and potential. The Committee continues to encourage various initiatives to create developmental opportunities across the organisation.

For our SLT cohort, Trusted Advisors Partnership (TAP) were engaged by the ELT to facilitate a 360-degree process for each member of the SLT. This has informed tailored development for SLT 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

This year, we commissioned an externally facilitated board effectiveness review, which was led by Sean O'Hare of Boardroom Dialogue, who has no other ties to the Company. The review included Board and Committee meeting observations and one-on-one interviews with Directors, the Company Secretary, and the Executive Leadership Team. In July, the Board reviewed the findings and discussed actions to enhance effectiveness.

Boardroom Dialogue's review painted a positive picture of Board operations and concluded that the Board and its Committees are working effectively. The Chair's leadership and the Board's diversity and culture of trust were highlighted.

At a strategic level, the review found that the Board recognised that the Company has a unique place in the Jersey economy, with core responsibilities to support the Island's journey to net zero. These include continuing to access secure and affordable low carbon electricity, developing the network, advancing home energy efficiency, developing renewables, and supporting the decarbonisation of transport and heat. These are complex and interrelated challenges, and the Board recognises that its near-term focus must be to continue to refine its strategic and investment priorities in these areas.

While the review also concluded that the Board is operating effectively, areas for improvement were identified and next steps were suggested. These included to develop a high-level stakeholder map to record objectives for the year and reflect on progress as the year progresses; review the current induction process to see how it can be enhanced, in particular given the Board recruitment currently taking place; strengthen meeting administration by further streamlining papers and presentations; going to the Board and improving adherence to target timelines for issuing paperwork. Several actions, including enhancing the Board level induction have already been taken, and an action plan has been developed, to be reviewed on a regular basis as the year progresses.

Diversity, Equity and Inclusion (DEI)

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. We continue to track progress using *Inclusive Employers'* external assessments, and are building on our "Established/Bronze"status.

The composition of our employees by gender is presented below:

	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 remained relatively static over the last 12 months reflecting a stable workforce with low turnover in leadership roles.

Jersey Pride

Jersey Electricity's commitment to diversity, equity, and inclusion (DEI) remains unwavering. We believe that fostering an inclusive environment where every individual feels valued and respected is essential to our success and the well-being of our community.

Our DEI journey this year began as the Gold sponsor for Channel Islands Pride. This vibrant event brought together Islanders to celebrate inclusivity and diversity. Many of our JE colleagues enjoyed the day and it was a great opportunity for us to reaffirm our commitment to creating a welcoming environment for all Islanders.

Industry Recognition

We were recognised several times throughout the year for our DEI achievements and utility industry and local Island awards. Several JE colleagues won awards at the inaugural UK Women in Utilities awards for their commitment to our DEI strategy and JE was short-listed in several categories at the Liberate DIFERA awards for leader and company of the year.

We employ a diverse workforce which comprises over twenty different nationalities. To celebrate this, we hosted our first 'World Culture Day'. This event allowed colleagues to share traditional dishes from their home countries, fostering a

Nominations Committee Report (continued)

deeper understanding and appreciation of our varied cultural backgrounds. It was a joyous occasion that underscored the richness of our collective experiences.

Gender Pay Gap

Over the last four years, we have successfully halved our gender pay gap by implementing a data-driven approach. To further our commitment, we recently hosted a Gender Pay Gap seminar in collaboration with Inclusive Employers. The event was very well received sharing our insights and experiences with other local employers and supporting them on their journeys towards achieving gender pay equity.

DEI Impact Assessment

This year, we extended and refurbished our Powerhouse shop, guided by a comprehensive disability impact review. This review ensured that the needs of all Islanders were considered, making their experience with us positive and inclusive. Our efforts reflect our dedication to providing accessible services to everyone in our community. We also identified an opportunity to make our defined contribution pension scheme more inclusive with the addition of Sharia-compliant investment options.

In conclusion, Jersey Electricity remains steadfast in its resolve to promote diversity, equity and inclusion. We are committed to creating a workplace and community where every individual feels valued, respected and empowered to contribute their best. Our DEI initiatives are not just policies but a reflection of our core values and commitment to making a difference.

We have continued to build 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 DEI 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 2024 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 always happy to provide advice and support.

Board Apprentice

We have continued to run our board apprenticeship programme, and Elenor Bouchet joined us in September, as our fourth Board apprentice. Elenor runs her own marketing consultancy business in Jersey and supports a number of clients with their marketing and business strategies. The programme is designed to encourage greater diversity on the boards of companies and other public bodies, especially those based in Jersey.

Alan A. Bryce

A. BRYCE
Chairman
18 December 2024

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 78 to 81.

Five 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 support on request 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 report to the Board on key judgements and significant issues contained therein.
- Consider, on behalf of the Board, whether the annual report and accounts, taken as a whole, is 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 control framework and risk management processes.
- Monitor and review the effectiveness of the internal audit function
- 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 on strategies, reputation, operations, asset values and capital

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.
- Increased focus on date protection and cyber risk management in light of increasing external threats and complexity.

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. There were three incidences of concerns being raised during the year, and in each case the Committee was satisfied that the appropriate process was followed to investigate and action as necessary.

External auditors

The Committee has primary responsibility for oversight of the relationship with the external auditors, PricewaterhouseCoopers CI LLP ("PwC"). This includes annual assessments of their performance, effectiveness, quality and objectivity. We considered the 2024 audit to be effective and of a high quality.

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.

All non-audit services provided to the Group must be pre-approved by the Audit Committee chair, in addition to going through PwC's conflict checks, in accordance with the Company's Non-Audit Services Policy. As disclosed in Note 5 to the Financial Statements, no non-audit services were provided to the Group by PwC in the year.

Following professional guidelines, the audit engagement partner rotates after a maximum of five years. Our current audit partner, Lisa McClure, is in her fifth year, and a succession plan is in place. Other members of the team are subject to rotation after seven years, and that will be kept under review.

The Committee will continue to review all aspects of the relationship with the external auditor and will initiate its next tender process at an appropriate time, considering the period since the last tender.

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 considered the five-year detailed business plan for financial years 2024- 2029 that was presented to the board. This considered the continued volatility in energy and currency markets, the outlook for inflation and interest rates, and forecast capital expenditure and liquidity. Sensitivity analysis carried out by management based on principal risks was reviewed by the Committee.

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.

The Committee has reviewed the changes incorporated into the revised Corporate Governance Code issued in 2024. The revised Code contains additional provisions regarding disclosure in the annual report of the effectiveness of material controls at the balance sheet date. Although this provision is not effective for our Company until the year ending 30 September 2027, we have begun initial preparations in advance.

Task Force on Climate Related 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 third year in which disclosures are required for the Company. The Audit and Risk Committee has reviewed TCFD reporting status throughout the year. We have continued to progress our compliance with scenario analysis and a review of the resilience of the organization being carried out under the strategic pillar of TCFD. Further information can be found on pages 68 to 77. In addition, we have completed a readiness review of required disclosures under Taskforce on Nature-related Financial Disclosure (TNFD).

Audit and Risk Committee Report (continued)

Audit and Risk Committee Report (continued)

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 2024 annual report and financial statements, taken as a whole, is 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 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 third-party suppliers overseen by the Head of Internal Audit. 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. Reviews this year included a focus on data privacy, cyber security and physical security, with some moderately rated findings leading to enhanced control processes and reorganisation of responsibilities.

Risk Management

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

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. As noted in my report last year, we continue to monitor the implications of geo-political uncertainty and market volatility on security of supply and price. These two areas have been considered in depth, despite the easing of wholesale market pricing since its peak in 2023. 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.

In July we held an off-site meeting to facilitate a deeper discussion of principal and emerging risks, involving Board members and senior management. Topics discussed included electrification of transport and heating, gearing, people development and skills, and innovation and technology. A number of follow up actions emerged, and these are being worked through over the coming months.

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. The review noted some minor administrative observations but otherwise was satisfied with the work of the Committee.

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

W. DORMAN
Chair
18 December 2024

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 2024.

I would like to thank Committee members, Phil Austin, Amanda Iceton and Kayte O'Neill, for their commitment, insights and valuable contribution during the year in conducting our work.

Four meetings of the Committee took place during the last financial year, with 100% attendance by all Committee members. Adhering to the UK Corporate Governance Code, the terms of reference for the Committee have been reviewed and updated during this year, and approved by the Board, and they are available on the Company's website (www.jec.co.uk).

Remuneration Policy

In line with the authority delegated by the Board, the Committee defines 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 are relevant degrees of alignment across the organisation.

JE's remuneration policy is designed to ensure our executive compensation model is best placed to 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 to 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 plus a variable component in the form of a performance-related annual bonus. Benefits for Executive Directors principally consist of membership of a pension scheme, a car allowance, and private health care.

In setting executive remuneration, the Committee references relevant local and international benchmarks. During 2024 we once again engaged Mercer, a highly respected third-party expert, to conduct a benchmarking exercise for the Executive Leadership Team (ELT), having carried out an equivalent process for the Executive Directors in 2022.

Our Methodology

Strategically, the Committee's prime consideration in setting targets and reviewing Executive Directors' remuneration is the alignment of performance with the key objectives of the business. For this financial year we evolved our Business Planning model, which allowed us to enhance the format and content of our Corporate Scorecard.

Our Executive Annual Bonus Scheme is designed to promote the short and long-term success of Jersey Electricity and to incentivise progress in delivering the vision and strategy. Any bonuses paid to Executive Directors and ELT members are performance-related, considering delivery against the Scorecard and personal objectives, which are agreed by the Committee and approved by the Board before the start of the financial year.

The Corporate Scorecard includes key metrics such as customer service/satisfaction, employee engagement, health and safety, financial performance, and progress on strategic objectives. Additional strategic objectives include planning for JE's future energy supply and demand strategy, procuring energy from France, and executing an expanded network investment programme to enhance resilience and support Jersey's Carbon Neutral Roadmap.

The Scorecard also has links to both our sustainability and TCFD objectives, through the delivery of our renewables and network investment programme.

The Scorecard is shared across senior leaders in the business and cascaded to all staff to ensure alignment and understanding of priorities.

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 payout linked to movements on the listed share price in the period before vesting. The deferred element of the bonus is subject to malus and clawback provisions.

The salary and benefits for the Executive team are reviewed by the Committee each October. In November 2023 both Executive Directors were awarded increases of 5.5% on base salary, which was less than the award made to the wider employee population.

The remuneration of basic salary/fees and bonuses paid in year, as well as the deferred bonus attributable to the 2020/21 financial year paid in year, to Directors for the year ended 30 September 2024 was as follows:

	Fixed Pay		Variable Pay			
	Salary/ fees £	Benefits in kind £	Bonus paid in year £	Deferred Bonus paid in year £	**Total 2024 £**	Total 2023 £
Executive Directors						
C. J. Ambler	316,808	16,299	115,363	44,195	**492,665**	464, 210
L. G. Fulton*	220,588	28,757	33,075	-	**282,420**	41,110
Non-Executive Directors						
P. J. Austin	58,000	1,406	-	-	**59,406**	59,551
A. A. Bryce	36,000	1,406	-	-	**37,406**	37,551
W. Dorman	35,000	1,406	-	-	**36,406**	36,551
A. Iceton	32,000	1,406	-	-	**33,406**	33,551
K. Oneill	34,000	1,406	-	-	**35,406**	35,551
T. Taylor	34,000	1,406	-	-	**35,406**	35,551
Total	766,396	53,492	148,438	44,195	**1,012,521**	743,626

*Ms Fulton was appointed 23rd July 2023 and therefore the reported 2023 figures are part year.

For the year ended 30 September 2024, the compilation of the above table, which discloses Directors' remuneration, has been changed from prior years' reporting, to provide a more accurate depiction of the phasing of bonus payments. The table shows all amounts actually received, including those pertaining to deferred bonus as paid to Directors during the period. Previously, in the annual report for the period ending 30 September 2022, the bonus deferred and earned for the period ending 30 September 2021, which became payable during the year ended 30 September 2024, was disclosed as a bonus payable. The new approach provides a more accurate disclosure of monies received in the financial year. The prior year comparative figures have not been adjusted. The above note will also appear in next year's accounts as the amount disclosed and paid will have previously been reported as earned in the accounts of 2022.

The deferred bonus represents a portion of the bonus payable to the Executive Directors, attributable to the year ended 30 September 2024. The estimated deferred amount was £52,740 for Mr Ambler and £32,568 for Ms Fulton, which will be payable October 2026.

In addition to the payments above, the company also made a payment of £111,603 to Mr M. Magee. £90,362 was in respect of his final bonus payment relating to the period 1 October 2023 to 30 September 2024 and £21,241 deferred bonus from 2021. Mr Magee retired as an Executive Director on 23 July 2023.

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.

Renumeration Committee Report (continued)

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 83, the Statement of Compliance section).

Ms Fulton is eligible to join the defined contribution scheme but is not yet a member.

Set out below are details of the pension benefits to which Mr Ambler 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 30.9.2024[2]	Transfer value at 30.9.2024[3]	Transfer value at 30.9.2023[3]	Directors contributions during the year[5]	Increase/(decrease) in transfer value less Directors contributions[4]
C. J. Ambler	£10,893	£102,492	£1,305,156	£1,082,968	-	£222,188

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 Directors Disclosures paper
2. The pension entitlement shown, calculated using the data provided by Jersey Electricity Plc on 4 October 2024, is that which would be paid annually on retirement at age 60 or at date of calculation if over NRA, 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. 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.

CEO Pay Ratio

The table below shows the CEO pay ratio since 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.

Our CEO pay ratio has remained static compared to last year and is comparable to similarly sized listed businesses.

Year	25th% ile	50th% ile	75th% ile
2024	8.3:1	6.2:1	4.6:1
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

Employee engagement is a key aspect of the Corporate Scorecard. We stimulate engagement through the regular workforce, engagement and culture forum and initiatives such as this year's Power Up 100 (as detailed elsewhere in this Annual Report).

The Workforce, Engagement and Culture Forum brings employees together to discuss openly issues and opportunities and give feedback to the Executive Leadership Team. Each session is attended by one of our Non-Executive Directors, providing an ideal opportunity to gain first-hand feedback from the workforce, which is reported back to the Board. During the 2024 financial year, the Workforce Engagement and Culture Forum met three times, on matters such as workplace culture and wellbeing, facilities, sustainability and internal communications.

The Company conducts regular employee surveys which provide valuable data on employee engagement across several factors, including remuneration.

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 considering the Committees in which they are involved.

Renumeration Committee Report (continued)

No adjustments were made to NED fees in 2024. A small premium was paid 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.

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

The total fees were £75,077 of which £15,015 was retained by 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:

	30.9.2024	30.9.2023
C. J. Ambler	£300,000	£300,000

Directors' Share Interests

The Directors' beneficial interests in the shares of the Company at 30 September 2024 were as shown in the table below:

	A Ord Shares		Preference 3.5%	Shares	**Preference 5%**	Shares
	2024	2023	**2024**	2023	**2024**	2023
C. J. Ambler	**7,720**	7,720	**-**	-	**-**	-
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		-	**-**	-
A. Iceton	**6,000**	6,000	**-**	-	**-**	-
K. O'Neill	**-**	-	**-**	-	**-**	-
L.G. Fulton	**-**	-	**-**	-	**-**	-
	37,720	37,720	**-**	-	**-**	-

There have been no other changes in the interests set out above between 30 September 2024 and 18 December 2024.

T. TAYLOR
Chair
18 December 2024

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 109.

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
18 December 2024

L.G. FULTON
Chief Financial Officer
18 December 2024

The notes on pages 109 to 135 form an integral part of these accounts. The independent auditor's report is on pages 100 to 104.

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 2024, 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 2024;
- 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, comprising material accounting policy information 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.

Key audit matters

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

Materiality

- Overall group materiality: GBP 756,300 (2023: GBP 740,300) based on approximately 5% of profit from operations before taxation.
- Performance materiality: GBP 567,200 (2023: GBP 555,200).

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 £108.2m of energy revenue and £17.9m 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 the energy and retail segments. We assessed the accounting policy for compliance with the accounting framework. We materially matched revenue from the general ledger system to receipts in the bank statement using data analytics and investigated material unmatched items. 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 materially 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 module within the financial reporting system and the 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. 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.* As at the year-end, the group recognises a surplus in the defined benefit pension plan of £28.0m. This net surplus comprises £117.3m of plan assets less £89.3m of estimated plan liabilities. 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 compared the various assumptions used 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	GBP 756,300 (2023: GBP 740,300).
How we determined it	Approximately 5% of profit from operations before taxation
Rationale for benchmark applied	We believe that the 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% (2023: 75%) of overall materiality, amounting to GBP 567,200 (2023:GBP 555,200) 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 GBP 37,815 (2023: GBP 37,000) 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 2024 (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.

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 Directors' Responsibilities for the Financial Statements, 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 the Group Risk Management 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
18 December 2024

Consolidated Income Statement for the year ended 30 September 2024

	Note	2024 £000	2023 £000
Revenue	3	**135,742**	125,078
Cost of sales		**(83,184)**	(80,924)
Rebate of past energy costs – non recurring item	3	**-**	3,593
Gross profit		**52,558**	47,747
Movement in valuation of investment properties	10	**(890)**	(1,215)
Operating expenses		**(37,299)**	(32,010)
Group operating profit	3	**14,369**	14,522
Finance income		**2,291**	1,871
Finance costs		**(1,533)**	(1,528)
Profit from operations before taxation		**15,127**	14,865
Taxation	6	**(3,427)**	(3,432)
Profit from operations after taxation		**11,700**	11,433
Attributable to:			
Owners of the Company		**11,618**	11,280
Non-controlling interests	18	**82**	153
		11,700	11,433
Earnings per share			
- basic and diluted	8	**37.92p**	36.81p

Consolidated Statement of Comprehensive Income for the year ended 30 September 2024

	Note	2024 £000	2023 £000
Profit for the year		**11,700**	11,433
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on defined benefit scheme	16	**925**	(815)
Income tax relating to items not reclassified	6	**(185)**	163
		740	(652)
Items that may be reclassified subsequently to profit or loss:			
Fair value loss on cash flow hedges	21	**(3,483)**	(3,361)
Income tax relating to items that may be reclassified	6	**697**	672
		(2,786)	(2,689)
Total comprehensive income for the year		**9,654**	8,092
Attributable to:			
Owners of the Company		**9,572**	7,939
Non-controlling interests		**82**	153
		9,654	8,092

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

The notes on pages 109 to 135 form an integral part of these accounts. The independent auditor's report is on pages 100 to 104.

Consolidated Balance Sheet for the year ended 30 September 2024

	Note	2024 £000	2023 £000
Non-current assets			
Intangible assets	9	**364**	681
Property, plant and equipment	10	**225,523**	216,136
Right of use assets	10	**4,621**	3,194
Investment properties	10	**26,725**	27,615
Trade and other receivables	13	**300**	300
Retirement benefit asset	16	**27,952**	25,546
Derivative financial instruments	21(ii)	**-**	129
Other investments	11	**5**	5
Total non-current assets		**285,490**	273,606
Current assets			
Inventories	12	**8,435**	9,187
Trade and other receivables	13	**24,902**	25,959
Derivative financial instruments	21(ii)	**-**	64
Cash and cash equivalents		**49,190**	47,429
Total current assets		**82,527**	82,639
Total assets		**368,017**	356,245
Current liabilities			
Trade and other payables	14	**23,027**	19,459
Current tax liabilities	6	**3,413**	3,301
Lease liabilities	15	**306**	81
Derivative financial instruments	21(ii)	**2,601**	536
Total current liabilities		**29,347**	23,377
Net current assets		**53,180**	59,262
Non-current liabilities			
Trade and other payables	14	**27,222**	26,249
Lease liabilities	15	**3,878**	3,193
Derivative financial instruments	21(ii)	**1,451**	225
Financial liabilities - preference shares	17	**235**	235
Borrowings	15	**30,000**	30,000
Deferred tax liabilities	6	**30,923**	31,422
Total non-current liabilities		**93,709**	91,324
Total liabilities		**123,056**	114,701
Net assets		**244,961**	241,544
Equity			
Share capital	17	**1,532**	1,532
Revaluation reserve		**5,270**	5,270
ESOP reserve		**(35)**	(35)
Other reserves		**(3,241)**	(455)
Retained earnings		**241,391**	235,100
Equity attributable to the owners of the Company		**244,917**	241,412
Non-controlling interests	18	**44**	132
Total equity		**244,961**	241,544

Approved by the Board on 18 December 2024

L.G. FULTON
Director

P.J. AUSTIN
Director

Consolidated Statement of Changes in Equity for the year ended 30 September 2024

	Note	Share Capital £000	Revaluation reserve £000	ESOP reserve £000	Other reserves* £000	Retained earnings £000	Total £000
At 1 October 2023		**1,532**	**5,270**	**(35)**	**(455)**	**235,100**	**241,412**
Total recognised income and expense for the year		**-**	**-**	**-**	**-**	**11,618**	**11,618**
Movement on hedges (net of tax)		**-**	**-**	**-**	**(2,786)**	**-**	**(2,786)**
Actuarial gain on defined benefit scheme (net of tax)		**-**	**-**	**-**	**-**	**740**	**740**
Equity dividends	7	**-**	**-**	**-**	**-**	**(6,067)**	**(6,067)**
At 30 September 2024		**1,532**	**5,270**	**(35)**	**(3,241)**	**241,391**	**244,917**
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**

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

Consolidated Statement of Cash Flows for the year ended 30 September 2024

	2024 £000	2023 £000
Cash flows from operating activities		
Operating profit	**14,369**	14,522
Depreciation, amortisation and impairment charges	**14,181**	11,581
Share-based reward charges	**-**	3
Loss on revaluation of investment property	**890**	1,215
Pension operating charge less contributions paid	**(1,481)**	73
Deemed interest income from hire purchase arrangements	**201**	183
Loss/(profit) on sale of property, plant and equipment	**1**	(3)
Operating cash flows before movement in working capital	**28,161**	27,574
Working capital adjustments:		
Decrease/(Increase) in inventories	**752**	(2,014)
Increase in trade and other receivables	**(1,133)**	(3,835)
Increase/(Decrease) in trade and other payables	**1,130**	(617)
Net movement in working capital	**749**	(6,466)
Interest paid on borrowings	**(1,208)**	(1,368)
Preference dividends paid	**(9)**	(9)
Income taxes paid	**(3,301)**	(2,089)
Net cash flows from operating activities	**24,392**	17,642
Cash flows from investing activities		
Purchase of property, plant and equipment	**(18,036)**	(13,046)
Investment in intangible assets	**(53)**	(92)
Deposit interest received	**2,090**	1,688
Net proceeds from disposal of fixed assets	**34**	3
Net cash flows used in investing activities	**(15,965)**	(11,447)
Cash flows from financing activities		
Equity dividends paid	**(6,067)**	(5,760)
Dividends paid to non-controlling interest	**(170)**	(165)
Repayment of lease liabilities	**(429)**	(242)
Net cash flows used in financing activities	**(6,666)**	(6,167)
Net increase in cash and cash equivalents	**1,761**	28
Cash and cash equivalents at the beginning of the year	**47,429**	47,397
Effect of foreign exchange rate changes	**-**	4
Cash and cash equivalents at the end of the year	**49,190**	47,429

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 £49.2m cash and cash equivalents at 30 September 2024, £35.0m (2023: £40.0m) is on fixed term deposits with an average of 93 days remaining (2023: 70 days).

Notes to the Consolidated Statements for the year ended 30 September 2024

1 Accounting Policies

Basis of preparation

The Group's accounting policies as applied for the year ended 30 September 2024 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 2024 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 9). The financial position of the Group, its cash flow and its liquidity position are described in the Financial Review (see page 50). 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 page 55.

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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

1 Accounting Policies (continued)

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 from energy sales is therefore accounted "over time" according to data received from the live smart-meters. Where meters have a temporary break in communication, it may include an estimated assessment of energy supplied to customers during the period of broken communications, 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 comprises a distinct performance obligation to the customer. Service connection income is recognised at the point in time that the service is complete.

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 on a straight line basis 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% (2023: 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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

1 Accounting Policies (continued)

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.

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

Property, plant and equipment ("PPE") excludes investment property and is stated at cost less accumulated depreciation and impairment losses.

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

Assets are depreciated on the straight-line method to their expected residual values over their estimated useful lives. Property, plant and equipment under the course of construction is not depreciated until it is commissioned.

Owner-occupied property is classified within PPE.

Depreciation is charged as follows:

Buildings	Up to 50 years
Plant, mains cables and services	Up to 60 years
Interlinks	Up to 30 years
Other, which includes:	
Fixtures and fittings	Up to 15 years
Vehicles	Up to 10 years
Computer equipment	Up to 4 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 between current and 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 and an estimate of costs expected to be incurred to dismantle and remove the underlying asset, and restoring the site or asset to its original condition under the terms of the lease. 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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

1 Accounting Policies (continued)

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.

The 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.

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 a 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. The 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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

1 Accounting Policies (continued)

Financial instruments (continued)

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.

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. Provisions are included within Trade and other payables.

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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

1 Accounting Policies (continued)

Financial instruments (continued)

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.

IFRS 17 'Insurance contracts' became effective from 1 January 2023 (1 October 2023 for the Group). The results of an impact assessment of the Standard indicated that the Group does not enter into contracts that currently meet the definitions and scope of IFRS 17. Therefore, there has been no past or present impact on the presentation of these financial statements.

Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' became effective from 1 January 2023 (1 October 2023 for the Group). Adoption of the amendment has not resulted in a difference in net deferred tax balances within the consolidated financial statements of the Group.

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, including:

Amendment to IAS 1 - Non-current liabilities with covenants is effective from 1 January 2024 (1 October 2024 for the Group) looks to clarify how conditions which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these. The covenant terms relating to the Group's loan of £30m are already disclosed in note 15. The amendment to the Standard will be reviewed to ensure continued compliance with disclosures related to this loan.

Amendment to IAS 7 and IFRS 7 - Supplier finance is effective from 1 January 2024 (1 October 2024 for the Group) and requires disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The amendment to the Standards will be reviewed to ensure continued compliance with disclosure requirements.

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, Contingent Liabilities and Contingent Assets) 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.

iii) Impairment testing and valuation

The Directors review the carrying amounts of various non-current assets included within property, plant and equipment and intangible assets to determine whether any impairments need to be recognised against their carrying value in accordance with IAS36, Impairment of Assets. Where an indicator of impairment or impairment reversal exists, a review of financial outcomes and probability is used to inform the appropriate carrying value of the impaired asset.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

2 Critical Accounting Judgements and key sources of estimation uncertainty (continued)

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 2024 was 5.1% (2023: 5.4%).

3 Business Segments

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

	2024 External £000	**2024 Internal £000**	**2024 Total £000**	2023 External £000	2023 Internal £000	2023 Total £000
Revenue						
Energy – arising during the course of ordinary business	**108,102**	**100**	**108,202**	97,053	89	97,142
Building Services	**3,872**	**936**	**4,808**	3,349	831	4,180
Retail	**17,767**	**110**	**17,877**	18,514	56	18,570
Property	**2,346**	**639**	**2,985**	2,350	641	2,991
Other*	**3,655**	**112**	**3,767**	3,812	466	4,278
	135,742	**1,897**	**137,639**	125,078	2,083	127,161
Intergroup elimination			**(1,897)**			(2,083)
Revenue			**135,742**			125,078
Operating profit						
Energy profit before rebate of past energy costs			**13,020**			9,329
Rebate of past energy costs**			**-**			3,593
Energy profit including rebate			**13,020**			12,922
Building Services			**248**			162
Retail			**618**			917
Property			**931**			1,149
Other*			**442**			587
			15,259			15,737
Revaluation of investment properties			**(890)**			(1,215)
Operating profit			**14,369**			14,522
Finance income			**2,291**			1,871
Finance costs			**(1,533)**			(1,528)
Profit from operations before taxation			**15,127**			14,865
Taxation			**(3,427)**			(3,432)
Profit from operations after taxation			**11,700**			11,433
Attributable to:						
Owners of the Company			**11,618**			11,280
Non-controlling interests			**82**			153
			11,700			11,433

* The Other segment includes the divisions of Jersey Energy and Jendev, operating profit from IRU contracts 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 was been disclosed as 'Rebate of past energy costs – non-recurring item' within gross profit in these financial statements.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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 at 30 September was as follows:

	2024 Number	2023 Number*
Energy	271	258
Other businesses	91	74
Trainees	16	18
	378	350

* The methodology for calculating FTEs has been revised during 2024, relating to FTEs employed on a temporary and hourly basis. This has resulted in a restatement of the 2023 reported number to ensure a like-for-like comparison is presented. This change has no impact to the associated values presented in the prior year in the table below.

The aggregate payroll costs of these persons were as follows:

	2024 £000	2023 £000
Wages and salaries	24,496	21,317
Social security costs	1,366	1,184
Pension*	32	1,622
	25,894	24,123
Capitalised manpower costs**	(2,605)	(1,772)
	23,289	22,351

* 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 £1.2m (2023: £0.8m).

** Capitalised manpower costs as described in note 1 are those employee costs attributable to bringing assets (PPE and intangible) into use, see note 9 and 10.

5 Group Operating Profit

Operating profit is after charging/(crediting):

	2024 £000	2023 £000
Fees payable to Group auditor		
Auditor's remuneration for audit services	430	447
Auditor's remuneration for non-audit services	-	-
Other operating charges		
Depreciation of property, plant and equipment and right-of-use assets (note 10)	11,691	11,203
Amortisation of intangible assets (note 9)	370	378
Movement in expected credit losses	268	240
Impairment of property, plant and equipment*	2,120	-

*The impairment of property, plant and equipment during the year relates to the Energy Segment.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

6 Taxation

	2024 £000	2023 £000
Current tax:		
Jersey Income Tax - ordinary activities	3,414	3,301
Total current tax	3,414	3,301
Deferred tax:		
Current year	13	131
Total tax on profit on ordinary activities	3,427	3,432

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:

	2024 £000	2023 £000
Profit from ordinary activities before tax	15,127	14,865
Tax on profit on ordinary activities at standard income tax rate of 20% (2023: 20%)	3,025	2,973
Effects of:		
Expenses not deductible for tax purposes	186	343
Income not taxable for tax purposes	(110)	(197)
Profit of group undertaking not available for tax	(32)	-
Non-qualifying depreciation	359	313
Group current tax charge for year	3,427	3,432

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

Group and Company	2024 £000	2023 £000
Accelerated capital allowances	26,143	26,427
Derivative financial instruments	(810)	(114)
Pensions	5,590	5,109
Provisions for deferred tax	30,923	31,422

Deferred tax movements in the year:

Group and Company	2024 £000	2023 £000
At 1 October	31,422	32,126
Charged to profit and loss account	13	131
Credited to statement of comprehensive income	(512)	(835)
At 30 September	30,923	31,422

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% (2023: 23%) 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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

7 Dividends Paid and Proposed

Equity:

		Per Share		In Total	
		2024 pence	2023 pence	**2024 £000**	2023 £000
Ordinary and 'A' Ordinary:					
Dividend paid	final for previous year	**11.40**	10.80	**3,493**	3,309
	interim for current year	**8.40**	8.00	**2,574**	2,451
		19.80	18.80	**6,067**	5,760
Dividend proposed final for current year		**12.00**	11.40	**3,677**	3,493

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 37.92p (2023: 36.81p) are calculated on the Group profit attributable to the owners of the Company, after taxation, of £11.6m (2023: £11.3m), and on the 30,640,000 (2023: 30,640,000) Ordinary and 'A' Ordinary shares in issue during the financial year and at 30 September 2024. 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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

9 Intangible Assets

	Computer Software £000
Cost	
Cost as at 1 October 2023	**2,770**
Additions	**53**
Disposals	**(62)**
At 30 September 2024	**2,761**
Amortisation	
At 1 October 2023	**2,089**
Charge for the year	**370**
Disposals	**(62)**
At 30 September 2024	**2,397**
Net book value	
At 30 September 2024	**364**

	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**

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 2024 was £1.7m (2023: £1.5m).

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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	Other £000	Interlinks £000	Assets Under Construction £000	Total £000	Right of Use Assets £000	Investment Properties £000
Cost or valuation										
At 1 October 2023	**38,016**	**18,130**	**121,319**	**111,403**	**25,392**	**98,288**	**-**	**412,548**	**3,655**	**27,615**
Additions	**352**	**-**	**2,178**	**5,719**	**1,779**	**19**	**13,050**	**23,097**	**1,563**	**-**
Revaluation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(890)**
Reclassification**	**-**	**-**	**(1,628)**	**12,943**	**(11,315)**	**-**	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**(485)**	**-**	**-**	**(485)**	**-**	**-**
At 30 September 2024	**38,368**	**18,130**	**121,869**	**130,065**	**15,371**	**98,307**	**13,050**	**435,160**	**5,218**	**26,725**
Depreciation										
At 1 October 2023	**13,369**	**8,878**	**77,197**	**38,789**	**15,488**	**42,691**	**-**	**196,412**	**461**	**-**
Charge for the year	**773**	**427**	**3,798**	**1,638**	**1,800**	**3,119**	**-**	**11,555**	**136**	**-**
Reclassification**	**-**	**-**	**(436)**	**8,421**	**(7,985)**	**-**	**-**	**-**	**-**	**-**
Disposals	**-**	**-**	**-**	**-**	**(450)**	**-**	**-**	**(450)**	**-**	**-**
Impairment*	**-**	**-**	**614**	**-**	**-**	**1,506**	**-**	**2,120**	**-**	**-**
At 30 September 2024	**14,142**	**9,305**	**81,173**	**48,848**	**8,853**	**47,316**	**-**	**209,637**	**597**	**-**
Net book value at										
30 September 2024	**24,226**	**8,825**	**40,696**	**81,217**	**6,518**	**50,991**	**13,050**	**225,523**	**4,621**	**26,725**

	Freehold Land and Buildings £000	Leasehold Buildings £000	Plant £000	Mains Cables and Services £000	Other £000	Interlinks £000	Assets Under Construction £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
Additions	406	111	2,960	5,356	2,075	68	-	10,976	-	-
Revaluation	-	-	-	-	-	-	-	-	45	(1,125)
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

* A review of asset classifications was undertaken during the period and assets with a net book value of £4.7m, being cost of £12.9m net of depreciation of £8.4m, have been reclassified from the classes of 'Other' and 'Plant' to 'Mains Cables and Services'. The change was mainly related to the Metering asset class.

** Impairments during year include £1.5m against N2 (the oldest of the subsea cables connecting France and Jersey), which is planned for replacement as part of the Group's capital investment programme

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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 2024 was £75.2m (2023: £62.8m).

Right of Use assets

The Group leases land and buildings as part of its Energy business, classified as right of use assets. In addition to the depreciation expense relating to right of use assets of £136k (2023: £131k), the finance costs included in the consolidated income statement arising from the lease liability was £155k (2023: £151k). The maturity analysis of lease liabilities is presented in note 15.

Of the £1.6m (2023: £45k) additions to right of use assets during the year, £0.5m (2023: nil) relates to provisions provided for to meet future obligations to dismantle equipment and restore leased premises to their original condition under the terms of the leases.

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. A variation of the 2005, 51 year lease for the Medical Centre was signed in December 2023 which waived the previous break options, with the next available break option date being May 2035. 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 2024 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 6.5% for the B&Q site and 7.0% 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 decrease by £1.0m. If yields were 50 basis points lower, the valuation of commercial properties would increase by £1.2m.

The movements in level 3 fair values are as follows:

Movement in valuation of Commercial Properties	**2024 £000**	2023 £000
At 1 October	**14,620**	15,770
Revaluation	**(140)**	(1,150)
At 30 September	**14,480**	14,620

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 £1.5m (2023: £1.4m) with maintenance and repair costs of £339k (2023: £331k). 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.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

11 Other Investments

	2024 £000	2023 £000
Joint arrangement	**5**	5

Principal group investments

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

	Country of incorporation or principal business	Principal activity	Shareholding	% Holding	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% (2023: 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:

	2024 £000	2023 £000
Fuel oil	**3,618**	3,932
Commercial stocks and work in progress	**3,288**	3,811
Generation, distribution spares and sundry	**1,529**	1,444
	8,435	9,187

During the year £14.6m (2023: £15.1m) was recognised directly in cost of sales in respect of inventories sold or used in operations or production.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

13 Trade and Other Receivables

	2024 £000	2023 £000
Amounts receivable withing one year:		
Trade receivables	**21,528**	21,036
Prepayments and other receivables	**3,374**	4,923
	24,902	25,959
Amounts receivable after more than one year:		
Secured loan accounts	**300**	300

Included within trade receivables is £2.7m (2023: £2.3m) that will be due and received in more than 12 months from the balance sheet date. These amounts represent receipts or payments from customers within the normal operating cycle of the company. Unbilled revenues included within trade and other receivables at 30 September 2024 are £7.3m (2023: £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

	2024 £000	2023 £000
Amounts falling due within one year:		
Trade payables	**2,402**	518
Other payables including taxation and social security	**8,440**	10,316
Accruals	**11,029**	7,796
Deferred revenue	**1,156**	829
	23,027	19,459
Amounts falling due after one year:		
Accruals	**628**	89
Deferred revenue	**26,594**	26,160
	27,222	26,249

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

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

15 Borrowings

Unsecured borrowing at amortised cost	2024 £000	2023 £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.

Until July 24, borrowings were supplemented by an unsecured five year £10m revolving credit facility (RCF) with the Royal Bank of Scotland International Limited (RBSI). The facility expired in July 2024. This facility bore the same financial covenant restrictions as the private placement above.

A one year £2m overdraft facility also exists with RBSI, which renews annually.

The fair value of the loan obtained from the private placement at 30 September 2024 is considered to be £26.3m (2023: £24.5m) 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	2024 £000	2023 £000
At 1 October	**3,274**	3,320
Additions during the year	**1,023**	45
Unwind of discount	**316**	151
Repayment in the year	**(429)**	(242)
	4,184	3,274
As at 30 September:		
– Current	**306**	81
– Non-current	**3,878**	3,193
	4,184	3,274

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

The maturity of future lease liabilities are as follows:

	2024 £000	2023 £000
Payable within one year	**492**	227
After one year but within five years	**1,475**	908
After five years but within ten years	**1,203**	1,094
After ten years	**5,401**	4,980
	8,571	7,209
Less: future finance charge	**(4,387)**	(3,935)
Present value of lease obligations	**4,184**	3,274

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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 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 39% of the DBO is attributable to current employees, 8% to deferred pensioners and 53% 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 2024 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 (equities and diversified growth funds) 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

The majority 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

As at 30 September 2024 the Jersey Electricity Pension Scheme (the Scheme) invests pooled funds managed by the Scheme's fund managers. The Scheme has an agreed asset allocation strategy as set out below.

Asset class	Actual weighting
Growth Portfolio	**68%**
Global Equities	26%
Hedge Funds	35%
Multi Asset Credit	7%
Matching portfolio	**32%**
Liability Driven Investment ("LDI")	32%
Total	**100%**

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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 Trustees also considered ways to further diversify and increase the investment portfolio's resiliency and liquidity within the growth pool by introducing a strategy – the Diversified Liquid Credit strategy. This strategy targets offering a diversified fixed income exposure to asset-backed securities 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. Over the year, the Trustees restructured the LDI strategy and increased the level of interest rate and inflation hedging on the ongoing funding target basis, in order to more accurately match the movement in assets with the value of the liabilities.

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.

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

Reporting at 30 September 2024

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 2024 % p.a.**	Value at 30 September 2023 % p.a.
Discount rate	**5.1**	5.4
Jersey RPI inflation	**3.6**	3.6
Pension increases in payment		
– Short term (year 1)	**-**	-
– Long term (year 2 onwards)	**-**	-
Pension increases in payment for pensions purchased with AVCs	3.6	3.6
Salary increase:		
– Short term (year 1)	**5.0**	8.0
– Short term (year 2)	**3.6**	3.6
– Long term (year 3 onwards)	**3.6**	3.6

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

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

16 Pensions (continued)

	Value at 30 September 2024	Value at 30 September 2023
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 2023 projections (A = 0.0%, Sk = 7.0,w2020=w2021=0%, w2022=w2023 = 15%) with long-term improvements of 1.25% p.a.**	CMI 2022 projections (A = 0.0%, Sk = 7.0, w2020, w2021 = 0% and w2022 = 25%) with long-term improvements of 1.25% p.a.
Life expectancy for male currently aged 60	**26.3**	26.4
Life expectancy for female currently aged 60	**28.6**	28.5
Life expectancy at 60 for male currently aged 40	**27.9**	27.9
Life expectancy at 60 for female currently aged 40	**30.1**	30.0
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 female member is assumed to be 1 year younger than her husband/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
Proportion married	**85% of male members and 62.5% of female members are assumed to be married at retirement or earlier death.**	85% of male members and 62.5% of female members 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 2024 % p.a.	Value at 30 September 2023 % p.a.
LDI/UK Gilts	**37,036**	27,709
Equities	**30,388**	29,650
Diversified Growth Funds	**49,222**	53,395
Cash and cash commitments	**611**	358
Total market value of assets	**117,257**	111,112

Reconciliation of funded status to balance sheet	**Value at 30 September 2024**	Value at 30 September 2023
Fair value of Scheme assets	**117,257**	111,112
Present value of funded Defined Benefit Obligation	**(89,305)**	(85,566)
Funded status and asset recognised on the balance sheet	**27,952**	25,546
Related deferred tax liability	**(5,590)**	(5,109)
Net pension asset recognised on the balance sheet	**22,362**	20,437

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

16 Pensions (continued)

	2024 £000	2023 £000
Operating cost		
Service cost	**1,068**	1,119
Past service cost (including curtailments)	**-**	1,383
Administration expenses	**374**	493
Financing cost		
Interest on net defined benefit assets	**(1,410)**	(1,373)
Pension expense recognised in profit and loss	**32**	1,622
Remeasurements in OCI		
Return on Scheme assets (in excess of) / below that recognised in net interest	**(5,654)**	3,074
Actuarial losses / (gains) due to changes in financial assumptions	**4,115**	(1,692)
Actuarial gains due to changes in demographic assumptions	**(172)**	(1,114)
Actuarial losses due to liability experience	**786**	547
Total amount recognised in OCI	**(925)**	815
Total amount recognised in profit and loss and OCI	**(893)**	2,437

Changes in Defined Benefit Obligation over the year	2024 £000	2023 £000
Opening Defined Benefit Obligation	**85,566**	86,110
Current service cost	**1,068**	1,119
Interest expense on DBO	**4,457**	4,365
Contributions by Scheme participants	**420**	435
Actuarial losses / (gains) on Scheme liabilities arising from changes in financial assumptions	**4,115**	(1,692)
Actuarial gains on Scheme liabilities arising from changes in demographic assumptions	**(172)**	(1,114)
Actuarial losses on Scheme liabilities arising from experience	**786**	547
Net benefits paid out	**(6,935)**	(5,587)
Past service cost	**-**	1,383
Closing Defined Benefit Obligation	**89,305**	85,566

Changes to fair value of the Scheme assets during the year	2024 £000	2023 £000
Opening fair value of Scheme assets	**111,112**	112,544
Interest income on Scheme assets	**5,867**	5,738
Remeasurement gains / (losses) on Scheme assets	**5,654**	(3,074)
Contributions by the employer	**1,513**	1,549
Contributions by Scheme participants	**420**	435
Net benefits paid out	**(6,935)**	(5,587)
Administration costs incurred	**(374)**	(493)
Closing fair value of Scheme assets	**117,257**	111,112

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

16 Pensions (continued)

Actual return on Scheme assets	2024 £000	2023 £000
Interest income on Scheme assets	**5,867**	5,738
Remeasurement gain/(loss) on Scheme assets	**5,654**	(3,074)
Actual return on Scheme assets	**11,521**	2,664

Analysis of amounts recognised in OCI	2024 £000	2023 £000
Total remeasurement gains / (losses)	**925**	(815)
Total gains / (loss)	**925**	(815)

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	**618**	**773**
DBO at 30 September 2024	**6,577**	**95,882**
Discount rate: Following a 0.5% p.a. increase in the discount rate		
Pension expense for the following year	**(626)**	**(471)**
DBO at 30 September 2024	**(5,884)**	**(83,421)**
Salary increases: Following a 0.5% p.a. increase in the salary increase		
Pension expense for the following year	**171**	**326**
DBO at 30 September 2024	**1,642**	**90,947**
Inflation rate: Following a 0.5% p.a. decrease in inflation		
Pension expense for the following year	**(181)**	**(26)**
DBO at 30 September 2024	**(1,921)**	**87,384**
Inflation rate: Following a 0.5% p.a. increase in inflation		
Pension expense for the following year	**189**	**344**
DBO at 30 September 2024	**1,998**	**91,303**
Mortality: Following a 1 year increase in life expectancy		
Pension expense for the following year	**262**	**417**
DBO at 30 September 2024	**3,877**	**93,182**

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

17 Share Capital

	Authorised 2024 £000	Issued and fully paid 2024 £000	Authorised 2023 £000	Issued and fully paid 2023 £000
'A' Ordinary shares 5p each (2023: 5p each)	**1,250**	**582**	1,250	582
Ordinary shares 5p each (2023: 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 2024 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 (2023: £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 2024, 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

	2024 £000	2023 £000
At 1 October	**132**	144
Share of profit on ordinary activities after taxation	**82**	153
Dividends paid	**(170)**	(165)
At 30 September	**44**	132

Non-controlling interests represent 49% (2023: 49%) ownership of the issued ordinary share capital of Jersey Deep Freeze Limited.

19 Financial Commitments

	2024 £000	2023 £000
Contracted	**1,111**	2,966
Not contracted*	**166,250**	122,197
	167,361	125,163

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

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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:

	2024 £000	2023 £000
No later than 1 year	**1,643**	1,611
Later than 1 year and no later than 2 years	**1,457**	1,447
Later than 2 years and no later than 3 years	**1,106**	1,398
Later than 3 years and no later than 4 years	**1,106**	1,020
Later than 4 years and no later than 5 years	**1,106**	1,020
Later than 5 years	**9,246**	9,236
	15,664	15,732

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	2024 £000	2023 £000
Fair value through other comprehensive income		
Derivative financial instruments	**-**	193
Amortised cost		
Secured loan accounts	**300**	300
Trade and other receivables (excluding prepayments)	**21,528**	21,036
Cash and cash equivalents	**49,190**	47,429
	71,018	68,765

Financial liabilities	2024 £000	2023 £000
Fair value through other comprehensive income		
Derivative financial instruments	**4,052**	761
Amortised cost		
Borrowings	**30,000**	30,000
Trade and other payables	**10,842**	10,835
Financial Liabilities – Preference Shares	**235**	235
	41,077	41,070

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 2024, taking into account the effect of forward contracts placed to manage such exposures, was £2.5m (2023: £2.4m) being the translated Euro liability due for imports made in September but payable in October.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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

(i) Categories of financial instruments (continued)

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 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.

(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 financial 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 derivatives	2024 £000	2023 £000
Derivative assets		
Less than one year	-	64
Greater than one year	-	129
Derivative liabilities		
Less than one year	(2,601)	(536)
Greater than one year	(1,451)	(255)
Total net liabilities	(4,052)	(568)
Tax on items recorded through the balance sheet	810	113
	(3,242)	(455)

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	2024 £000	2023 £000
Less than one year - operational expenditure	46,165	36,395
Greater than one year and less than three years	27,450	47,227
	73,615	83,622

The fair value of currency derivatives that are designated and ineffective as cash flow hedges amount to £nil (2023: £nil). In the current period amounts of £3.5m net were debited (2023: £3.4m debit) to equity, being a £3.2m fair value loss (2023: £3.2m fair value loss) and £0.3m debit (2023: £0.2m 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	2024 £000	2023 £000
At 1 October	(455)	2,234
Amounts recycled from other comprehensive income to income statement	(324)	(165)
Changes in fair value recognised in other comprehensive income	(3,159)	(3,196)
Tax on items recorded in other comprehensive income	697	672
At 30 September	(3,241)	(455)

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

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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

(iii) Commodity risk Power Purchases

The Group has power purchase agreements with EDF in France. As at 30 September 2024, the import prices, but not volumes, have been substantially fixed for 2025. 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.

(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 2024 outside agreed credit terms are as follows:

	2024 £000	2023 £000
Less than 30 days	1,669	1,454
Greater than 30 days	276	1,108
Greater than 60 days	386	231
Greater than 90 days	488	1,235
	2,819	4,028

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 £23.1m (2023: £26.5m).

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:	2024 £000	2023 £000
At 1 October	490	303
Charge for expected credit losses - included within operating costs	268	240
Amounts written (off)/back	(73)	(53)
At 30 September	685	490

Provision of impaired receivables (by age) is as follows:	2024 £000	2023 £000
0-180 days	222	200
181-360 days	351	140
Greater than 360 days	112	150
	685	490

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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

(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. 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.

(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	2024 £000	2023 £000
Less than one year	**27,274**	21,416
More than one year and less than five years	**38,144**	35,260
More than five years	**40,088**	42,767
	105,506	99,443

Financial liabilities shown above include interest payments payable on the £30m private placement.

Borrowing facilities

The Group had undrawn borrowing facilities at 30 September 2024 of £2m (2023: £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 expired July 2024.

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	2024 £000	2023 £000
Less than 3 months: cash and cash equivalents and short-term investments	**14,190**	7,429
Greater than 3 months: short-term investments	**35,000**	40,000

Interest rate risk

Interest rate exposure on the £30m of private placements borrowing is managed by having fixed coupons.

Notes to the Consolidated Statements for the year ended 30 September 2024 (continued)

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 £2.7m (2023: £2.5m) whilst the value of services provided to the plant was £21k (2023: £0.1m).

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.

	2024 £000	2023 £000
Short-term employee benefits	**867**	951
Post-employment benefits	**75**	101
Non-Executive Director's benefits	**237**	238
	1,179	1,290

Phil Austin, who is a Non-Executive Director, was also a Board member of Ravenscroft Cash Management Ltd which provides treasury services to Jersey Electricity Plc until his resignation in December 2022. Such services are provided on normal contractual terms, similar to their other clients.

Five Year Group Summary (unaudited)

	2024	2023	2022	2021	2020
Income Statement (£m)					
Turnover	**135.7**	125.1	117.4	118.6	111.7
Operating profit	**14.4**	14.5	11.9	20.5	16.2
Profit before tax	**15.1**	14.9	10.6	19.1	14.8
Profit after tax	**11.7**	11.4	8.5	16.3	11.7
Dividends paid (£m)	**6.1**	5.8	5.5	5.2	4.9
Balance Sheet (£m)					
Property, plant and equipment	**225.5**	216.1	216.2	216.6	217.9
Net current assets/(liabilities)	**53.2**	59.2	51.5	45.3	37.1
Non-current liabilities	**(93.7)**	(91.3)	(90.8)	(87.5)	(83.0)
Net assets	**245.0**	241.5	239.4	225.4	205.0
Financial Ratios and Statistics					
Earnings per ordinary share (pence)	**37.9**	36.8	27.2	52.7	37.9
Gross dividend paid per ordinary share (pence)	**24.8**	23.5	21.8	21.1	20.1
Net dividend paid per ordinary share (pence)	**19.8**	18.8	17.4	16.9	16.1
Dividend cover (times)	**1.9**	2.0	1.6	3.1	2.4
Cash at bank/(net debt) (£m)	**19.2**	17.4	17.4	13.1	5.5
Capital expenditure (£m)	**23.2**	11.1	10.4	9.9	12.0
Electricity Statistics					
Units sold (m)	**609**	608	613	639	619
% movement	**0.2%**	-0.7%	-4.3%	3.3%	-1.2%
% of units imported	**94.5%**	94.5%	95.3%	95.2%	94.7%
% of units generated	**0.5%**	0.4%	0.3%	0.4%	0.2%
% of units from Energy from Waste	**5.0%**	5.1%	4.4%	4.4%	5.1%
Maximum demand (megawatts)	**163**	159	145	170	141
Number of customers	**53,726**	53,343	52,473	51,912	51,522
Customer minutes lost*	**10**	4	5	5	5
Average price per kilowatt hour sold (pence)	**17.5p**	15.8p	14.5p	13.9p	13.6p
Manpower Statistics (full time equivalents)					
Energy	**271**	258^	253	238	199
Other	**91**	74^	92	88	97
Trainees	**16**	18^	18	21	9
Total	**378**	350^	363	347	305
Units sold per Energy employee (000's)	**2,248**	2,357^	2,422	2,686	3,112
Number of customers per energy employee	**198**	207^	207	218	259

*The reported number excludes the impact from Storm Ciarán of 78 CMLs

^ The methodology for calculating FTEs has been revised during 2024, relating to FTEs employed on a temporary and hourly basis. This has resulted in a restatement of the 2023 reported number to ensure a like-for-like comparison is presented. The years prior to 2023 have been presented as previously reported.

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.

	2024 £000	2023 £000
Capital employed by Energy division at 1 October (A)	**178,073**	178,696
Capital employed by non-Energy Divisions at 1 October	**38,063**	37,539
Total property, plant and equipment as at 1 October (note 10)	**216,136**	216,235
Energy operating profit (note 3) (B)	**13,020**	12,922
% return (B/A)	**7.3%**	**7.2%**
5 year rolling average	**6.3%**	**6.2%**

Dividend cover

The Dividend cover measures the number of times a company can pay its current level of dividends to shareholders.

	2024 £000	2023 £000
Earnings per ordinary share (pence) (A)	**37.9**	36.8
Net dividend paid per ordinary share (pence) (B)	**19.8**	18.8
Dividend cover (times) (A/B)	**1.9**	**2.0**

Financial Calendar

2 January 2025	Preference share dividend
21 February 2025	Record date for final dividend
5 March 2025	Annual General Meeting
14 March 2025	Final dividend for year ended 30 September 2024
5 June 2025	Interim Management Statement – six months to 31 March 2025
9 June 2025	Record date for interim ordinary dividend
23 June 2025	Interim dividend for year ending 30 September 2025
1 July 2025	Preference share dividend
16 December 2025	Announcement of full year results

Annual General Meeting

The Annual General Meeting will be held at the Powerhouse, Queen's Road, St. Helier, Jersey on Wednesday 5 March 2025 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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