JERSEY POST
INTERNATIONAL LIMITED

Annual Report and Accounts

For the year ended
31 December 2024

Jersey Post Group

www.jerseypost.com

Contents

Directors, Officers and Advisors

Directors of Jersey Post International Limited

Kevin Keen OBE
(appointed 18th July 2024)
Non-executive Chair

Helen Hatton
(appointed 1st May 2020)
Senior Independent Non-executive

Martin Magee CA
(appointed 1st November 2019)
Non-executive

Karl Moss
(appointed 1st July 2021)
Non-executive

Gavin Macrae
(appointed 17th January 2022)
Non-executive

Ian Truesdale
(appointed 1st June 2023)
Non-executive

Mark Siviter
(appointed 1st June 2022)
Chief Executive Officer

Maxine Dunn FCCA, Cert. IOD
(appointed 30th November 2023)
Chief Financial Officer

Directors resigned during the year

Alan Merry
(resigned 31st August 2024)
Non-executive Chair

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

Company Secretary

Andrew Boustouler FCCA
(appointed 1st May 2024)

Independent Auditor

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

Registered Office

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

Bankers

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

Our mission statement

Our role is to provide a physical connection between islanders and island businesses and their friends, family and customers on and off the island.

We deliver to

45,000
addresses in Jersey

5 days a week
(6 for parcels)

129 postal routes
23 bike and 5 on foot

>99%
next day delivery

560
employees in the Group

Our postal network consists of:
3 sorting offices
13 Post Offices
128 Post Boxes

A team of
270
sort and deliver the mail

Operate **15 trucks** and **128 trailers** in, to and from the UK

16
stamp issues
released in 2024

30%
more parcels and letters
are delivered in November and December versus a typical month

Over 80%
of mail arrives or departs by boat

Letter volumes have decreased by **30%** since 2021

25%
of mail is sent locally
(75% is sent from or to the UK)

Board of Directors

Kevin Keen OBE
Non-executive Chair

Kevin Keen has considerable senior executive and board-level experience gained across a range of sectors. He knows Jersey Post well having been CEO from June 2011 until July 2014. Kevin has held senior positions at Le Riche Group, Jersey Dairy, and Jersey Water. In the charity sector, he's worked with the JSPCA and Durrell, as well as been the Chair of the Association of Jersey Charities. He was awarded an OBE for services to the local business and charity community in 2024. Kevin is a fellow of The Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants and is a Chartered Director.

Helen Hatton
Senior Independent Non-executive Director

Helen is widely recognised as the prime architect of Jersey's regulatory regime for the financial services industry. 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 Chairperson 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 chair of Central Associates a leading London based investigations business. Her skills set relates to governance, risk, regulation, and complex investigations.

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.

Karl Moss
Non-executive Director

Karl has spent over 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.

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 in 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.

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. 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 has worked extensively across Asia.

Mark Siviter
Chief Executive Officer

Mark holds an MBA from Ashridge Business School and has extensive experience in the global logistics, freight forwarding and mail industry, working in the UK, Europe, and Africa. His recent roles have included CEO of DHL Global Mail UK, Managing Director of DHL Global Mail Europe and Managing Director, Mail and Retail, at the UK Post Office.

Maxine Dunn
Chief Financial Officer

Maxine has over 20 years of commercial accounting experience within the service and wholesale industry. Her wealth of knowledge of the global logistics and mail industry has been gained whilst holding numerous senior financial positions in Jersey Post Group, and non-executive directorships and chairperson roles within its subsidiaries. A Fellow Member of the Association of Chartered Certified Accountants (ACCA) and holds the Institute of Directors (IOD) Certificate in Company Direction.

Chairman's Statement

"It has been one of the greatest privileges of my career to have the opportunity to rejoin the Board of Jersey Post International Limited as its Chair. Although much has changed in the 10 years since I served as CEO, the challenges remain the same. How does the Group sustain the levels of service it aspires to in the face of the continuing decline in letter mail? As my predecessor noted last year, the new management team led by Mark Siviter has worked tirelessly to set new foundations for the business whilst successfully dealing with several legacy issues, the benefits of which will be felt in future years."

Kevin Keen
Chair

Navigating the path to financial sustainability

Results

Turnover in the year was some 2% lower at just over £81m, principally due to lower sales in the global logistics division. Nevertheless, our core operational gross margin improved, and administrative costs were reduced.

The 2024 loss before taxation was £2.1m, against a loss of £0.1m in 2023. However, when exceptional items and the loss on disposal of subsidiaries resulting from our recent strategic review are excluded, the underlying performance of the business improved year on year. When these one-off items are taken into account the underlying profit before taxation was £0.7m in 2024, compared to a loss in 2023 of £0.9m.

Despite the reported loss, net assets increased by £5.8m to £20.9m following an independent revaluation of our freehold properties that now reflects the more realistic value of our balance sheet.

Jersey Financial Services Commission (JFSC) investigation

Much time in 2024 was spent cooperating with the JFSC and adjusting our policies and procedures to meet their expectations. Although this was a difficult period for the Group, much has been learnt, and the business has improved as a result. I record the Board's thanks to all involved in this important work.

£0.7m
Underlying profit

£81m
Turnover

Our future strategy

Following the annual strategy review, the Board authorised the exit from several businesses that were no longer core to our objectives or where we did not have the resources to support them at the level required to meet their potential. A further strand of this review was to simplify our businesses so that operating costs can be better aligned with the low margin reality of many of our businesses, this work is ongoing. Although it won't be easy, we are determined to deliver a reasonable return on shareholders' capital whilst still providing a service acceptable for our many loyal customers. It is only in this way that the Group and all the people who work for it can be truly secure.

The Board

During 2024, Alan Merry stepped down as Chair after 9 years in the role. Alan's genuine passion for the business and wise counsel is already missed on the Board, we wish him well in his retirement. Tim Barnes stepped down at the beginning of the year after a period of ill health, we thank him for his contribution and wish him well for the future. Martin Magee will be stepping down at this year's Annual General Meeting (AGM) following 6 years on the Board, throughout that period he has chaired our Audit and Risk Committee, a demanding role that Martin has performed with huge skill, he will be a hard act to follow.

The Future

Like any business these days, ours is full of challenges, but we have a great team of people who deliver for our loyal customers every day, come rain or shine. We have a shareholder that, whilst quick to hold management to account when necessary, remains a supportive long-term investor. 2025 has started on plan. I am as confident as anyone can be in this uncertain world that the business will successfully navigate those challenges and find a path to financial sustainability for a service that is so important to our community.

Kevin Keen
Chair
1st May 2025

Delivery partner for:

Royal Mail
Amazon
DPD
UPS
Federal Express

"…we have a great team of people who deliver for our loyal customers every day, come rain or shine."

Strategic Report

"Jersey Post's purpose has not changed. We remain committed and focused on providing the best possible services that connect islanders and local businesses to friends, families, and other businesses on and off Jersey."

A programme of change

The principles behind the 2021 Strategic Vision remain valid:

- **Securing the postal service for Jersey and ensuring its relevance**
- **Ensuring commercial sustainability**
- **Avoiding the need for subsidy**

2024 was the third year of Jersey Post's post-Covid reset. As stated in preceding Annual Reports since the end of Covid the business has faced, and addressed, a series of structural and trading challenges. These were both external, as the global and local economy adjusted, and internal as the new realities impacted on the original strategy of building a globalised business.

The last 12 months has seen the business address the last of the legacy diversification issues and undertake an honest assessment of the strategy to build a diversified business based on a global network of companies. This required tough decisions to be made, which resulted in the sale of our US businesses and the spinning-off of Vaiie, our digital identify business in the last quarter of the year.

Operating Environment

While the global political-economic situation remains uncertain, the sources of uncertainty have remained largely constant resulting in a more stable operating environment for Jersey Post.

The global economy remains unpredictable, and through its international activities, Jersey Post has been particularly exposed to developments in the US and the health of broader cross border e-commerce. While the US economy has performed better than may others, the election in November created a degree of uncertainty which continues as the actual intent and actions of the new administration remain uncertain.

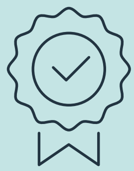
Global cross-border e-commerce growth has largely stalled, although Chinese marketplaces continue to drive large volumes, making themselves attractive but high-risk opportunities for parcels operators.

Weakening inflation does not appear to have benefited the wider UK economy which continues to suffer from a lack of growth, which in turn translates into weaker e-commerce activity (fewer parcels) and less freight volumes. Retailers are struggling and the logistics market continues to experience downward pressure on prices despite continued increases in input costs.

We expect our network partner Royal Mail's parent company International Distribution Services to change ownership and be part of Czech billionaire Daniel Kretinsky's EP group now the takeover has cleared all regulatory conditions.

Changes to the Universal Service Obligations (USO) are increasingly being accepted as inevitable by European governments to ensure postal organisations can be commercially sustainable in the face of privately owned

Mark Siviter
Chief Executive Officer



10 year
JCRA license renewal

competitors that don't have the burden of legacy networks delivering declining volumes of letters. Denmark has recently announced a decision to end the USO and cease all letter deliveries at the end of 2025, citing a 90% decline in letter volumes since the start of the century.

Jersey

Locally, Jersey Post faces an economic challenge from changes in the size and structure of the island population. Postal volumes generally correlate to the number of potential users, the lack of growth in total population combined with a growing share of older islanders is contributing to a plateauing of parcel volumes. A smaller portion of younger consumers, with their greater propensity to purchase goods online, weakens the pull of inbound parcels from e-retailers and corresponding flow of returns.

Core postal activities on Jersey performed better than expected with revenue supported by the full year effect of third-party parcel contracts won in 2023 despite the ongoing structural change in item mix. Jersey Post continues to experience the same structural decline in letter volumes as other industrialised economies as digital media replaces statements, direct mail, and social correspondence, with businesses and Government continuing their switch to access via digital platforms.

This trend is clear and irreversible. Despite the decision to hold local and UK letter stamp prices in 2024, volume decline accelerated to –10% for local mail, above the long-term trend (-6%), and to –22% for letters to the UK (versus the long-term trend of –10%). The lessons from this have been applied to the 2025 Tariff and the impact on demand elasticity will be closely watched. The continued loss of letters and lack of growth in parcel volumes creates longer term challenges to the economics of the current operating model while the change in consumer preferences has implications for the sustainability of our traditional retail-based sales and access model.

"Despite the decision to hold local and UK letter stamp prices in 2024, volume decline accelerated to –10% for local mail, above the long-term trend (-6%), and to –22% for letters to the UK (versus the long-term trend of –10%)."

In recognition of this, Jersey Post continues to identify efficiency improvements. 2024 saw the completion of a fourth loading bay which allows the use of double deck trailers, improving linehaul economics and environmental benefits from reduced vehicle movements.

Operationally, Jersey Post continued to meet and exceed its local delivery targets, although the first half of 2024 saw persistent disruption to delivery in some UK areas due to performance issues in parts of Royal Mail's network. Close co-operation and collaboration with Royal Mail has resulted in a sustained improvement.

From a regulatory perspective 2024 saw two notable events; the awarding of a new 10-year licence by the JCRA, making Jersey Post the only regulated Class II postal operator on Jersey, and the JFSC's statement on governance failings regarding the provision of Money Services Business activities, which has now been addressed.

Against these headwinds, we have seen an improvement in public sentiment towards Jersey Post following a change in the tone and manner of our interactions with the public and media, embracing greater honesty and openness. Frontline employees continue to remain invested in the business, demonstrated by the very high response rate to the first employee opinion survey for some years.

Other Strategic Activities

Jersey Post continues to operate Woodside Logistics, a major Channel Islands freight carrier. Through 2024, there was significant focus on improving Woodside's operational standardisation and cost efficiency, although ferry services have been a material consideration through the year with poor reliability and opaque charges complicating efforts to improve the bottom line.

The Group's UK freight businesses were a major area of focus delivering a significantly negative financial performance. Organisationally, it was one area of the business where little integration had taken place since the component businesses were acquired.

Significant effort has been invested in integrating Jersey Post's UK subsidiaries and Woodside UK management structures into one, developing a comprehensive property plan rationalising the number of operational sites, and refocusing on profitable service lines. This saw the movement of our own European freight operations to sub-contractors, and the acquisition of a new trailer park in Havant to facilitate the rationalisation of other facilities over the next 12 months.

Jersey Post's international business reached a critical point in 2024 and was subject to a strategic review. Following the divestment of our interests in Australia & Hong Kong in 2023, Jersey Post had two remaining international companies; APG a Latin American freight/commercial parcel delivery specialist in Miami and GePS a mail/parcel specialist, with its own warehouse in Chicago. In the absence of a wider global network, the ongoing value of these businesses was questionable particularly given increasing risks, need for capital investment, and the inherent challenges of long-distance management. As a result, the decision was taken in 2024 to dispose of both.

Following structural changes implemented at the end of 2023 Vaiie, our digital identify business, delivered a significant improvement in its performance. Combined with the delivery of a new proven product, this made Vaiie a credible proposition. However, developing further new products required significant additional investment. Jersey Post needs to prioritise investing in local infrastructure to maintain quality and service, therefore, a decision was made in Q4 2024 to spin off Vaiie via a management buyout, leaving the profitable legacy digital-to-print service 'Communicate' with Jersey Post.

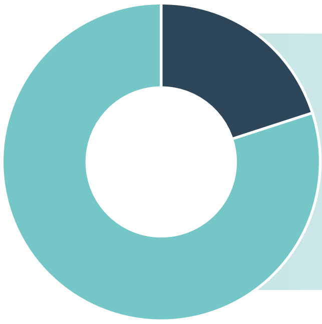
> "Significant effort has been invested in integrating Jersey Post's UK subsidiaries and Woodside UK management structures into one, developing a comprehensive property plan rationalising the number of operational sites, and refocusing on profitable service lines."

Our Employees

Our people are at the very heart of our business and this is recognised in the feedback we receive daily and through our annual customer survey, which this year saw 120 colleagues mentioned positively by name.

Our People in Numbers

Employees: 560
- JPL: **364**
- Woodside Logistics: **76**
- JPGL UK: **64**
- US: **56**

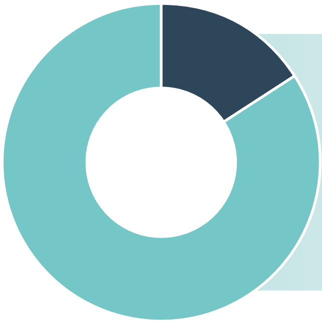


Gender split:
- Female: **20%**
- Male: **80%**

Average length of service:
9 years

Average age of employees:
46

Jersey Post Executive Team: 9
- Female: **44%**
- Male: **56%**



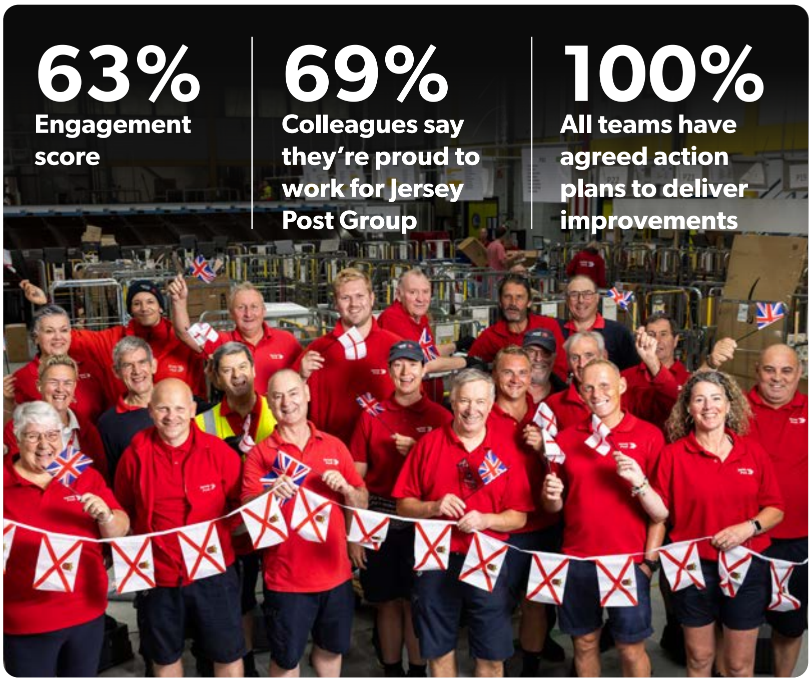
Jersey Post International Board:
- Female: **16%**
- Male: **84%**

2024 saw a renewed focus on our people with the appointment of a new HR Director to the Group Executive, resulting in considerable progress being made in five key areas:

- HR data and process efficiency
- Employee engagement
- Attracting and retaining talent
- Diversity, inclusion and belonging
- Gender pay gap

We have centralised the HR function across the Group simplifying our systems, delivering efficiencies and supporting the transformation of the business. We effectively monitor key people metrics including turnover and sickness absence across the Group, providing valuable insight and driving employee focussed initiatives across the Group.

In 2024 we launched a new employee survey achieving a completion rate of 74% and gaining better insights into our colleagues' opinions:



Retention and recruitment is an ongoing priority, focused on achieving a more diverse workforce in traditionally male dominated roles such as operations, tech, and IT. We are committed to promoting career opportunities equitably across the business, fostering an inclusive workplace where everyone has the opportunity to thrive by supporting a range of employment initiatives and services that help us to pro-actively welcome diverse colleagues into our business such as:

- **Providing work placements and recruiting one permanent colleague through our partnership with Beresford Street Kitchen**
- **Recruiting colleagues into Seasonal Postal Operative roles through our partnership with Jersey Employment Trust,**
- **Welcomed school leavers into permanent roles through our collaboration with Prosper,**
- **Provided 8 work placements to local students through the Project Trident Programme providing experience of working within our Postal and ICT teams,**
- **Introducing objective scoring to reduce bias and ensure effective hiring decisions.**

"Overall Jersey Post has a gender pay gap in favour of women (6.26%), however this is distorted by the distribution of women in higher paid roles."

For the first time, we've calculated our Gender Pay Gap across the whole Group, using the UK Government methodology, enabling meaningful benchmarking against other businesses. Overall Jersey Post has a gender pay gap in favour of women (6.26%), however this is distorted by the distribution of women in higher paid roles. We continue to have a gender pay gap in favour of men in the highest and lowest earning quartiles and there is more work to do to understand how best to address this.

Our Customers

Jersey Post serves a wide range of customers reflecting the diversity of the business.

Our core customer base remains the residents, businesses and visitors of Jersey, and we strive to maintain the level of service they rightly expect. The needs of these customers are constantly changing as traditional letters are replaced by parcel services which are accompanied by different needs. The growth of inbound parcels, reflecting greater online shopping from UK retailers, has helped sustain our delivery network. The challenge of maintaining an economically viable Post Office retail model continues to grow as fewer customers buy postage and foreign exchange transactions decline.

During 2024 we placed greater emphasis on better understanding customer needs and priorities by supplementing our annual customer survey with 'Meet the Management' sessions at Broad Street and opening our Sorting Office at Rue de Pres to visitors. We will add to this in 2025 with the addition of our new Customer Council, which will allow customers to directly inform our priorities and future developments.

Customer Satisfaction scores from the Annual Customer Survey

84%
rated our on-island service as **good or very good.** (2023: **77%**).

55%
rated our off-island service sending to the UK as **good or very good** (2024: **34%**)

82%
rated our home delivery service* as **good or very good.**

*Letters and parcels Mon to Fri
Parcels on Sat

3,506
responses to the survey.
(2023: **3991**)

49% rated **Reliable Service** as a priority for the Island's postal service.

29% rated **Customer Service** as a priority for the Island's postal service.

Our customers consistently rank reliable delivery and service quality as the most important expectations from the postal service, and we focus our efforts on achieving these.

An integral aspect of the growth of the inbound parcel business has been the diversification of our business client base. We now deliver parcels for most of the major UK based parcel operators, reducing dependency on any single carrier. Many of these customers are also clients of our cross-border parcel services which also includes several predominantly UK based specialist international wholesalers and consolidators.

Jersey Post has a significant number of customers in its freight business, both on/off the Channel Islands and in the UK. The breadth and diversity of our customer base contributes to overheads by requiring a wider range of skills and capabilities across our different businesses, however ensuring we understand and properly respond to their needs is central to our future success.

Environmental and Community

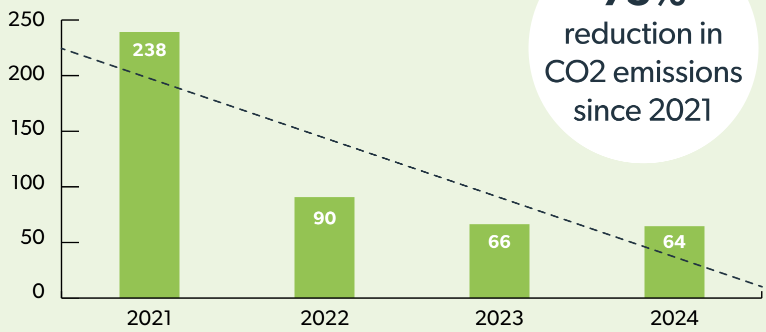
As a logistics and delivery company, Jersey Post is acutely aware of the impact its activities, particularly its fleet, and those of its partners and suppliers, have on the environment. Our ambition is to reach net-zero emissions in our own operations in Jersey by 2030, and across the Group by 2040.

As a large fleet operator, reducing the impact vehicles have is a priority, and our strategy has been to focus on reducing the distance our vehicles travel as well as moving to cleaner fuels. Since 2021, we have made significant progress towards this, reducing our Scope 1 & 2 emissions by 73% on Jersey.

We are proud to operate one of the largest fleets of electric vehicles (EVs) on the island, and where EVs are not a suitable replacement, we have moved to biofuels. In addition, we have worked with Eco Active to improve driver awareness, resulting in an 8.5mpg improvement in fuel efficiency, and made a significant investment in a fourth loading bay at the Rue des Pres office. This new bay allows greater use of double-decker trailers, which provide 70% greater load capacity than a single-deck equivalent.

While we are satisfied with the progress made so far, our focus going forward will be on addressing the remaining sources of emissions on Jersey and developing a strategy for emission reduction in our UK businesses.

Jersey Post scope 1 & 2 emissions (C02e)



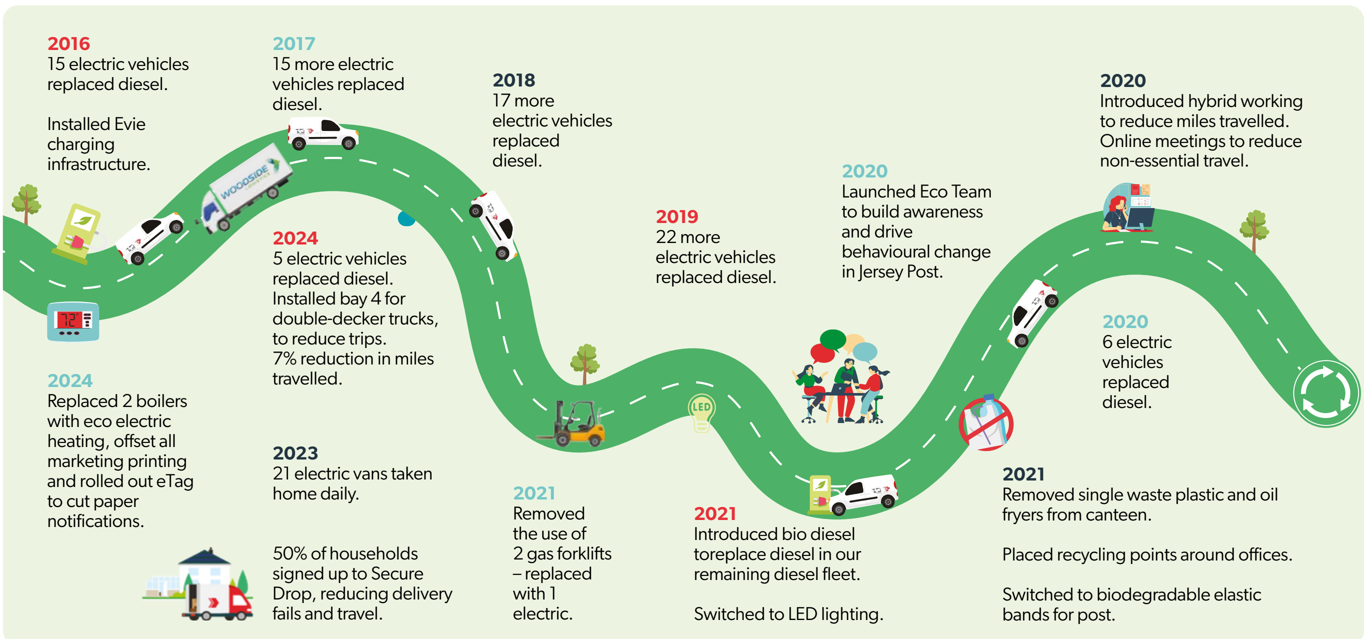
73% reduction in CO2 emissions since 2021

Jersey Post takes its social responsibility seriously, making its own contribution to the wide range of activities our postmen and women undertake in their communities. Over the last year, Jersey Post raised £15,000 for Family Nursing and Health Care, our 2024 Charity of the Year, and supported many others with initiatives such as discounted door drop mailings. We collaborate with charities, such as Beresford Street Kitchen and Prosper, to provide employment opportunities and ensure our employees reflect our communities, and this year we reintroduced the popular school visits to our Rue des Pres Sorting Office.

As a major state-owned enterprise present in every community, during 2025 we will consider how best to make a greater contribution towards all three elements of the Government's Island Outcomes Indicators: Community, Economic, and Environmental.

£15,000 raised for Family Nursing and Health Care

Our sustainability journey



Strategy

While the underlying challenges facing the business remain unchanged, the strategy to build a diversified business based on a global network of companies has not succeeded. Pre-Covid acquisitions and activities have been overtaken by events which prevented the next important stage of integration and growth. As a result, the diversified portfolio has been unable to provide a self-sustaining profit stream.

Jersey Post cannot continue to expend increasingly scarce resources and significant management time to stand still. The markets we operate in are highly competitive with traditionally low margins, scale is required to deliver material returns, which in turn requires significant investment at a point at which financial reserves are depleted.

As a consequence, we are in the middle of a programme of change that will refocus on our core markets, restore financial stability by simplifying the business and reducing overheads while maintaining our shareholder and social commitments. Our intent is to generate sufficient profits to recapitalise the business over the coming years, paying a dividend to the shareholder when possible.

Mark Siviter
Chief Executive Officer
1st May 2025

Financial Review

"2024 was a year of change and adaptation as we continue to reset the business, streamlining the Group portfolio to focus more on our core business in markets closer to home and to reduce risk. While these strategic shifts have impacted short-term profitability, they will allow us to concentrate on creating greater business resilience going forward."

Revenue

We saw a 2% year-on-year decline from £83.4m in 2023 to £81.6m in 2024, mainly due to reduced international volumes within our global logistics and cross-border e-commerce business. As customer behaviour evolves, we continue to experience shifts in the market, notably an ongoing decline in letter volumes and a plateauing of parcel volume.

Growth of on-island revenue was achieved by securing commercial contracts for imported volume to Jersey, in the second half of 2023, allowing us to maintain our revenue levels of £35m in our home market, rather than a forecasted deterioration of market share.

Due to variations in the volume mix of our products and services, we generated a slightly higher gross margin percentage than in the previous year. Looking forward, this increase in gross margin is unlikely to continue as volume trends suggest a deterioration while the business's cost base increases. The business reset initiatives reduced year-on-year administrative costs, in line with the plan.

Loss for the year

The 2024 loss before taxation stands at £2.1m compared to a £0.1m loss in 2023. While the overall results show an increase in losses year-on-year, it's essential to consider the one-off events that benefited 2023 performance. In contrast, 2024 has absorbed the one-off costs of the strategic shift listed below, resulting in a temporary drag on profits.

2023 net benefit

- **£0.8m of exceptional benefits:**
  - Restructuring programmes
  - Release of provision in relation to the gain on sale of subsidiaries.

2024 net costs

- **£1.8m exceptional costs:**
  - Restructuring programmes in the UK and Jersey.
  - Appropriate provisions.
  - Costs related to the spinoff of the digital identity business.
- **£1m loss in relation to the divestments of the US subsidiaries.**

To better understand the underlying performance, we should exclude the Exceptional Items and Loss on disposal of Subsidiaries, in both years, as shown in the Consolidated Income Statement demonstrating a comparison of a loss of £0.9m in 2023 with a profit of £0.7m in 2024, post the business reset. Although one-off events have distorted our profitability for the year, we have reduced risk, created a more efficient working environment and a lower cost base going forward. This better positions the Group to achieve stronger results moving forward.

It is important to note that while the headline year-on-year increase in losses reflects the short-term impact of the strategic change needed to support the business's long-term health, further efficiencies will be required in the short-term to help achieve a sustainable business capable of generating sufficient profits to recapitalise the core business and return a dividend to the shareholder.

Maxine Dunn
Chief Financial Officer

£81.6m
Turnover

£1.3m
EBITDA

£20.9m
Net assets

1.43
Liquidity ratio

39%
Increase in working capital since 2023

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Our total EBITDA stands at £1.3m compared to £2.6m in 2023. Again, excluding the cost of the strategic shift in both years, demonstrates an EBITDA of £3.4m in 2024, an 82% increase compared to the prior year. This outperformed expectations, compared to the budget, indicating that the business is effectively managing its strategic shift.

Financial Position – balance sheet strength

The Board considered the existing valuation of the freehold property owned through subsidiaries of Jersey Post Limited, recognising that the historic valuation was unlikely to reflect the true market value. This revaluation provides a more realistic financial position and supports better decision-making, efficient asset use, and a more accurate measurement of return on capital. This revaluation increased our Freehold Land & Buildings by £7.9m.

Despite the losses incurred in the current year and the reduction in net assets from the sale of subsidiaries, our financial position remains strong, with £20.9m in net assets. We saw a decline in cash this year due to the timing of cash inflows from the sale of subsidiaries, with cash outflows increasing due to the payment of historic liabilities and up-front payments to Postal authorities. Despite this, we have strengthened our liquidity position to a current ratio of 1.43, with working capital increasing by 39% compared to 2023, providing greater financial flexibility moving forward.

Effective working capital management remains crucial as we navigate a challenging cash flow environment with the business exposed to flexible payment terms enshrined within the global postal market where Postal authorities can demand upfront payments. A revolving credit facility is being arranged to mitigate the risk of a potential event, addressing the possibility of a short-term financing requirement if this situation arises.

We remain confident in our financial strength and strategic direction and look forward to another year of progress as we develop a new five-year Strategic Business Plan.

Maxine Dunn
Chief Financial Officer
1st May 2025

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 appropriate and practical.

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 pages 4 & 5.

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.

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.

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

The Board is responsible to the Company's Shareholder, States 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**
- **setting values and standards and approval of strategic aims, objectives and commercial strategy**

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

Number of meetings attended:

	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Number of meetings held during 2024	**9**	**4**	**7**	**5**
Alan Merry*	5	—	5	2
Kevin Keen**	5	—	2	1
Gavin Macrae	9	—	7	5
Martin Magee	8	4	7	—
Helen Hatton	9	3	—	5
Karl Moss	9	4	—	—
Ian Truesdale	9	—	—	2
Mark Siviter	9	—	—	—
Maxine Dunn	9	—	—	—

* Resigned with effect from 31st August 2024

** Appointed with effect 18th July 2024

The Chair, Senior Independent NED, Chief Executive Officer, and Chief Financial Officer meet quarterly with Minister for Treasury and Resources (or the nominated Assistant Minister) 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.

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

Board Evaluation

The effectiveness of the Board is vital to the success of the Company. An independent external board assessment was engaged in the latter part of 2024 and will be completed early 2025. A Board development plan will subsequently be put in place.

Audit and Risk 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 Committee members during 2024 were the following non-executive Directors:

- Martin Magee (Chair)
- Helen Hatton
- Karl Moss

Martin has recent relevant financial experience as he is a chartered accountant and recently retired as finance director of a listed plc.

The Company does not have a dedicated internal audit function, but this is reviewed annually. In that context a decision was made during 2023 to utilise the services of an external service provider to provide assurance services on the control environment, and this was implemented during 2024. The Committee now agrees a programme of work with management on specific areas deemed worthy for review in the coming year.

The Audit and Risk meetings are attended by invitation, with the external auditor, the Chief Financial Officer and, from time to time, other senior executives invited to discuss risk management, and financial, matters within their own area of management responsibility.

During the year other topics discussed by the Committee included:

- **The review and approval of material policies that influenced financial matters including currency hedging and the treatment of Universal Postal Union liabilities**
- **The Whistleblowing policy and managements response to any concerns raised through this channel**
- **Insurance strategy**
- **Updating of the Committee Terms of Reference**
- **Regulatory matters, and changes to Corporate Governance reporting**
- **Effectiveness of the Committee, through the annual Committee Self-Assessment exercise**

At its meeting on 10th April 2025, the Committee received and reviewed the Company's 2024 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. Material accounting and audit judgements contained with the Financial Statements, were reviewed, and discussed in detail.

The Committee considered whether the 2024 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, 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 2025.

Nomination Committee

The Nominations Committee is responsible for reviewing the board's structure, size, and composition, leading the process for potential appointments, and overseeing succession planning for directors and senior executives.

The Committee members at the end of 2024 were the following non-executive Directors:

- Kevin Keen (Chair)
- Helen Hatton
- Ian Truesdale

Each of Alan Merry and Gavin Macrae served on the Committee during the year.

The Committee met five times during the year. The most significant issue was the process of appointing a new Chair due to Alan Merry's retirement at the conclusion of his term of office. An extensive candidate search was conducted both on and off-island with the assistance of a recruitment consultant and the support of the Jersey Appointment Commission.

The 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 Committee reviewed the composition of each of the Committees of the Board and made some minor adjustments to membership.

Looking ahead to 2025, the Committee has initiated a search process to appoint a non-executive Director to replace Martin Magee who is due to retire following the Annual General Meeting. The role will include responsibility as Chair of the Audit & Risk Committee.

The effectiveness of the Board is vital to the success of the Company. An independent external board assessment was last conducted during 2021/22, and a further external Board review has been engaged for Q1 2025.

Remuneration Committee

The Remuneration Committee is responsible for setting a level of reward for the Company's Executive Directors which is sufficient to attract, retain and motivate people of the required level. It also monitors the remuneration levels for members of the Company's broader Executive Management Team.

The Committee members at the end of 2024 were the following non-executive Directors:

- Gavin Macrae (Chair)
- Kevin Keen
- Martin Magee
- Alan Merry served on the Committee during the year.

The Memorandum of Understanding (MoU) with the Minister for Treasury & Resources provides the Minister with oversight and approval responsibilities concerning changes to the structure and remuneration level paid to the Company's Executive Directors.

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 the States Owned Entities remuneration policy and securing their approval as required. In this context, the Committee has during 2024 completed a programme of work to review the pay and remuneration principles of Jersey Post Group, with the aim of ensuring we have a remuneration approach that is aligned across all of the organisations in our Group and which reflects the different markets and geographies in which we operate. The insight gained will help to inform a wider comparison of principles around reward during 2025 to ensure that they remain appropriate to the external market within which Jersey Post operates.

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 a scorecard made up of financial performance, customer service, corporate social responsibility, and personal objectives. The Committee sets the targets of the scheme annually to ensure that they are sufficiently stretching and reflect the Strategic Business Plan. As per our MoU, the STIP is then submitted to the Minister for approval.

	Salary/Fees £'000	Bonuses £'000	Benefit in Kind[1] £'000	2024 Total £'000	2023 Total £'000
Executive Directors					
Mark Siviter	271	120	5	396	377
Tim Barnes	-	-	-	-	87
Maxine Dunn ***	146	63	20	229	17
Total	**417**	**183**	**25**	**625**	**481**
Non-Executive Directors					
Alan Merry*	32	-	-	32	44
Kevin Keen**	21	-	-	21	-
Gavin Macrae	28	-	-	28	26
Martin Magee	28	-	-	28	27
Helen Hatton	30	-	-	30	28
Karl Moss	24	-	-	24	23
Ian Truesdale	24	-	-	24	14
Total	**187**	**-**	**-**	**187**	**162**

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

* 8 months
** 6 ½ months (date appointed: 18th July)
*** Appointed November 2023

Bonus Schemes

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

- Staff who are covered under Collective Bargaining,
- Members of the Executive Team,
- Other schemes in line specific employment contracts,

The total amount of bonuses earned relating to 2024 for the above three schemes was £1,075,222 (2023: £975,587).

Pension

During 2024, Employees and Employer paid £847,719 and £1,307,045 respectively into the defined benefit pension scheme.

Sports and Social Club

During 2024, the Company provided £20,547 (2023: £22,655) 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 £20,595 (2023: £19,290).

£1,307,045
Pension contribution

£20.6k
to Sports and Social Club

£20.6k
CWU Funding

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. A corporate risk register is maintained by the Company and regularly reviewed by the Audit & Risk Committee. 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.

Risk Area	Mitigation
Operational Service Delivery	
This risk can manifest itself through a wide range of risks from a single major incident to a series of incremental events impacting the wider supply chain, that can materially impact our ability to deliver our services.	The movement of post, parcels and goods between jurisdictions is regulated by multiple organisations and agencies including the Universal Postal Union, Road Haulage Association, and many global equivalents. Jersey Post Group is member of the relevant bodies and complies with appropriate rules and regulations. We hold industry accreditations for the work we perform, and our business and subsidiaries are clear on the importance of operating within legal and regulatory guidelines. Our systems of work are organised to ensure compliance. We review our Business Continuity Plans and develop infrastructure investment plans to provide continuity of service on a long-term sustainable basis.
Financial Sustainability	
We are exposed to financial risks, including: • inflationary cost pressures • foreign exchange fluctuations • cash flow volatility • fraud We operate in highly competitive markets and provide a number of services that deliver socio-economic value to the island. Increases to our cost base are not easily passed to customers through increased prices or an ability to influence volumes. Our objective is to establish a model that will deliver long-term sustainability while continuing to deliver services that support GoJ objectives and meet the needs of the Island.	We consider cost inflation in our budget setting, using historical inflation and future projections plus known contractual increases. Annual budget setting is completed using a zero-budget approach, justifying all expenses for each new period. These are monitored throughout the year as a monthly KPI. Our hedging policy and strategy has so far proved to be sufficiently robust to manage the foreign exchange risk, particularly SDR (IMF currency), resulting from our international business. We continue to operate within tight cash parameters; however, balanced against this position, we hold no debt facilities. We maintain regular and constructive dialogue with our Shareholder as our lender of last resort to provide appropriate assurance that our liquidity position remains robust. We are not immune to the increasing numbers of sophisticated fraudulent phishing email scams and instances of opportunistic theft. We use financial controls such as segregation of duties, monthly reporting, external audits, delegation of authority, whistleblowing policy, Cyber training to mitigation these risks.

Risk Area	Mitigation
Commercial/Economic Sustainability	
The business needs to adapt and evolve to meet the changing needs of customers in the face of a declining postal business and challenging market environment including dominant service providers and key customers where margins remain under significant pressure.	The long-term risk to the core business from declining volumes, rising costs, and a limited ability to increase prices is unchanged. The original strategy to offset this risk through diversification into complementary markets has not succeeded in achieving a sustainable scale. The business is now focused on three principal areas to reduce risk; protecting core volumes from key clients, building a UK Freight business and growing UK based cross border volumes. Key client dependency is being reduced by expanding activity in all three areas and developing more compelling customer propositions. We continue to monitor the wider competitor environment to ensure we are positioned to respond to any challenge in our core market, while leveraging our position as a challenger brand in the UK freight and cross-border parcel markets. Jersey Post continues to be granted the latitude to operate commercially to support its public service offer without the need for subsidy from Government.
Regulatory/Government	
Jersey Post is regulated by the Jersey Financial Services Commission (JFSC), for the Money Service Business we provide, and the Jersey Competition Regulatory Authority (JCRA), for postal services. There is a risk Jersey Post fails to meet the necessary legal and regulatory requirements for services such as foreign currency exchange, which fall within the Financial Services (Jersey) Law 1998, and/or the Postal Services (Jersey) Law 2004 in respect of the provision of postal services, with financial and reputational consequences. As a 100% States Owned Entity, there is a risk we diverge from the policy objectives established by the GoJ and fail to contribute to the island as a valued corporate citizen. Unforeseen changes in GoJ policy or objectives have the potential to undermine our ability to deliver value whilst establishing a long-term viable model.	Although Money Service Business is a small part of our overall business, we hold a licence to carry out these activities and take our responsibilities very seriously. Where identified, issues are addressed in a prompt and proportionate manner, engaging specialist external support where appropriate. We work closely with our regulator to ensure that we fully meet these obligations. We maintain an open and transparent relationship with the JCRA. JPL's class 2 licence was renewed for a further 10 years in 2024. The new licence recognises the decline in postal volume and the potential need to review licence conditions in the future. Jersey Post International Limited has one Shareholder, the Government of Jersey. This relationship is managed through the Memorandum of Understanding. We meet regularly with the Shareholder, and in the absence of a sector specific policy, we hold regular dialogue with Government representatives regarding our provision of the public obligation to provide a universal postal service.
People	
Like all businesses, our staff are our key asset 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.	During 2024, we continued to make progress in addressing this risk by reviewing and improving core recruitment and onboarding processes, undertaking focused business restructures and developing performance management capability We have reviewed our working environments and improved internal communication across business units. The results have been seen in the recent employee engagement survey.

Risk Management Continued

Risk Area	Mitigation
Information Technology/Security	
Cyber Risk is an ever evolving 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 with a program of infrastructure enhancements to protect our business from failures. We have reviewed our third-party relationships and reduced our vulnerability to single points of failure. Our Business Security forum meets quarterly to provide an effective risk management focus across business and functional teams. Technology risk has an additional monthly meeting focused on risk management actions and capturing new and emerging risks. Our defences are tested regularly with full penetration tests, continual vulnerability scanning on all server and desktop devices. In 2024 we focused on developing tools to manage supply chain risk, using a traditional risk management approach with annual supplier assessments. Experience has led us to focus on intelligence-based solutions, 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.
Environment/Community	
As a States Owned Entity, there is a risk that we do not positively contribute to, and support our Shareholder in delivering against, its policy objectives including the Carbon Neutral Roadmap and Island Outcome Indicators.	Jersey Post positively contributes to all three of the GoJ's Island Outcome Indicators; Community, Environmental and Economic. As integral members of their local communities, every day our postmen and women play an active role in the fabric of island and local life. Jersey Post has sponsored the Island Games Team for ten years, and each year our employees and company choose a local charity to support, having raised over £150,000 over the last 10 years. Jersey Post has reduced its carbon emissions by 73% since 2021 by measures such as electrifying the majority of its fleet, introducing biofuels, and upgrading to a more energy efficient heating system. We have a cross-functional Eco Team to identify and prioritise new initiatives. Economically, Jersey Post employs over 300 people, many in operational roles. We are proud to pay our employees a living wage supported by a range of positive benefits such as pensions.

"As integral members of their local communities, every day our postmen and women play an active role in the fabric of island and local life. Jersey Post has sponsored the Island Games Team for ten years, and each year our employees and company choose a local charity to support, having raised over £150,000 over the last 10 years."

Director's 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 2024.

Principal Activities

The principal activities of the Group are providing postal services to the Island of Jersey, cross-border e-commerce logistics services and freight 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 Minister for Sustainable Economic Development 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 32. 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 6 - 15.

Shareholdings

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

Dividends

No dividend is proposed.

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 20 and 21.

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").

Mark Siviter
Chief Executive Officer

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.

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. 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 considers a 3-5 year planning horizon, with the JPIL 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 5-year SBP, approved in July 2021, covers the period to 2026, and was reviewed and updated during 2024. While 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 context in which it is now operating is vastly different from 2021. In recognition of this, a more fundamental review of the future strategy will be undertaken in 2025.

Annual General Meeting

The AGM will be held at the Postal Headquarters, Rue des Pres, St Saviour on 19th May 2025.

Directors

The Directors of the Company are listed on page 4.

Independent Auditors

Menzies LLP were appointed and acted as independent auditors for the year ended 31st December 2024. A resolution to appoint Menzies LLP as independent auditors for the year ending 31st December 2025 will be proposed at the AGM on 19th May 2025.

This statement was approved by the Board of Directors of Jersey Post International Limited on 1st May 2025 and was signed on their behalf by:

Mark Siviter

Mark Siviter
Chief Executive Officer
1st May 2025

Auditor's Report

Independent Auditor's Report to the Members of Jersey Post International Ltd (Menzies)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Jersey Post International Limited (the 'group') for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- **give a true and fair view of the state of the assets, liabilities and financial position of the group as at 31 December 2024, and of its result for the year then ended;**
- **have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and**
- **have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the Chair's statement, directors report, strategic report, statement of corporate governance and the five-year summary (but does not include the consolidated financial statements and our auditors' report thereon). Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Report on other legal and regulatory requirements

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

- **we have not received all the information and explanations we require for our audit;**
- **proper accounting records have not been kept; or**
- **the Consolidated Financial Statements are not in agreement with the accounting records.**

We have no exceptions to report arising from this responsibility.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement on page 26, the Directors are responsible for the preparation of the Consolidated Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the Consolidated Financial Statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- **The group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation, and general regulations such as health and safety. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.**
- **We understood how the group is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.**
- **The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.**
- **We assessed the susceptibility of the consolidated financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:**

  - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
  - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;

- Challenging assumptions and judgments made by management in its significant accounting estimates; and

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of unusual journals and complex transactions.

- Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

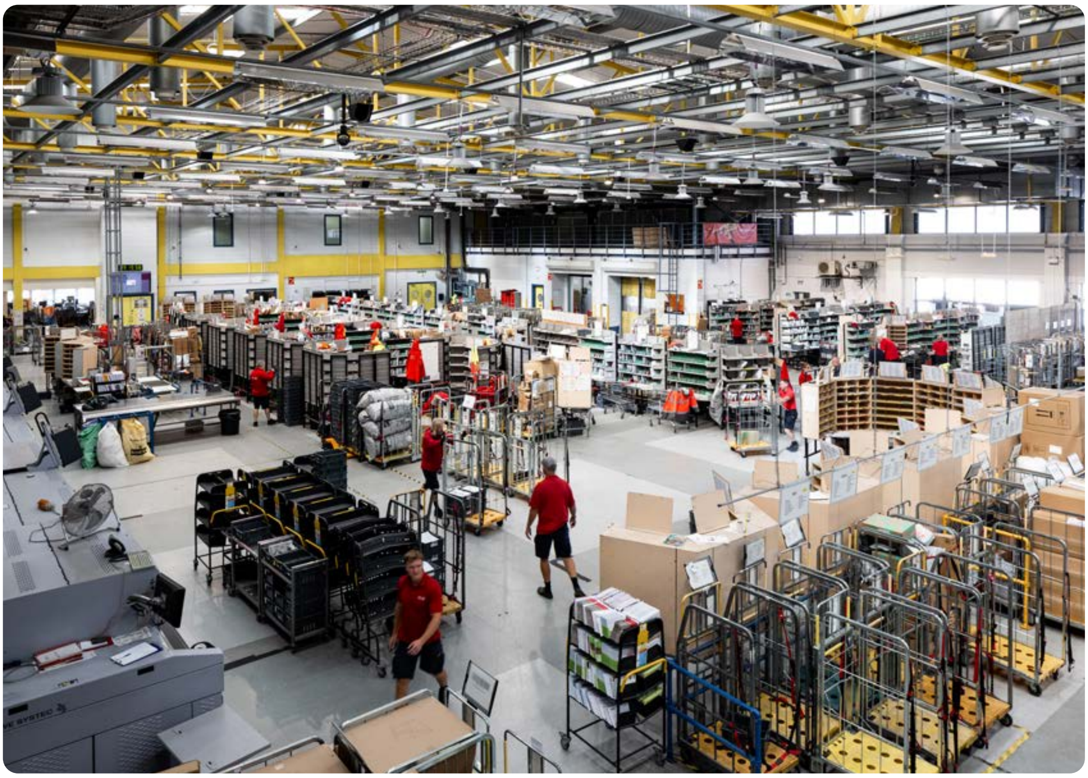
This report is made solely to the Group's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an Auditors' Report and for no other purpose.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

Menzies LLP

James Hadfield FCA
(Senior Statutory Auditor) for and on behalf of

Menzies LLP
Chartered Accountants Statutory Auditor
3000a Parkway, Whiteley. Hampshire

Date: 1st May 2025



"Our intent is to generate sufficient profits to recapitalise the business over the coming years, paying a dividend to the shareholder when possible."

Mark Siviter
Chief Executive Officer

Consolidated Income Statement

Year Ended 31 December 2024	Note	Continuing operations 2024 £'000	Discontinued operations 2024 £'000	Total 2024 £'000	Continuing operations 2023 £'000	Discontinued operations 2023 £'000	Total 2023 £'000
Turnover	2	64,274	17,294	81,568	64,773	18,642	83,415
Cost of Sales		(56,161)	(17,288)	(73,449)	(56,444)	(19,556)	(76,000)
Gross Profit		**8,113**	**6**	**8,119**	**8,329**	**(914)**	**7,415**
Administrative Expenses		(8,391)	-	(8,391)	(9,238)	-	(9,238)
Exceptional Items	3	(1,418)	(422)	(1,840)	877	(71)	806
Operating Profit/(Loss)		**(1,696)**	**(416)**	**(2,112)**	**(32)**	**(985)**	**(1,017)**
Other non-operating income		400	261	661	348	241	589
Foreign exchange gain		153	-	153	219	(44)	175
Interest and Dividends Receivable	6	174	(16)	158	223	(51)	172
Loss on disposal of Subsidiaries		-	(1,040)	(1,040)	-	-	-
Net movements	7	35	-	35	(20)	-	(20)
Profit/(Loss) before taxation		**(934)**	**(1,211)**	**(2,145)**	**738**	**(839)**	**(101)**
Taxation	8	374	(309)	65	1,361	49	1,410
Profit/(Loss) for the year		**(560)**	**(1,520)**	**(2,080)**	**2,099**	**(790)**	**1,309**
Loss for the period attributable to:							
Non-controlling interests		-	167	167	-	77	77
Owners of the parent company		(560)	(1,687)	(2,247)	2,099	(867)	1,232
		(560)	**(1,520)**	**(2,080)**	**2,099**	**(790)**	**1,309**

Consolidated Statement of Comprehensive Income

Year Ended 31 December	Note	2024 £'000	2023 £'000
Profit/(Loss) for the year		(2,080)	1,309
Total comprehensive income for the year		**(2,080)**	**1,309**

Consolidated Statement of Financial Position

Year Ended 31 December	Note	2024 £'000	2023 £'000
Fixed Assets			
Tangible Assets	9	14,519	7,721
Intangible Assets	10	547	1,686
Goodwill	11	-	1,000
Total Fixed Assets		**15,066**	**10,407**
Current Assets			
Inventories	12	101	118
Debtors	13	15,984	18,785
Equity Investments	7	24	1,048
Cash and cash equivalents		5,835	10,381
Total Current Assets		**21,944**	**30,332**
Creditors			
Amounts falling due within one year	14	(14,937)	(25,317)
Net Current Assets		**7,007**	**5,015**
Total assets less current liabilities		**22,073**	**15,422**
Creditors: amounts falling due after one year	15	(260)	(168)
Provisions for liabilities	15	(930)	(210)
Net Assets		**20,883**	**15,044**
Capital and Reserves			
Ordinary Share Capital	20	5,000	5,000
Retained earnings	21	7,964	9,933
Revaluation reserve		7,919	-
Equity attributable to owners of the parent Company		**20,883**	**14,933**
Non-controlling interests		-	111
Total Equity		**20,883**	**15,044**

The basis of preparation of these Financial Statements is set out on page 36, and the notes on pages 36 - 49 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 2025 and were signed on its behalf by:

Maxine Dunn
Chief Financial Officer
1st May 2025

Consolidated Statement of Changes in Equity

Year Ended 31 December 2024	Note	**Share Capital** £'000	**Retained Earnings** £'000	**Revaluation Reserve** £'000	**Foreign Exchange Reserve** £'000	**Non Controlling Interests** £'000	**Total** £'000
Balance as at 1 January 2024		**5,000**	**9,933**	**-**	**-**	**111**	**15,044**
Total comprehensive income for the year		-	(1,969)	-	-	(111)	(2,080)
Re-evaluation		-	-	7,919	-	-	7,919
Balance as at 31 December 2024		**5,000**	**7,964**	**7,919**	**-**	**-**	**20,883**

Year Ended 31 December 2023	Note	**Share Capital** £'000	**Retained Earnings** £'000	**Revaluation Reserve** £'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
Re-evaluation		-	-	-	-	-	-
Balance as at 31 December 2023		**5,000**	**9,933**	**-**	**-**	**111**	**15,044**

Consolidated Statement of Cash Flows

Year Ended 31 December	Note	2024 £'000	2023 £'000
Net cash generated from operating activities before tax	27	**(4,834)**	**(52)**
Taxation paid		**(278)**	**-**
Net cash generated from operating activities after tax		**(5,112)**	**(52)**
Cash flows from investing activities			
Purchases of tangible assets	9	(865)	(886)
Purchases of intangible assets	10	(139)	(358)
Proceeds from disposals of tangible assets		69	38
Purchase of subsidiaries		-	(59)
Purchases of current asset investments		83	-
Proceeds from disposals of current asset investments		1,107	2,008
Interest received	6	104	50
Dividends received on investments	6	54	122
Net cash used in investing activities		**413**	**915**
Cash flows from financing activities			
Dividends paid		-	-
Net cash used in financing activities		**-**	**-**
Net increase/(decrease) in cash and cash equivalents		**(4,699)**	**863**
Cash and cash equivalents at beginning of year		10,381	9,343
Foreign exchange (loss)/gain on cash and cash equivalents		153	175
Cash and cash equivalents at end of year		**5,835**	**10,381**
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,207	7,384
Short-term deposits		1,628	2,997
Cash and cash equivalents		**5,835**	**10,381**

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 the 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 as 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 freehold land and buildings were subsequently re-valued at the 31 December 2024.

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 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.

1.6.1 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value, fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

Change in policy
The Board considered the existing valuation of the freehold property owned through subsidiaries of Jersey Post Limited, recognising that the cost model was unlikely to reflect a true value. It was therefore agreed to change the accounting policy to the revaluation model to better represent the value of assets and provide reliable and improved understanding, which supports better decision-making and more efficient asset use.

Fair values were determined from market-based evidence undertaken by independent, professionally qualified valuers. The effective date of the revaluation was 31st December 2024.

In arriving at their opinion of capital values for Rue des Pres, the Valuers principally relied on a traditional income capitalisation approach, allowing for an initial void / rent free period for those areas that are effectively owner-occupied. They also had regard to the capital value rates per sq. ft., noting the strength of owner-occupier demand in this sector.

In arriving at their opinion of the capital value of 15-17 Broad Street, the Valuers again have principally relied on a traditional income capitalisation approach. For the currently owner-occupied element, allowing for an initial combined void of 18 months and considering the quasi-retail use, this premise could have potential appeal.

In respect of the let-out offices, they have assumed an expiry void in respect of the 1st floor office suite with effect from the tenant's pending break option in February 2026 before being re-let at their opinion of Market Rent. Considering the benefit of the indexed rent reviews on the other two office suites (assuming an annual JRPI average rate.

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.

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.

1. Accounting Policies Continued

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 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 Income
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 accrual's basis.

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 to 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.

Revaluation of Property

In accordance with FRS 102, properties may be revalued to reflect their fair value at the reporting date. This involves estimating the property's market value, which can be subjective and requires careful consideration of external appraisals, comparable market transactions, and economic conditions.

During 2024 the Board changed its accounting treatment of property to the revaluation model and commissioned a report to determine current fair value. These fair values were determined from market-based evidence undertaken by an independent, professionally qualified valuer, and subsequently reviewed by Management for reasonableness. Fair values will be reviewed on a three-year cycle unless the market indicates a material change in value, where the external valuation will be completed.

2. Turnover Analysis

	2024 £'000	2023 £'000
Postal	34,456	34,995
International, Freight & Logistics	45,004	46,517
Other	2,108	1,903
Turnover Total	**81,568**	**83,415**

3. Exceptional Items

	2024 £'000	2023 £'000
Restructure / transformation costs	(1,120)	(319)
Provisions	(720)	1,125
Exceptional items	**(1,840)**	**806**

During the financial year ended 31 December 2024, the Company recognised exceptional losses amounting to £1.84m the income statement. These items are material and non-recurring in nature and arise from events or transactions outside the ordinary course of business.

Transformation programmes were completed in Jersey and the UK, and the Jersey-based digital identity business was spun off. These items are disclosed separately to provide a better understanding of the Company's financial performance for the period.

4. Operating Loss for the year

	2024 £'000	2023 £'000
Operating loss for the year is stated after charging the following:		
Auditor's remuneration: – Audit	132	127
Depreciation of tangible assets	1,608	1,805
Amortisation of intangible assets (software)	999	606
Amortisation of goodwill	413	511
Pension cost	1,307	1,183

5. Staff Costs

	2024 £'000	2023 £'000
Staff costs (including Executive Directors) consist of:		
Wages and Salaries	24,147	23,752
Employer Social Security costs	1,555	1,217
Employer Pension Contributions	1,307	1,183
Total	**27,009**	**26,152**

Employees	2024 £'000	2023 £'000
The average number of staff (including executive Directors) employed by the Group during the year was:		
Operations	445	468
Administration and central functions	115	109
Total	**560**	**577**

Executive Directors	2024 £'000	2023 £'000
The Executive Directors' emoluments were as follows:		
Salaries and short-term benefits	565	473
Post-employment benefits	25	8
Total	**590**	**481**

Highest paid Director	2024 £'000	2023 £'000
The highest paid Director's emoluments were as follows:		
Salaries and short-term benefits	391	377
Post-employment benefits	5	-
Total	**396**	**377**

Key management compensation	2024 £'000	2023 £'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	2,636	2,304
Post-employment benefits	217	76
Total	**2,853**	**2,380**

6. Interest and Dividends Receivable

	2024 £'000	2023 £'000
Bank and loan interest receivable	104	50
Dividends receivable	54	122
Total	**158**	**172**

7. Net movement on Investments

	2024 £'000	2023 £'000
Net realised gain/(loss)	35	126
Unrealised gain/(loss)	0	(146)
Net Movement on Investments Total	**35**	**(20)**

	2024 £'000	2023 £'000
Proceeds from sales of investments made during the year	1,107	2,008
Original cost of investments sold during the year	(1,072)	(1,924)
Gain/(loss) realised on investments sold during the year	**35**	**84**

	2024 £'000	2023 £'000
Opening balance	1,048	2,968
Additions	-	234
Disposals	(1,107)	(2,008)
Gain on re-measurement to fair value	83	(146)
Market value	**24**	**1,048**

8. Taxation	**2024** £'000	**2023** £'000
Jersey/UK income tax		
Current credit/charge	(307)	49
Charge in respect of prior years	-	-
	(307)	**49**
Deferred Tax		
Credit/charge for the year taken to the Income Statement	244	466
Credited/charged to the Income Statement in respect of prior period	128	895
Total deferred tax (credit)/charge for the year	**372**	**1,361**
Total tax charge for the year	**65**	**1,410**

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:

Loss on ordinary activities before taxation	**(2,145)**	**(101)**
Tax on (loss)/profit on ordinary activities at 20%	**(429)**	**(20)**
Fixed Asset timing differences	-	-
Difference on unrecognised deferred tax asset	-	-
Expenses not deductible for tax purposes	291	260
Profits/(Losses) taxed at 0%	121	(512)
Losses utilised in the year	15	276
Losses/(gains) not taxable	2	(4)
Adjustment in respect of prior years	-	-
	429	20
Total current income tax (credit)/charge for the year	-	-

Deferred Taxation	**2024** £'000	**2023** £'000
Total deferred taxation balance at 1 January	1,336	(25)
Credited to Income Statement	244	466
Deferred Tax on acquisitions	-	-
Credit to the Income Statement in respect of prior periods	128	895
Total deferred tax balance at 31 December	**1,708**	**1,336**

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% (2023: 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% (2023: 20%).

9. Tangible Assets

	Freehold land & buildings £'000	Improvements to leasehold property £'000	Plant, vehicles & equipment £'000	Total £'000
Cost				
At 1 January 2024	10,961	258	11,914	23,133
Additions	60	93	712	865
Revaluation	7,919	-	-	7,919
Disposals	-	(32)	(776)	(808)
At 31 December 2024	**18,940**	**319**	**11,850**	**31,109**
Accumulated Depreciation				
At 1 January 2024	5,897	173	9,342	15,412
Annual Charge	542	33	1,033	1,608
Disposals	-	(21)	(409)	(430)
At 31 December 2024	**6,439**	**185**	**9,966**	**16,590**
Net book value				
At 31 December 2024	**12,501**	**134**	**1,884**	**14,519**
At 31 December 2023	5,064	85	2,572	7,721

Freehold land and Buildings were revalued on the 31 December 2024 by an independent Valuer, and the carrying amount that would have been recognised had the assets been carried under the cost model is £4,581,053. Included within the total net book value of £14,519,000 are assets held under hire purchase arrangements totalling £488,075 (2023: £358,995).

10. Intangible assets

	Software £'000	Total £'000
Cost		
At 1 January 2024	3,623	3,623
Additions	139	139
Disposals	(1,400)	(1,400)
At 31 December 2024	**2,362**	**2,362**
Accumulated amortisation		
At 1 January 2024	1,937	1,937
Annual Charge	999	999
Disposals	(1,121)	(1,121)
At 31 December 2024	**1,815**	**1,815**
Net book value		
At 31 December 2024	**547**	**547**
At 31 December 2023	1,686	1,686

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 2024	9,119	9,119
Additions	-	-
Disposals	(5,368)	(5,368)
Impairment	-	-
At 31 December 2024	**3,751**	**3,751**
Accumulated amortisation		
At 1 January 2024	8,119	8,119
Annual Charge	525	525
Impairment	475	475
Disposals	(5,368)	(5,368)
At 31 December 2024	**3,751**	**3,751**
Net book value		
At 31 December 2024	**-**	**-**
At 31 December 2023	1,000	1,000

12. Inventories

	2024 £'000	2023 £'000
Philatelic Stamp Inventory	77	79
Shop Inventory	15	20
Operational Stamp Inventory	9	19
Total	**101**	**118**

13. Debtors

	2024 £'000	2023 £'000
Net trade debtors	10,648	14,644
Other debtors	1,467	558
Agency debtors	347	293
Corporation/deferred tax	1,810	1,438
Fair value of derivative instruments	-	-
GST and VAT	246	162
Prepayments and accrued income	1,466	1,690
Total	**15,984**	**18,785**

14. Creditors: Amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	6,347	10,110
Other creditors	162	992
Obligations under finance leases and hire purchase contracts	134	108
Other tax and social security	472	468
GST and VAT	-	-
Corporation tax	-	-
Accruals and deferred income	7,735	13,372
Fair Value of derivative instruments	87	267
	14,937	**25,317**

15. Creditors: Amounts falling due after more than one year

	2024 £'000	2023 £'000
Obligation under finance lease and hire purchase	260	168
Provisions	930	210
	1,190	**378**

Provisions relate to dilapidations on leasehold properties in the UK and the timings of these outflows remain uncertain until the completion of the UK property review.

16. Deferred Tax

	2024 £'000	2023 £'000
Accelerated capital allowances	(1,708)	(1,336)
	(1,708	**(1,336)**

17. Finance Lease Obligations

	2024 £'000	2023 £'000
The future minimum finance lease payments are as follows:		
Not later than one year	134	108
Later than one year and not later than five years	260	168
Later than five years	-	-
	394	**276**

18. Operating Lease Commitments

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

	2024			2023		
	Land & Buildings £'000	Other £'000	Total £'000	Land & Buildings £'000	Other £'000	Total £'000
Not later than 1 year	2,302	-	2,302	2,676	-	2,676
2-5 years	2,965	-	2,965	2,839	-	2,839
Over 5 years	250	-	250	9	-	9
Total	**5,517**	**-**	**5,517**	**5,524**	**-**	**5,524**

The total operating lease expense to the Group in the year was £2,118,370 (2023: £2,822,602)

19. Financial Instruments

	2024 £'000	2023 £'000
Derivatives		
Forward foreign currency contracts	(87)	(267)

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

	2024 £'000	2023 £'000
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.

22. Dividends Paid and payable

No dividends were paid to the Shareholder.

23. Ultimate and Immediate Controlling Party

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

24. Related Party Transactions

Transactions with subsidiaries and associate
The Group provides multi-channel services to a number of different departments of the Government of Jersey. Sales of £1,220,793 (2023: £1,210,391) and purchases of £2,288,465 (2023: £2,101,718) were made to departments in 2024. As of 31st December 2024, the amount owing to the Government of Jersey was £48,656 and the amount owed from the Government of Jersey was £136,474 (31st December 2023: £466,981 and £485,611 respectively). All services provided by the Group to the Government of Jersey are provided on an arm's length basis.

Woodside Logistics trades with Woodside Farms. Sales were £87,852 (2023: £166,361) and purchases were £34,562 (2023: £139,212). As at 31st December 2024 the amount owed by Woodside Farms was £7,344 and the amount owed to Woodside Farms was £545 (31st December 2023: £87,945 and £17,576 respectively).

Woodside Farms assigned the leasehold of Units 1 & 2 at Nelson to Woodside Logistics UK on the 1st April 2021, with all the lease obligations transferring to Woodside Logistics UK from that date. 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 of 31st December 2024, JPIL was the 100% owner of the equity share capital, either itself or through subsidiary undertakings, of the following entities.

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
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 are disclosed in the Remuneration Committee Report on page 21.

27. Cashflow workings

	2024 £'000	2023 £'000
Profit/(loss) after tax	**(2,080)**	**1,309**
Taxation	(65)	(1,410)
Net movement on investment	(35)	20
Other non-operating income	(661)	(589)
Interest and dividend receivable	(158)	(172)
(Gain)/loss on sale of subsidiaries	1,040	-
Foreign Exchange (gain)/loss	(153)	(175)
Operating (Loss)/Profit	**(2,112)**	**(1,017)**
Depreciation charge	2,607	2,411
(Gain)/Loss on disposal of fixed assets	(25)	(33)
(Gain)/loss on sale of investments	(112)	-
Amortisation charge	525	511
Impairment of goodwill	-	-
Other non-operating income	661	589
Release of provision	-	(1,125)
(Increase)/Decrease in Inventory	17	(9)
(Increase)/Decrease in Debtors	1,795	(545)
Increase/(Decrease) in Creditors	(8,379)	(834)
Increase/(Decrease) in WC from US divestment	(531)	-
Increase/(Decrease) in Provisions	720	-
Net cash outflow from operating activities	**(4,834)**	**(52)**

Analysis of Net Cash /(Debt)	**At 1 January 2024**	**Cash Flows**	**Other non-cash changes**	**At 31 December 2024**
Cash at bank and in hand	10,381	(4,546)	-	5,835
Finance leases	(276)	123	(241)	(394)
Net Cash	**10,105**	**(4,423)**	**(241)**	**5,441**

Five Year Summary

	Units	2024	2023	2022	2021	2020
Balance sheet						
Shareholder's funds	£'000	**20,883**	14,933	13,701	20,607	19,612
Profit & loss account						
Turnover	£'000	**81,568**	83,415	76,886	79,892	68,124
Operating profit/(loss)	£'000	**(2,112)**	(1,017)	(7,487)	586	(400)
Gross margin	%	**10%**	8.9%	7.6%	13.5%	14.9%
Operating profit/(loss)	%	**(2.6)%**	(1.2)%	(9.7)%	0.7%	(0.6) %
Profit/(loss) before tax	£'000	**(2,145)**	(101)	(6,688)	995	(285)
Profit/(loss) before exceptional	£'000	**(305)**	(907)	(6,074)	(340)	(285)
EBITDA	£'000	**1,304**	2,649	(1,046)	5,156	3,882
Dividend payable to Share-holder on the basis of the year's financial performance	£'000	**-**	-	-	298	-
Operational statistics						
Total mail volumes	million	**17**	18	21	26	27
Number of post offices	number	**13**	15	19	19	20
Cost of a local stamp	pence	**60**	60	56	54	54
Cost of a UK stamp	pence	**98**	98	82	74	70
Average number of staff	number	**560**	577	585	460	376
Payroll costs	£million	**27**	26.2	26.1	21.9	18.9
Average cost of employee	£'000	**48**	44	45	47	50

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