

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
JERSEY GAS COMPANY LIMITED**

---

**JERSEY GAS COMPANY LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

	<b>Page</b>
<b>Company Information</b>	1
<b>Report of the Directors</b>	2
<b>Report of the Independent Auditors</b>	4
<b>Statement of Comprehensive Income</b>	7
<b>Statement of Financial Position</b>	8
<b>Statement of Changes in Equity</b>	9
<b>Notes to the Financial Statements</b>	10
<b>Trading and Profit and Loss Account</b>	20

---

**JERSEY GAS COMPANY LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**DIRECTORS:**

G Fooks  
D Owens  
A Hough  
J Cox  
P Kingston

**SECRETARY:**

IEG Secretaries Limited

**REGISTERED OFFICE:**

Energy House  
La Rue Phillipe Durrell  
La Collette  
St Helier  
JE2 3NX

**AUDITORS:**

Grant Thornton Limited  
Chartered Accountants  
Kensington Chambers  
46/50 Kensington Place  
St Helier  
Jersey  
JE1 1ET

**JERSEY GAS COMPANY LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

The directors present their report with the financial statements of the Company for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the Company in the year under review was that of gas production, distribution and related activities.

**DIVIDENDS**

The directors do not recommend a final dividend (2020: £nil). There were no interim dividends during the year (2020: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

G Fooks  
D Owens  
A Hough

Other changes in directors holding office are as follows:

D Cruddace - resigned 1 August 2021  
C Doyle - resigned 9 March 2021  
J Cox - appointed 13 August 2021  
P Kingston - appointed 13 August 2021

**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.

**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 (Jersey) 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 UK 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.

**JERSEY GAS COMPANY LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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) (Jersey) 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 Companies (Jersey) 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.

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

[Redacted signature]

Director

[Redacted signature]

Date:

[Redacted date]

**REPORT OF THE INDEPENDENT AUDITORS 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 2021 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 2021 and of its profit for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JERSEY GAS COMPANY LIMITED**

---

### **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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
JERSEY GAS COMPANY LIMITED**

---

**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.

PP 

Cyril Swale For and on behalf of  
Grant Thornton Limited  
Chartered Accountants  
St Helier, Jersey

13 December 2022

Date: .....



**JERSEY GAS COMPANY LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>REVENUE</b>		<b>10,631,204</b>	<b>9,277,634</b>
Cost of sales		<u>(5,259,589)</u>	<u>(4,020,097)</u>
<b>GROSS PROFIT</b>		<b>5,371,615</b>	<b>5,257,537</b>
Administrative expenses		<u>(3,125,368)</u>	<u>(3,055,872)</u>
		<b>2,246,247</b>	<b>2,201,665</b>
Other operating income		<u>19,889</u>	<u>7,790</u>
<b>OPERATING PROFIT</b>		<b>2,266,136</b>	<b>2,209,455</b>
Interest payable and similar expenses	5	<u>(1,479,379)</u>	<u>(2,113,260)</u>
<b>PROFIT BEFORE TAXATION</b>	6	<b>786,757</b>	<b>96,195</b>
Tax on profit	7	<u>(33,493)</u>	<u>322,871</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>753,264</b>	<b>419,066</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
Gain/(Loss) on remeasurement of net defined benefit asset	14	<b>440,200</b>	<b>(883,000)</b>
Impact on the net pension liability as a result of prior year adjustment		<u>93,000</u>	<u>*</u>
<b>OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF INCOME TAX</b>		<u><b>533,200</b></u>	<u><b>(883,000)</b></u>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>		<u><b>1,286,464</b></u>	<u><b>(463,934)</b></u>

The notes on pages 10 to 19 form part of these financial statements

**JERSEY GAS COMPANY LIMITED**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	24,506,723	25,429,902
<b>CURRENT ASSETS</b>			
Inventories	9	618,484	620,267
Trade and other receivables	10	12,584,719	10,558,011
Cash at bank		<u>527,404</u>	<u>763,024</u>
		13,730,607	11,941,302
<b>LIABILITIES</b>			
Amounts falling due within one year	11	<u>(34,374,642)</u>	<u>(34,094,980)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(20,644,035)</u>	<u>(22,153,678)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		3,862,688	3,276,224
<b>LIABILITIES</b>			
Amounts falling due after more than one year	12	<u>(3,005,806)</u>	<u>(3,179,806)</u>
<b>PENSION LIABILITY</b>	14	<u>(54,000)</u>	<u>(580,000)</u>
<b>NET ASSETS/(LIABILITIES)</b>			
		<u>802,882</u>	<u>(483,582)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	915,000	915,000
Share premium		962	962
Retained losses		<u>(113,080)</u>	<u>(1,399,544)</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>802,882</u>	<u>(483,582)</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 9<sup>th</sup> December 2022 and were signed on its behalf by:



.....  
Director

The notes on pages 10 to 19 form part of these financial statements

**JERSEY GAS COMPANY LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained losses £	Share premium £	Total equity £
<b>Balance at 1 January 2020</b>	915,000	(935,610)	962	(19,648)
<b>Changes in equity</b>				
Total comprehensive income	-	419,066	-	419,066
Loss on remeasurement of net defined benefit asset	-	(883,000)	-	(883,000)
<b>Balance at 31 December 2020</b>	<u>915,000</u>	<u>(1,399,544)</u>	<u>962</u>	<u>(483,582)</u>
<b>Changes in equity</b>				
Total comprehensive income	-	753,264	-	753,264
Gain on remeasurement of net defined benefit asset	-	440,200	-	440,200
Impact on the net pension liability as a result of prior year adjustment	-	93,000	-	93,000
<b>Balance at 31 December 2021</b>	<u><u>915,000</u></u>	<u><u>(113,080)</u></u>	<u><u>962</u></u>	<u><u>802,882</u></u>

The notes on pages 10 to 19 form part of these financial statements

## JERSEY GAS COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1. COMPANY INFORMATION

Jersey Gas Company Limited is a private Company, limited by shares, incorporated in Jersey with registration number 33. The registered office is as detailed on page 1.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

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' ('FRS102'). 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 prepared in Sterling £ being the functional and presentational currency of the Company.

##### **Going concern**

The Company meets its day to day working capital requirements by cash generated through the normal course of business after debt financing. The Company and Group Budget, taking account of reasonably possible changes in trading performance, 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.

As at 31 December 2021, the Company is in a net current liability position. In order for the Company to meet its obligations as they fall due, the Company has received confirmation that the loans owed to participating interests will not be called within one year from the date of signing these financial statements.

##### **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.

##### **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 - 2%
Plant & machinery	2.5 - 20%
Motor vehicles	14 - 25%

**2. ACCOUNTING POLICIES - continued**

**Inventories**

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

**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.

**Employee benefits**

The Company operates two pension schemes; a defined benefit scheme and a defined contribution scheme. The defined benefit scheme 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.

**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.

**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.

**Financial instruments**

The Company only enters into basic financial instruments 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.

**2. ACCOUNTING POLICIES - continued**

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 out right 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.

**3. CRITICAL ACCOUNTING 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.

**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 relation to 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.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 37 (2020 - 40).

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Preference share dividends	-	11,844
Interest payable on deposits	-	905
Interest payable to fellow group undertakings	982,153	2,063,861
Other finance charges	497,226	36,650
	<u>1,479,379</u>	<u>2,113,260</u>

**JERSEY GAS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	1,339,884	1,369,819
Auditors remuneration	28,785	26,360
Operating lease rentals - land and buildings	<u>307,554</u>	<u>272,107</u>

**7. TAXATION**

**Analysis of charge in the year**

	2021 £	2020 £
Current tax:		
States of Jersey Income tax charge on the results for the year	207,493	88,890
Over provision in previous periods	-	(380,102)
Total current tax (credit)/charge	<u>207,493</u>	<u>(291,212)</u>
Deferred taxation movement	(174,000)	(32,659)
Deferred taxation in respect of FRS102 Section 28	-	1,000
Tax (credit)/charge on profit on ordinary activities	<u>33,493</u>	<u>(322,871)</u>

**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 to the profit before tax is as follows.

Profit on ordinary activities before tax	<u>786,757</u>	<u>96,195</u>
Profit on ordinary activities multiplied by standard rate of income tax in Jersey 20% (2020: 20%)	157,351	19,239
Effects of:		
Over provision in previous years	-	(380,102)
Capital allowances in excess of depreciation	50,142	70,373
Loss on disposal of property, plant and equipment	-	(722)
Current tax credit for the year	<u>207,493</u>	<u>(291,212)</u>

**Provision for deferred tax**

	2021 £	2020 £
Deferred tax is provided as follows:		
Capital allowances in excess of depreciation	2,738,421	2,784,558
Other timing differences	<u>(174,000)</u>	<u>(16,137)</u>
Provision for deferred tax	<u>2,594,421</u>	<u>2,768,421</u>

**JERSEY GAS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. PROPERTY, PLANT AND EQUIPMENT**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2021	1,319,616	45,027,604	665,850	47,013,070
Additions	-	402,710	13,995	416,705
At 31 December 2021	<u>1,319,616</u>	<u>45,430,314</u>	<u>679,845</u>	<u>47,429,775</u>
<b>DEPRECIATION</b>				
At 1 January 2021	89,688	20,835,768	657,712	21,583,168
Charge for year	32,990	1,300,481	6,413	1,339,884
At 31 December 2021	<u>122,678</u>	<u>22,136,249</u>	<u>664,125</u>	<u>22,923,052</u>
<b>NET BOOK VALUE</b>				
At 31 December 2021	<u>1,196,938</u>	<u>23,294,065</u>	<u>15,720</u>	<u>24,506,723</u>
At 31 December 2020	<u>1,229,928</u>	<u>24,191,836</u>	<u>8,138</u>	<u>25,429,902</u>

**9. INVENTORIES**

	2021 £	2020 £
Raw materials, consumables, and finished goods	593,919	569,434
Work in progress	24,565	50,833
	<u>618,484</u>	<u>620,267</u>

Inventory recognised as an expense in the period was £6,713 (2020: £2,694).

**10. TRADE AND OTHER RECEIVABLES**

	2021 £	2020 £
Amounts falling due within one year:		
Trade receivables	1,249,960	964,218
Unread meter income	1,157,774	986,189
Amounts owed by group undertakings	7,642,737	6,486,005
Other receivables	110,982	111,778
Prepayments and accrued income	981,409	425,660
	<u>11,142,862</u>	<u>8,973,850</u>



**JERSEY GAS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. TRADE AND OTHER RECEIVABLES - continued**

	2021 £	2020 £
Amounts falling due after more than one year:		
Trade receivables	894,943	897,150
Other receivables	<u>546,914</u>	<u>687,011</u>
	<u>1,441,857</u>	<u>1,584,161</u>
 Aggregate amounts	 <u>12,584,719</u>	 <u>10,558,011</u>

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

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	567,030	895,533
Amounts owed to participating interests	32,729,473	32,421,583
Other creditors	449,919	328,757
Accruals and deferred income	438,794	272,314
GST	-	87,903
States income tax	<u>189,426</u>	<u>88,890</u>
	<u>34,374,642</u>	<u>34,094,980</u>

The amounts due to fellow group undertakings and to the immediate parent company are unsecured and repayable on demand. Interest bearing borrowings from group undertakings have been charged interest at 6.5125% up to 26 May 2021 and 2.6765% thereafter.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Called up preference shares (note 13)	358,904	358,904
Deferred tax (note 7)	2,594,421	2,768,421
Unfunded pension obligation	<u>52,481</u>	<u>52,481</u>
	<u>3,005,806</u>	<u>3,179,806</u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
915,000	Ordinary	£1	<u>915,000</u>	<u>915,000</u>

**JERSEY GAS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**13. CALLED UP SHARE CAPITAL - continued**

Preference shares:

5% Cumulative Preference shares of £1 each	<b>1,904</b>	1,904
3% Cumulative Preference shares of £1 each	<b>157,000</b>	157,000
5% Cumulative 'A' Preference shares of £1 each	<b>200,000</b>	<u>200,000</u>
	<b><u>358,904</u></b>	<b><u>358,904</u></b>

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 in their shares respectively.

**14. EMPLOYEE BENEFIT OBLIGATIONS**

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 valuation was at 1 July 2018. 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% (2015: 4.8%), the yield after retirement would be 2.2% (2015: 3.0%) and salary increases would average 4.0% (2015: 4.15%) per annum.

The most recent actuarial valuation at 1 July 2018 showed that the value of the Guernsey Gas scheme assets was £6,260,000 (2015: £5,871,000) and the surplus was £386,000 (2015: £445,000). This equates to approximately 107% (2015: 108%) of the benefits that had accrued to members, after allowing for expected future increases in earnings. The Company has nil contributions (2015: nil) and employees have ceased contributions (2015: 0%).

The valuation used for FRS 102 Section 28 disclosures (Section 28) has been based on the actuarial valuation of the scheme detailed above and updated by the scheme actuaries to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 December 2021. Scheme assets are stated at the market value at 31 December 2021 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 employee. There were contributions of £60,229 (2020: £76,150) 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:	<b>2021</b>	<b>2020</b>
Discount rate	1.5%	1.4%
Pensionable salary growth	2.0%	2.0%

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Analysis of amount charged to operating profit:		
Net interest	<u>(9,000)</u>	<u>7,000</u>
Total operating income	<u>(9,000)</u>	<u>7,000</u>
Recognised in other comprehensive income	<u>533,200</u>	<u>(883,000)</u>
Total income/(expense) relating to defined benefit scheme	<u><b>524,200</b></u>	<u><b>(876,000)</b></u>

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:

**JERSEY GAS COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. EMPLOYEE BENEFIT OBLIGATIONS (continued)**

	2021 £	2020 £
Present value of defined benefit obligations	(6,105,000)	(6,564,000)
Fair value of scheme assets	6,038,000	5,839,000
Related deferred tax	13,000	145,000
Net asset recognised in the statement of financial position	<u>(54,000)</u>	<u>(580,000)</u>

	2021 £	2020 £
Movements in the present value of defined benefit obligations were as follows:		
At 1 January	6,564,000	5,597,000
Interest cost	91,000	106,000
Actuarial losses	(383,000)	861,000
Benefits paid	(167,000)	-
At 31 December	<u>6,105,000</u>	<u>6,564,000</u>

	2021 £	2020 £
Movements in the fair value of scheme assets were as follows:		
At 1 January	5,839,000	5,968,000
Interest income	82,000	113,000
Return on scheme assets	167,000	(242,000)
Benefits paid	(167,000)	-
Prior year adjustment	117,000	-
At 31 December	<u>6,038,000</u>	<u>5,839,000</u>

The assets of the scheme are invested in insurance policies.

**15. COMMITMENTS**

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

	2021 £	2020 £
Operating leases which expire:		
Within one year	349,045	289,679
Within two to five years	1,240,460	1,248,490
In over five years	12,695,114	13,274,255
	<u>14,284,619</u>	<u>14,812,424</u>

**JERSEY GAS COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021****16. RELATED PARTY DISCLOSURES**

The total remuneration for key management personnel for the year is set out below.

	2021	2020
	£	£
Directors remuneration	<u>-</u>	<u>84,567</u>

During the year the Company sold goods in the ordinary course of business to Kosangas (Jersey) Limited, a fellow group undertaking, for £452,947 (2020: £302,521) and to Kosangas (Guernsey) Limited, a fellow group undertaking, for £519,860.

The following balances were owed to fellow group undertakings at the year end:

Company	2021	2020	Nature
	£	£	
IEG Holdings Limited	2,727	90	Recharge of management expenses
Islands Energy Group Limited	143,655	13,918	Recharge of management expenses
Kosangas (Jersey) Limited	80,330	54,419	Recharge of costs incurred
Manx Gas Limited	487,085	353,156	Recharge of costs incurred
Manx Gas Limited	27,000,000	27,000,000	Borrowings
Kosangas (Jersey) Limited	5,000,000	5,000,000	Borrowings
Guernsey Gas Limited	8,774	-	Recharge of costs incurred

The following balances were owed by fellow group undertakings at the year end:

Company	2021	2020	Nature
	£	£	
IEG Holdings Limited	6,571,949	5,871,970	Recharge of management expenses and borrowings
Kosangas (Jersey) Limited	124,366	224,012	Recharge of costs incurred
Manx Gas Limited	27,014	390,023	Recharge of costs incurred
Kosangas (Guernsey) Limited	384,252	-	Recharge of costs incurred

**17. 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 Acquisition 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 UK Infrastructure B GP LLP (28% shareholding). 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 22 Grenville Street, St Helier, Jersey.

**18. SUBSEQUENT EVENTS**

The previous Bank Financing from 2016 expired in April 2021, this was extended on agreement to April 2022 and was further extended to November 2022 to be able to meet the deadlines and signing. During the period from May 2022 to October 2022 the business went to Finance institutions to gauge appetite for new funding. The New Bank Financing was agreed on the 14<sup>th</sup> November 2022, for a period of 5 years from that date with Lloyds Banking Group NatWest Banking Group and AIB Group.

In May 2022 Jersey Gas Company Limited changed its trading name to Islands Energy.

**JERSEY GAS COMPANY LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021		2020	
	£	£	£	£
<b>Revenue</b>				
Revenue - gas	9,861,979		8,510,236	
Revenue - non-gas	<u>769,225</u>		<u>767,398</u>	
		10,631,204		9,277,634
<b>Cost of sales</b>				
Gas product	3,472,563		2,259,021	
Gas overheads	888,747		824,840	
Non-gas products	<u>898,279</u>		<u>936,236</u>	
		5,259,589		4,020,097
<b>GROSS PROFIT</b>		5,371,615		5,257,537
(50.53% 2020 : 56.67%)				
<b>Other income</b>				
Sundry income	19,889		790	
Other finance income	<u>-</u>		<u>7,000</u>	
		19,889		7,790
		5,391,504		5,265,327
<b>Expenditure</b>				
Overheads - meters	89,322		85,509	
Overheads - common services	33,217		21,821	
Overheads - SHE & assets	30,448		72,401	
Overheads - office services	502,918		485,964	
Overheads - employment	29,250		37,730	
Overheads - emergency services	19,254		19,254	
Rates and taxes	55,539		56,584	
Insurance	84,271		73,982	
Property services	8,317		5,684	
Advertising	45,754		13,491	
Travelling	30,097		13,285	
Unfunded pensions	4,268		4,268	
Other finance cost	9,000		-	
Management charge	195,880		120,830	
Sundry expenses	439,168		403,872	
Bad debts	29,413		100,807	
CHP/chiller write down	<u>179,367</u>		<u>174,179</u>	
		1,785,483		1,689,661
		3,606,021		3,575,666
<b>Finance costs</b>				
Preference share dividends	-		11,844	
Interest payable on deposits	-		905	
Interest payable to fellow group undertakings	982,153		2,063,861	
Other finance charges	<u>497,226</u>		<u>36,650</u>	
		1,479,379		2,113,260
Carried forward		2,126,642		1,462,406

This page does not form part of the statutory financial statements

**JERSEY GAS COMPANY LIMITED**

**TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

	2021		2020	
	£	£	£	£
Brought forward		2,126,642		1,462,406
<b>Depreciation</b>				
Freehold property	32,990		32,990	
Plant and machinery	1,300,482		1,309,745	
Motor vehicles	<u>6,413</u>		<u>27,084</u>	
		<b>1,339,885</b>		<b>1,369,819</b>
		<b>786,757</b>		<b>92,587</b>
<b>Profit on disposal of fixed assets</b>				
Plant and machinery		<u>-</u>		<u>3,608</u>
<b>NET PROFIT</b>		<b><u>786,757</u></b>		<b><u>96,195</u></b>

This page does not form part of the statutory financial statements

