

**States of Guernsey**

**States' Trading Supervisory Board**

**Ports**

**Annual Report and Audited Financial Statements**

**For the year ended 31 December 2024**

# **States' Trading Supervisory Board Ports**

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# States' Trading Supervisory Board Ports

## States' Trading Supervisory Board Members, Principal Officers and Professional Advisers

### States' Trading Supervisory Board Members

Deputy P. Roffey	President
Deputy C. Parkinson	
Deputy N. Moakes	
Dr S. Thornton	
Mr M. Thompson	

The constitution of the States' Trading Supervisory Board ("STSB") provides that the membership of the STSB shall be a President and two members who shall be sitting members of the States and up to two voting members who shall not be sitting members of the States. If and when the STSB is inquorate and an urgent decision is required, the States' Rules of Procedure allow for the insufficiency of members to be replaced by members of the States chosen, in the first instance, from members of the Policy & Resources Committee.

### Principal Officers to the States' Trading Supervisory Board

Mr S. Elliott, Managing Director, States Trading Group  
Mr A. Ford, Head of Shareholder Executive, States Trading Group  
Mr M. Salmon, Finance Business Partner, States Trading Group

### Ports Board Members

Dr S. Thornton	Chairman
Deputy P. Roffey	
Mr S. Holden	non-voting adviser
Mr B. Smillie	non-voting adviser – Resigned 11 November 2024
Mr R. Coppolo	non-voting adviser
Mr C. Le Ray	non-voting adviser – Resigned 20 December 2024
Mr B. Bell	non-voting adviser – Resigned 31 December 2024

At its meeting of 4 May 2017, the STSB agreed to establish political sub-committees (company boards) for the trading assets including the Ports.

The constitution of the Ports Board ("PB") was determined by the STSB at its meeting 4 May 2017.

Further information on the role of the PB is provided in the section on Corporate Governance.

# States' Trading Supervisory Board Ports

## States' Trading Supervisory Board Members, Principal Officers and Professional Advisers – continued

### Principal Officers to the Ports Board

Mr R. Coppolo, Managing Director, Ports – Appointed 1 October 2024  
Mr C. Le Ray, Managing Director, Ports – Resigned 20 December 2024  
Mr J. Davis, Harbourmaster, Ports – Appointed 1 July 2024  
Mr D. Barker, Harbourmaster, Ports – Resigned 30 June 2024  
Mr D Roberts – Senior Finance Manager, Ports – Appointed 1 January 2025  
Mr B. Bell, Senior Finance Manager, Ports – Resigned 31 December 2024  
Mr R. Coppolo, Chief Operating Officer, Ports – Resigned 30 September 2024  
Mr D. Wright, Head of Delivery and Development, Ports – Resigned 16 January 2025

In these Financial Statements any reference to "President" refers to the President of the STSB and any reference to "Chairman" refers to the Chairman of the PB.

### Legal Advisers

Law Officers of the Crown  
St James Chambers  
St James Street  
St Peter Port  
GY1 2PA

### Independent Auditor

Grant Thornton Limited  
St James Place  
St James Street  
St Peter Port  
GY1 2NZ

# States' Trading Supervisory Board

## Ports

### Chairman's Report

The Ports made an operating loss of £1.5m in 2024, which was an improvement of £1m on the prior year. Revenue, particularly commercial harbours revenues rose strongly. However, this was primarily the result of the fee increases that came from the review of Ports finances in 2023. It is disappointing to note that overall passenger numbers declined last year, and we are acutely aware of the potential negative impact of further significant above inflation fee increases.

The second phase of the financial review identified some material cost savings, by changing how we deliver services, particularly at Guernsey Airport. Some of these will take time but the team have made good progress so far.

The commercial team have been working on several projects that will have a positive impact on our profitability. For example, we have negotiated better terms with the hire car concessions at the airport and we are launching an improved departures offering at the harbour. There are further projects in the pipeline that will diversify our revenues but as noted last year, our ability to deliver them is restricted by our poor capital position.

We have delivered an increased capital programme which mainly consists of repairs. We still have a sizeable medium-term programme of essential works with much of this in the harbours. Funding these works presents a challenge to the Ports given the post COVID recovery in volumes seems to have stalled.

As all Islanders know, 2024 was a particularly challenging year for our airlines. The Port's staff worked exceptionally hard and many long hours to help the airlines get people on and off the Island. Consistently opening the airport late into the evening put considerable strain on our staff who already operate the airport 15 hours a day, 7 days a week.

On behalf of the Ports' Board, I would like to say a particular thanks to Colin Le Ray, the former managing director of Guernsey Ports who retired after many years of dedicated service during the year. Our new managing director, Ross Coppolo, took up the post in the Autumn.

Dr Simon Thornton  
Chairman  
Ports Board

# States' Trading Supervisory Board Ports

## Managing Director's Report

### **Collaborative Working Brings Success**

With several significant changes and challenges in 2024, the importance of a collaborative, motivated and dedicated team effort could never have been more important. Air connectivity presented us with well publicised challenges and significant disruption which stretched Guernsey Airport's resources to the limit during the summer of 2024.

The Ports team worked tirelessly throughout the year to support our airlines by providing significant flexibility in aerodrome operating hours. The epitome of the dedication and collaborative approach of our teams, with the support of our airlines Aurigny and Blue Islands, was a willingness to stay open on Christmas Eve for as long as was necessary to ensure passengers managed to get where they needed to be on Christmas Day.

Sea connectivity also saw significant changes in 2024 and the Ports management team supported Guernsey's Government in the tender for a new, long term ferry services agreement that was awarded to Brittany Ferries for the next 15 years. Brittany Ferries have already proven to be an excellent strategic partner and we look forward to working closely with them, in the years to come.

### **Our People**

Underpinning our business is our people who are the key to our organisation's success. As noted earlier, 2024 was a particularly challenging year for the team at Guernsey and Alderney airports. Their performance, well-being, and personal development continue to have a significant impact on the level of service we deliver and provide across Guernsey Ports.

Our people strategy comprises of three key pillars: Leadership, Advancement, and Performance, all underpinned by Diversity, Equality, and Inclusion. We will be building upon these values in the years to come including the introduction of new training programmes for our employees and revitalised internship and graduate schemes.

### **Financial Performance**

Ports revenue increased by 17% to £27.5 million in 2024 with £13.8 million from the Airport and £13.7 million from our Harbours. Most of the increased revenues came from Airport movements and commercial port operations which saw a 5% increase in volumes. We continue to develop commercial opportunities across our business but these will take a few years to fully impact our financial results.

# States' Trading Supervisory Board

## Ports

### Managing Director's Report – continued

Passenger numbers declined slightly over the prior year with the majority of the decrease coming from cruise ship visitors. One of our key strategic objectives is to work with partners to increase passenger volumes across the Ports.

Passenger Numbers			
Port	2024	2023	Change
Guernsey Airport	686,732	697,021	(1%)
Guernsey Harbours	384,934	376,039	2%
Alderney Airport	48,064	49,816	(4%)
Cruise Ships	38,456	85,541	(55%)
<b>Total</b>	<b>1,158,186</b>	<b>1,208,417</b>	<b>(4%)</b>

Figure 1

Improving strategic connectivity for the Bailiwick is one of Guernsey Ports' key priority areas which has included the development of a new cruise ships strategy. Additionally, the Brittany Ferries schedules should increase visitor numbers to the Island.

Expenditure for 2024 excluding depreciation and interest was £29.0m versus £25.9m in 2023, a 12% increase. Primary drivers being annual pay rises and additional overtime in 2024 as a result of the significant number of airport opening hours extensions. Transition, equipment and training costs were incurred in 2024 relating to the in-sourcing of the airport security function, coast-guard services, cruise marshals, and project management functions. Insourcing of these critical functions should deliver improved customer experience and longer-term cost savings.

We completed the first phase of our efficiency review during the year and have made considerable progress implementing numerous cost saving initiatives. We are yet to see the financial benefit but we expect to deliver significant savings over the coming three years.

There were a number of exceptional events in 2024, including unscheduled maintenance on the work boat 'Sarnia', harbour cranes and unplanned infrastructure repairs and replacements across the Ports. These events had an impact of £0.42 million on the operating deficit.

Whilst Guernsey Ports continues to operate in a challenging environment, there have been improvements in financial performance leading to an a £0.9m improvement in EBITDA to £(1.53)m. The loss for the year was just over £3m, an improvement of £0.7m. We had a cash surplus of £1m from operating activities arising from working capital improvements.

We expect to see further financial improvements in the coming years as we continue to diversify revenue streams and implement efficiencies across the organisation primarily through the continued harmonisation and integration of a number of Ports functions.

# States' Trading Supervisory Board

## Ports

### Managing Director's Report – continued

#### Harbour Operations

Commercial ports operations, which saw a 5% increase in freight volumes, made by far the largest contribution (£3.7m) to the harbours' EBITDA. Leisure operations, which includes local berths, visitor berths, and cruise operations contributed £1.5m EBITDA. Non-commercial ports operations, such as the Coastguard and the Vessel Traffic Service cost our business £1.8m.

Harbour costs increased by just over £1m. This increase came from the centrally negotiated pay increases and the increase in headcount detailed in note 7.

#### Airport Operations

Despite the increased revenue, losses at the airport increased with the negative EBITDA worsening by £0.2m to £4.7m. As noted elsewhere, pay rises accounted for much of the cost increase together with the costs associated with the transition of airport security. Headcount increased significantly because of in-sourcing airport security as the staff had previously been employed by a third party provider. Despite charging fees for extended opening hours, these did not fully cover the costs we incurred as a result of the extensive late opening.

Most of the benefits of the cost saving initiatives are at the airport and, together with increased income from non-traffic sources, such as hire car concessions, I am confident the financial performance will improve significantly in the coming years.

#### Capital Programme

Due to the extensive medium term capital programme, Guernsey Ports took the strategic decision to grow its in-house project team. This delivered efficiencies and significant cost savings on project management, some of which had previously been outsourced. It has also meant that the experience and knowledge gained from delivering specialist projects was kept within Guernsey Ports as opposed to this expertise being lost upon project completion.

Guernsey Ports met its capital expenditure project target of £4 million with a total of £4.3 million being spent in 2024 with 12 key capital projects delivered. The top 5 capital projects delivered in 2024 are shown in Figure 2. Going forward we must invest more to ensure our infrastructure is fit for purpose.

Top 5 Capital Expenditure Items In 2024		2024
		£m
Guernsey Airport	Vehicle Check Points (East and West) Upgrade	1.63
Guernsey Marinas	QE II Marina D&E Pontoon Replacement	0.98
Guernsey Airport	Instrument Landing System & Radar Data Processing Upgrade	0.38
Guernsey Harbours	Radio Comms Control System (Zetron)	0.30
Guernsey Marinas	Victoria Marina D&E Pontoon Replacement	0.20

Figure 2



# States' Trading Supervisory Board

## Ports

### Managing Director's Report – continued

Two of the key projects delivered in 2024 resulted in substantial investment in our marinas with the complete replacement and reconfiguration of D and E pontoons in the QEII Marina and D and E pontoons in the Victoria Marina. This has resulted in Guernsey Marinas being able to accommodate additional, larger vessels in the QEII Marina and provide further flexibility in the Victoria Marina for visiting vessels. We intend to significantly invest in our leisure business in the coming years. We have finished the feasibility study on the Pool Marina. Without central funding, the project's finances are challenging but we are looking at alternative options.

The introduction of a new Ports asset management strategy commencing in 2025 will assist with improved planning and reducing the number of exceptional events. The reduction of these events will improve the financial performance of the Ports in future years.

### **Looking Ahead - Refreshed Business Strategy**

We will be launching a new 5 year business strategy for 2025 through to 2030. The strategy is underpinned by 7 strategic priority areas which focusses upon the further diversification of revenue streams, improving governance and delivering operational efficiencies.

Frequent, cost-effective air and sea connectivity is also a focus area for Guernsey Ports. We remain committed to developing the relationships we have with our current partners whilst also exploring new opportunities based upon demand, opportunity and feedback from our community which also delivers sustainable growth for our economy.

A new sustainability strategy is currently being written which will accelerate Guernsey Ports' delivery of its' goals to become a net zero operator in the years to come.

We remain focussed upon becoming a viable going concern where opportunities for growth are encouraged and we drive increases in revenue and profitability. This will enable and support the continued required levels of capital investment in the Ports' critical infrastructure whilst improving customer care and services provided to our users.

Guernsey Ports understands the importance of the role we play for the Bailiwick of Guernsey's community and its economy and we will continue to strive to be a business our community is proud of.

### **Going concern**

The financial statements have been prepared on the going concern basis of accounting. The STSB and its Principal Officers have reviewed the cash flows and projected income and expenses over the next 12 months prepared by management, and deem that Ports, as an essential part of the island's infrastructure and part of the States of Guernsey, has access to adequate financial resources to meet its obligations as they fall due. The STSB therefore believes that Ports is a going concern for at least 12 months from the approval of the financial statements.

# **States' Trading Supervisory Board Ports**

## **Managing Director's Report – continued**

### **Independent Auditor**

Grant Thornton Limited have expressed their willingness to continue in office as Independent Auditor.

**Ross Coppolo**

Managing Director – Ports

# States' Trading Supervisory Board Ports

## Corporate Governance

### Statement of responsibilities for the preparation of financial statements

The STSB prepares financial statements for each financial year, which disclose the state of affairs for Ports and of the surplus or deficit of Ports for that period. In preparing those financial statements, the STSB is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis, unless it is inappropriate to do so, and
- state whether applicable accounting standards have been followed.

The STSB is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time Ports' financial position. The STSB is also responsible for identifying and implementing internal controls, including financial controls, which are adequate for its own purposes and to safeguard the assets of Ports and the States of Guernsey in its care, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of financial controls

The STSB, is responsible for the economic, efficient and effective operations and management of Ports and has a duty to ensure that they fulfil their obligations.

The Ports' internal financial controls and monitoring procedures include:

- Annually reported and approved budgets monitored against monthly management accounts with additional operational detail reported in monthly management reports, which monitor actual income and expenditure against that anticipated. All such detail is regularly reviewed at meetings of the STSB and PB, to ensure that all board members are informed of the Ports' financial affairs,
- Customer invoices are subjected to a range of pre-determined computerised integrity checks prior to dispatch in order to ensure accuracy,
- Regular review of debtors to ensure that any delinquent debtors are identified at an early stage and dealt with appropriately,
- The control of materials and stores purchases are managed using a computerised job-costing programme with specific authorisation limits for purchases and segregated areas of responsibility for processing of payments, all of which maintain detailed audit trails,
- Manpower expenditure is monitored and controlled at source via time sheets, which are authorised and reconciled with the wage bill,
- Capital expenditure authorisation is subject to strict valuation guidelines and purchase procedures,
- Regular review of charges, and

# States' Trading Supervisory Board Ports

## Corporate Governance - continued

- Consideration of all audit reports by the STSB.

The STSB strives to ensure that all staff with financial responsibility in Ports has appropriate integrity, skills and motivation to professionally discharge their duties.

The Ports' internal controls and accounting policies have been and are subject to continuous review and improvement. In addition, the financial statements are subject to an independent external audit by an auditor appointed by the States of Guernsey.

## The Ports Board

The purpose of the Ports Board (PB) is to support the delivery of the STSB's mandate, ensuring the efficient and effective management, operation and maintenance of Ports.

The PB is accountable to the STSB and operates by challenging established practices and assumptions and seeking to support the business in establishing clear strategic direction, business planning and operational delivery in support of the outcomes of the Government Work Plan, the Public Service Reform Agenda, Service Guernsey and other strategic reviews and organisational drivers.

The PB membership is a minimum of a Chairman who is not a States Member, a Political Member of the STSB, a Senior Executive of an Incorporated Company or one or more Senior Officers of the States of Guernsey, the Ports Managing Director, Chief Operating Officer and Senior Financial Manager.

All members other than the Ports Managing Director, Chief Operating Officer and Senior Financial Manager are appointed by the STSB.

As a sub-committee of the States of Guernsey, the quorum will be two members of the STSB.

The PB does not hold a fiduciary responsibility.

The PB will take into account the States of Guernsey's political direction with regard to the operation of Ports, as directed from time to time by the STSB. It must ensure that the Ports' operations and operational policies align with the wider strategy and policy framework of the States of Guernsey and/or the STSB. The PB may generate policy for endorsement by the STSB and onward to the States of Guernsey as required.

The STSB specifically confers the following responsibilities and delegated authority to the PB to:

- Approve capital and revenue annual budgets in line with the long-term budgets approved by the STSB,
- Approve annual business plans in line with long-term strategy and planning approved by or directed by the STSB,
- Approve and issue annual reports, and
- Guide and steer Ports.

# **States' Trading Supervisory Board Ports**

## **Corporate Governance - continued**

In carrying out these responsibilities the PB is bound and enabled by States of Guernsey rules for financial and resource management and the rules, directives policies and procedures of the States of Guernsey. The PB has the authority delegated by the STSB to direct the Ports Managing Director in the day-to-day operation of Ports in line with approved budget and business plans.

The PB acts as a political sub-committee of the STSB.

STSB can disband the PB at any time without notice or recourse to any other body.

In the event due process has not been followed, the PB must render itself unable to make a decision until such time process has been followed.

# **States' Trading Supervisory Board Ports**

## **Independent Auditor's Report to the Members of the States of Guernsey – States' Trading Supervisory Board – Ports**

### **Opinion**

We have audited the financial statements of The States of Guernsey – States' Trading Supervisory Board ("STSB") – Ports for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are prepared, in all material respects, in accordance with the basis of preparation and accounting policies as set out in note 2 to the financial statements.

### **Basis for opinion**

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

### **Emphasis of Matter — Basis of Accounting**

We draw attention to note 2 to the financial statements, which describes the basis of accounting. Specifically, amortisation of asset specific contributions, which are initially recognised in the capital contributions reserve and released to the revenue account over the anticipated useful life of the asset concerned, on a basis consistent with the depreciation of the underlying asset. This is not in compliance with FRS 102. The financial statements are prepared to assist STSB - Ports to comply with its financial reporting requirements. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other information**

The STSB are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a

# States' Trading Supervisory Board

## Ports

### Independent Auditor's Report to the Members of the States of Guernsey – States' Trading Supervisory Board – Ports - continued

#### **Other information (continued)**

material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the STSB for the financial statements**

The STSB are responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies as set out in note 2 to the financial statements, and for such internal control as the STSB determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the STSB are responsible for assessing Ports' 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 STSB either intend to liquidate Ports or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ports' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# States' Trading Supervisory Board Ports

## Independent Auditor's Report to the Members of the States of Guernsey – States' Trading Supervisory Board – Ports - continued

### **Auditor's responsibilities for the audit of the financial statements (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Port's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Ports to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Use of our report**

This report is made solely to the members of the STSB. Our audit work has been undertaken so that we might state to the STSB members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Ports and members of the STSB, for our audit work, for this report, or for the opinions we have formed.



**Grant Thornton Limited**  
Chartered Accountants  
St Peter Port, Guernsey

Date: 22 May 2025



# States' Trading Supervisory Board Ports

## **Statement of Comprehensive Income** *for the year ended 31 December 2024*

		<b>2024</b>	Restated
	Notes	<b>£'000</b>	<b>2023</b>
			<b>£'000</b>
<b>Revenue</b>	2 & 4		
Airport fees, charges and other income		<b>13,785</b>	11,961
Harbour dues, charges and other income		<b>13,670</b>	11,524
		<b>27,455</b>	23,485
<b>Expenses</b>	2 & 5		
Airport expenses		<b>(18,503)</b>	(16,495)
Harbours expenses		<b>(10,480)</b>	(9,450)
		<b>(28,983)</b>	(25,945)
<b>Operating deficit before depreciation and amortisation and loss on impairment of assets</b>		<b>(1,528)</b>	(2,460)
Depreciation and amortisation	9 & 10	<b>(5,410)</b>	(5,191)
Loss on impairment of assets	6	<b>(776)</b>	-
Revaluation of investment property	11	<b>1,716</b>	937
<b>Operating deficit for the year</b>		<b>(5,998)</b>	(6,714)
Amortisation of asset specific contributions	2 & 20	<b>3,237</b>	3,184
Interest payable	8	<b>(281)</b>	(164)
<b>Deficit for the financial year</b>	19	<b>(3,042)</b>	(3,694)

All material activities derive from continuing operations.

Prior period balances have been restated. Refer to note 19 for further details.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## **Statement of Financial Position**

*as at 31 December 2024*

	Notes	2024 £'000	Restated 2023 £'000
<b>Non-current assets</b>			
Tangible fixed assets – Airport	10	77,713	80,752
Tangible fixed assets – Harbours	10	123,772	123,339
Investment property	11	23,093	21,376
Assets under construction	12	4,768	3,934
		<u>229,346</u>	<u>229,401</u>
<b>Current assets</b>			
Inventories	13	566	605
Debtors and prepayments	14	3,615	5,698
		<u>4,181</u>	<u>6,303</u>
<b>Creditors: amounts falling due within one year</b>			
Balances with States Treasury		(1,206)	(3,198)
Other creditors	15	(4,264)	(4,009)
		<u>(5,470)</u>	<u>(7,207)</u>
<b>Net current liabilities</b>		<u>(1,289)</u>	<u>(904)</u>
<b>Creditors: amounts falling due after one year</b>			
Loan from the States of Guernsey	16	(1,852)	(1,955)
<b>Provisions: amounts falling due after more than one year</b>			
	17	(6,175)	(6,000)
		<u>220,030</u>	<u>220,542</u>
<b>Total net assets</b>			
<b>Reserves</b>	18	<u>220,030</u>	<u>220,542</u>

Prior period balances have been restated. Refer to note 19 for further details.

Signed on behalf of the States of Guernsey - States' Trading Supervisory Board

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports



**Deputy P. Roffey**  
President

22 May 2025

Signed on behalf of the States Trading Group



**Mr S. Elliott**  
Managing Director

22 May 2025

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## **Statement of Changes in Equity** *for the year ended 31 December 2024*

	Notes	<b>2024</b> <b>£'000</b>	Restated 2023 £'000
<b>Balance at 1 January</b>		<b>220,542</b>	222,430
Deficit for the financial year		<b>(3,042)</b>	(3,694)
Amortisation of asset specific contributions	18 & 20	<b>(3,237)</b>	(3,184)
Capital contribution from General Revenue	18 & 20	<b>86</b>	122
Cash contribution from General Revenue	18	<b>5,681</b>	4,868
<b>Balance at 31 December</b>	18	<b>220,030</b>	220,542

Prior period balances have been restated. Refer to note 19 for further details.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## **Statement of Cash Flows**

*for the year ended 31 December 2024*

	Notes	<b>2024</b> <b>£'000</b>	Restated 2023 £'000
<b>Net cash flows from / (used by) operating activities</b>	21	<u>1,024</u>	<u>(5,216)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets	12	<u>(4,414)</u>	<u>(2,692)</u>
<b>Net cash flows used by investing activities</b>		<u>(4,414)</u>	<u>(2,692)</u>
<b>Cash flows from financing activities</b>			
Capital contribution from General Revenue	20	86	122
Cash contributions from General Revenue	18	5,681	4,868
Capital repaid		(103)	(109)
Interest paid		<u>(282)</u>	<u>(165)</u>
<b>Net cash flows from financing activities</b>		<u>5,382</u>	<u>4,716</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		1,992	(3,192)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>(3,198)</u>	<u>(6)</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>(1,206)</u>	<u>(3,198)</u>
<b>Reconciliation to cash at bank and in hand:</b>			
Balances with States Treasury		<u>(1,206)</u>	<u>(3,198)</u>
<b>Cash and cash equivalents</b>		<u>(1,206)</u>	<u>(3,198)</u>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements

### 1. General information

Ports is an unincorporated business, the management, operation and maintenance of which is the responsibility of the States of Guernsey - STSB. The nature of the Ports' operations and principal activities are set out in the Managing Director's report.

The Ports' principal places of business are Guernsey Airport, La Villiaze, Forest, Guernsey, GY8 0DS and Guernsey Harbour, St Julians Emplacement, St Peter Port, Guernsey, GY1 3DL.

### 2. Principal accounting policies

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

#### *Accounting convention*

The financial statements are prepared in accordance with the stated accounting policies and under the historical cost convention as modified to include certain items at fair value and broadly following the principles of the Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council. The exception below renders the accounts non-compliant with FRS102.

#### i) Amortisation of asset specific contributions

Asset specific contributions are initially recognised in the capital contributions reserve and released to the revenue account over the anticipated useful life of the asset concerned, on a basis consistent with the depreciation of the underlying asset.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 2. Principal accounting policies – continued

#### *Functional and presentational currency*

The financial statements are presented in Pounds Sterling, which is the functional and presentational currency of Ports and has been rounded to the nearest thousand.

#### *Going concern*

The financial statements have been prepared on the going concern basis of accounting. The STSB and its Principal Officers have reviewed the cash flows and projected income and expenses over the next 12 months prepared by management, and deem that Ports, as an essential part of the island's infrastructure and part of the States of Guernsey, has access to adequate financial resources to meet its obligations as they fall due. The STSB therefore believes that Ports is a going concern for at least 12 months from the approval of the financial statements.

#### *Tangible fixed assets*

##### i) Investment properties

Investment properties for which fair value can be measured reliably on an ongoing basis are measured at fair value annually with any change recognised in the Statement of Comprehensive Income.

##### ii) Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment. Property, plant and equipment is depreciated over the expected useful life except assets under construction.

##### iii) Assets under construction

Assets under construction are capitalised and are transferred to tangible fixed assets and depreciated once brought into use. All costs associated with capital projects, including professional fees are capitalised.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 2. Principal accounting policies – continued

#### *Depreciation*

Depreciation is calculated at the following annual rates so as to write off the cost of tangible fixed assets over their anticipated expected useful lives using the straight-line method. Depreciation commences from the beginning of the month of acquisition of an asset or, in the case of constructed assets, the asset being brought into a condition to be used as intended.

	Estimated life in years	Depreciation % per annum
Land	-	-
Infrastructure	15 - 60	1.7% - 6.7%
Buildings	25 - 60	1.7% - 4.0%
Plant and Equipment	5 - 25	4.0% - 20.0%
Vehicles and Vessels	5 - 25	4.0% - 20.0%
Computers and ICT	3	33.3%

#### *Impairment of assets (excluding inventories)*

Assets, other than those measured at fair value, are assessed for indicators of impairment at the end of each reporting period. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

In assessing impairment risk of tangible fixed assets, a depreciated replacement cost methodology is carried out by independent valuation specialists. The valuation exercise is to be carried out on a five-year cycle. In the interim periods where no independent valuation is completed, an assessment is performed by management to identify any factors that could trigger an update of the valuations outside of the normal cycle.

#### *Inventories*

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Costs include an appropriate proportion of processing expenses and are calculated at average value method. Provisions are made for obsolete and slow-moving items where appropriate.

Notes 1 to 28 form an integral part of these financial statements.



# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 2. Principal accounting policies – continued

#### *Basic financial instruments*

##### i) Trade debtors

Trade debtors are recognised initially at original invoiced amount. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses.

##### ii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and balances held by States Treasury on behalf of Guernsey Ports. Whilst Guernsey Ports operates a treasury account, the entity will make payments and receive money via bank accounts held centrally by the States of Guernsey. The net cash balance held with the States Treasury at the year-end is treated as cash and cash equivalents in Guernsey Port's Statement of Financial Position. This net cash balance may change on a daily basis, with surplus cash balances generating financial returns, and balances in deficit being charged interest. Any net cash balance held with the States Treasury could be reduced over a very short period of time without detriment, and therefore is considered to be a highly liquid investment, readily convertible to known amounts of cash and subject to an insignificant risk of any change in notional value.

##### iii) Trade creditors

Trade creditors are recognised initially at original invoiced amount plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost.

##### iv) Loans from the States of Guernsey

Loans from the States of Guernsey are initially recognised at cost. These loans are subsequently measured at amortised cost.

##### v) Derecognition of basic financial instruments

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the business transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the business, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 2. Principal accounting policies – continued

Financial liabilities are derecognised only when the obligation specified in a contract is discharged, cancelled or expires.

#### *Revenue and expenses*

Revenue and expenses are accounted for on an accruals basis. Revenue comprises amounts in respect of Harbour and Airport dues, fees and charges arising from commercial operations in the year.

#### *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

#### *Pension costs*

Pension costs are treated as described in note 24.

#### *Amortisation of asset specific contributions*

Asset specific contributions are initially recognised in the capital contributions reserve and released to the revenue account over the anticipated useful life of the asset concerned on a basis consistent with the depreciation of the underlying asset.

#### *Investment return and interest receivable/payable*

Investment return on balances held with the States Treasury and interest receivable/payable is accounted for on an accruals basis.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 2. Principal accounting policies – continued

#### *Leases*

##### i) As lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### ii) As lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Ports' accounting policies, which are described in note 2, the PB is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical judgements that require disclosure made by the PB in the process of applying Ports' accounting policies. The following estimations made by the PB have the most significant effect on the amounts recognised in the financial statements.

#### i) Valuation of investment property

As stated in the accounting policies above, the Ports' investment property is stated at fair value as accounted for by management based on an independent external appraisal. The estimated fair value may differ from the price at which the property could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. Also certain estimates require an assessment of factors not within management's control such as overall market conditions. As a result, actual realisable proceeds could differ from the valuations in these financial statements, and the difference could be significant.

#### ii) Depreciation rates

The Ports' infrastructure assets have no definite life of the assets, so management makes an assumption based on previous experience of the usage of the assets. The rate used for each type of asset that makes up the infrastructure assets has been disclosed in note 2.

#### iii) Perfluorooctanesulfonate Acid ("PFOS") Provision

This is judgemental as a range of estimates were produced by the independent technical advisor and provisions were estimated on the basis of the preferred option of disposal. More details of this provision can be found in note 17.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Ports

### Notes to the Financial Statements – continued

#### 4. Revenue

All revenue is derived from activities within the Bailiwick of Guernsey.

An analysis of Ports' revenue by class of business is set out below:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Airport	13,785	11,961
Harbours	<u>13,670</u>	<u>11,524</u>
<b>Ports revenue</b>	<b><u>27,455</u></b>	<b><u>23,485</u></b>
<b>Airport</b>		
Traffic Receipts	9,677	7,914
Rents	1,917	2,027
Development Charge	585	612
Car parking fees	1,024	845
Advertising & Sundries	388	369
Recovery from Alderney	<u>194</u>	<u>194</u>
<b>Airport revenue</b>	<b><u>13,785</u></b>	<b><u>11,961</u></b>
<b>Harbour</b>		
Commercial port operations	8,269	6,732
Leisure	4,071	3,610
Property	1,266	1,136
Non-commercial port	20	8
Ships registry	<u>44</u>	<u>38</u>
<b>Harbour revenue</b>	<b><u>13,670</u></b>	<b><u>11,524</u></b>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 5. Expenses

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Airport</b>		
Navigational services	5,119	4,650
Airport infrastructure	3,869	3,834
Airport security	3,703	2,993
Aerodrome fire service	2,865	2,533
Administration	2,772	2,485
Provision for PFOS	175	-
	<u>18,503</u>	<u>16,495</u>
<b>Harbour</b>		
Commercial ports operations	4,586	3,867
Leisure	2,588	2,372
Property	1,426	1,238
Non-commercial ports operations	1,799	1,894
Ships registry	81	79
	<u>10,480</u>	<u>9,450</u>

### 6. Loss on impairment of assets

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Airport</b>		
Impairment of vehicles	93	-
<b>Harbour</b>		
Impairment of land	481	-
Impairment of buildings	202	-
	<u>776</u>	<u>-</u>

A valuation assessment is produced in accordance with the appropriate accounting standards methodology but acceptable under FRS102, (primarily depreciated replacement cost methodology) and the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 6. Loss on impairment of assets– continued

National Supplement, commonly known together as the Red Book. In the absence of any contrary factors, management will look to the depreciated replacement cost methodology as the principal evidence for the purposes of assessing the appropriateness of any impairment adjustment in response to applicable impairment indicators.

Impairment of vehicles relates to a correction of the useful life of vehicles to more appropriately reflect expected operational service. Land represents a reduction in the value of a parcel of land following the depreciated replacement cost valuation exercise. Buildings represents two items which are no longer serviceable so the remaining book value has been impaired to zero.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 7. Staff numbers and costs

The average monthly number of full time employees (including senior management) was:

	2024	2023
<b>Airport</b>		
Operational	153	113
Administration and support	14	14
	<u>167</u>	<u>127</u>
<b>Harbour</b>		
Operational	83	79
Administration and support	22	19
	<u>105</u>	<u>98</u>

Their aggregate remuneration comprised:

	Note	2024 £'000	2023 £'000
Wages and salaries		16,119	12,758
Social security costs		1,106	860
Pension costs	24	<u>1,510</u>	<u>1,208</u>
		<u>18,735</u>	<u>14,826</u>

Pension costs include only those items within operating and management expenses.

The increase in full time employees and corresponding aggregate remuneration was attributable to the in-sourcing of airport security services, asset project management roles, the coastguard and establishment of cruise visitor marshals. Overtime costs increased from the extension of airport opening hours.

Notes 1 to 28 form an integral part of these financial statements.



# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 8. Investment loss and interest payable

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest payable on overdraft with States Treasury	(208)	(87)
Interest payable on loans	(73)	(77)
	<u>(281)</u>	<u>(164)</u>

### 9. Deficit for the financial year

The Deficit for the financial year is stated after charging:

	<b>Note</b>	<b>2024</b>	<b>Restated</b>
		<b>£'000</b>	<b>2023</b>
			<b>£'000</b>
Auditor's remuneration		64	31
Depreciation of tangible fixed assets	10	5,410	5,191
Loss on impairment of assets		776	-
		<u>6,250</u>	<u>5,222</u>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 10. Tangible fixed assets

	Restated			31
<b>Airport</b>	1 January	Additions	Disposals/ Impairment	December
	2024			2024
	£'000	£'000	£'000	£'000
<b>Cost</b>				
Land	2,687	-	-	2,687
Infrastructure	64,846	-	-	64,846
Buildings	33,790	824	-	34,614
Plant & equipment	29,849	137	(1,837)	28,149
Vehicles & vessels	2,093	-	(109)	1,984
Information technology	234	127	(156)	205
	<u>133,499</u>	<u>1,088</u>	<u>(2,102)</u>	<u>132,485</u>
<b>Depreciation</b>				
Infrastructure	21,883	1,893	-	23,776
Buildings	9,449	600	-	10,049
Plant & equipment	19,927	1,439	(1,835)	19,532
Vehicles & vessels	1,328	84	(17)	1,394
Information technology	160	17	(156)	21
	<u>52,747</u>	<u>4,033</u>	<u>(2,008)</u>	<u>54,772</u>
<b>Net Book Value</b>	<u>80,752</u>			<u>77,713</u>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 10. Tangible fixed assets– continued

	Restated			31
<b>Harbour</b>	<b>1 January</b>		<b>Disposals/ Impairment</b>	<b>December</b>
	<b>2024</b>	<b>Additions</b>		<b>2024</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>				
Land	87,515	-	(481)	87,034
Infrastructure	9,661	414	-	10,075
Buildings	36,383	-	(325)	36,058
Plant & equipment	10,529	1,848	(1,806)	10,571
Vehicles & Vessels	1,253	-	(169)	1,084
Information technology	283	230	(19)	494
	<u>145,624</u>	<u>2,492</u>	<u>(2,800)</u>	<u>145,316</u>
<b>Depreciation</b>				
Infrastructure	3,174	365	-	3,539
Buildings	11,817	619	(124)	12,312
Plant & equipment	6,591	332	(1,806)	5,117
Vehicles & Vessels	424	54	(168)	310
Information technology	279	7	(20)	266
	<u>22,285</u>	<u>1,377</u>	<u>(2,118)</u>	<u>21,544</u>
<b>Net Book Value</b>	<u>123,339</u>			<u>123,772</u>

Balances at 1 January 2024 represent the 31 December 2023 restated position.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 11. Investment property

	1 January 2024 £'000	Additions/ Disposals £'000	Revaluations £'000	31 December 2024 £'000
Airport	4,762	-	242	5,004
Harbour	16,614	-	1,475	18,089
	<u>21,376</u>	<u>-</u>	<u>1,717</u>	<u>23,093</u>

Investment properties, which are freehold, were valued to fair value at 31 December 2024, based on a valuation undertaken by an independent valuer with recent experience in the location and class of the investment property being valued. The method of determining fair value was using the RICS Red Book value incorporating the International Accounting Standards. As part of the valuation the data examined included comparables, rental levels, capitalisation yields, likely tenant, occupational and purchaser demand as well as the policies within the 2016 Island Development Plan. Commercialisation yields are assessed as being broadly between 6% and 10% depending on the asset class, the quality of the building, lease length and occupational tenant.

It was determined that certain properties previously included as operating assets are more appropriately classified as investment property, due to the primary purpose of the assets being to generate rental income. See note 19 for impact to prior period balance following restatement. There are no restrictions on the realisability of the investment property.

The original book value of the investment properties was £9,322,689.

No contingent rents have been recognised as income in the current or prior year.

At the Statement of Financial Position date, the Ports were not contracted with tenants for any future minimum lease payments on investment property (2023: £nil).

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 12. Assets under construction

	1 January 2024 £'000	Additions £'000	Transfers to Tangible Fixed Assets £'000	31 December 2024 £'000
Airport	855	2,685	(1,088)	2,452
Harbour	3,079	1,729	(2,492)	2,316
2024 Total	3,934	4,414	(3,580)	4,768
2023 Total	8,400	2,692	(7,158)	3,934

Assets under construction completed in 2024 and transferred to fixed assets includes: the vehicle check point upgrade, the airport east hangar re-clad, the QE2 Pontoon Replacement and the Castle Emplacement Upper Walkway Remediation.

Assets under construction as at 31 December 2024 mainly relate to the Pool Marina Project at the Harbour, Pontoon Replacements, Vehicle Check Point upgrade and Instrument Landing System radar and Flight Data Processing System.

### 13. Inventories

	2024 £'000	2023 £'000
Airport - Equipment parts (spares)	65	65
Harbours – Consumable stores	501	540
	566	605

In 2024 inventories of £53,005 (2023: £145,914) were recognised as harbour expenses in the Statement of Comprehensive Income.

There were no write-downs of inventories recognised as an expense in 2024 (2023: £nil).

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 14. Debtors and prepayments

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors - Airport	2,109	1,887
Trade debtors - Harbour	1,401	3,690
Prepayments - Airport	73	86
Prepayments - Harbour	32	35
	<u>3,615</u>	<u>5,698</u>

### 15. Other creditors: amounts falling due within one year

	Note	<b>2024</b>	<b>2023</b>
		<b>£'000</b>	<b>£'000</b>
Trade creditors - Airport		412	553
Trade creditors - Harbour		634	682
Accruals - Airport		1,042	1,480
Accruals - Harbour		1,583	784
Deferred income - Airport		473	234
Deferred income - Harbour		-	171
Harbour operational license and security deposits		13	2
Loan from the States of Guernsey	16	<u>107</u>	<u>103</u>
		<u>4,264</u>	<u>4,009</u>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 16. Loan from the States of Guernsey

	Note	2024 £'000	2023 £'000
Other creditors: amounts falling due within one year	15	107	103
Other creditors: amounts falling due after one year		1,848	1,955
		<u>1,955</u>	<u>2,058</u>
Balance at 1 January		2,058	2,158
Capital repaid		(103)	(100)
		<u>1,955</u>	<u>2,058</u>
Balance at 31 December		<u>1,955</u>	<u>2,058</u>

On 1 March 2019 Ports borrowed £2.5m from the States of Guernsey which is repayable on a quarterly basis over a period of 20 years at an annual interest rate charged at 3.625%.

Within one year	107	103
Between one and two years	111	107
Between two and five years	357	345
More than five years	<u>1,380</u>	<u>1,503</u>
	<u>1,955</u>	<u>2,058</u>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 17. Provisions: amounts falling due after one year

	Note	Provision for PFOS £'000
Balance at 1 January		6,000
Additional provisions made	5	175
Balance at 31 December		<u>6,175</u>

Ports have a quantity of PFOS contaminated soil stored in protective bunds at the airport. This contaminated soil arose from a firefighting foam used both at the site of an aircraft crash in 1999 and more generally around the airport for training until the early 2000s when it was realised that PFOS was potentially dangerous especially if it found its way into the water course.

The contaminated soil was removed and placed into protective bunds within the airport perimeter as at the time there was no recognised method for disposing of the contaminated soil. These bunds prevent PFOS from entering the water course but have a limited life of approximately 25 years. The soil would then have to be disposed of once technology was available and before the expiry of the life of the bunds.

During 2022 technical advice was received indicating that there were now options for disposing of the contaminated soil and which were able to provide reliable cost estimates to dispose of the contaminated soil.

A provision has therefore been recognised for the cost of disposing the soil contaminated with PFOS.

It is anticipated that the cost of these remediation works will be funded by the States of Guernsey through General Revenue as the costs are incurred. No asset has been recognised in respect of this as the estimate and reimbursement do not meet the criteria under FRS 102.

Notes 1 to 28 form an integral part of these financial statements.



# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 18. Reserves

	<b>2024</b>	Restated
	<b>£'000</b>	2023 £'000
<b>Balance at 1 January</b>	220,542	222,430
Deficit for financial year	(3,042)	(3,694)
Amortisation of asset specific contributions	(3,237)	(3,184)
Capital contribution from General Revenue	86	122
Cash contribution from General Revenue	5,681	4,868
<b>Balance at 31 December</b>	<u>220,030</u>	<u>220,542</u>

Included within Reserves are amounts contributed by the States Capital Reserve for Ports capital projects including the Guernsey Airport Pavements Rehabilitation, the St Peter Port Harbour Crane Strategy and the Airport Hold Baggage System projects. As the contributions are specifically related to assets acquired or constructed under those projects, the contributions reserve has been released back to the Statement of Comprehensive Income to match the depreciation expense on those specific assets. Amounts are released to the Statement of Comprehensive Income in line with the expected useful lives of the underlying assets for which contribution is provided on a basis which is consistent with the depreciation policy for that asset.

Cash contribution from the General Revenue for 2024 was for funding of the 2024 reported deficit.

All reserves are distributable.

Included within Reserves are amounts contributed by the States Capital Reserve for Ports capital projects

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 19. Restatement of Prior Period Balances

Ports has recognised two prior year adjustments relating to the 2022 financial year. These adjustments are:

- the recognition of a provision for PFOS remediation works for the cost of disposing the soil contaminated with PFOS, and
- with the States' adoption of the full implementation of the International Public Sector Accounting Standards by 31 December 2024, Ports have identified various buildings that meet the characteristics of investment properties effective from the 2022 financial year. After reclassification of these assets at 31 December 2022, the investment properties were valued to fair value for the 2022 and 2023 financial years, based on a valuation undertaken by an independent valuer.

This has resulted in the restatement of comparatives in the 2024 financial statements. The impact of the restatement on the 2023 balances are:

	2023 Original Balance £'000	Adjustment £'000	2023 Restated Balance £'000
<b>Statement of Comprehensive Income</b>			
Depreciation and amortisation	(5,413)	222	(5,191)
Revaluation of investment property	(25)	962	937
<b>Deficit for the financial year</b>	<b>(4,878)</b>	<b>1,184</b>	<b>(3,694)</b>
<b>Statement of Financial Position</b>			
<b>Non-current assets</b>			
Tangible fixed assets - Airport	80,981	(229)	80,752
Tangible fixed assets - Harbour	131,774	(8,435)	123,339
Investment properties	500	20,876	21,376
Assets under construction	3,934	-	3,934
<b>Total non-current assets</b>	<b>217,189</b>	<b>12,212</b>	<b>229,401</b>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 19. Restatement of Prior Period Balances - continued

	2023 Original Balance £'000	Adjustment £'000	2023 Restated Balance £'000
<b>Provisions – amounts falling due after more than one year</b>			
PFOS provision	-	(6,000)	(6,000)
<b>Total provisions</b>	<u>-</u>	<u>(6,000)</u>	<u>(6,000)</u>
 <b>Reserves</b>	 (214,330)	 (6,212)	 (220,542)
<b>Total reserves</b>	<u>(214,330)</u>	<u>(6,212)</u>	<u>(220,542)</u>
	2022 Original Balance £'000	Adjustment £'000	2022 Restated Balance £'000
 <b>Total Reserves</b>	 <u>217,402</u>	 <u>5,028</u>	 <u>222,430</u>

The movement in the 2022 reserves represents the movement detailed for the 2023 reserves, less the impact of the adjustments to the 2023 Statement of Comprehensive Income.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 20. Asset specific contributions

	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
As at 1 January	53,131	56,193
Contributions from General Revenue Reserve	<u>86</u>	<u>122</u>
	53,217	56,315
Released to Statement of Comprehensive Income during the year	<u>(3,237)</u>	<u>(3,184)</u>
Net book value of projects not yet released to the Statement of Comprehensive Income	<u>49,980</u>	<u>53,131</u>

### 21. Reconciliation of operating deficit to net cash flows from operating activities

	<b>2024</b> <b>£'000</b>	Restated <b>2023</b> <b>£'000</b>
<b>Operating deficit for the year</b>	(5,998)	(6,714)
Depreciation charges	5,410	5,191
Loss on impairment of fixed assets	776	-
Revaluation of investment property	(1,716)	(937)
Decrease in inventories	39	10
Decrease / (increase) in debtors	2,083	(3,117)
Increase in creditors	430	351
<b>Net cash flows from (used by) operating activities</b>	<u>1,024</u>	<u>(5,216)</u>

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 22. Financial commitments and contingent liabilities

Ports has no financial commitments as at 31 December 2024 (2023: £nil) which are not provided for in the financial statements.

Ports has no contingent liabilities as at 31 December 2024 (2023: £nil).

### 23. Financial instruments

Port's financial instruments are:

	Note	2024 £'000	2023 £'000
<b>Financial Assets at amortised cost</b>			
Trade Debtors	14	3,510	5,577
<b>Financial liabilities at amortised cost</b>			
Cash and cash equivalents		(1,206)	(3,198)
Creditors: amounts falling due within one year	15	(1,046)	(1,336)
Creditors: amounts falling due after more than one year	16	(1,852)	(1,955)

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board

## Ports

### Notes to the Financial Statements – continued

#### 24. Employee benefits

The employees of Ports are members of the States of Guernsey Public Servants' Pension Scheme. These arrangements provide defined benefits on a career average revalued earnings (CARE) basis up to a salary cap (£112,397 as at 31 December 2024) for members joining from 1 May 2015 and, on a different CARE basis, for the service from 1 March 2016 of members who joined before 1 May 2015. There is a defined contribution section for earnings in excess of this salary cap. The arrangements for service before 1 March 2016 for members who joined before 1 May 2015 and for the future service of those closer to pension age remains final salary. The scheme is funded by contributions from both employer and employee. The employer rates for the defined benefits are determined on the basis of independent actuarial advice, and calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives.

Although the scheme is a multi-employer plan, it is not possible to identify the Ports' share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis. There is neither an agreement nor a policy in place to allocate any of the deficit of the pension scheme across the participating entities. The States of Guernsey is liable for any obligations that arise from the States of Guernsey Superannuation Fund in respect of employees of the States of Guernsey. All employees of the Ports are considered to be ultimately employees of the States of Guernsey.

Consequently, the Ports has accounted for the plan as if it were a defined contribution plan, whereby it has expensed employer contributions through the Statement of Comprehensive Income. The employees also contribute to the States of Guernsey Superannuation Fund. The contribution rates are determined by a qualified actuary on the basis of triennial valuations.

The total cost of employer contributions included within the Statement of Comprehensive Income amounted to £1,510k (2023: £1,208k). The rate of employer contributions was reduced with effect from 1 August 2023 from 14.1% to 10.3%.

Further details relating to the funding of the Superannuation Scheme are included within the States of Guernsey Accounts 2024.

Notes 1 to 28 form an integral part of these financial statements.

# States' Trading Supervisory Board Ports

## Notes to the Financial Statements – continued

### 25. Statement of control

The Ports are wholly owned and ultimately controlled by the States of Guernsey. Responsibility for the operations of the Ports has been delegated to the members of the STSB appointed by the States of Guernsey.

### 26. Related party transactions

The STSB is of the opinion that there have been no related party transactions in the current or preceding financial years other than as described in these financial statements. All transactions are conducted as normal business arrangements carried out at "arm's length".

The total remuneration for key management personnel in 2024 (including salaries and other benefits) was £540k (2023: £707k).

The Chief Commercial and Infrastructure senior management position was vacant in 2024 resulting in the reduction in key management personnel remuneration for 2024.

Related party transactions between the Ports and other entities controlled by the States of Guernsey have not been disclosed in accordance with the exemptions available within FRS102 Section 33 "Related Party Disclosures".

### 27. Subsequent events

Management knows of no events subsequent to the end of the reporting period that would materially affect the financial statements.

### 28. Off balance-sheet arrangements

There are no commitments or contingent liabilities relating to 2024 which would affect these financial statements (2023: None).

Notes 1 to 28 form an integral part of these financial statements.

