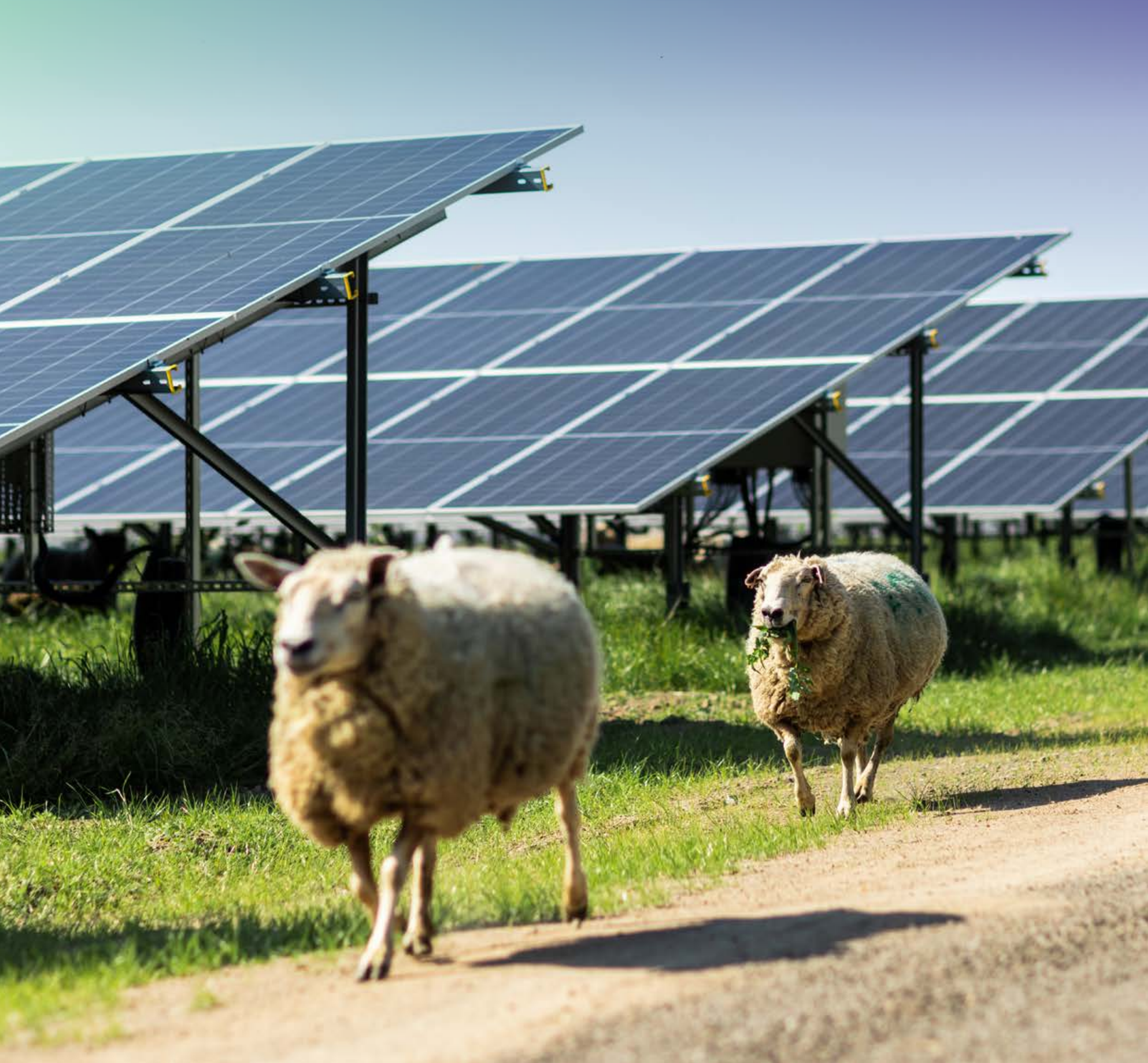
Jersey Electricity

FY2025 Interim Report



Contents

Directors, Officers and Professional Advisers

NON-EXECUTIVE DIRECTORS
Phil Austin MBE
FCIB, FCMI (Chair)
Wendy Dorman
BA, ACA
Tony Taylor
BSc (Hons)
Amanda Iceton
BA (Hons)
Kayte O'Neill
BA (Hons)
Roger Blundell
BSc (Hons), FCA
Iman Hill
BSc (Hons), MSc, MBA

EXECUTIVE DIRECTORS
Christopher Ambler
Chief Executive
BA, MEng, CDipAF, CEng, MIMechE, MBA
Lynne Fulton
Chief Financial Officer
BA (Hons), ACCA

SECRETARY
Andrew Welsby

REGISTERED OFFICE
Queen's Road, St. Helier, Jersey
Registration No.67

PLACE OF INCORPORATION
Jersey Electricity Plc ('the Company') and Jersey Offshore Wind Limited and Jersey Deep Freeze Limited (together 'the Group') are incorporated in Jersey.

INDEPENDENT AUDITORS
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37 Esplanade, St. Helier, Jersey, JE1 4XA

BANKERS
Royal Bank of Scotland International Limited,
71 Bath Street, St. Helier, Jersey

BROKERS
Canaccord Genuity Wealth Management,
PO Box 3, 37 The Esplanade, St. Helier, Jersey

REGISTRAR
Computershare Investor Services (Jersey) Limited, 13 Castle Street, St. Helier, Jersey

Directors' Statement

Jersey Electricity Plc (JE) has delivered a strong set of both operational and financial results for the period 1st October 2024 to 31st March 2025.

Operational Performance

In 2023/24, a strategic investment programme was initiated, allocating £180m over five years to improve the energy network and services. This includes three programmes of work: 'The Big Upgrade' with £120m allocated to prepare the network for net zero; a £30m Supply Security programme to enhance supply resilience; and the Long Term Green, Clean Energy initiative. The Long Term Green, Clean Energy initiative is focused on: implementing our renewables strategy, enabling customers to switch to low carbon electricityand renewing the supply importation contract to purchase low carbon electricity from Europe.

In the first half of 2024/25, significant advancements have been made in the mobilisation and delivery of our programmes. We successfully commissioned our inaugural utility-scale ground-mounted solar array at St Clement, providing up to 4MWp of renewable energy to Jersey. The transformer replacement project at Five Oaks is approaching completion and our La Collette resilience programme is making steady progress. Additionally, we have initiated a network reinforcement programme to ensure our network has sufficient future capacity for Islanders.

During the period peak demand was 155MW and our Customer Minutes Lost (CML) remain below 7.

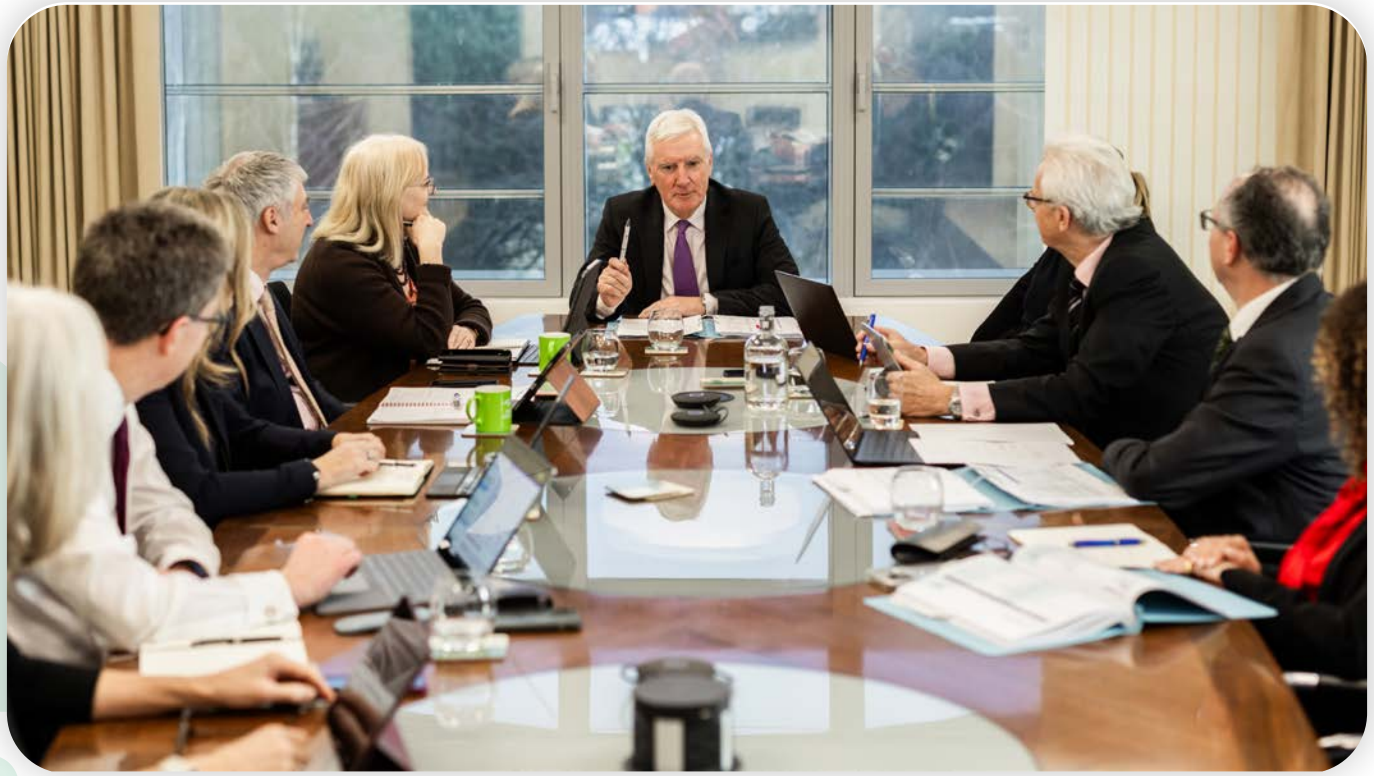
Wholesale Energy Markets and Customer Tariffs

The wholesale energy market continues to improve but remains above historic levels, with the macro-economic landscape still fragile. We continue to maintain financial resilience and our retail prices are approximately 40% lower than in the UK.

Hedging of electricity and foreign exchange

Our focus remains on providing secure, low-carbon electricity and maintaining stable and competitive tariffs. In January 2025, a 7.5% tariff increase was implemented due to increased wholesale market costs and inflationary cost pressures.

Electricity purchases are fixed for the remainder of 2025 and we do not anticipate any further price increases for the remainder of the year. In addition, we are also materially hedged through to the end of 2027 adding further financial resilience and stability for our customers. With contracts denominated in Euros, forward foreign currency contracts are utilised on a rolling three-year basis to reduce cost volatility and assist in tariff planning.



Directors' Statement (continued)

Financial Performance

1st October 2024 – 31st March 2025	2025	2024
Electricity Unit Sales	**365.5m**	355.9m
Revenue	**£82.3m**	£75.6m
Profit before tax	**£10.5m**	£10.3m
Earnings per share	**26.60p**	26.15p
Final dividend paid per ordinary share	**12.00p**	11.40p
Proposed interim dividend per ordinary share	**8.82p**	8.40p

We successfully commissioned our inaugural utility-scale ground-mounted solar array at St Clement, providing up to 4MWp of renewable energy to Jersey. The transformer replacement project at Five Oaks is approaching completion and our La Collette resilience programme is making steady progress.

Directors' Statement (continued)

Group revenue, at £82.3m, was 9% higher for the first half of 2025 compared with £75.6m for the same period last year largely due to an increase in revenue from our Energy business. Profit before tax at £10.5m is in line with prior year (£10.3m). Cost of sales and operating costs increased by 12% year on year recognising the ongoing inflationary pressures.

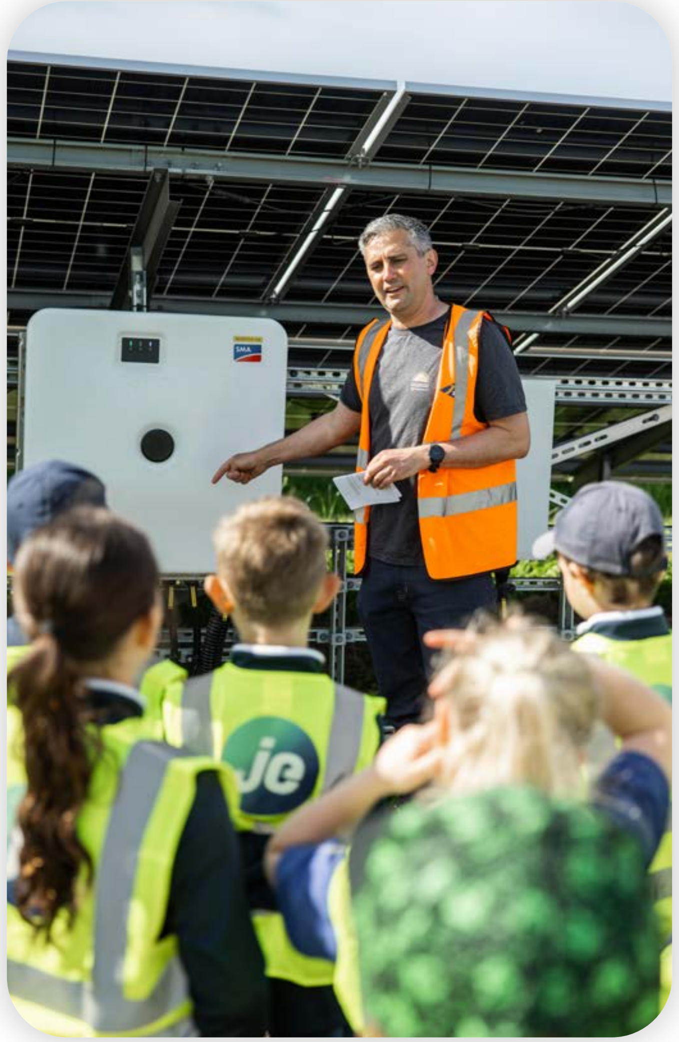
Energy Performance

Electricity unit sales increased by 2.7% to 365.5 million units from 355.9 million units in the same priod last year. We sourced 95.3% from France, 4.4% from Jersey's Energy from Waste plant, and 0.3% was generated locally using oil-fired and solar power. These values are consistent with the previous period.

Revenue in our Energy business at £68.2m was £7.3m higher than in 2024 with the year-on-year increase being largely attributable to a 7.5% tariff rise in January 2025 and a 2.7% increase in unit sales due to the colder than average winter period. Operating profit at £10.3m is £1.7m higher than the same period last year predominantly due to increased operating efficiencies. We anticipate our year end position to be in line with our targeted range of 6% - 7% Return on Assets (ROA), as measured on a five-year rolling basis.

Non-Energy performance

The overall economic landscape has remained challenging. The Powerhouse retail store experienced a reduction in profit of £0.4m year-on-year, attributed to inflationary cost pressures related to storage and technology investments. Conversely, our property portfolio increased by £0.2m during the period due to the occupation of commercial space at the Powerhouse site. Additionally, our other business segments collectively reported a combined loss of £0.3m, driven by ongoing technology investment and lower than anticipated sales within the period.



Liquidity and cashflow

Net cash on the balance sheet, which comprises cash and cash equivalents less borrowings, at 31 March 2025, was £8.5m compared with £16.7m at this time last year. Net cash consists of cash and cash equivalents of £38.5m offset by £30.0m of long-term debt. This decrease is predominantly due to an increase in Capital Investment expenditure incurred in the delivery our strategic investment programmes.

Pension scheme

The defined benefit pension scheme surplus (without deduction of deferred tax) on our balance sheet at 31 March 2025 stood at £29.9m, compared with a surplus of £28m on 30 September 2024.

Net of deferred tax, the pension surplus, increased by £1.6m, mainly driven by a decrease in assets by 5% over the period versus the decrease in liabilities of the scheme by 8.8%. Assets in the Scheme decreased by £6.0m in the period to £111.3m. Unlike most UK schemes, the Jersey Electricity pension scheme does not pay mandatory annual rises on retirement. No pension increases were awarded during the period.

Dividends

The Board proposes an interim net dividend of 8.82p for 2025 (2024: 8.40p). We aim for sustained real growth annually over the medium term. The final dividend for 2024 was 12.00p, a 5.3% increase from the previous year, paid in late March.

Risk and Outlook

The principal risks and uncertainties noted in our last Annual Report (published December 2024) remain unchanged. The JE Board affirms that the business has sufficient resources to operate for at least 12 months from this report's approval date, hence we continue to prepare the condensed financial statements on a going concern basis.

Responsibility Statement

We confirm to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

(b) the Interim Directors Statement includes a fair review of the information required by the Disclosure and Transparency Rule DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the Interim Directors Statement includes a fair review of the information required by the Disclosure and Transparency Rule DTR 4.2.8R (disclosure of related party transactions and changes therein); and

(d) this half yearly interim report looks at certain forward-looking statements with respect to the operations, performance, and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this half yearly financial report and the Company undertakes no obligation to update these forward-looking statements. Nothing in this half yearly financial report should be construed as a profit forecast.

Investor timetable for 2025

13 June	Record date for interim ordinary dividend
27 June	Interim ordinary dividend for year ending 30 September 2025
1 July	Payment date for preference share dividends
16 December	Announcement of full year results

C. J. AMBLER
Chief Executive
5 June 2025

L.G. FULTON
Chief Financial Officer
5 June 2025

Condensed Consolidated Income Statement (Unaudited)

	Note		Six months ended	Year ended
			31-Mar	30-Sep
		2025	2024	2024
		£000	£000	£000
Revenue	2	**82,367**	75,593	135,742
Cost of sales		(54,665)	(48,606)	(83,184)
Other non-recurring income		**-**	-	-
Gross profit		**27,702**	26,987	52,558
Profit on revaluation of investment properties		(485)	-	(890)
Operating expenses		(16,959)	(17,050)	(37,299)
Group operating profit	2	**10,258**	9,937	14,369
Finance income		1,026	1,127	2,291
Finance costs		(793)	(765)	(1,533)
Profit from operations before taxation		**10,491**	10,299	15,127
Taxation	3	(2,322)	(2,208)	(3,427)
Profit from operations after taxation		**8,169**	8,091	11,700
Attributable to:				
Owners of the Company		**8,150**	8,011	11,618
Non-controlling interests		**19**	80	82
		8,169	8,091	11,700
Earnings per share				
- basic and diluted		**26.60**	26.15	37.92

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

		Six months ended	Year ended
		31-Mar	30-Sep
	2025	2024	2024
	£000	£000	£000
Profit for the period/year	8,169	8,091	11,700
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on defined benefit scheme	1,283	2,627	925
Income tax relating to items not reclassified	(257)	(525)	(185)
	1,026	**2,102**	**740**
Items that may be reclassified subsequently to profit or loss:			
Fair value loss on cash flow hedges	1,428	(1,525)	(3,483)
Income tax relating to items that may be reclassified	(286)	305	697
	1,142	**(1,220)**	**(2,786)**
Total comprehensive income for the period/year	10,338	8,973	9,654
Attributable to:			
Owners of the Company	10,319	8,893	9,572
Non-controlling interests	19	80	82
	10,338	**8,973**	**9,654**

Condensed Consolidated Balance Sheet (Unaudited)

	Note	2025	As at 31 March 2024	As at 30 September 2024
NON-CURRENT ASSETS				
Intangible assets		200	496	364
Property, plant and equipment		235,676	216,277	225,523
Right of use assets		5,093	3,128	4,621
Investment properties		26,240	27,615	26,725
Trade and other receivables		300	300	300
Retirement benefit surplus		29,936	28,864	27,952
Derivative financial instruments	6	70	-	-
Other investments		5	5	5
Total non-current assets		**297,520**	**276,685**	**285,490**
CURRENT ASSETS				
Inventories		8,400	9,414	8,435
Trade and other receivables		32,795	32,457	24,902
Derivative financial instruments	6	15	-	-
Cash and cash equivalents		38,487	46,743	49,190
Total current assets		**79,697**	**88,614**	**82,527**
TOTAL ASSETS		**377,217**	**365,299**	**368,017**
CURRENT LIABILITIES				
Trade and other payables		24,665	20,829	23,027
Lease liabilities		327	81	306
Derivative financial instruments	6	2,603	440	2,601
Current tax liabilities		2,517	3,473	3,413
Total current liabilities		**30,112**	**24,823**	**29,347**
NET CURRENT ASSETS		**49,585**	**63,791**	**53,180**
NON-CURRENT LIABILITIES				
Trade and other payables		28,345	26,399	27,222
Lease liabilities		3,843	3,152	3,878
Derivative financial instruments	6	106	1,654	1,451
Financial liabilities - preference shares		235	235	235
Borrowings		30,000	30,000	30,000
Deferred tax liabilities		32,977	32,108	30,923
Total non-current liabilities		**95,506**	**93,548**	**93,709**
TOTAL LIABILITIES		**125,618**	**118,371**	**123,056**
NET ASSETS		**251,599**	**246,928**	**244,961**
EQUITY				
Share capital		1,532	1,532	1,532
Revaluation reserve		5,270	5,270	5,270
ESOP reserve		(35)	(35)	(35)
Other reserves		(2,099)	(1,675)	(3,241)
Retained earnings		246,868	241,721	241,391
Equity attributable to the owners of the Company		251,536	246,813	244,917
Minority interest		63	115	44
TOTAL EQUITY		**251,599**	**246,928**	**244,961**

Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Note	Share capital £000's	Revaluation reserves £000's	ESOP reserves £000's	Other reserves £000's	Retained earnings £000's	Total reserve £000's
At 1 October 2024		**1,532**	**5,270**	**(35)**	**(3,241)**	**241,391**	**244,917**
Total recognised income and expense for the period		-	-	-	-	8,150	8,150
Amortisation of employee share scheme		-	-	-	-	-	0
Unrealised loss on hedges (net of tax)		-	-	-	1,142	-	1,142
Actuarial gain on defined benefit scheme (net of tax)		-	-	-	-	1,026	1,026
Acquisition of additional interest in subsidiary		-	-	-	-	(23)	(23)
Equity dividends paid	4	-	-	-	-	(3,676)	(3,676)
As at 31 March 2025		**1,532**	**5,270**	**(35)**	**(2,099)**	**246,868**	**251,536**
At 1 October 2023		**1,532**	**5,270**	**(35)**	**(455)**	**235,100**	**241,412**
Total recognised income and expense for the period		-	-	-	-	8,011	8,011
Amortisation of employee share scheme		-	-	-	-	-	-
Unrealised loss on hedges (net of tax)		-	-	-	(1,220)	-	(1,220)
Actuarial gain on defined benefit scheme (net of tax)		-	-	-	-	2,102	2,102
Equity dividends paid	4	-	-	-	-	(3,492)	(3,492)
As at 31 March 2024		**1,532**	**5,270**	**(35)**	**(1,675)**	**241,721**	**246,813**
At 1 October 2023		**1,532**	**5,270**	**(35)**	**455**	**235,100**	**241,412**
Total recognised income and expense for the period		-	-	-	-	11,618	11,618
Amortisation of employee share scheme		-	-	-	-	-	-
Unrealised loss on hedges (net of tax)		-	-	-	(2,786)	-	(2,786)
Actuarial loss on defined benefit scheme (net of tax)		-	-	-	-	740	740
Equity dividends paid	4	-	-	-	-	(6,067)	(6,067)
As at 30 September 2024		**1,532**	**5,270**	**(35)**	**(3,241)**	**241,391**	**244,917**

*'Other reserves' represents the foreign currency hedging reserve.

Condensed Consolidated Cash Flow Statement (Unaudited)

	Six months ended 30 March 2025	2024	Year ended 30 September 2024
	£ 000's	£ 000's	£ 000's
Cash flows from operating activities			
Operating profit before exceptional items	10,258	9,937	14,369
Adjustments to add back / (deduct) non-cash items and items disclosed elsewhere on the Cash Flow Statement:			
Depreciation and amortisation charges	5,792	6,349	14,181
Share based reward charges	-	-	-
Loss on revaluation of investment property	485	-	890
Pension operating charge less contributions paid	(701)	692	(1,481)
Deemed interest from hire purchase agreements	126	-	201
Profit on sale of property, plant and equipment	-	(34)	1
Operating cash flows before movement in working capital	15,960	16,944	28,161
Working capital adjustments:			
Increase in inventories	35	(227)	752
Increase in receivables	(8,314)	(9,473)	(1,133)
Increase / (decrease) in payables	3,691	2,574	1,130
Net movement in working capital	**(4,588)**	**(7,126)**	**749**
Preference dividends paid	(9)	(4)	(9)
Income taxes paid	(1,708)	(1,568)	(3,301)
Net cash flows from operating activities	**9,655**	**8,246**	**25,600**
Cash flows from investing activities			
Purchase of property, plant and equipment	(16,602)	(5,626)	(18,036)
Investment in intangible assets	-	-	(53)
Deposit interest received	900	1,127	2,090
Net proceeds from disposal of fixed assets	82	34	34
Net cash flows used in investing activities	**(15,620)**	**(4,465)**	**(15,965)**
Cash flows from financing activities			
Equity dividends paid	(3,676)	(3,492)	(6,067)
Acquisition of additional interest in subsidiary	(23)		
Interest paid on borrowings	(784)	(761)	(1,208)
Dividends paid to non-controlling interest	-	(97)	(170)
Repayment lease liabilities	(255)	(114)	(429)
Net cash flows used in financing activities	**(4,738)**	**(4,464)**	**(7,874)**
Net (decrease) / increase in cash and cash equivalents	(10,703)	(683)	1,761
Cash and cash equivalents at the beginning of the year	49,190	47,429	47,429
Effect of foreign exchange rate changes		(3)	-
Cash and cash equivalents at the end of the period	38,487	46,743	49,190

Of the £38.5m cash and cash equivalents at 31 March 2025, £35.0m is on fixed term deposits, with an average of 53 days remaining. On 30th September 2024 this was £35.0m with an average of 93 days remaining, whilst on 31st March 2024 the figure was £35.0m with an average of 74 days remaining.

Notes to the Condensed Interim Accounts (Unaudited)

1 Accounting Policies

Basis of preparation

The interim accounts for the six months ended 31 March 2025 have been prepared based on the accounting policies set out in the 30 September 2024 annual report and accounts using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with IAS 34 'Interim Financial Reporting'. There have been no changes to accounting standards during the current financial period that has impacted the disclosures in these financial statements and the full year financial statements that will be prepared for 30 September 2025.

Jersey Electricity Plc has considerable financial resources and, consequently, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 Revenue and profit

The contributions of the various activities of the Group to turnover and profit are listed below:

	Six months ended 2025			Six months ended 2024			Year ended 2024		
	External	**Internal**	**Total**	External	Internal	Total	External	Internal	Total
Revenue									
Energy	**68,198**	**53**	**68,251**	60,937	55	60,992	108,102	100	108,202
Retail	**9,487**	**423**	**9,910**	9,573	34	9,607	17,767	110	17,877
Building Services	**1,709**	**27**	**1,736**	2,136	294	2,430	3,872	936	4,808
Property	**1,215**	**418**	**1,633**	1,151	320	1,471	2,346	639	2,985
Other*	**1,758**	**35**	**1,793**	1,796	65	1,861	3,655	112	3,767
	82,367	**956**	**83,323**	75,593	768	76,361	135,742	1,897	137,639
Inter-segment elimination			**(956)**			(768)			(1,897)
			82,367			75,593			135,742
Operating Profit									
Energy profit before rebate of past energy costs			**10,278**			8,519			13,020
Rebate of past energy costs			**0**			-			0
Energy profit including rebate			**10,278**			8,519			13,020
Retail			**136**			514			618
Building Services			**(201)**			128			248
Property			**664**			458			931
Other *			**(134)**			318			442
Operating profit before property revaluation/sale			**10,743**			9,937			15,259
Gain / (Loss) on revaluation of investment properties			**(485)**			-			(890)
Operating profit			**10,258**			9,937			14,369

*Other segment includes Jersey Energy, Jendev as well as Jersey Deep Freeze Limited, the Company's sole subsidiary.

Materially, all the Group's operations are conducted within the Channel Islands. All transfers between divisions are on an arm's length basis. Gains or losses resulting from the revaluation of investment properties is shown separately from Property operating profit.

Revenues disclosed by the business segments above are recognised both on a point in time and over time basis. The treatment of revenue recognition in accordance with IFRS 15 is detailed in the 30 September 2024 annual report.

Notes to the Condensed Interim Accounts (Unaudited)

3 Taxation

	Six months ended 31 March 2025 £000	Six months ended 31 March 2024 £000	Year ended 30 September 2024 £000
Current income tax	**809**	1,741	3,414
Deferred income tax	**1,513**	467	13
Total income tax	**2,322**	2,208	3,427

The Company is taxable at the rate applicable to utility companies in Jersey of 20%. (2024: 20%).

4 Dividends paid and proposed

	Six months ended 31 March 2025 £000	Six months ended 31 March 2024 £000	Year ended 30 September 2024 £000
Dividends per share			
Paid	**12.00p**	11.40p	19.80p
Proposed	**8.82p**	8.40p	12.00p
Distribution to Equity Shareholders	**3,676**	3,492	6,067

The distribution to equity holders in respect of the final dividend for 2024 of £3,675,852 (12.00p net of tax per share) was paid on 14 March 2025. The Directors have declared an interim dividend of 8.82p per share, net of tax (2024: 8.40p) for the six months ended 31 March 2025 to shareholders on the register at the close of business on 13 June 2025. This dividend was approved by the Board on 5 June 2025 and has not been included as a liability on 31 March 2025.

5 Pensions

In consultation with the independent actuaries to the scheme, the valuation of the pension scheme assets and liabilities has been updated to reflect current market discount rates, inflation, salary increases, pension increases, post-retirement mortality, current market values of investments and actual investment returns applicable under IAS 19 'Employee Benefits', and also consideration has been given as to whether there have been any other events that would significantly affect the pension liabilities.

Notes to the Condensed Interim Accounts (Unaudited)

6 Financial Instruments

The Group held the following derivative contracts, classified as level 2 financial instruments at 31 March 2025:

	Six months ended 31 March 2025	Six months ended 31 March 2024	Year ended 30 September 2024
Dividends per share	**£000**	£000	£000
Derivative assets	**-**	-	-
Less than one year	**15**	-	-
Greater than one year	**70**	-	-
Derivative liabilities	**-**	-	-
Less than one year	**(2,603)**	(440)	(2,601)
Greater than one year	**(106)**	(1,654)	(1,451)
Total net assets/liabilities	**(2,624)**	(2,094)	(4,052)

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy. This hierarchy is based on the underlying assumptions used to determine the fair value measurement as a whole and is categorised as follows:

Level 1 - financial instruments are those with values that are immediately comparable to quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - financial instruments are those with values that are determined using valuation techniques for which the basic assumptions used to calculate fair value are directly or indirectly observable (such as readily available market prices).

Level 3 - financial instruments are shown at values that are determined by assumptions that are not based on observable market data (unobservable inputs).

The derivative contracts for foreign currency shown above are classified as level 2 financial instruments and are valued using a discounted cash flow valuation technique. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

7 Related Party Transactions

The Government of Jersey (the "Government") treats the Company as a strategic investment. Whilst it holds the majority voting rights in the Company, the Government does not view the Company as being under its control and as such, it is not consolidated within the Government accounts. The Government is understood by the Directors to have significant influence but not control of the Company.

The Company has elected to take advantage of the disclosure exemptions available in IAS 24, paragraphs 25 and 26. All transactions are undertaken on an arms-length basis in the ordinary course of business.

Jersey Electricity

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FSC

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