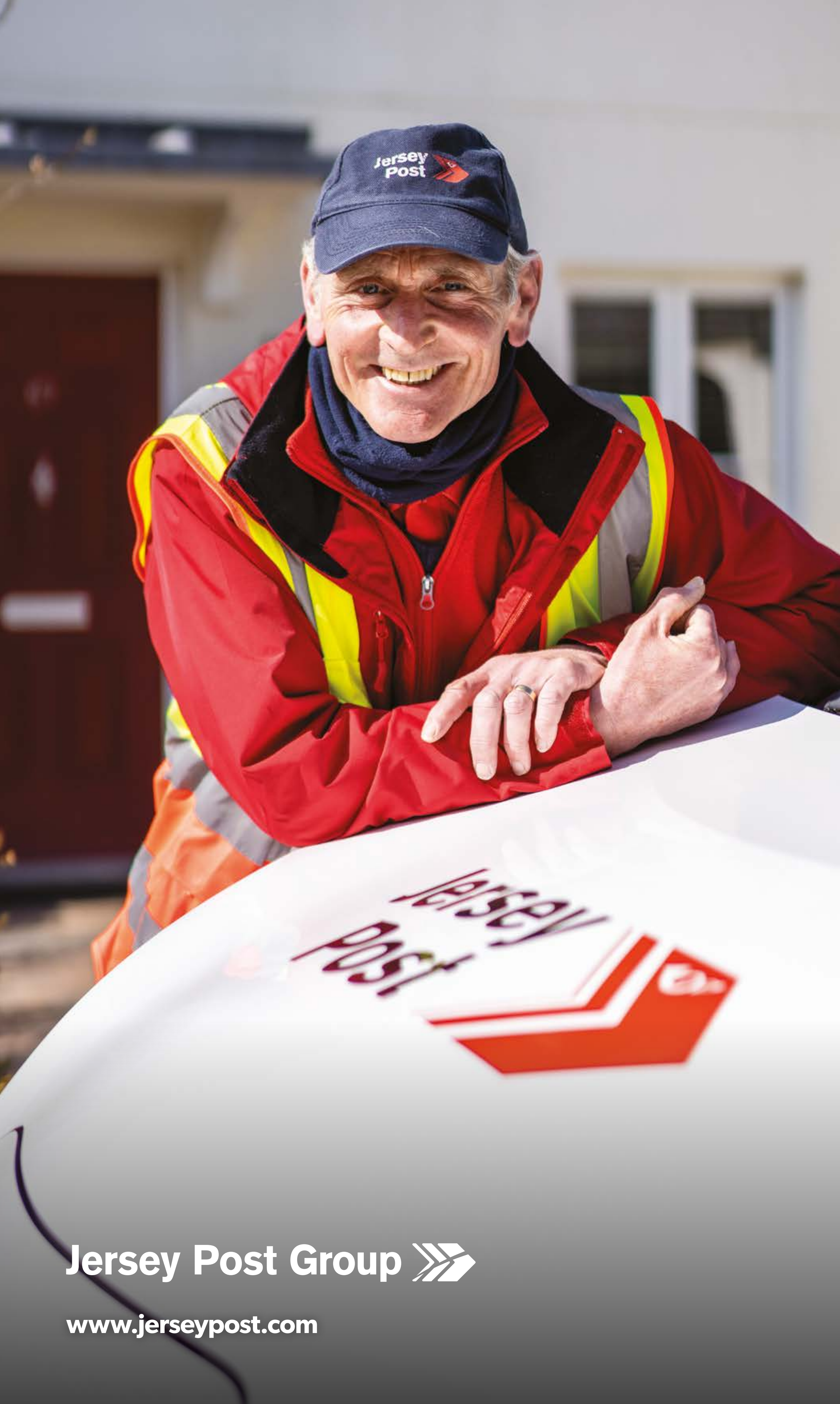


JERSEY POST INTERNATIONAL LIMITED

BUSINESS REVIEW 2023

Jersey Post Group

www.jerseypost.com

Contents

Directors, Officers and Advisors

Directors of Jersey Post International Limited

Alan Merry
Non-Executive Chair

Mark Siviter
Chief Executive Officer

Tim Barnes
(resigned 16th January 2024)
Chief Financial Officer

Maxine Dunn
(appointed 30th November 2023)
Interim Chief Financial Officer

Gavin Macrae
Non-Executive

Martin Magee
Non-Executive

Helen Hatton
Senior Independent Non-Executive

Karl Moss
Non-Executive

Ian Truesdale
(appointed 30th May 2023)
Non-Executive

Company Secretary

Andrew Boustouler

Independent Auditor

Menzies LLP
Chartered Accountants & Statutory Auditor
3000a Parkway
Whiteley
HAMPSHIRE
PO15 7FX

Bankers

HSBC Bank plc
PO Box 14
St Helier
JERSEY
JE4 8NJ

Registered Office

Postal Headquarters
La Rue Grellier
La Rue des Pres Trading Estate
St Saviour
JERSEY
JE2 7QS

Board of Directors[1]

Alan Merry
Non-Executive Director

Alan has extensive international senior executive and board-level experience gained across a range of business sectors, including financial services, retail, renewable energy and professional services. Alan works with Boards and executive teams supporting transformational change and focuses on the development of strategy, change management, strategic HR and improving Board and organisational effectiveness. Alan also worked closely with the Board and executive team on the incorporation of the Ports of Jersey. Prior to this, Alan was a Director of CPA Global for 8 years and, before coming to Jersey, held senior executive roles in the financial services and retail sectors. Alan also sits on the Board of Family Nursing and Home Care.

Mark Siviter
Chief Executive Officer

Mark has extensive experience in the global logistics and mail industry, working in the UK, Europe, and South Africa. His recent roles have included CEO of DHL Global Mail UK, Managing Director of DHL Global Mail Europe and more recently Managing Director, Mail and Retail, at the UK Post Office.

Tim Barnes
Chief Financial Officer
(resigned 16th January 2024)

Tim is a Chartered Accountant with a wealth of experience with 20 years in Board-level commercial finance roles. Tim has a strong track record of introducing financial integrity into fast-growth commercial businesses and has significant experience with corporate transactions.

Maxine Dunn
Interim Chief Financial Officer

Maxine has over 20 years of commercial accounting experience within the service industry. Her wealth of knowledge of the Global Logistics and Mail industry has been gained whilst holding numerous senior financial positions, NED and Chairperson roles within the Jersey Post Group. A Fellow Member of the Association of Chartered Certified Accountants (ACCA) and holds the Institute of Directors (IOD) Certificate in Company Direction.

Gavin Macrae
Non-Executive Director

Gavin has an extensive track record of over 30 years of providing strategic and business development advice, interim management and non-executive directorships at board level to a wide range of clients and industry stakeholders. These include organisations as diverse as Digital Europe, Quadient Group, the UK Ministry of Defence, Ofcom, Royal Mail, TNT and the Universal Postal Union. He is currently the Co-Founder and President, Europe of Delta Prospect LLC, a newly established transatlantic consultancy serving the e-commerce industry.

[1]Directors listed have served on the board during the year.

Martin Magee
Non-Executive Director

Martin qualified in the Institute of Chartered Accountants of Scotland in 1984. He was, until recently, the Finance Director at Jersey Electricity plc, which is listed on the London Stock Exchange. Martin is also a non-executive director of 3i Infrastructure plc and previously worked in senior finance roles in both the utilities and hotels sectors in listed plc's prior to coming to Jersey in 2002.

Helen Hatton
Senior Independent Non-Executive Director

Helen is widely recognised as the prime architect of Jersey's financial services industry regulatory regime. She has over 30 years of director-level experience in regulatory, commercial and public bodies, including the Jersey, Isle of Man, Ras Al Khaimah and Anguilla Financial Services Commissions, Sator Regulatory Consulting Limited and BDO Group Limited, from which she retired as Chairman in 2020. Helen is an authority member of the Jersey Office of the Information Commission and non-executive director of Registry Trust Limited, Santander Financial Services Plc and chairman of Central Associates a leading London based investigations business. Her skills set relates to governance, risk, regulation and complex investigations.

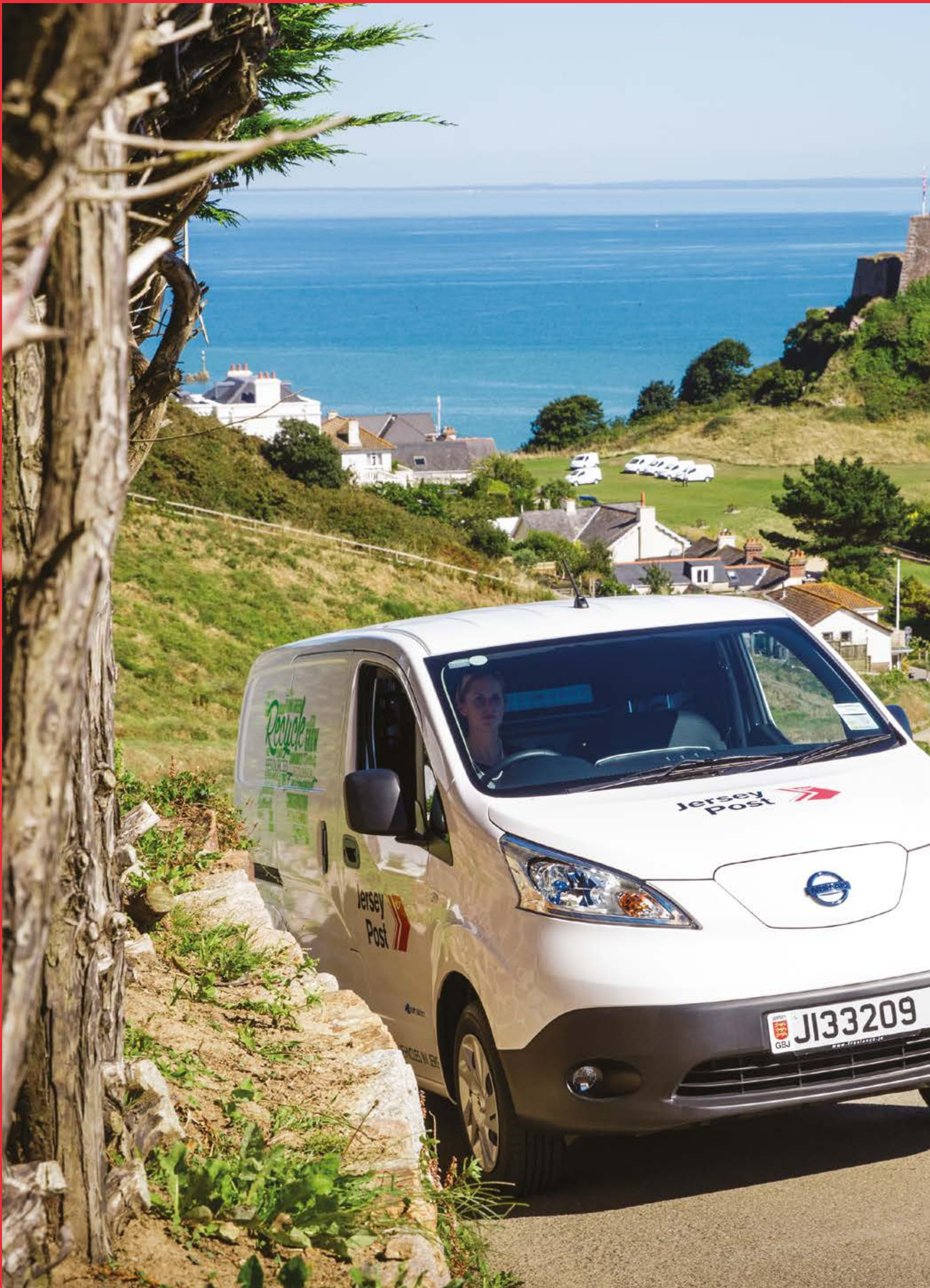
Karl Moss
Non-Executive Director

Karl has spent 20 years actively running or advising a range of e-commerce businesses, including online retailers, ticketing and travel providers, and most recently, fulfilment and platform connectivity services. He advises on business strategy, techniques to enhance customer engagement and conversion, and worldwide fulfilment and logistics. He also has a wealth of experience dealing with global marketplaces and how businesses can operate alongside and within them.

Ian Truesdale
Non-Executive Director

Ian is a senior executive with over 35 years of international experience in the supply chain and logistics industry and consultancy. Currently, the managing director of Unipart Logistics and a Group main board director, Ian, has an excellent track record in driving change, enabling growth and implementing transformation, focusing on innovation and new technologies. Ian has an MBA from Cranfield School of Management and a bachelor's degree in Aeronautical Engineering from London University. He has lived in Europe, the USA and the Middle East and worked extensively across Asia.

Directors listed have served on the board during the year.


Jersey Post
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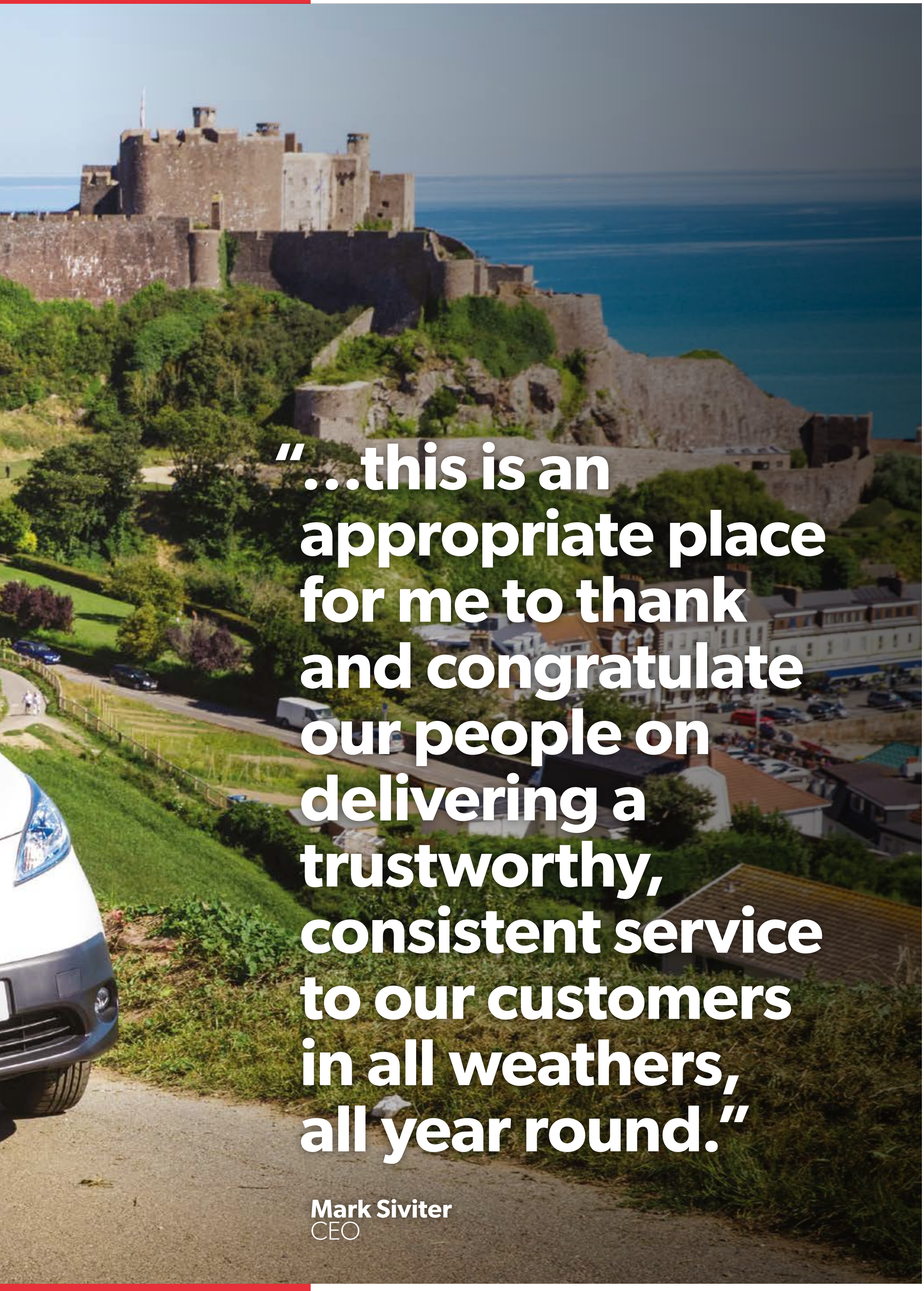


"...this is an appropriate place for me to thank and congratulate our people on delivering a trustworthy, consistent service to our customers in all weathers, all year round."

Mark Siviter
CEO

Chair's Statement

A year of transition

Alan Merry
Chair

"In the 2022 Annual Report, I wrote about the 'perfect storm' facing the global logistics market; one characterised by rising inflation, falling consumer demand and soaring costs. Inevitably, these factors brought about a significant decline in margins, impacting our financial performance and resulting in a loss of £6.7m. Figures that made for grim reading."

2023 has, therefore, been about stabilising the business and setting the foundations for recovery. Within that context I am very pleased to report that we have made huge progress in reducing our financial deficit.

During 2023, our key priorities were delivering for Jersey, maintaining the highest levels of service whilst at the same time being able to respond quickly to the impact of wider economic and social challenges. We focused on growing revenues throughout the year, protecting margin and driving efficiencies.

The result is a significantly improved financial position, setting the foundations for future success against our commercial, social, and wider role in securing the supply chain. The business delivered a positive EBITDA of £2.6m, of which £1.1m related to a one-off provision release. This resulted in an EBITDA improvement of £3.7m compared to the prior year and a significantly reduced loss before tax of £101k.

This is an excellent result which is entirely a reflection of the skills, experience, and sheer hard work of everyone in the Jersey Post Team. I am also pleased to note that these results were well ahead of the financial targets agreed with the Shareholder at the start of the year.

Global pressures

To provide the services that our customers want, our operating model remains simple; we generate revenue and profits by moving things from A to B at scale. However, in order to provide these services, we have to operate in an extremely competitive marketplace where gross margins are very thin, with ours averaging only 8.9%. This means that there is a constant challenge for Jersey Post Group in mitigating the financial impact of volume and cost fluctuations. This was certainly true in 2023 and will continue to be the case in coming years.

The political landscape businesses have had to face is unprecedented. We started with Brexit and this was followed by the pandemic. Subsequent conflict in Ukraine and the Middle East led to global supply chain disruption and increased costs making it difficult to know what a 'normal year' looked like. This, in turn, has made long term planning particularly challenging.

Closer to home, the UK has experienced one of the highest rates of inflation in the western world, with subsequent high rates of taxation. At the time of writing, the UK economy remains teetering on the brink of recession. News headlines on the trading challenges facing UK businesses are clear evidence of the impact these factors are having on profitability and sustainability. Jersey Post's UK and Island activities reflect these new realities as we continue to confront the effects of ongoing inflation, high costs and weaker customer demand.

Our international businesses continue to be important to the group and I comment on these in more detail later. Given the economic environment, we have taken a prudent approach to both investment and business development and it is pleasing to see that these businesses, despite their complex nature, continue to provide a positive contribution.

Review and recovery

Our recovery plan has focused on protecting our core business by offering the best value to our customers. We have achieved that through ensuring that our businesses are trading effectively whilst maximising local and overseas opportunities in order to protect volumes and manage costs. The focus has been on ensuring that these revenue-generating opportunities and cost efficiencies are properly supported by sound organisational design and effective governance.

Our strategy to protect and grow local services has paid off; we now deliver parcels across Jersey for the biggest players in the market - Royal Mail, Amazon, DPD, UPS and Federal Express. Through the integration of Woodside Logistics, we now connect with our customers' UK supply chains, providing end-to-end services for both Jersey and Guernsey. The resilience of those supply chains is a key priority for us; working with the Government of Jersey to provide stable, consistent, and affordable services.

The review of our core capabilities will continue as we look to streamline and future-proof the business. We will do this through selective growth initiatives and tactical investment based on both affordability and rigorous governance.

Chair’s Statement Cont.

Regulatory support

We welcome the Jersey Competition Regulatory Authority’s review of Postal Services which seeks to ensure that licensing and regulation are appropriate for the trading environment, both now and in the future. It has been a decade since the last review and the landscape has changed considerably.

As part of its review, the Authority commissioned independent research which showed that an extraordinary 96% of Islanders still highly value our delivery-to-door services. The Authority also acknowledged that the continued loss of letter volumes and growth in parcel deliveries, challenges the economic viability of our Universal Service Obligation (USO) of five delivery days a week. Recent announcements from Royal Mail have signalled their intent to review their own USO in response to these challenges. In addition, a number of European countries have announced their intention to change, or even abolish, their USO conditions. It is important to stress that Jersey Post’s intent is to continue to meet a USO that delivers 5 days a week and focus on the service expectations of both our customers and our Shareholder.

Whilst the outcome of the Authority review is welcomed, we do need to bear in mind emerging market trends. At Jersey Post, we recognise and welcome the need for regulation; however, it is important that there is a level playing field on the island. Today, our competitors operate in the same marketplace but are not subject to any postal regulation. At some stage, the Island will need to move to wider industry regulation in order to create that level playing field.

We are also grateful to the Jersey Competition Regulatory Authority for conducting a thorough review of the Freight Logistics market in Jersey and we remain hopeful that the recommendations published in the Authority’s 2023 Final Report will be acted on, leading to improved competition in the market. This is particularly true of the expansion of freight handling infrastructure at the harbour, which is essential for Woodside Logistics, our on-island freight logistics business. Woodside Logistics has successfully bid for valuable local contracts throughout 2023 and it is expected to continue to grow, maintaining its position as a credible alternative to the dominant provider of critical supply chain services.

A direct consequence of the downturn in the local fulfilment industry has been the cancellation last August of the daily overnight air freight service operated by Royal Mail. While we understand Royal Mail’s decision to withdraw the service against a background of falling volumes and rising operating costs, we also recognise the impact this decision has had on a small number of locally based export businesses who rely on a next-day service. We continue to work to find a realistic, sustainable solution to their needs.

“At Jersey Post, we recognise and welcome the need for regulation; however, it is important that there is a level playing field on the island.”

Capitalising on growth in the US logistics market

Our diversification strategy was agreed with the Shareholder in 2017 with the aim of generating income to fund service provision in Jersey, reducing the probability of a need for Government subsidy in the future. In recent years, more than 40% of our annual income has come from these activities.

A key element of our recovery activity was to ensure that we are focused on delivering efficiencies and growing revenues. Global e-parcel Solutions (GePS), our cross-border parcel business based in Chicago, performed well for the first six months of the year and, despite facing market challenges in the second half of 2023, I am pleased to say it produced a positive contribution.

APG operating in America is a full-service, customer-focused logistics provider specialising in shipping, handling, customs clearance, and delivery solutions in one all-inclusive, easy-to-use service. Strategically located in the heart of the Miami Freight district, APG specialises in Central and Southern American destinations. Again, we have put in place a number of initiatives to reduce the cost base at APG and improve the service offering. It is now well-placed to grow revenues over the coming years.

On the right track

We do not underestimate the task that lies ahead; traditional mail continues to decline and freight costs continue to rise due to global economic pressures. Yet as an Island, it is essential we have strong, competitive, postal and logistics services linking Jersey people and businesses to the world.

Our task, as a major part of the infrastructure making up the Island's supply chain, is to continue to innovate, while fulfilling our social purpose, managing costs and improving services. A tall order and, although our financial position remains challenging, it should be recognised that 2023 was an excellent year. I am proud of the significant progress we have made in reducing our trading deficit and we are now well placed to meet the opportunities and challenges that lie ahead.

I would like to take this opportunity to thank our customers and business partners for their support and loyalty during what has been a successful, but challenging, trading year.

The effort we have put into establishing an open and supportive relationship with the Shareholder team has proved invaluable. It is important that all parties continue to work together to build on this sound foundation, to ensure that the Island benefits from the capabilities and potential of Jersey Post into the future.

Finally, with my term as Chair coming to an end in 2024, I must acknowledge the contribution of my fellow Board members, the executive team led by our CEO, Mark Siviter, and every single member of the wider Jersey Post team, who play such an important role in ensuring that this diverse business punches above its weight both locally and internationally. I am confident that the business is in good hands.

Alan. C. M

Alan Merry
Chair
1st May 2024

Strategic Report

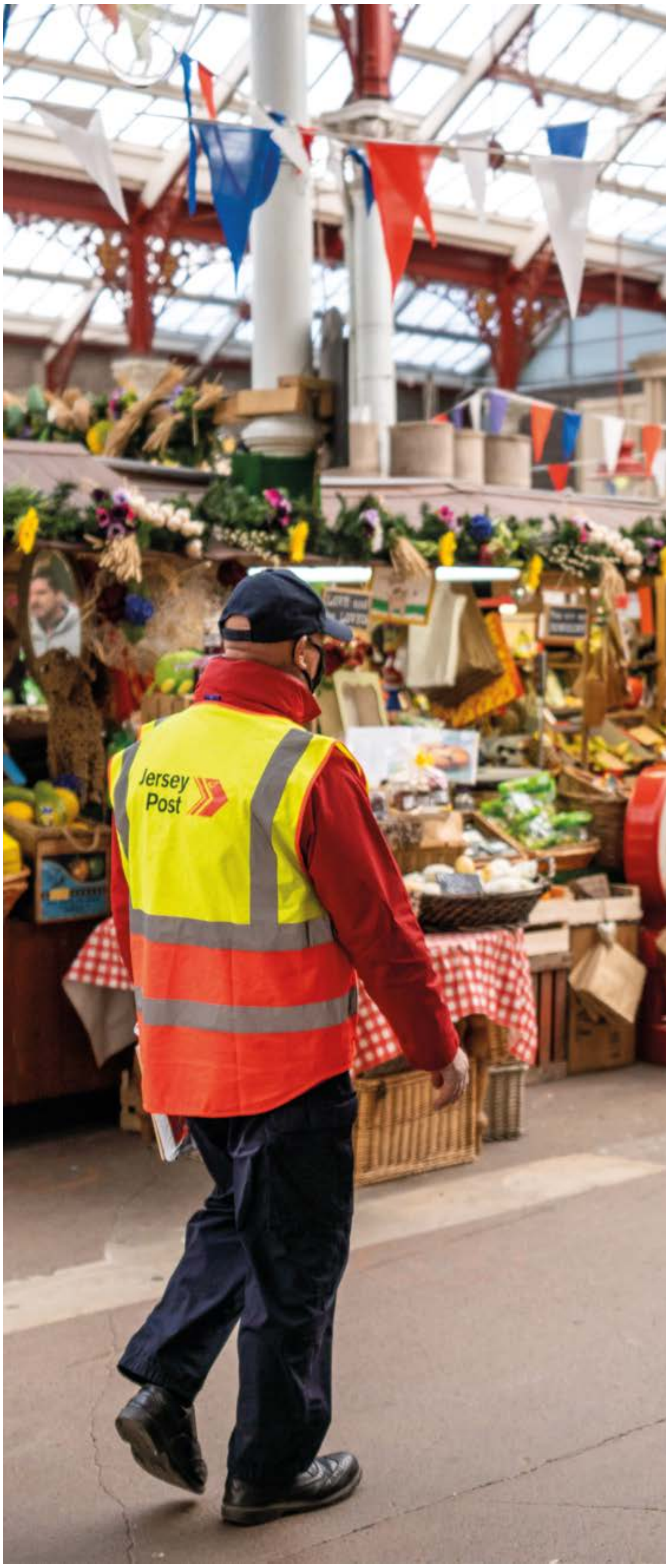
Introduction

Our core focus remains to be a trusted States' Owned Enterprise (SOE), a significant and responsible employer in Jersey that supports local business and the community and contributes to our Government's key priorities and the long-term strategic objectives for the Island.

2023 continued the trend of turbulence we have experienced since the end of COVID-19 and which showed little sign of abating as we came to the end of the year. For Jersey Post Group, the structural change in mail and parcel volumes continues, and while the loss of letter volumes reflects wider global trends, others, such as the loss of LVCR parcels, present a unique challenge.

"For Jersey Post Group, the structural change in mail and parcel volumes continues..."

Jersey Post Group's strategy of diversification and investment in new business opportunities has proved prescient; however, they are not enough in themselves. Tighter times require tighter measures, and we have introduced improved governance and tougher cash controls to build financial resilience. As time passes since their acquisition, these new businesses need constant review and close management to ensure they continue contributing positively.



The Economic Context

Cost of living

We are mindful of the continued pressure on household and business budgets. The increasing cost of living affects our colleagues as well as our customers, and we need to do what we can to ease the burden on both whilst maintaining our fiscal recovery. While inflation has been a wider international issue, Jersey has seen a more pronounced effect. This is demonstrated by the Island inflation rate hitting 12.7% in March 2023, resulting in a December 2023 RPI inflation rate of 7.5% compared to 5.2% in the UK. It will be interesting to see how recent cost increases, such as the 18.76% on ferry costs, will flow through. While costs are still painful, we are hopeful that there are some signs inflation is peaking, and the situation will start to ease into 2025.

In response, we continue to focus on ways to be more efficient and cost-conscious and make tougher investment decisions to ensure we remain self-funding. Support costs are constantly reviewed, and cost efficiencies made where possible, in addition to revising our postal delivery rounds. We have introduced an EBITDA safeguarding and cash management programme and added further governance to the delegated authority levels, such as pre-approval for business travel and discretionary spending. We assessed capex investments in line with the realisation of our operating plan and supported by the assessment of cashflows.

Looking after our customers

We exist for our employees, our Shareholder and, above all, our customers. Looking after those customers is our top priority, and part of that duty is our annual Customer Feedback Survey, which gives Islanders an opportunity to tell us what they think of the service we provide.

This feedback is essential in helping Jersey Post shape the services it offers and the delivery model it operates. The island-wide survey results help the organisation benchmark ongoing business performance year-on-year and highlight where priorities should be to meet future needs. This year's survey results can be found later in this Report. In 2023 our survey was supplemented by independent research commissioned by the Jersey Competition Regulatory Authority (JCRA), and we welcome their announcement of creating a Postal User Council which we look forward to working with.

Looking after our people

We are dependent on our staff. We are committed to paying the living wage and helping to provide a good standard of living for those who serve our customers and communities, to delivering our Universal Service Obligation (USO) and going above and beyond every single day.

The results of the JCRA survey underlined the value felt by the public for our postal workers and the importance of a reliable, consistent service. Importantly, customer service is the priority when asked about the one thing customers value above all else. So, this is an appropriate place for me to thank and congratulate our people on delivering a trustworthy, consistent service to our customers in all weathers, all year round. We pride ourselves on this core element of our business; it would not be possible without the support of all our colleagues.

Strategic Report Cont.

Building the future

The current trading and operating environment has required us to pause our recent investment and diversification strategy while we assess their true performance and allow our internal governance and management processes to catch up. During this time, we have started focusing on markets and services closest to our core, particularly freight and cross-border mail. Having secured parcel deliveries on the Island for all but two of the major UK parcel companies, further organic volume growth is difficult. We cannot increase the volume of mail we deliver, so other parts of our business will carry the lion's share of this growth and diversification strategy.

Jersey Post's membership of the UPU (Universal Postal Union) allows it to operate as a truly global business with access to all postal service providers, including alternative delivery methods, where these options exist.

The infrastructure we have in place in the UK provides national distribution coverage via partners that compliment our freight services through Woodside Logistics. We are further developing these logistics capabilities to expand network coverage and access new customer bases.

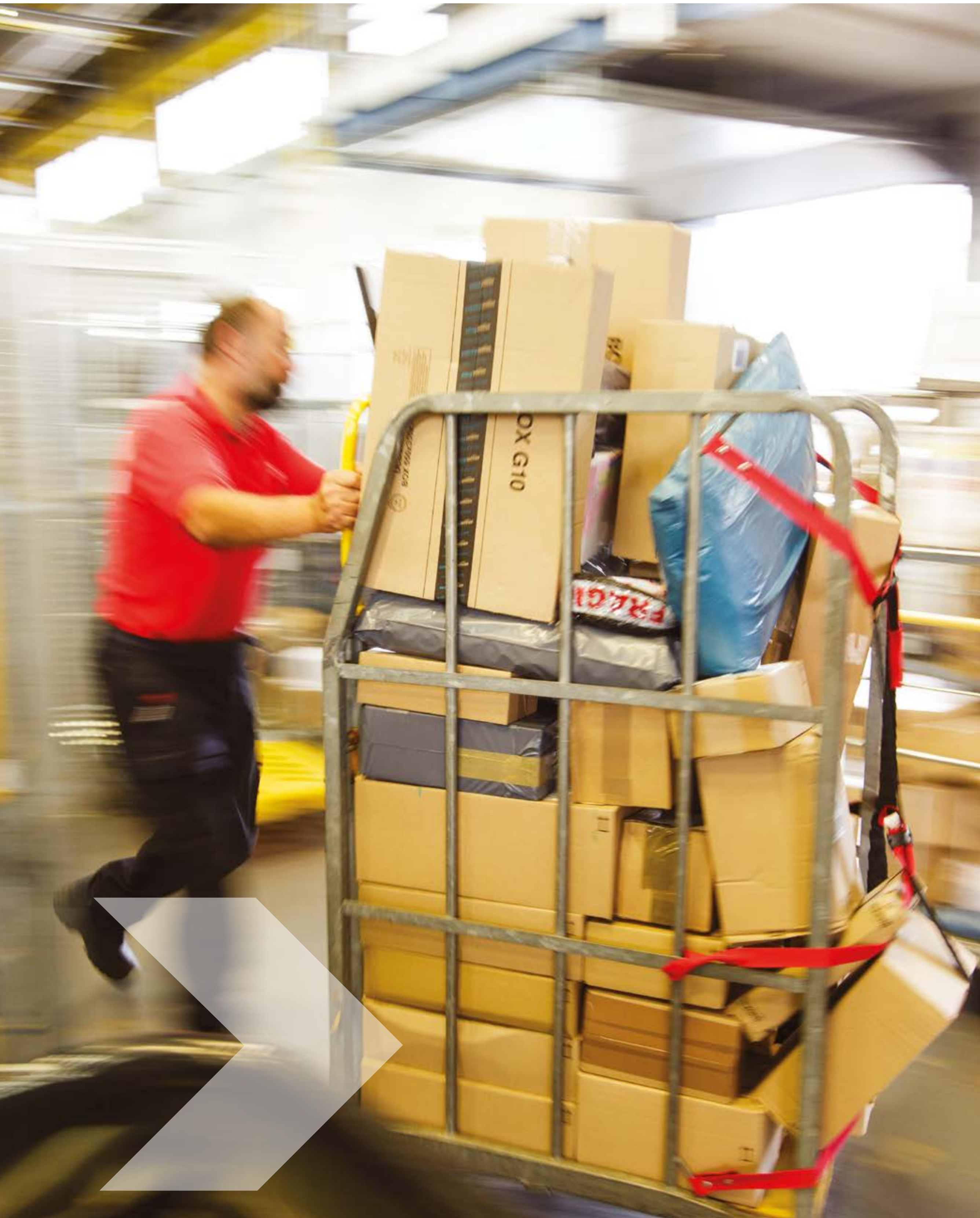
Woodside Logistics leads the delivery of our Island logistics strategy, delivering freight to and from Jersey as a credible alternative to what would otherwise be a single dominant operator of critical supply chain services. Despite significant barriers due to the lack of commercial space at St Helier Harbour, recognised in the JCRA Freight Market Review, we have successfully grown this freight business. Continued growth will require the Government and Ports of Jersey to act on the JCRA Review and invest in competition by creating more usable space for operators at the Harbour. We are clear about Jersey Post's role in supporting Island resilience and believe we can support the Government further as they develop their plans for the future.

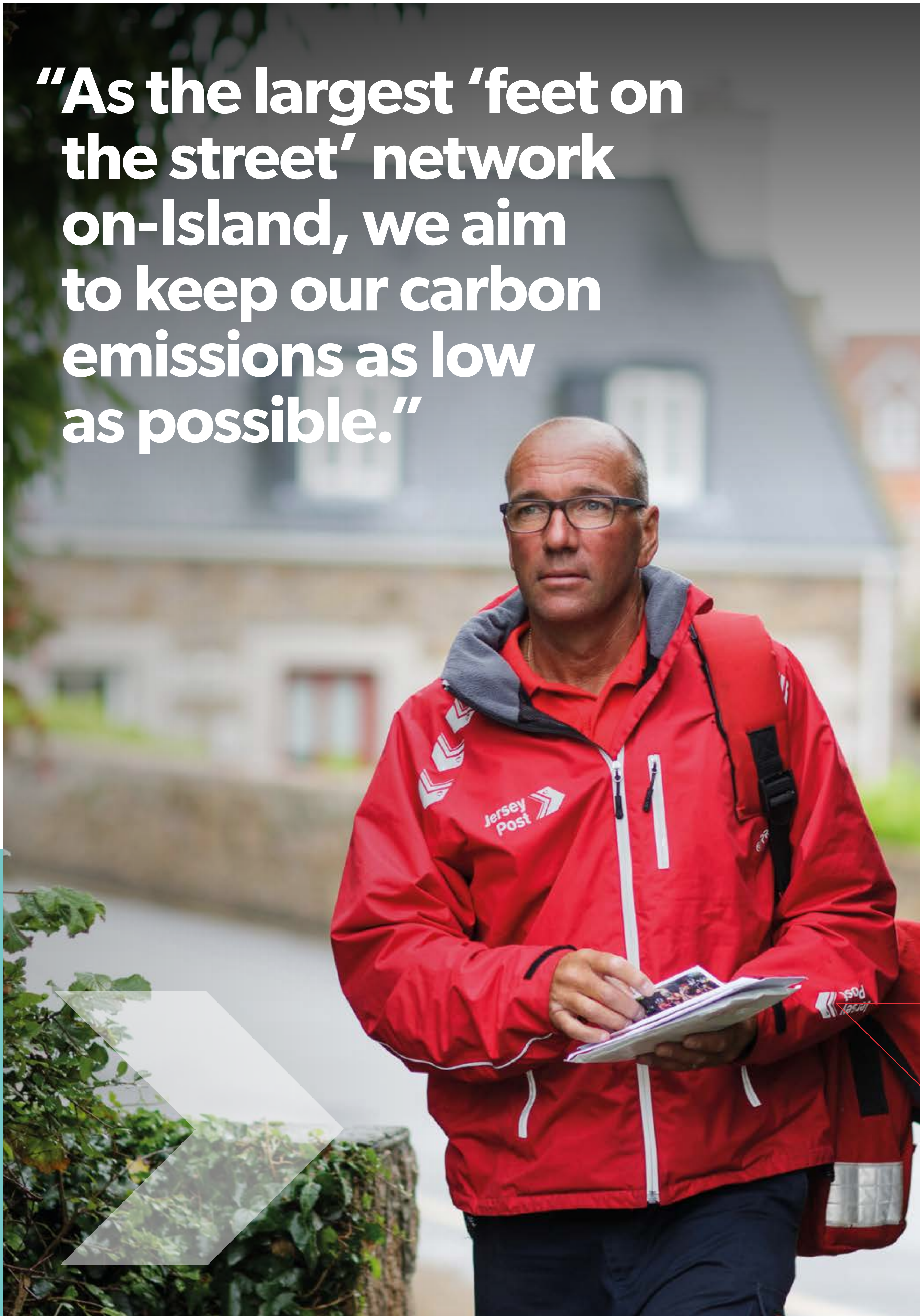
Financial Services

Jersey Post offers counter services for a limited number of financial service transactions, Foreign Exchange, Money Transfer, and Social Security Cheque Encashment representing less than 1% of our turnover.

Post COVID-19 travel has continued to recover throughout 2023 and this has boosted the value of foreign exchange transactions, providing a much-needed service as other providers have closed their offering due to the cost and burden of compliance. Nonetheless, we constantly review these services and balance the benefit to customers against the increasing costs of regulation and are in regular discussions with the Jersey Financial Services Commission to ensure our governance structures reflect the licence requirements and are fit for purpose, while remaining sustainable and commercially viable.

"Jersey Post's membership of the UPU (Universal Postal Union) allows it to operate as a truly global business with access to all postal service providers"




"As the largest 'feet on the street' network on-Island, we aim to keep our carbon emissions as low as possible."
Jersey Post

Digital

Jersey Post's digital business, Vaiie, continues to grow as part of our diversification strategy. Vaiie is fast becoming an established and highly credible player in the regulatory technology (RegTech) space. With a heritage in digital communication, data management and technology, Vaiie is one of the largest offshore data handlers; leveraging trust and marketplace credibility, Vaiie can now add identity verification and client onboarding tools to its product portfolio.

Vaiie's Identify technology is used to power the Government of Jersey's JerseyMe solution which is used to identify islanders accessing Government services. Vaiie has completed the next generation of the flagship Onboard product, its stated ambition being "To improve the process of client onboarding for regulated businesses." It achieves this by delivering customisable workflows based on the needs of each client. In 2021, Vaiie gained ISO27001 certification, and this has been retained in 2022 and 2023, making Vaiie one of only a handful of businesses in the Channel Islands to reach such an accreditation.

The team at Vaiie have taken an agile approach to development, focusing on the experience and expectations of the end customer in all that they design and develop. In an employee market, Vaiie has also placed a significant focus on culture and the workplace, which has allowed Vaiie to attract and retain some of the Island's best tech talent.

Sustainability

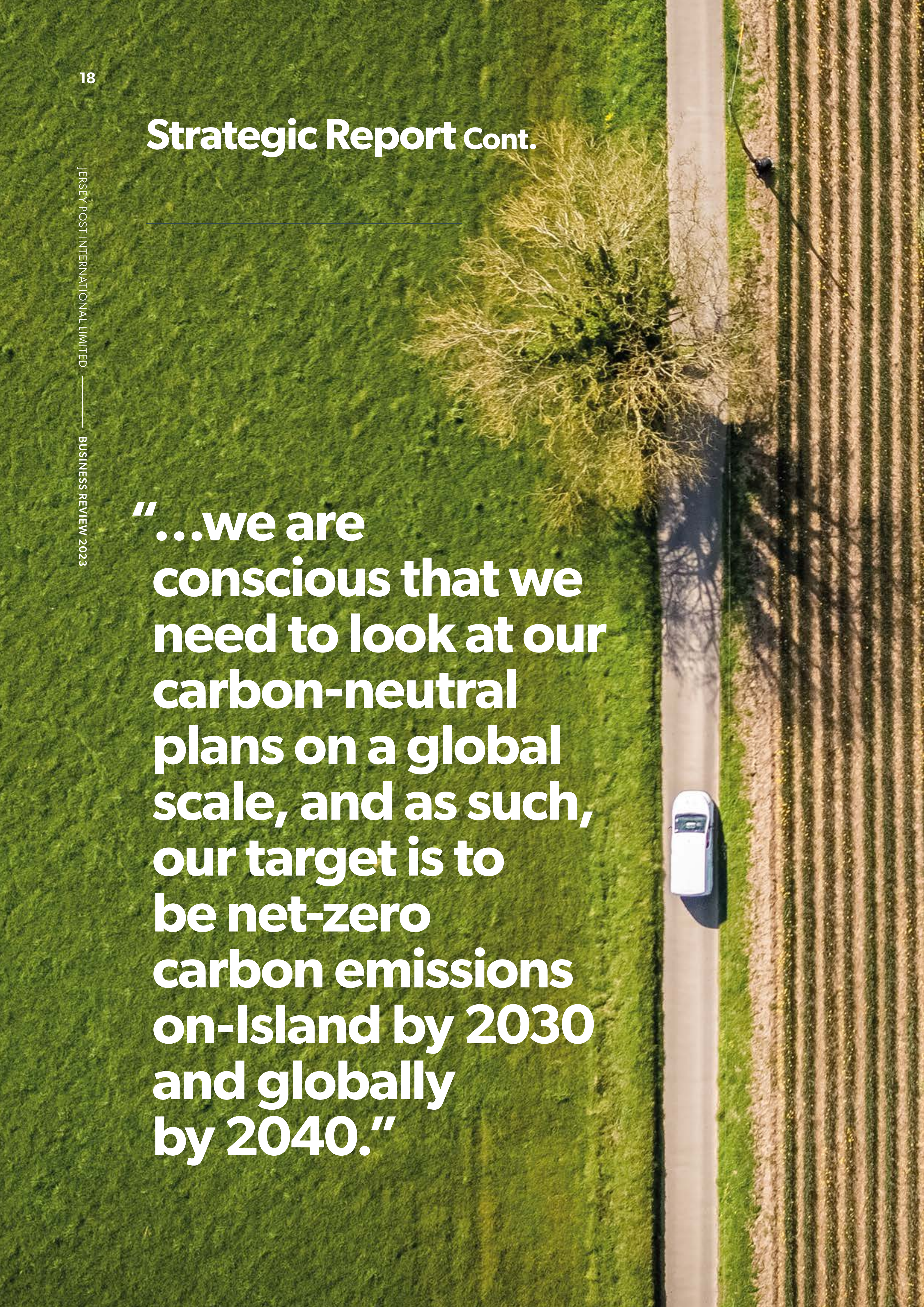
Island communities are often pioneers of sustainability, fostered by their close connection to the sea and compelling sense of community. Jersey is a place of natural beauty, eclectic history, and a richly diverse community. As a business, we value our island environment, with its unique ecology that is also home to a multitude of protected species; we understand our carbon footprint and are developing net-zero targets and strategies. We are determined to build a sustainable business that's better for our employees, our customers, our Island and, through our international network, the planet.

With the ongoing impact of climate change, Jersey Post Group recognises the importance of developing sustainable practices to mitigate the adverse effects of this phenomenon, particularly as a cross-border e-commerce business. With over a quarter of the world's population now shopping online, there is more demand than ever for international delivery. This demand, however, means increased carbon emissions from the transportation infrastructure needed to satisfy it.

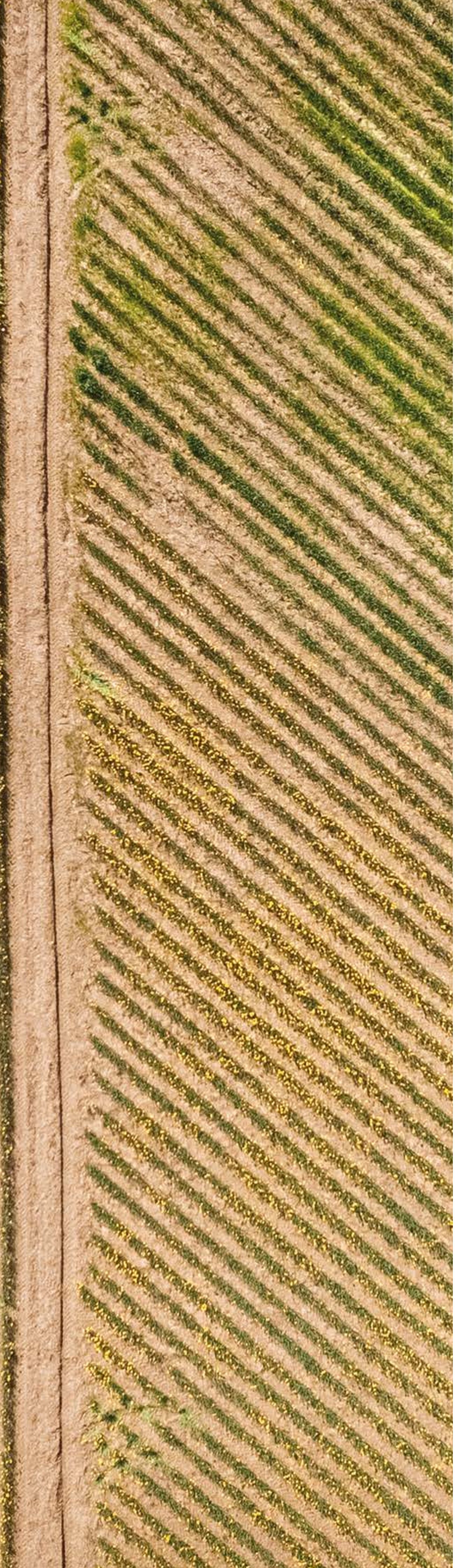
With almost half of our business not even touching Jersey, we are conscious that we need to look at our carbon-neutral plans on a global scale, and as such, our target is to be net-zero carbon emissions on-Island by 2030 and globally by 2040.

In Jersey, as the largest 'feet on the street' network on-Island, we aim to keep our carbon emissions as low as possible. We deliver 90,000 letters and parcels every day, which means our vehicles travel over 675,000 miles or 25 times around the world every year. If we did nothing, the environmental impact of our local operation would be massive, so we have made significant strides towards reducing vehicle emissions, becoming the first large business in Jersey to roll out a greener fleet, either fully electric or running on biofuel. An electric vehicle emits 95% less carbon, helping us towards our carbon-neutral goal. At the height of the Pandemic, we delivered three million parcels by electric fleet.

Strategic Report Cont.



"…we are conscious that we need to look at our carbon-neutral plans on a global scale, and as such, our target is to be net-zero carbon emissions on-Island by 2030 and globally by 2040."



This shift to more sustainable operations is being seen across the logistics sector, with the industry investigating sustainable fuels across air, ocean, and road freight and investing in technological solutions as the way forward in truly eliminating emissions from transport and logistics businesses.

We recognise the journey to net zero will not be without its challenges, for example, the limited availability of low-carbon technologies and issues over the supply and range of electric vehicles. Customer demand for ever-faster delivery is also out of balance with the pace of technological advances. This creates an environment gap, where businesses committed to reducing planetary impact struggle to manage consumer and environmental expectations. But the gap is closing, and we are determined to play our part, whatever it takes.

In conclusion, the last twelve months have seen Jersey Post face significant challenges. The wider market remains difficult with increased costs, declining customer demand and slowing e-commerce volumes. This is very different from the pre-pandemic years, creating some stresses in our core and diversified businesses. We recognised the need to react quickly, which we have done with good effect.

However, this is just the first step. As for many other businesses, continued tough trading conditions will require us to consider what further changes are required to ensure Jersey Post remains a strong and vibrant partner to the citizens and businesses of Jersey. I would like to extend my thanks to the entire team at Jersey Post, especially our postmen and women, and at our international businesses for their continued support and commitment to our success.

Mark Siviter
Chief Executive Officer
1st May 2024

Statement of Corporate Governance

Introduction

Jersey Post International Limited (the Company) is committed to maintaining a high standard of Corporate Governance and follows the best practice principles of the UK Corporate Governance Code issued by the Financial Reporting Council ("the Code") where it is appropriate and practical to do so.

The Board

At the time of signing the Financial Statements, the Board comprises six Non-Executive and two Executive Directors. Biographies providing a summary of the experience and background of each Director can be found on page 4.

Non-Executive Directors terms of engagement are restricted to a total period of nine years with staggered appointments to maintain a progressive refreshing of the Board. The Executive Directors are subject to a period of notice of termination of employment, as are other members of the Company's senior management.

The Board is responsible to the Company's Shareholder, Government of Jersey Investments Limited, for the proper management of the Company. A Memorandum of Understanding (MoU) has been agreed between the Company and the Minister for Treasury & Resources, as the representative of the Shareholder. The MoU was most recently revised in May 2022.

The Board is responsible for:

- **the overall leadership of Jersey Post Group, and**
- **setting values and standards and approval of strategic aims, objectives and commercial strategy.**

The Chair, Senior Independent NED, Chief Executive Officer and Chief Financial Officer meet with the Shareholder representative, the Treasury and Resources Minister (or the nominated Assistant Minister) on a quarterly basis to maintain a consistent and open dialogue underpinned by a 'no surprises' approach.

The Board meets regularly in accordance with an annual schedule of meetings supplemented by additional Interim meetings and regular board calls to agree and monitor strategy, review trading performance, and manage key risks and business plans. Board papers are circulated before each meeting to facilitate informed discussion.

To support the Board, we have established Audit & Risk, Remuneration and Nomination Committees, each with delegated duties and responsibilities. Membership of all Committees is made up of Non-Executive Directors who are duly authorised to operate within the agreed terms of reference of each Committee.

The following table sets out the number of meetings (including Committee meetings) held during the year under review, and the number of meetings attended by each Director:

Number of meetings attended:

	Board	Interim Board Meetings/Calls	Audit Committee	Remuneration Committee	Nomination Committee
Number of meetings held during 2023	**4**	**4**	**5**	**5**	**2**
Alan Merry	4	3	—	5	2
Gavin Macrae	4	2	—	5	2
Martin Magee	4	3	5	4	—
Helen Hatton	3	1	4	—	2
Karl Moss	4	2	3	—	—
Ian Truesdale*	2	3	—	—	—
Mark Siviter	4	4	—	—	—
Tim Barnes**	—	—	—	—	—
Maxine Dunn***	1	—	—	—	—

In addition to the meetings listed above, the Board also convenes an annual away day to review strategy and provide an opportunity for broader board discussion.

Performance Evaluation

The effectiveness of the Board is vital to the success of the Company. An independent external board assessment was completed in 2021 and a Board development plan was subsequently put in place. The annual Board Self-Assessment and development plan update was completed, in Q1 2023.

Audit Committee

The Audit & Risk Committee is charged by the Board with responsibility for reviewing the Annual Report and Financial Statements and the strategic processes for risk, control and governance throughout the Company. The Committee also advises the Board on the appointment of the external auditor and on the auditor's remuneration and monitors auditor independence. The Company does not currently have an internal audit function, but the need for an internal audit is considered and individual reviews are commissioned.

*Was appointed on 30th May 2023
** Resigned with effect from 16th January 2024
*** Appointed with effect 30th November 2023

Statement of Corporate Governance Cont.

The Committee is chaired by Martin Magee with other members being Helen Hatton and Karl Moss. The meetings are attended by invitation by the external auditor, the Chief Financial Officer and, from time to time, other senior executives invited to discuss risk management matters within their own particular area of responsibility.

At its meeting on 9th April 2024, the Committee received and reviewed the Company's 2023 Annual Report and Financial Statements. At this meeting the Committee also received a report from the external auditors summarising the results of their audit of the Financial Statements.

The Committee reviewed, in particular the material accounting and audit judgements which had been made in the Financial Statements. These were:

- **the Going Concern principle,**
- **taxation disclosures including accounting for deferred taxation,**
- **UPU SDR accrual,**
- **holding value of its subsidiaries, and**
- **holding value of investments.**

The Committee considered whether the 2023 Annual Report was fair, balanced and understandable, and whether it provided the necessary information for the Shareholder to assess the Company's performance, business model and strategy. The Committee was satisfied that, taken as a whole, the Annual Report is fair, balanced and understandable.

The Committee recommended the Annual Report and Financial Statements to the Board for approval at the Board meeting on 1st May 2024.

Nomination Committee

The Nominations Committee is responsible for reviewing the structure size and composition of the board, leading the process for potential appointments, and overseeing succession planning in respect of directors and senior executives. In 2023, Ian Truesdale was appointed as Non-Executive Director following a selection process.

The Committee members during 2023 were the following non-executive directors:

- Alan Merry (Chair)
- Gavin Macrae
- Helen Hatton
- Ian Truesdale (Part year)

The Committee met formally twice during the year, and members held a number of other formative discussions.

The Nomination Committee oversees the plan to ensure orderly Board succession planning and to review the skills and experience of Non-Executive Directors against the developing governance needs of the Board and its Committees.

The effectiveness of the Board is vital to the success of the Company. An independent external board assessment was completed during 2021/22 and Board development plan was subsequently put in place. An external Board review is underway on Jersey Post Limited, and the current plan is for this to be extended to the Group Board in early 2025.

Remuneration Committee

The Remuneration Committee is responsible for setting remuneration for the Company's Executive Directors, which is sufficient to attract, retain and motivate people of the required quality. It also monitors the remuneration levels for members of the Company's Executive Management Team. In this context, the Committee has during 2023 completed a programme of work to review the pay and remuneration principles of the Jersey Post Group, with the aim of ensuring we have a remuneration approach that is aligned across all organisations in our Group and reflects the different markets and geographies in which we operate.

The Committee members during 2023 were the following non-executive directors:

- Gavin Macrae (Chair)
- Alan Merry
- Martin Magee

The Memorandum of Understanding (MoU) with the Treasury & Resources Minister provides the Minister with oversight and approval responsibilities in relation to changes to the structure and level of remuneration paid to the Executive Directors of the Company. Therefore, as in previous years, the Committee has worked closely with the Minister and his team providing them with updates on the Committee's programme of work, engaging with their review of their States Owned Entities remuneration policy, and securing their approval as required.

In line with our remuneration policy, the Executive Directors have participated in a Short-Term Incentive Plan (STIP). The parameters of the STIP remain materially unchanged from previous years, with bonus pay-out being determined by performance related to the delivery of financial performance, customer service and personal objectives. The Committee sets the targets of the scheme annually to ensure they are sufficiently stretching and reflect the Strategic Business Plan. As per our MoU this is then submitted to the Minister for approval.

Statement of Corporate Governance Cont.

	Salary/Fees £'000	Bonuses £'000	Benefit in Kind[1] £'000	2023 Total £'000	2022 Total £'000
Executive Directors					
Mark Siviter	261	106	10	377	142
Tim Brown	-	-	-	-	119
Tim Barnes*	72	-	15	87	176
Maxine Dunn **	12	4	1	17	-
Total	**345**	**110**	**26**	**481**	**437**
Non-Executive Directors					
Alan Merry	44	—	—	44	40
Gavin Macrae	26	—	—	26	20
Martin Magee	27	—	—	27	25
Helen Hatton	28	—	—	28	25
Karl Moss	23	—	—	23	20
Susan Barton	-	—	—	-	23
Ian Truesdale***	14	—	—	14	-
Total	**162**	**—**	**—**	**162**	**153**

*9 months
**1 month
***Was appointed on 30th May 2023

[1] The benefit in kind received by the Executive Directors comprises the contribution payable into the pension schemes and health insurance.

Bonus Schemes

The Company offers an annual bonus scheme to all staff. There are three schemes:

- staff who are covered under Collective Bargaining,
- members of the Executive Team, and
- all other staff.

The total amount of bonuses earned relating to 2023 for the above three schemes was £975,587 (2022: £586,356).

Sports and Social

During 2023, the Company provided £22,655 (2022: £21,294) to the Sports and Social Club which organises events for staff, and the Company also funded the CWU's local branch secretary post at a total cost of £19,290 (2022: £18,238).

Gender Pay

At Jersey Post we value diversity and are committed to building a positive, inclusive workplace culture. We believe in gender equality and what the legislation aims to achieve, and therefore monitor our gender pay gap carefully. Out of our total employees in Jersey Post (excluding subsidiaries) 23.5% (22.3% in 2022) are women. Whilst we offer set salaries and wages for certain types of jobs, the mix of jobs means that on average male employees are paid 2.1% more than female employees (2022: 5.6%).

Internal Control

The Board is responsible for ensuring that there are effective systems of internal control in place to reduce the risk of misstatement or loss, and to ensure that business objectives are met. These systems are designed to manage, rather than to eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

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

Board Reports
Key strategic decisions are taken at Board meetings following due debate and with the benefit of Board papers circulated in advance. The risks associated with decisions are a primary consideration in the information presented and discussed by the Board. The Board discusses and approves the Group's strategic direction, plans, objectives, annual budgets and financial forecasts, and the associated risks to achieving these.

Management Structure
Responsibility for operating the systems of internal control is delegated to management and directed and overseen by the Executive Team, led by the Chief Executive Officer. This team meets weekly. There are specific matters reserved for decision by the Board and these have been formally documented.

Budgetary Control
Detailed phased budgets are prepared at profit centre level, and the Board receives monthly management accounts showing actual performance against these budgets, with explanations of any material variances.

Human Resources
The Company endeavours to ensure that its employees are able to carry out their duties in a competent and professional manner through its commitment to staff training and development, including performance appraisal.

Statement of Corporate Governance Cont.

Risk Management

The business has a risk management policy that defines the roles and responsibilities for identifying and evaluating risk throughout the group. The Board has a responsibility for approving the risk management policy and is supported by the Audit & Risk Committee in evaluating the business risks on a rolling basis throughout the year. Set out below are the key risk categories that the Board has identified as being the most significant, although they are not in any order of priority.

Operational Service Delivery

The movement of post, parcels and goods between jurisdictions is regulated by multiple organisations and agencies including the United Postal Union, Road Haulage Association and the many global equivalents. The appropriate parts of our group are all members of the relevant bodies and are set up to comply with appropriate rules and regulations. Where appropriate we hold industry accreditations for the work we perform. The management teams in our own business and subsidiaries are clear on the importance of operating within the regulatory guidelines.

We keep our Business Continuity Plans under review and have had the opportunity to test our ability to respond to some challenging weather conditions in 2023. We continue to develop our infrastructure investments plans to provide assurance that services continue to be delivered on a long-term sustainable basis.

Financial

Our global presence naturally exposes us to foreign exchange risk and in particular the SDR (IMF currency) however we have a hedging strategy that has proved to be robust.

We continue to operate within tight cash parameters however balanced against this position, we hold no debt facilities and maintain regular and constructive dialogue with the Shareholder, as our lender of last resort, to provide appropriate assurance that our liquidity position remains robust.

Commercial/Economic Sustainability

Over recent years we have diversified the business to mitigate the detrimental impact that would have transpired had we been solely reliant on a declining postal only business. This diversification into complementary markets brings with it a broader spread of risk which the group is alive to and manages day to day by ensuring our businesses act with integrity in the markets they operate.

All our group businesses have a broad range of customers which spreads the risk associated with a few key customers and suppliers. Inevitably as we become more successful some of our customers grow with us which can focus our exposure to them. As part of our account management activities, we engage with our customers and suppliers to ensure where possible we are aligned with their plans to ensure we stay relevant to them as their businesses change shape.

On a broader scale the fact we operate in many jurisdictions exposes us to political risk including Trade wars and sanctions which can impact the ability of our partners to trade effectively with each other to different degrees.

We maintain focus on the wider competitor environment to ensure that we are well positioned to respond to customer demand.

Jersey Post continues to be granted the latitude to operate commercially to support its public service offer despite a declining postal business and without the need for subsidy from Government.

Regulatory/Government

The Money Service Business we provide through the branch network, such as foreign currency exchange, falls within the Financial Services (Jersey) Law 1998 and the associated financial services regulatory framework for which Jersey Post Limited (JPL) is a regulated entity. Although this is a very small part of our business, we hold a licence to carry out these activities and take our responsibilities very seriously. We work closely with our regulator, the Jersey Financial Services Commission (JFSC), to ensure that we fully meet these obligations.

We are also regulated by the Jersey Competition Regulator Authority (JCRA) pursuant to the Postal Services (Jersey) Law 2004 in respect of the postal service provided to our community. We maintain an open and transparent relationship with the JCRA a key element of which includes a regular Postal delivery and collection service at affordable prices and a uniform tariff throughout the island. The class 2 licence held by JPL was renewed for a further 10 years in March 2024, following a year long process. We are content that the agreed changes to the licence recognise the decline in postal volume and will enable us to influence its licence conditions in the future.

Jersey Post International Limited has only one Shareholder, the Government of Jersey. This relationship is managed through the MoU to ensure that we remain aligned to Government. We meet regularly with the Shareholder, and in the absence of sector specific policy, we seek regular dialogue with Government representatives and endeavour to meet expectation including the provision of the public service obligation of providing a universal postal service.

People

Like all businesses, our staff are our key assets and the need to recruit, retain and develop our people is of fundamental importance to us. Not having the ability to do so presents a significant risk to the organisation. We aim to be a responsible and fair employer and to treat our colleagues fairly with trust and respect. During 2023 we continued to roll out our 3-year People Strategy, which is focussed on supporting the following objectives:

Wellbeing - working with our colleagues in the business, we have developed a plan to deliver wellbeing events throughout 2023 and beyond.

Learning & Development - work is underway to develop the future skills and capabilities that the business will need to support delivery of the business strategy.

Diversity & Inclusion - we are committed to building a positive, inclusive workplace culture.

Talent & Succession - we continue to focus on growing our talent and building effective succession across the business.

Charity & Community - we acknowledge the importance of employees being able to manage work and personal commitments and have implemented a flexible, balanced working approach.

Work Environment - we continue to review our working environment with the aim of increasing productivity, reducing fatigue and stress, and improve intent to stay.

Communications - we have implemented a structured approach to improving communication across the business using a combination of virtual CEO briefings and in-person town hall events.

Statement of Corporate Governance Cont.

Information Technology/Security

Cyber Risk is another ever emerging and important business risk that needs managing both strategically and tactically. Data breaches, for example, can create unrecoverable consequences for a business both commercially and reputationally. We remain vigilant in this area and have a program of infrastructure enhancements to better protect our business from failures. We have reviewed our third-party relationships and reduced our vulnerability to single points of failure as well as utilising solutions that are managed securely in the cloud.

In gaining ISO27001 accreditation our governance systems for information security has been audited and certified, this include making the Business Security forum which meets quarterly an effective risk management focus across business and functional teams. In addition, Technology risk has an additional monthly meeting focused on risk management actions and capturing new and emerging risks.

Our defences are tested regularly with annual full penetration tests, continual vulnerability scanning on all server and desktop devices. The focus this year has been on developing tools to manage supply chain risk. We have used a traditional risk management approach with annual supplier assessments, however, experience has led us to focus on intelligence-based solution which actively monitor dark web activity to look for indications of customer and supplier breaches.

Traditional security awareness training is in place with regular communications and video training, high risk individuals are actively tested for phishing threats. The emergence of credential token theft has led to us reducing the amount of time tokens are available to manage the threat.

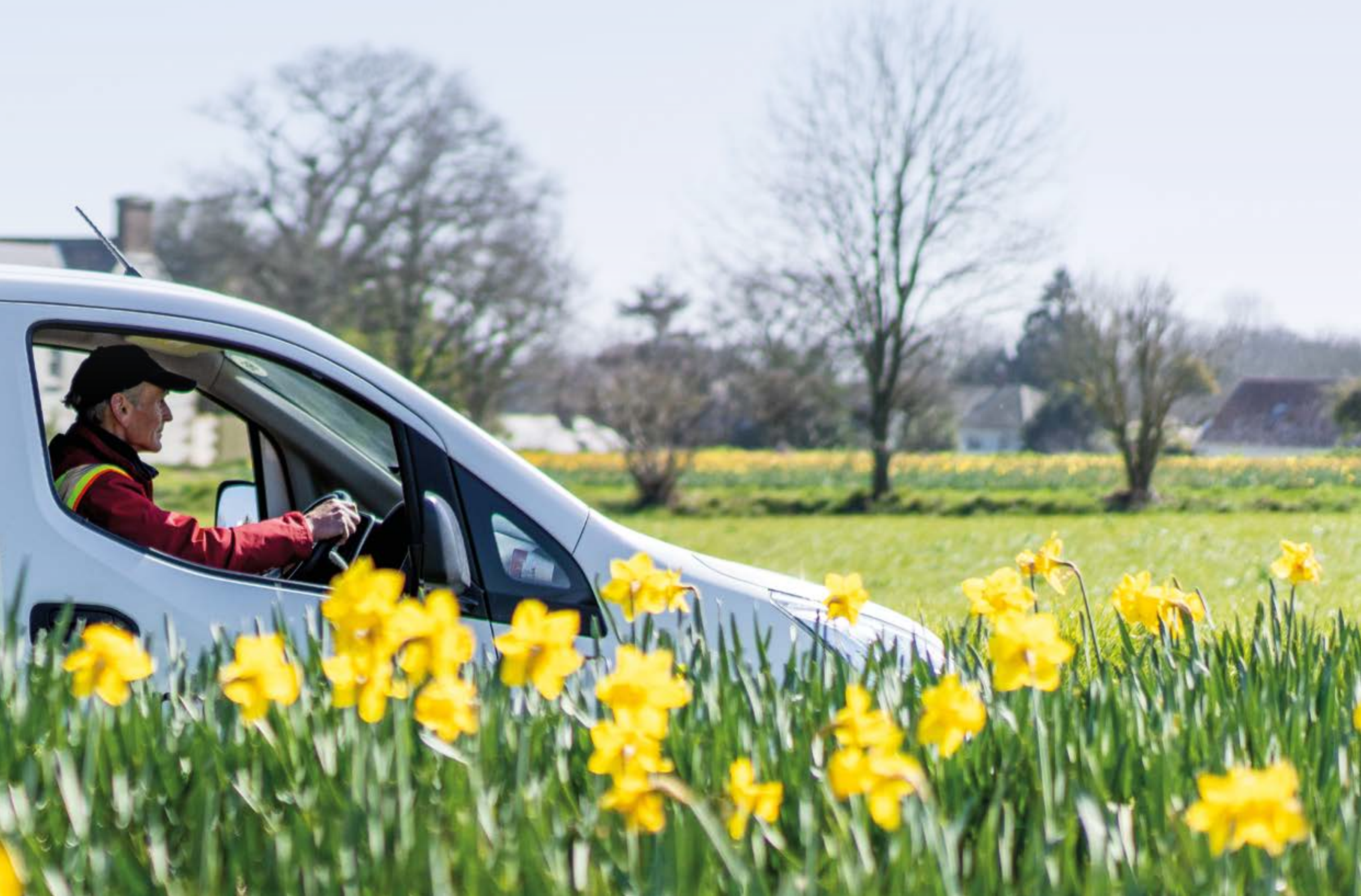
Environment/Community

Our sustainability journey began in 2016 when we started to electrify our 120-strong vehicle fleet by introducing 15 Nissan e-NV200 electric vehicles, each van reducing carbon emissions by 95%. The current fleet of 136 vans includes 74 electric vehicles, with plans to exchange more diesel vans for new electric models each year.

In 2022 we began exploring the science-based targets initiative (SBTi), an organisation calling for ambitious corporate climate action. In 2023 we began a programme of work to compile a full greenhouse gas inventory report and develop emissions reduction targets and a net-zero strategy. To achieve these targets, we will undergo projects including converting space and water heating systems to lower-carbon alternatives, exploring different distribution fleet scenarios, and identifying and engaging suppliers to reduce their product/service emissions intensity.

We have contributed to the community for years by sponsoring the Island Games for seven years and Jersey Cricket for three years. Each year the staff and company choose a local charity to support which in recent years includes Jersey Childcare Trust, Mind Jersey, MacMillan Jersey, Les Amis, Holidays for Heroes and raising about £20,000 a year for good causes. We strive to be good corporate citizens by continuing to support a broad spectrum of activities.

Mark Siviter
Chief Executive Officer
1st May 2024



Directors' Report

The Board of Directors of Jersey Post International Limited ('JPIL' or 'the Company') present their report on the affairs of JPIL and its subsidiaries ('the Group'), together with the audited Consolidated Financial Statements for the year ended 31 December 2023.

Principal Activities

The principal activities of the Group are providing postal services to the Island of Jersey, cross-border e-commerce logistics services, freight and digital communication services.

Going Concern

The Directors have produced forecasts for the next twelve months following the date of signing of these Financial Statements which have satisfied them that the Group will continue to be a going concern and be able to meet its liabilities as they fall due.

The Directors are mindful of Article 8(2)(e) of the Postal Services (Jersey) Law 2004 which states, "in so far as it is consistent with paragraph (1), the Economic Development Minister and the Jersey Competition Regulatory Authority shall each have a duty in performing its functions under the Law, to have regard to the need to ensure that persons engaged in commercial activities connected with postal services in Jersey, have sufficient financial and other resources to conduct those activities". Accordingly, the Directors have adopted the going concern basis in preparing the Financial Statements.

Results

Details of the results for the year are set out in the Group Consolidated Income Statement on page 36. A review of the Group's business during the year and an indication of the likely future development of the business are provided in the Chair's Statement and the Strategic Report on pages 12-19.

Shareholdings

The 5 million £1 ordinary shares of JPIL are 100% owned by the Government of Jersey Investments Limited which is the ultimate controlling party of the Company.

Dividends

An ordinary dividend of £nil will be recommended by the Directors for 2023 at the AGM to be held on 1st May 2024 (2022: £nil).

Employee Involvement

During the year, the policy of providing employees with information about the Group was continued using various media through which employees were encouraged to present their suggestions and views on the Group's performance.

Disabled Employees

The Group gives full consideration to applications for employment from people with a disability where the job requirements can be adequately fulfilled by someone with a disability. Where existing employees become disabled, it is the Group's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide appropriate training, career development and promotion to employees with a disability.

Board Remuneration

Details of Directors' remuneration are set out in the Remuneration Committee Report on pages 23-24.

Statement of Directors' Responsibilities

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

Companies (Jersey) Law 1991 requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102").

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 Group and of the profit or loss of the Group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements, and**
- **prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.**

The Directors confirm they have complied with all the above requirements in preparing the Consolidated Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose, with reasonable accuracy at any time, the financial position of the Group, and to 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 Group and, hence, for taking reasonable steps to prevent and detect fraud, error and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in Jersey governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Directors' Report Cont.

Viability Statement

By following the principles of the code, the Directors of JPIL should explain how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and in so doing, express a view about the long-term viability of the Company.

JPIL operates through its Strategic Business Plan (SBP) as set out in the MoU with its Shareholder (Government of Jersey). This plan considers the environment in which the Company is operating, its objectives, key risks and opportunities, KPIs and the component activities needed to deliver those objectives. This generally considers a 3-5 year planning horizon, with the Jersey Post Board regularly reviewing progress against the plan and its continued relevance. The Board dedicates at least one day a year to review where the business is, the challenges it faces, what new opportunities and risks present themselves, and potential key areas of concern. The current SBP was approved in July 2021 covering the period to 2026, and has been subject to an annual review and refresh.

Jersey Post Group's primary purpose and objective remains unchanged in being the postal services operator for Jersey providing a range of postal, logistics and ancillary services in a resilient, secure and efficient manner. The eight themes of the current SBP remain valid although the component activities have been updated to reflect changes in our operating environment and situation. The priorities remain; ensuring the relevance and quality of our services on and off the Island, developing our UK and international freight businesses, rationalising our cross-border mails businesses including our presence in the US and embedding the new route to market for Vaiie.

We have increased our ability to execute this plan from a resource and process perspective. We have recently refreshed our executive team and are making greater use of our operating plan to drive delivery and inform prioritisation decisions. It is essential that Jersey Post Group ensures its relevance and meets our Shareholder expectations. To this end, in addition to an annual refresh of the SBP in the first half of 2024, the intent is to start a deeper review of Jersey Post's entire strategy in the second half of 2024, acknowledging the post-COVID realities that Jersey and Jersey Post face. In advance of this, the Board continues to consider that the current approved strategy gives it a reasonable expectation that the Company will be able to continue in operation and meet its liabilities, including its Universal Service Obligation, over the three-year period ending 31st December 2026.

Annual General Meeting

The AGM will be held at the Postal Headquarters, Rue des Pres, St Saviour on 13th May 2024.

Directors

The Directors of the Company are listed on page 3.

Independent Auditors

Menzies LLP were appointed and acted as independent auditors for the year ended 31st December 2023. A resolution to appoint Menzies LLP as independent auditors for the year ending 31st December 2024 will be proposed at the AGM on 1st May 2024.

This statement was approved by the Board of Directors of Jersey Post International Limited on 1st May 2024 and was signed on their behalf by:

Mark Siviter
Chief Executive Officer
1st May 2024

Independent Auditor's Report
to the members of Jersey Post International

Auditor's Statement

To the directors of Jersey Post International Limited – we have examined the summary financial statements set out in pages 36-61.

Responsibilities

The Directors are responsible for preparing the summary financial statements in accordance with applicable Jersey law.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the full annual financial statements and the Director's Report.

Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements and on the Director's Report.

Opinion

In our opinion, the summary financial statements are consistent with the full annual financial statements and the Director's Report of Jersey Post International Limited for the year ended 31st December 2023.

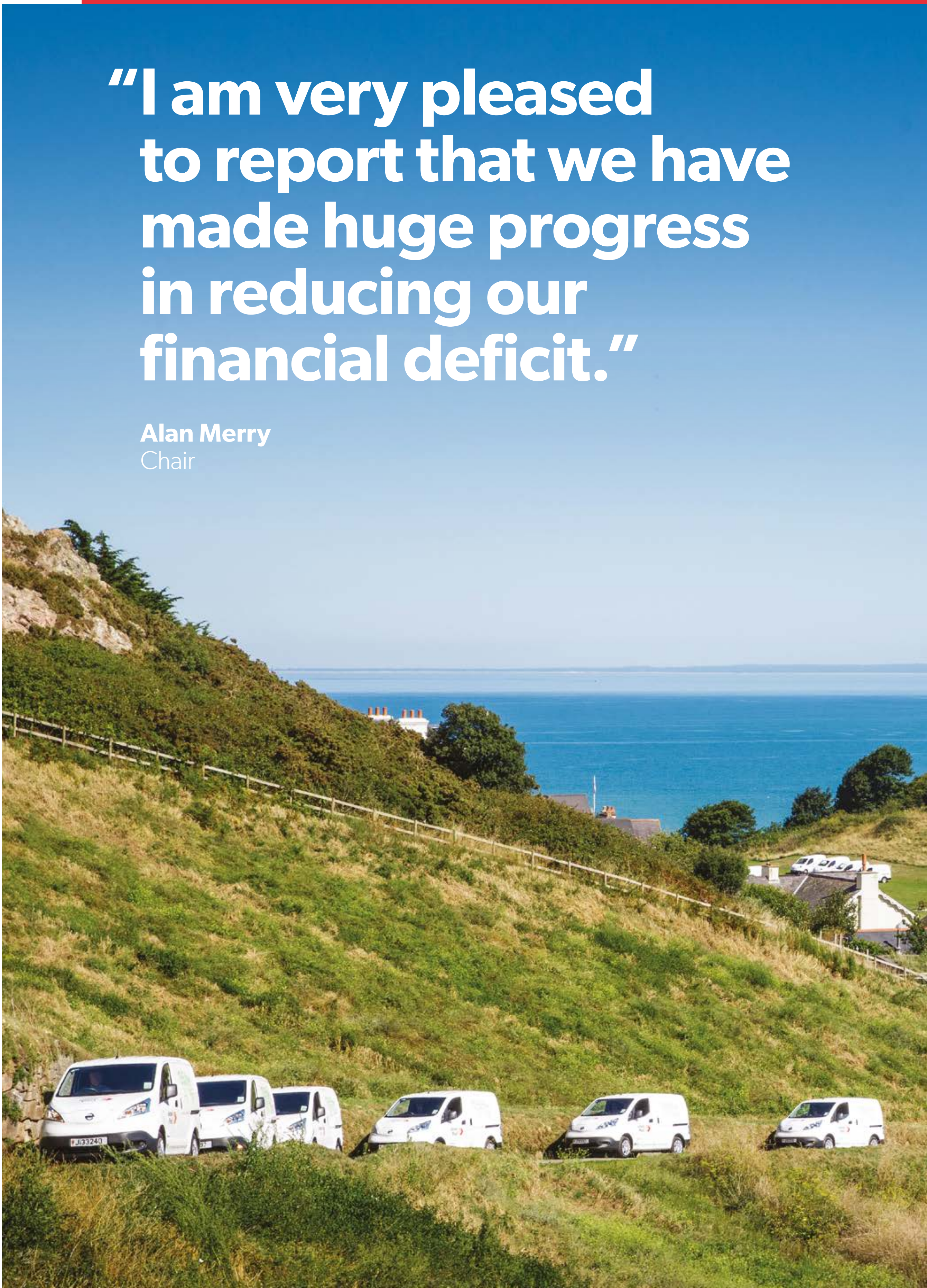
MENZIES LLP
Chartered Accountants & Statutory Auditor
3000a Parkway
Whiteley
HAMPSHIRE
PO15 7FX

Statutory Auditor

1st May 2024

"I am very pleased to report that we have made huge progress in reducing our financial deficit."

Alan Merry
Chair



Consolidated Income Statement

Year Ended 31 December	Note	2023 £'000	2022 £'000
Turnover	2	83,415	76,886
Cost of sales		(76,000)	(71,081)
Gross Profit		**7,415**	**5,805**
Administrative expenses		(9,238)	(12,678)
Exceptional items	3	806	(614)
Operating Loss		**(1,017)**	**(7,487)**
Other non-operating income		589	194
Foreign exchange gain		175	461
Interest and Dividends Receivable	6	172	178
Net movement on investments	7	(20)	(34)
Loss on ordinary activities before taxation		**(101)**	**(6,688)**
Taxation	8	1,410	114
Profit/(Loss) for the year		**1,309**	**(6,574)**

Loss for the period attributable to:			
Non-controlling interests		77	34
Owners of the parent Company		1,232	(6,608)
		1,309	**(6,574)**

Consolidated Statement of Comprehensive Income

Year Ended 31 December	Note	2023 £'000	2022 £'000
Profit/(Loss) for the year		1,309	(6,574)
Total comprehensive income for the year		**1,309**	**(6,574)**

Consolidated Statement of Financial Position

Year Ended 31 December	Note	2023 £'000	2022 £'000
Fixed Assets			
Tangible Assets	9	7,721	8,686
Intangible Assets	10	1,686	1,952
Goodwill	11	1,000	1,452
Total Fixed Assets		**10,407**	**12,090**
Current Assets			
Inventories	12	118	109
Debtors	13	18,785	16,904
Equity Investments	7	1,048	2,968
Cash and cash equivalents		10,381	9,343
Total Current Assets		**30,332**	**29,324**
Creditors			
Amounts falling due within one year	14	(25,527)	(27,605)
Net Current Assets		**4,805**	**1,719**
Total assets less current liabilities		**15,212**	**13,809**
Creditors: amounts falling due after one year	15	(168)	(49)
Deferred Tax	16	-	(25)
Net Assets		**15,044**	**13,735**
Capital and Reserves			
Ordinary Share Capital	20	5,000	5,000
Retained earnings		9,933	8,665
Foreign exchange reserve		-	36
Equity attributable to owners of the parent Company		**14,933**	**13,701**
Non-controlling interests		111	34
Total Equity		**15,044**	**13,735**

The basis of preparation of these Financial Statements is set out on page 40, and the notes on pages 40-61 form an integral part of these Financial Statements.

The Financial Statements were authorised and approved for issue by the Board of Directors on 1st May 2024 and were signed on its behalf by:

Mark Siviter
Chief Executive Officer
1st May 2024

Consolidated Statement of Changes in Equity

Year Ended 31 December 2023	Note	Share Capital £'000	Retained Earnings £'000	Foreign Exchange Reserve £'000	Non Controlling Interests £'000	Total £'000
Balance as at 1 January 2023		**5,000**	**8,665**	**36**	**34**	**13,735**
Total comprehensive income for the year		-	1,268	(36)	77	1,309
Dividends	22	-	-	-	-	-
Balance as at 31 December 2023		**5,000**	**9,933**	**-**	**111**	**15,044**

Year Ended 31 December 2022	Note	Share Capital £'000	Retained Earnings £'000	Foreign Exchange Reserve £'000	Non Controlling Interests £'000	Total £'000
Balance as at 1 January 2022		**5,000**	**15,614**	**(7)**	**-**	**20,607**
Total comprehensive income for the year		-	(6,651)	43	34	(6,574)
Dividends	22	-	(298)	-	-	(298)
Balance as at 31 December 2022		**5,000**	**8,665**	**36**	**34**	**13,735**

Consolidated Statement of Cash Flows

Year Ended 31 December	Note	2023 £'000	2022 £'000
Net cash generated from operating activities before tax	27	**(52)**	**(4,650)**
Taxation paid		**-**	**-**
Net cash generated from operating activities after tax		**(52)**	**(4,650)**
Cash flows from investing activities			
Purchases of tangible assets	9	(886)	(1,506)
Purchases of intangible assets	10	(358)	(980)
Proceeds from disposals of tangible assets		38	29
Purchase of subsidiaries		(59)	(2,404)
Purchases of current asset investments		-	(182)
Purchase of unquoted equity investments	7	-	-
Proceeds from disposals of associate investments		-	1,040
Proceeds from disposals of current asset investments		2,008	-
Interest received	6	50	55
Other non-operating income		-	-
Dividends received on investments	6	122	123
Net cash used in investing activities		**915**	**(3,825)**
Cash flows from financing activities			
Dividends paid	22	-	(298)
Net cash used in financing activities		**-**	**(298)**
Net increase/(decrease) in cash and cash equivalents		**863**	**(8,773)**
Cash and cash equivalents at beginning of year		9,343	17,655
Foreign exchange (loss)/gain on cash and cash equivalents		175	461
Cash and cash equivalents at end of year		**10,381**	**9,343**
Cash and cash equivalents comprise:			
Cash at bank and in hand		7,384	6,683
Short-term deposits		2,997	2,660
Cash and cash equivalents		**10,381**	**9,343**

Notes to the Financial Statements

1. Accounting Policies

1.1 General Information

Jersey Post International Limited provides postal services to the Island of Jersey, cross-border e-commerce logistics services and digital communication services.

The Company is incorporated and domiciled in Jersey. The address of its registered office is Postal Headquarters, La Rue Grellier, La Rue des Pres Trading Estate, St Saviour, Jersey JE2 7QS.

1.2 Statement of Compliance

The Consolidated Financial Statements of Jersey Post International Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies (Jersey) Law 1991.

1.3 Basis of Preparation

The Consolidated Financial Statements have been prepared on a going concern basis, under the historic cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, in accordance with FRS 102.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies as per note 1.21.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding year.

1.4 Basis of Consolidation

The Consolidated Financial Statements present the results of Jersey Post International Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

1.5 Going Concern

The Directors have produced forecasts for the next twelve months following the date of signing of these Financial Statements which have satisfied them that the Group will continue to be a going concern and be able to meet its liabilities as and when they fall due.

The Directors are also mindful of Article 8(2)(e) of the Postal Services (Jersey) Law 2004 which states "in so far as it is consistent with paragraph (1), the Economic Development Minister and the Jersey Competition Regulatory Authority [JCRA] shall each have a duty in performing its functions under the Law, to have regard to the need to ensure that persons engaged in commercial activities connected with postal services in Jersey, have sufficient financial and other resources to conduct those activities". Accordingly the Directors have adopted the going concern basis in preparing the Financial Statements.

1.6 Tangible Assets

On a continuing use basis within the business, tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

In accordance with the Postal Services (Transfer) (Jersey) Regulations 2006 which regulated the transfer of the assets, liabilities and rights of Jersey Post to Jersey Post International Limited at 30 June 2006, the freehold land and buildings were re-valued on an existing use basis prior to their purchase by the Group.

The cost of all other tangible fixed assets is their purchase cost, together with any incidental costs on acquisition. Tangible fixed assets with a cost of less than £1,000 are not capitalised.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful economic lives of the assets concerned. Tangible fixed assets are not depreciated until they are available for use.

The lives assigned to major categories of tangible fixed assets are:

Land
Not depreciated

Freehold buildings
10 – 30 years

Computer hardware
1 – 5 years

Plant, vehicles and equipment
3 – 10 years

Improvements to leasehold property
Remaining length of the lease

The assets' residual values and useful lives are reviewed and adjusted at the end of each reporting period, where there is indication of a significant change since the last reporting date. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Income Statement.

1.7 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired separately from the business are capitalised at cost. Assets are amortised on a straight-line basis over their estimated useful life.

The lives assigned to categories of intangible fixed assets are:

Computer software
3 – 10 years

Amortisation is charged to Administrative expenses.

The carrying value of intangible assets is reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on the functionality of the website is capitalised and treated as an intangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes are written off as incurred.

Notes to the Financial Statements Cont.

1. Accounting Policies Cont.

1.8 Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value over the net identifiable assets and liabilities acquired. Section 19 of FRS 102 states that goodwill is considered to have a finite useful life and that management needs to make an estimate of the useful life of goodwill. Acquired goodwill is amortised over 5 years. See note 11 for further details of the assumptions made by management on goodwill.

1.9 Cash and Cash Equivalents

Cash and cash equivalents includes cash and short-term deposits which are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

1.10 Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at the transaction price. Financial assets that have no stated interest rate and are classified as receivable within one year are initially and subsequently measured at the undiscounted transaction price, in line with the provisions of section 11.14(a) of FRS 102.

Other financial assets, including investments in equity instruments where not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in Income Statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restriction.

Financial Liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Financial liabilities that have no stated interest rate and are classified as payable within one year are initially and subsequently measured at the undiscounted transaction price, in line with the provisions of section 11.14(a) of FRS 102.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Hedge Accounting

From time to time the Group enters into forward foreign currency contracts to manage its exposure to foreign exchange currency fluctuations. The fair value hedged derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in the fair value of hedged items and instruments are offset within the profit or loss for the period.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statement only when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

1.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Provisions are made where necessary for obsolete, slow-moving and defective items. Costs are measured on purchase price with the expense being recognised in the Income Statement when the inventory item is sold. Philatelic stock is measured as the cost of production (design and print) and amortised over the life of each stamp issue (two years).

1.12 Provision for Liabilities

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

1.13 Foreign Currencies

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Financial Statements are therefore presented in pound sterling which is the Group's functional and presentation currency.

Transactions in foreign currencies are translated into pound sterling at the exchange rate ruling when the transaction was entered into. Monetary assets and liabilities expressed in foreign currencies are translated to sterling at the exchange rates ruling at the reporting date. Foreign currency gains and losses are taken to the Income Statement.

Foreign exchange gains and losses resulting from the settlement of trading transactions in foreign currencies are recognised in 'Cost of sales' in the Consolidated Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are shown on the face of the Consolidated Income Statement as 'Foreign exchange gain/(loss)'.

1.14 Turnover

Group turnover is measured at the fair value of consideration received or receivable for goods and services supplied for all Group companies, net of value added and sales taxes, post office boxes, business reply licences invoiced in advance and unexpended credit on franking meters. International revenue is recognised at the point of mail despatch. The sale of stamps is based on cash received and no provision is made for services to be provided in respect of stamps in circulation as the Directors consider this as immaterial.

Where the Group operates as an agent, only the amounts receivable for the services provided by the Group are recognised within Turnover in the Income Statement. Where the term "Gross Revenues" is used within these financial statements, this refers to the Turnover figures including customs clearance charges which are incurred then recharged to customers of the Jersey Post Group.

1.15 Other Non-Operating Income

Other non-operating income represents the value of rental income received and receivable from the lease of a property recognised over the life of the rental agreement.

1.16 Administrative Expenses

Included within administrative expenses is, amongst other costs, the GST expense, support services staff costs and marketing and distribution costs. Administrative expenses are recognised on an accruals basis.

Notes to the Financial Statements Cont.

1. Accounting Policies Cont.

1.17 Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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 reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the reporting date. Timing differences are differences between the Group's taxable profits and its results as stated in the Financial Statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the Financial Statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax is measured on a non-discounted basis.

1.18 Pension Costs
The Group operates only defined contribution schemes, though up to the 30th September 2015 it did operate a defined benefit scheme.

Both the Group and employees pay contributions into independently administered funds. The cost of providing these benefits, recognised in the Income Statement, comprises the amount of contributions payable to the scheme in respect of the year.

1.19 Research and Development
Expenditure on research and development is written off in the period in which it is incurred.

1.20 Related Parties
The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, separate disclosure is necessary to understand the effect of the transactions on the Group Financial Statements.

1.21 Critical Judgements
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, differ from the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Goodwill and Acquisition Costs

The fair value of assets acquired of subsidiaries is shown as net book value at acquisition. The calculation of the deferred consideration involved an estimation of future profits to be generated over a number of years.

Investment in Associates

Where the Group invests in an associate, as part of its global network, the Investment is initially recognised at cost. These investments are subject to equity accounting and therefore their carrying value is adjusted for the Group's share of profit or loss (following the first year of investment), amortisation of the goodwill over five years and any impairments.

Impairment of Assets

On at least an annual basis and when indicators of impairment are present, a review of impairment is conducted on property, plant and equipment, intangible assets as well as any debt owed to the Group. When considering whether impairment is required reference is made to the current value of the asset, useful life of the asset and age of the debt.

International Accruals

Within the creditor figure the Group maintains an accrual in relation to its international trade for amounts owed to other administrations within the Universal Postal Union (UPU). This accrual is calculated in accordance with the Letter Post Article 29 for Terminal Dues. The UPU guidelines specifically states "…The debtor designated operator will not be obliged to accept CN61 detailed accounts that are not sent to it within ten months of the end of the year concerned (RL 239.5)".

Jersey Post has a policy to manage the release of its International trade provisions.

Deferred Tax

In accordance with FRS 102 this has been recognised as a taxation expense in our Income Statement in relation to fixed asset timing differences.

Notes to the Financial Statements Cont.

2. Turnover Analysis	2023 £'000	2022 £'000
Postal & Logistics	34,995	33,677
Global Logistics	46,517	41,463
Vaiie	1,903	1,746
Turnover Total	**83.415**	**76,886**

3. Exceptional Items	2023 £'000	2022 £'000
Profit on sale of investment (net of related provision)	-	775
Restructure costs	(319)	-
Provision release	1,125	-
Impairment of investment	-	(1,389)
Exceptional items	**806**	**(614)**

4. Operating Loss for the Year	2023 £'000	2022 £'000
Operating profit for the year is stated after charging the following:		
Auditor's remuneration: - Audit	90	77
- Non-Audit	-	-
Depreciation of tangible assets	1,805	2,253
Amortisation of intangible assets	606	516
Amortisation of subsidiaries	511	503
Amortisation of associates	-	581
Pension cost	1,183	1,282

5. Staff Costs	2023 £'000	2022 £'000
Staff costs (including Directors) consist of:		
Wages and Salaries	23,752	23,855*
Employer Social Security costs	1,217	932
Employer Pension Contributions	1,183	1,283
Total	**26,152**	**26,070**

*2022 included 6 months of APG

5. Staff Costs Cont.

Employees	2023 No.	2022 No.
The average number of staff (including executive Directors) employed by the Group during the year was:		
Operations	468	467
Administration and central functions	109	118
Total	**577***	**585***

*2022 restated to include all headcount rather than the historic approach of including only full time equivalents.

Executive Directors	2023 £'000	2022 £'000
The Executive Directors' emoluments were as follows:		
Salaries and short-term benefits	473	422
Post-employment benefits	8	15
Total	**481**	**437**

Highest paid Director	2023 £'000	2022 £'000
The highest paid Director's emoluments were as follows:		
Salaries and short-term benefits	377	161
Post-employment benefits	-	15
Total	**377**	**176**

Key management compensation	2023 £'000	2022 £'000
Key management includes the Executive Directors and members of senior management. The compensation paid or payable to key management for employee's services is shown below:		
Salaries and other short-term benefits	2,304	1,865
Post-employment benefits	76	106
Total	**2,380**	**1,971**

Notes to the Financial Statements Cont.

6. Interest and Dividends Receivable

	2023 £'000	2022 £'000
Bank and loan interest receivable	50	55
Dividends receivable	122	123
Total	**172**	**178**

7. Net movement on Investments

	2023 £'000	2022 £'000
Net realised gain / (loss)	126	(10)
Unrealised gain / (loss)	(146)	(24)
Net movement on investments Total	**(20)**	**(34)**

	2023 £'000	2022 £'000
Proceeds from sales of investments made during the year	2,008	-
Original cost of investments sold during the year	(1,924)	-
Gain/(loss) realised on investments sold during the year	**84**	**-**

	2023 £'000	2022 £'000
Opening balance	2,968	2,842
Additions	234	160
Disposals	(2,008)	(10)
Loss on re-measurement to fair value	(146)	(24)
Market value	**1,048**	**2,968**

8. Taxation

	2023 £'000	2022 £'000
Jersey/UK income tax		
Current credit/charge	49	6
Charge in respect of prior years	-	-
	49	**6**
Deferred Tax		
Credit/charge for the year taken to the Income Statement	466	(78)
Credited/charged to the Income Statement in respect of prior period	895	(42)
Total deferred tax (credit)/charge for the year	**1,361**	**(120)**
Total tax charge for the year	**1,410**	**(114)**

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

	2023 £'000	2022 £'000
Loss on ordinary activities before taxation	**(101)**	**(6,792)**
Tax on (loss)/profit on ordinary activities at 20%	**(20)**	**(1,358)**
Fixed Asset timing differences	-	-
Difference on unrecognised deferred tax asset	-	-
Expenses not deductible for tax purposes	260	1,117
Profits/(Losses) taxed at 0%	(512)	180
Losses utilised in the year	276	19
Losses/(gains) not taxable	(4)	-
Adjustment in respect of prior years	-	42
	20	1,358
Total current income tax (credit)/charge for the year	**-**	**-**

Notes to the Financial Statements Cont.

8. Taxation Cont.

	2023 £'000	2022 £'000
Deferred Taxation		
Total deferred taxation balance at 1 January	(25)	(145)
Credited to Income Statement	466	78
Deferred Tax on acquisitions	-	-
Credit to the Income Statement in respect of prior periods	895	42
Total deferred tax balance at 31 December	**1,336**	**(25)**

Income tax expense computations are estimates based on the jurisdictions in which profits were earned at the prevailing rates of tax in the respective jurisdictions. Jersey Post International Limited is subject to Jersey income tax at the standard rate of 0% (2022: 0%). The majority of the Group's profits are reported by Jersey Post Limited, a subsidiary of Jersey Post International Limited. Jersey Post Limited is subject to Jersey income tax at the rate of 20% (2022: 20%).

9. Tangible Assets

	Freehold land & buildings £'000	Improvements to leasehold property £'000	Plant, vehicles & equipment £'000	Total £'000
Cost				
At 1 January 2023	10,901	252	11,438	22,591
Additions	60	6	820	886
Disposals	-	-	(344)	(344)
At 31 December 2023	**10,961**	**258**	**11,914**	**23,133**
Accumulated Depreciation				
At 1 January 2023	5,363	142	8,400	13,905
Annual Charge	534	31	1,240	1,805
Disposals	-	-	(298)	(298)
At 31 December 2023	**5,897**	**173**	**9,342**	**15,412**
Net book value				
At 31 December 2023	**5,064**	**85**	**2,572**	**7,721**
At 31 December 2022	5,538	110	3,038	8,686

Included within the total net book value of £7,721,000 are assets held under hire purchase arrangements totalling £358,995 (2022: £267,870).

Notes to the Financial Statements Cont.

10. Intangible assets

	Software £'000	Total £'000
Cost		
At 1 January 2023	5,665	5,665
Additions	358	358
Disposals	(2,400)	(2,400)
At 31 December 2023	**3,623**	**3,623**
Accumulated amortisation		
At 1 January 2023	3,713	3,713
Annual Charge	606	606
Disposals	(2,382)	(2,382)
At 31 December 2023	**1,937**	**1,937**
Net book value		
At 31 December 2023	**1,686**	**1,686**
At 31 December 2022	1,952	1,952

The useful life of the software is based on its expected utilisation by the Group.

11. Goodwill

	Goodwill £'000	Total £'000
Cost		
At 1 January 2023	5,053	5,053
Additions	59	59
Impairment	-	-
At 31 December 2023	**5,112**	**5,112**
Accumulated Depreciation		
At 1 January 2023	3,601	3,601
Annual Charge	511	511
At 31 December 2023	**4,112**	**4,112**
Net book value		
At 31 December 2023	**1,000**	**1,000**
At 31 December 2022	1,452	1,452

Notes to the Financial Statements Cont.

12. Inventories

	2023 £'000	2022 £'000
Philatelic Stamp Inventory	79	67
Shop Inventory	20	18
Operational Stamp Inventory	19	24
Total	**118**	**109**

13. Debtors

	2023 £'000	2022 £'000
Net trade debtors	14,644	14,304
Other debtors	558	501
Agency debtors	293	179
Corporation/deferred tax	1,438	102
Fair value of derivative instruments	-	183
GST and VAT	162	108
Prepayments and accrued income	1,690	1,527
	18,785	**16,904**

14. Creditors

	2023 £'000	2022 £'000
Amounts falling due within one year		
Trade creditors	10,110	8,212
Other creditors	1,202	2,901
Obligations under finance leases and hire purchase contracts	108	44
Other tax and social security	468	424
GST and VAT	-	215
Corporation tax	-	-
Accruals and deferred income	13,372	15,809
Fair Value of derivative instruments	267	-
Deferred consideration on acquisition	-	-
	25,527	**27,605**

15. Creditors

	2023 £'000	2022 £'000
Amounts falling due after more than one year		
Obligation under finance lease and hire purchase	168	49
Deferred consideration on acquisition	-	-
Bank Loan	-	-
	168	**49**

16. Deferred Tax

	2023 £'000	2022 £'000
The provision for deferred tax consists of the following deferred tax asset.		
Accelerated capital allowances	(1,336)	25
	(1,336)	**25**

17. Finance Lease Obligations

	2023 £'000	2022 £'000
The future minimum finance lease payments are as follows:		
Not later than one year	108	44
Later than one year and not later than five years	168	49
Later than five years	-	-
	276	**93**

Notes to the Financial Statements Cont.

18. Operating Lease Commitments

The Group had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2023			2022		
	Land & Buildings £'000	Other £'000	Total £'000	Land & Buildings £'000	Other £'000	Total £'000
Not later than 1 year	2,676	-	2,676	2,282	5	2,287
2-5 years	2,839	-	2,839	3,547	-	3,547
Over 5 years	9	-	9	588	-	588
Total	**5,524**	**-**	**5,524**	**6,417**	**5**	**6,422**

The total operating lease expense to the Group in the year was £2,822,602 (2022: £2,356,079)

19. Financial Instruments

	2023 £'000	2022 £'000
Derivatives		
Forward foreign currency contracts	(267)	183

The Group purchases forward foreign currency contracts to hedge currency exposure on liabilities to be settled in foreign currencies. The fair values of the derivatives held at the balance sheet date are determined by reference to their market values.

20. Ordinary Share Capital

	2023 £'000	2022 £'000
Reconciliation of funded status to balance sheet		
Authorised, issued, allotted and fully paid		
5 million £1 ordinary shares	**5,000**	**5,000**

There is a single class of ordinary shares.

21. Reserves

Retained Earnings -	This reserve records accumulated profits and realised losses.
Foreign exchange reserve -	This reserve records the difference arising on re-translation of brought forward equity in foreign subsidiaries.

22. Dividends Paid and payable

During the year dividends of £nil (2022: £298k) were paid to the Shareholder.

	2023 £'000	2022 £'000
Declared and paid during the year:		
Final Dividend	-	298
Special Dividend	-	-
	-	**298**
Proposed for approval by the Shareholder at the AGM:		
Final Dividend	**-**	**-**

23. Ultimate and Immediate Controlling Party

The ultimate and immediate controlling party is the Government of Jersey Investments Limited, which owns 100% of the ordinary share capital.

Notes to the Financial Statements Cont.

24. Related Party Transactions

Transactions with subsidiaries and associates
The Group provides multi-channel services to a number of different departments of the Government of Jersey. Sales of £1,210,391 (2022: £1,403,077) and purchases of £2,101,718 (2022: £2,168,396) were made to departments in 2023. As at 31st December 2023, the amount owing to the Government of Jersey was £466,981 and the amount owed from the Government of Jersey was £485,611 (31st December 2022: £188,213 and £146,010 respectively). All services provided by the Group to the Government of Jersey are provided on an arm's length basis.

Sales to Associates include A2B Limited £nil (2022: £8,799). As at 31st December 2023 the amount owed by Associates is A2B Limited £nil (2022: £nil). During the year, the Group made no loans to Associates and there were no amounts outstanding at 31st December 2023.

Woodside Logistics trades with Woodside Farms. Sales were £139,212 (2022: £223,183) and purchases were £139,212 (2022: £90,639). As at 31st December 2023 the amount owed by Woodside Farms was £87,945 and the amount owed to Woodside Farms was £17,576 (31st December 2022: £12,916 and £14,077 respectively). The managing director of Woodside Logistics is the owner of Woodside Farms.

Under Section 33 FRS 102 the Group have applied the exemption from disclosing related party transactions and balances with companies within the mutual wholly owned Group.

25. Subsidiary Undertakings

As at 31st December 2023, JPIL was the 100% owner of the equity share capital, either itself or through subsidiary undertakings, of the following entities, except APG International LLC where it is 83% owner:

Name	Nature of Business
Jersey Post Limited	Postal Operator
Jersey Post (Broad Street) Limited	Property Holdings
Jersey Post (Rue des Pres) Limited	Property Holdings
Jersey Post (Parishes) Limited	Lease Holdings
Jersey Post Global Limited	Postal Operator
Jersey Post Global Logistics UK Limited	Logistics Services
Jersey Post Global Logistics Pty Ltd.	Investment Holdings
Jersey Post Global Logistics Inc	Investment Holdings
Woodside Logistics UK Limited	Logistics Services
Woodside Logistics Limited	Logistics Services
Woodside Logistics Limited (Guernsey)	Logistics Services
Global eParcel Solutions LLC	Logistics Services
APG International LLC	Logistics Services
Fraser Freight Limited	Dormant
Heathrow Import Clearance Services Limited	Dormant
Jersey Post International Development Ltd	Dormant
Ship2me Limited	Dormant
OMT (Jersey) Limited	Dormant
JP Digital (Guernsey) Ltd	Dormant
Jersey Post Global UK Ltd	Dormant
Offshore Solutions Limited	Dormant

In accordance with Article 105(11) of the Companies (Jersey) Law 1991, the Company is no longer required to prepare separate company only accounts for the Jersey based entities, as consolidated accounts have been prepared. All the above subsidiaries are included in the consolidation.

26. Board Remuneration and Fees

Details of remuneration paid to Directors and related party transactions therewith are disclosed in the Remuneration Committee Report on page 24 and in note 5.

Notes to the Financial Statements Cont.

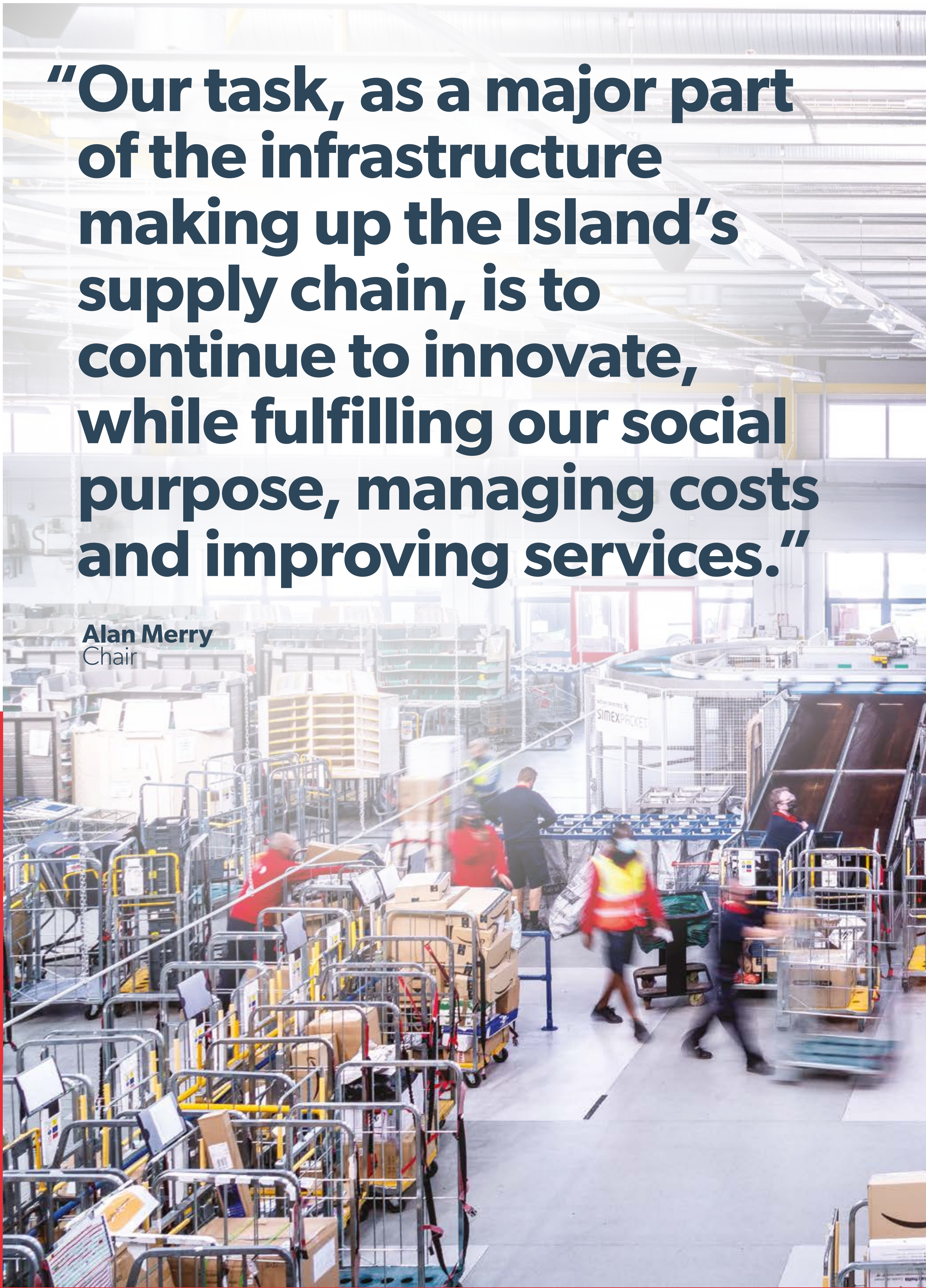
27. Cashflow workings

	2023 £'000	2022 £'000
Profit/(loss) after tax	**1,309**	**(6,574)**
Taxation	(1,410)	(114)
Net movement on investment	20	34
Other non-operating income	(589)	(194)
Interest and dividend receivable	(172)	(178)
Foreign Exchange (gain)/loss	(175)	(461)
Operating (Loss)/Profit	**(1,017)**	**(7,487)**
Depreciation charge	2,411	3,341
(Gain)/Loss on disposal of fixed assets	(33)	(8)
(Gain)/loss on sale of investments	-	(775)
Amortisation charge	511	1,486
Impairment of goodwill	-	1,645
Other non-operating income	589	194
Release of provision	(1,125)	-
(Increase)/Decrease in Inventory	(9)	4
(Increase)/Decrease in Debtors	(545)	696
Increase/(Decrease) in Creditors	(834)	(3,746)
Increase/(Decrease) in Provisions	-	-
Net cash outflow from operating activities	**(52)**	**(4,650)**

Analysis of Net Cash /(Debt)	At 1 January 2023	Cash Flows	Other non-cash changes	At 31 December 2023
Cash at bank and in hand	9,343	1,038	-	10,381
Bank overdrafts	-	-	-	-
Debt due after one year	-	-	-	-
Debt due within one year	-	-	-	-
Related derivatives	-	-	-	-
Finance leases	(93)	77	(260)	(276)
Net Cash	**9,250**	**1,115**	**(260)**	**10,105**

Five Year Summary

	Units	2023	2022	2021	2020	2019
Balance sheet						
Shareholder's funds	£'000	**14,933**	13,701	20,607	19,612	20,049
Profit & loss account						
Turnover	£'000	**83,415**	76,886	79,892	68,124	53,607
Operating profit/(loss)	£'000	**(1,017)**	(7,487)	586	(400)	(1,449)
Gross margin	%	**8.9%**	7.6%	13.5%	14.9%	15.3%
Operating profit/(loss)	%	**(1.2)%**	(9.7)%	0.7%	(0.6)%	(2.7)%
Profit/(loss) before tax	£'000	**(101)**	(6,688)	995	(285)	(858)
EBITDA	£'000	**2,649**	(1,046)	5,156	3,882	2,416
Dividend payable to Share-holder on the basis of the year's financial performance	£'000	**-**	-	298	-	-
Operational statistics						
Mail volumes	million	**18**	21	26	27	29
Number of post offices	number	**15**	19	19	20	21
Cost of a local stamp	pence	**60**	56	54	54	52
Cost of a UK stamp	pence	**98**	82	74	70	67
Number of staff	number	**577**	585	460	376	366
Staff costs	£million	**28.3**	26.3	21.9	18.9	16.6
Average cost of employee	£'000	**49**	45	47	50	45



"Our task, as a major part of the infrastructure making up the Island's supply chain, is to continue to innovate, while fulfilling our social purpose, managing costs and improving services."

Alan Merry
Chair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R75

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