

JERSEY GAS COMPANY LIMITED

REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

JERSEY GAS COMPANY LIMITED

CORPORATE INFORMATION

Incorporated under "Lois 1918 - 1965 Sur La Compagne Du Gaz", now repealed, continuing in existence under the provisions of the Jersey Gas Company (Jersey) Law 1989.

Directors

D Edley	Appointed 12 February 2024
J Cox	
P Kingston	Resigned 7 November 2023
D Owens	
A Hough	
G Fooks	Resigned 13 October 2023
A Baglow	Appointed 10 October 2023

Secretary

IEG Secretaries Limited

Auditor

Grant Thornton Limited
Kensington Chambers
46/50 Kensington Place
St Helier
Jersey
JB1 1ET

Registered Office

Energy House
La Rue Phillippe Durrell
La Collette
St Helier
Jersey
JE4 8RE

JERSEY GAS COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2023.

Principal Activities

The principal activity of Jersey Gas Limited (the 'Company') is gas production, distribution and related activities.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements on page 9.

Results

The results of the year are shown in the Statement of Comprehensive Income on page 6.

Dividend

The directors recommended a final preference share dividend of £47,714 (2022: £nil). There were no interim dividends during the year (2022: £nil).

Directors

The directors who served the company during the year are shown on page 2.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The (Jersey Gas Company Law) 1989 requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Jersey Gas Company Law 1989. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with the Jersey Gas Company Law 1991, each Director confirms that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director also confirms that they have taken all steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

The auditors, Grant Thornton Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By Order of the Board

Director

Date: 17 May 2024

JERSEY GAS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JERSEY GAS COMPANY LIMITED

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

JERSEY GAS COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JERSEY GAS COMPANY LIMITED (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Practice, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform our 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Use of our report

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


For and on behalf of
Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey

Date: 17 May 2024

JERSEY GAS COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

		2023	2022
	Notes	£	£
Revenue	1.e	9 029 949	10 087 235
Cost of sales		(6 566 596)	(7 147 005)
Gross profit		2 463 353	2 940 230
Net operating expenses		(5 666 235)	(3 749 338)
Other operating income		-	64 298
Operating (loss)		(3 202 882)	(744 810)
Profit / (loss) on disposal of non-current assets		(26 605)	-
Interest payable and similar charges	3	(2 311 912)	(1 267 501)
Interest receivable		81 000	-
(Loss) on ordinary activities before taxation		(5 460 399)	(2 012 311)
Tax charge on profit on ordinary activities	5	1 397 434	5 942
(Loss) for the financial year		(4 062 965)	(2 006 369)
Gains on remeasurement of net defined benefit asset	12	130 600	1 588 800
Other comprehensive income		130 600	1 588 800
Total comprehensive (loss)		(3 932 365)	(417 569)

The notes on pages 9 to 18 form an integral part of these financial statements.

JERSEY GAS COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION As at 31 December 2023

	Notes	2023 £	2022 (as restated)* £
Non-current assets			
Property, plant and equipment	6	24 266 274	24 892 120
Current assets			
Inventories	7	1 186 872	968 798
Trade and other receivables	8	12 954 119	13 600 612
Cash		286 045	190 470
		<u>14 427 036</u>	<u>14 759 880</u>
Current liabilities			
Amounts falling due within one year	9	7 198 964	4 332 007
Net Current Assets/(Liabilities)		<u>7 228 072</u>	<u>10 427 873</u>
Total assets less current liabilities		<u>31 494 346</u>	<u>35 319 993</u>
Non-Current liabilities			
Amounts falling due after more than one year	10	35 041 398	34 934 680
		<u>35 041 398</u>	<u>34 934 680</u>
Net (liability)/assets		<u>(3 547 052)</u>	<u>385 313</u>
Equity			
Called up share capital	11	915 000	915 000
Share premium account		962	962
Reserves		(4 463 014)	(530 649)
Shareholder's funds		<u>(3 547 052)</u>	<u>385 313</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 May 2024.

These were signed on its behalf by:

Director



The notes on pages 9 to 18 form an integral part of these financial statements.

JERSEY GAS COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

	Called Up Share Capital £	Share Premium £	Reserves £	Total £
Balance at 1 January 2022	915 000	962	(113 080)	802 882
(Loss) for the financial year	-	-	(2 006 369)	(2 006 369)
Other comprehensive income			<u>1 588 800</u>	<u>1 588 800</u>
Total comprehensive income	-	-	(417 569)	(417 569)
Balance at 31 December 2022	<u>915 000</u>	<u>962</u>	<u>(530 649)</u>	<u>385 313</u>
Balance at 1 January 2023	915 000	962	(530 649)	385 313
(Loss) for the financial year	-	-	(4 062 965)	(4 062 965)
Other comprehensive income		<u>-</u>	<u>130 600</u>	<u>130 600</u>
Total comprehensive losses	-	-	(3 932 365)	(3 932 365)
Balance at 31 December 2023	<u>915 000</u>	<u>962</u>	<u>(4 463 014)</u>	<u>(3 547 052)</u>

The notes on pages 9 to 18 form an integral part of these financial statements.

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies are summarised below. These policies have been consistently applied to all years presented unless otherwise stated.

a. General Information and Basis of Presentation

Jersey Gas Company Limited is a limited liability company incorporated in Jersey. The registered office is Energy House, La Rue Philippe Durell, La Collette, St Helier, Jersey JE2 3NX.

The Company financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102). The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and compensation of key management personnel. Exemptions have also been taken in relation to intra-group transactions under FRS 102 Section 33.1A. The financial statements are presented in Sterling being the functional and presentational currency of the Company.

b. Going concern

The Company meets its day to day working capital requirements by cash generated through the normal course of business and finances the upfront cost of its capital maintenance and expansion programs through committed revolving credit facilities from its Bankers. The Company has, taking account of reasonably possible changes in market conditions and economic factors, prepared financial forecasts which show the Company should have adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors are of the opinion that the Company can continue to adopt the going concern basis in preparing the financial statements.

For the financial year ending 31 December 2023 the company recorded an operating loss which resulted the Company being in a net current liability position as at 31 December 2023. This result is due to the extreme market conditions experienced by the company in 2023 as a result of the international commodity crisis. This crisis caused a dramatic increase in the market price for LPG and a reduction in the available supply, which resulted in excessive premiums having to be paid to suppliers to secure future supply. The market has subsequently returned to normality and both market prices and premiums have returned to pre-crisis levels. As a result, the Directors' forecasts for the coming financial period indicate that the company with return to profitability and together with its cash generation and committed bankers facilities, it will be in a position to meet all its obligations and continues to fund its capital maintenance and expansion programs.

c. Property, plant and equipment

Except for freehold buildings, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold buildings are stated at revalued amounts less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

The principal rates in use are:-	%
Freehold Buildings	0.0 - 2.0
Plant & Machinery	2.5 - 20.0
Motor Vehicles	14.0 - 25.0

d. Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Work in progress has been valued at cost of direct materials and labour. Gas stocks is calculated using the first-in first-out method. Provision is made for obsolete, slow moving or defective items where appropriate.

e. Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and taxes. Revenue is generated from the sale of LPG, the sale of retail appliances and the installation and maintenance of boilers.

f. Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full in respect of timing differences arising from the recognition of gains and losses for tax purposes in different periods from those in which they are included in the financial statements. Provisions are made at rates expected to apply when they crystallise based on laws which have been enacted or substantially enacted at the balance sheet date.

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting policies (continued)

g. Employee benefits

The group operates two pension schemes; a defined benefit scheme and a defined contribution scheme. The defined benefit scheme is closed to new members and has ceased to accrue pensionable service.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments, which are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income if the benefits have vested. The net interest cost on the net defined benefit liability is charged to the Statement of Comprehensive Income and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the Statement of Comprehensive Income in respect of pension costs and other retirement benefits is the contributions payable in the year.

h. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

i. Cash

Cash is represented by cash in hand with financial institutions, repayable without penalty on notice of not more than 24 hours. Cash and cash equivalents are highly liquid investments and are readily convertible to known amounts of cash with insignificant risk of change in value.

j. Financial instruments

The Company only enters into basic financial transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Judgements and key sources of estimation uncertainty (continued)

Revenue recognition - unread meter income

Revenue in respect of unread meter income is accrued at the balance sheet date. Unread meter income is estimated by considering the unit outputs in the last 3 months of the year, applying a sales / output ratio and multiplying this by the average unit cost. A time factor in respect of the billing cycle is then applied. This estimate is subject to uncertainty given the assumptions that are made in the calculation.

Pension

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of the plan, such estimates are subject to significant uncertainty.

Taxation

Taxation in the financial statements is based on actual or expected tax computations submitted to local tax authorities, which includes management's interpretations of laws that have been enacted or substantively enacted by the balance sheet date. Tax authorities may subsequently challenge the assumptions made by management in the tax computation, therefore taxation is subject to potential uncertainty given the assumptions that are made in the calculations.

3 Interest payable and similar charges

	2023	2022
	£	£
Interest payable on loans	2 154 369	48 201
Interest rate swap costs	(69 611)	-
Interest payable to fellow group undertakings (see note 9)	-	1 016 156
Amortisation of finance costs	190 836	-
Other finance charges	36 318	202 144
	<u>2 311 912</u>	<u>1 266 501</u>

4 Profit on ordinary activities before taxation

	2023	2022
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on property, plant and equipment	1 605 821	1 374 822
Operating lease rentals		
- Land & buildings	363 630	307 554
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	31 440	28 785
	<u>1 999 891</u>	<u>1 699 161</u>

5 Tax on profit on ordinary activities

a) Analysis of charge in the year

	2023	2022
	£	£
Current tax:		
States of Jersey income tax charge on the results for the year	-	12 903
Total current tax charge (note 5b)	<u>-</u>	<u>12 903</u>
Deferred taxation movement	(1 397 434)	(18 845)
Tax charge on profit on ordinary activities	<u>(1 397 434)</u>	<u>(5 942)</u>

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 Tax on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of tax to the profit before tax is as follows.

	2023 £	2022 £
Profit on ordinary activities before tax	(5 460 399)	(2 015 113)
Profit on ordinary activities multiplied by standard rate of income tax in Jersey 20% (2022: 20%)	(1 092 080)	(403 023)
Effects of:		
(Over) / under provision in previous years	-	-
Capital allowances in excess of depreciation	50 142	50 142
Other tax adjustments	1 041 938	365 784
Current tax charge for the year (note 5a)	-	12 903
c) Provision for deferred tax	2023 £	2022 £
Deferred tax is provided as follows:		
Capital allowances in excess of depreciation	2 575 776	2 738 421
Other timing differences	(1 397 434)	(162 645)
Provision for deferred tax	1 178 342	2 575 776

6 Property, plant and equipment

	CHP Assets £	Freehold Land and Buildings £	Plant & Machinery £	Motor Vehicles £	Total £
Cost or Valuation					
At 1 January 2023	1 983 030	1 416 390	46 492 543	590 787	50 482 750
Additions	21 384	50 286	822 860	114 734	1 009 264
Disposals		-	(41 424)	(12 383)	(53 807)
At 31 December 2023	2 004 414	1 466 676	47 273 979	693 138	51 438 207
Depreciation					
At 1 January 2023	1 460 654	157 472	23 469 400	503 103	25 590 629
Charge for the year	146 090	58 099	1 378 186	23 446	1 605 821
Disposals		-	(12 383)	(12 134)	(24 517)
At 31 December 2023	1 606 744	215 571	24 835 203	514 415	27 171 933
Net Book Value at 31 December 2023	397 670	1 251 105	22 438 776	178 723	24 266 274
Net Book Value at 31 December 2022	522 375	1 258 918	23 023 143	87 684	24 892 120

A material prior period error was identified in relation to the disclosure of plant and equipment in 2022. Plant and equipment acquired by the company and utilised on client premises was previously disclosed as Other Trade Receivables. This has now been corrected in 2023 and the 2022 comparative figures have been restated to correctly disclose these assets within property, plant and equipment.

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 Inventories

	2023	2022
	£	£
Raw materials, consumables and finished goods	1 186 872	947 534
Work in progress	-	21 264
	<u>1 186 872</u>	<u>968 798</u>

8 Trade and other receivables

	2023	2022
	£	(as restated)* £
Amounts falling due within one year:		
Trade receivables	2 314 619	2 017 140
Amounts due from fellow group undertakings	5 034 368	7 704 971
Unread meter income	844 249	1 307 782
Other receivables	243 091	-
Prepayments and accrued income	557 924	195 610
	<u>8 994 251</u>	<u>11 225 503</u>
Amounts falling due after more than one year:		
Trade receivables	906 752	840 709
Deferred tax asset	1 313 116	-
Net Pension asset (Note 12)	1 740 000	1 534 400
	<u>3 959 868</u>	<u>2 375 109</u>
	<u>12 954 119</u>	<u>13 600 612</u>

Amounts due from fellow group undertakings are interest free, unsecured and repayable on demand.

*A prior period error was identified in the classification of Trade Receivables in 2022. The portion (£840,709) of the Trade Receivables balance that relates to boiler sales on extended credit terms beyond 12 months was disclosed as part of trade receivables due within one year. This has been corrected in the 2023 disclosure and the 2022 comparative figures have been restated.

9 Liabilities: Amounts falling due within one year

	2023	2022
	£	£
Amounts falling due within one year:		
Trade payables	2 224 985	1 317 236
Amounts due to fellow group undertakings (non interest bearing)	3 984 131	1 982 366
Other payables	284 832	291 092
Accruals and deferred income	756 258	834 019
States Income Tax	(98 956)	(92 706)
Preference share dividend payable	47 714	-
	<u>7 198 964</u>	<u>4 332 007</u>

10 Liabilities: Amounts falling due after more than one year

	2023	2022
	£	£
Amounts falling due within one year:		
Called up preference shares	358 904	358 904
Bank loans (Note 13)	32 190 836	32 000 000
Deferred tax (Note 5)	2 491 658	2 575 776
	<u>35 041 398</u>	<u>34 934 680</u>

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Share capital

	2023 £	2022 £
Authorised:		
Equity Shares:		
Ordinary Shares of £1 each	915 000	915 000
Preference Shares:		
5% Cumulative Preference Shares of £1 each	1 904	1 904
3% Cumulative Preference Shares of £1 each	157 000	157 000
5% Cumulative 'A' Preference shares of £1 each	200 000	200 000
	<u>358 904</u>	<u>358 904</u>
Called up share capital:		
Equity Shares:		
Ordinary Shares of £1 each	915 000	915 000
Preference Shares:		
5% Cumulative Preference Shares of £1 each	1 904	1 904
3% Cumulative Preference Shares of £1 each	157 000	157 000
5% Cumulative 'A' Preference shares of £1 each	200 000	200 000
	<u>358 904</u>	<u>358 904</u>

The three categories of preference shares are not entitled to participate in the profits of the Company, other than to the extent of their fixed dividend.

The ordinary shares rate and abate equally in respect of any distribution, but are specifically excluded from the fixed preference dividend distributions.

Voting Rights:

5% Cumulative Preference Shares One vote for every share up to a maximum of five hundred shares, and then one vote for every five shares held thereafter.

3% Cumulative Preference Shares and
5% Cumulative 'A' Preference Shares One vote for every ten shares held.

Rights on winding up of the Company:

If the Company was to be wound up, the assets available for distribution amongst the members shall be applied in the following order:-

(i) Repay to all members the amounts paid up on shares held;

(ii) Any excess to be distributed amongst the holders of ordinary shares in proportion to the amount which at the time of going into liquidation, had been actually paid up on their shares respectively.

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Employee benefits

The Company provides a funded pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested with an insurance company.

Contributions to the scheme are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over the service life of employees with the Company.

The contributions are determined by a qualified actuary on the basis of triennial valuations, using the Projected Unit Method. The most recent full actuarial valuation was at 8 January 2024. The assumptions that have the most significant effect on the results of the valuation are those relating to the yield up to retirement, the yield after retirement and the rates of increase in salaries. It was assumed that the yield up to retirement would be 4.5% (2022: 4.5%), the yield after retirement would be 2.2% (2022: 2.2%) and salary increases would average 3.3% (2022: 5.0%) per annum.

The most recent actuarial valuation at 8 January 2024 showed that the value of the scheme's assets was £5,360,000 (2022: £6,146,000) and the surplus was £1,740,000 (2018: £1,534,400). This equates to approximately 107% (2022: 107%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The Company has nil contributions (2022: nil) and employees have ceased contributions (2022: 0%).

The valuation used for FRS 102 Section 28 disclosures (Section 28) has been based on the most recent actuarial valuation of the scheme detailed above and updated by the scheme actuaries to take account of the requirements of Section 28 in order to assess the liabilities of the scheme at 31 December 2023. Scheme assets are stated at the market value at 31 December 2023 of the insurance policies in which they are invested.

The Company has closed the defined benefit scheme to new members and to future accrual of pensionable service and provides a defined contribution retirement benefit scheme for all qualifying employees. There were contributions of £60,229 (2022: £60,229) payable to the scheme by the Company in the current year and at the balance sheet date there were no outstanding or prepaid contributions.

The key assumptions used are:	2023	2022
Discount rate	5.2%	4.2%
Pensionable salary growth	3.3%	5.0%

Amounts recognised in the Statement of Comprehensive Income in respect of this defined benefit scheme are as follows:

	2023 £	2022 £
Analysis of amount charged to operating profit:		
Net interest	(81 000)	(1 000)
Total operating cost/(income)	(81 000)	(1 000)
Recognised in other comprehensive income	182 000	1 588 800
Total income relating to defined benefit scheme	(263 000)	1 587 800

The amount included in the statement of financial position arising from the Company's obligations in respect of its defined benefit retirement scheme is as follows:

	2023 £	2022 £
Present value of defined benefit obligations	(3 185 000)	(4 228 000)
Fair value of scheme assets	5 360 000	6 146 000
Related deferred tax	(435 000)	(383 600)
Net asset recognised in the statement of financial position	1 740 000	1 534 400

Movements in the present value of defined benefit obligations were as follows:

	2023 £	2022 £
At 1 January	4 228 000	6 105 000
Interest cost	166 000	89 000
Actuarial losses	(681 000)	(1 604 000)
Benefits paid	(528 000)	(362 000)
At 31 December	3 185 000	4 228 000

JERSEY GAS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Employee benefits (Continued)

	2023	2022
	£	£
Movements in the fair value of scheme assets were as follows:		
At 1 January	6 146 000	6 038 000
Interest income	247 000	88 000
Return on scheme assets	(499 000)	382 000
Benefits paid	(528 000)	(362 000)
Administration fee	(6 000)	-
	<u>5 360 000</u>	<u>6 146 000</u>

The assets of the scheme are invested in insurance policies.

13 Bank facilities

Seabird Acquisition Holdco Limited, acting as Parent, is party to a £98,000,000 Senior Facility Agreement with Natwest Bank, AIB Group (UK) Plc and Lloyds Bank plc, signed on 14 November 2022 with a term of 5 years, in which Jersey Gas Limited was named as a Borrower and Guarantor.

The amounts outstanding on the facility were as follows:

	2023	2022
	£	£
Bank Facility	32 954 181	32 954 181
Unamortised finance costs	(763 345)	(954 181)
	<u>32 190 836</u>	<u>32 000 000</u>

In accordance with FRS 102 Section 11, the unamortised finance costs associated with the drawdown of the bank loan will be amortised over 5 years, being the term of the loan. See note 3 for current year amortisation.

The loans attract interest at the Sterling Overnight Index Average rate plus a margin of 2%.

The Group has given an unlimited guarantee to Natwest Bank, Lloyds Bank plc and AIB Group (UK) plc for all monies owing to the lenders by the Company and its fellow group undertakings.

14 Financial instruments

The Company utilises interest rate swaps to manage interest rate risk volatility. The interest rate swaps have a notional value of £28,089,516 and have been designated as financial instruments measured at fair value through profit and loss. The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using directly observable market inputs.

The fair value of the financial instruments at the balance sheet date is as follows:

	2023	2022
	£	£
Interest rate swaps	69 611	20 356

Changes in fair valuations of financial instruments resulted in gains of £nil being recognised in the statement of comprehensive income for the year (2022: gains of £0).

The fixed and floating rate on the interest rate swaps are as follows:

Counterparty	Notional	Fixed Rate	Floating Rate	Termination
	£	%		
Natwest Plc	19 726 421	4,266	SONIA +2%	2025/11/17
AIB Group (UK) plc	8 363 095	4,129	SONIA +2%	2025/11/17

The interest rate swaps settle on a 6 monthly basis.

JERSEY GAS COMPANY LIMITED

15 Commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land & Buildings	
	2023 £	2022 £
Operating leases which expire:		
Within one year	313 640	272 017
Within two to five years	1 254 560	916 959
In over five years	4 073 455	13 587 895
	<hr/>	<hr/>
	5 641 655	14 776 871
	<hr/> <hr/>	<hr/> <hr/>

15 Ultimate controlling party

The Company's immediate parent company is IEG Jersey Holdings Limited, a company incorporated in Guernsey. The Company's ultimate parent is Seabird Acquisitions Topco Limited, a company incorporated in Jersey. The Company's ultimate beneficial owners are Ancala Utilities 1 GP LLP (39% shareholding), Ancala UK Infrastructure A GP LLP (33% shareholding) and Ancala United Kingdom Infrastructure B GP LLP (28% shareholding). The the results of the Company are consolidated in the group of Seabird Acquisitions Holdco Limited. Seabird Acquisitions Holdco Limited's financial statements can be obtained from 54 Bath Street Street, St Helier, Jersey.

16 Contingent liabilities

An explosion at Haut du Mont flats in Jersey ('the incident') in December 2022 has resulted in an investigation by the Jersey Authorities. This investigation still is ongoing, and the Company is co-operating with the Jersey Authorities. As the investigation is still on going and no finding have been published, the Company is not in a position to provide an evaluation of the likelihood of any potential unfavourable outcomes or estimate of the amount or range of potential related losses.

Should outcome of the investigation be unfavourable there is the possibility of fines and/or civil claims being brought against the Company as a result of the incident. It is likely that those civil claims would only be brought following the conclusion of any potential criminal proceedings in relation to the incident. It is too early to be able to comment on how management may respond to any such claims (if any) and/or to provide an evaluation of the likelihood of an unfavourable outcome and estimate of the amount or range of potential related loss. However, the Company does have a comprehensive program of insurance cover in place and the various insurers have been formally notified of the incident.

17 Subsequent events

There are no subsequent events.