



JCRA

JERSEY
COMPETITION
REGULATORY
AUTHORITY



Annual Report & Accounts 2021

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This document sets out the Annual Report and Accounts for the period 1 January to 31 December 2021. It is presented to the Minister pursuant to Articles 17 and 18 of the Competition Regulatory Authority (Jersey) Law 2001.

This document takes account of the Annual Reporting Best Practice Guide published by the Office of the Comptroller and Auditor General in November 2021.

Further information on the work of the Authority is available on the website – www.jcra.je.

Chair's Message



Stephanie Liston

I am pleased to report that the Authority has had a very active and productive year as an independent Jersey regulator. We have been proactive in identifying markets that require attention from a competition perspective. The Authority commenced market studies in the alcohol and promotions market, the freight logistics market and business connectivity and telecoms retail price comparisons. We have also responded robustly to unexpected issues as they have arisen, such as the failures of emergency call services.

Our Board is now complete and has functioned to a very high standard throughout 2021.

The Board includes:

Paul Masterton (our Senior Independent Member) brings a wide range of international commercial skills to the Board as well as excellent local knowledge.

Professor Ian Walden, Director of Commercial Legal Studies and a lecturer at Queen Mary University of London; Ian is an expert in IT, data protection and communications law.

Dr. Lara Stoimenova, an accomplished economist, is a competition and regulatory expert in both the public and private sectors.

Tim Ringsdore was appointed as the Authority's permanent CEO early in 2021 and has joined the Board as an Executive Director.

Sarah Price, our Company Secretary, continues to provide excellent governance support to the Board.

It is my pleasure to Chair such an experienced Board. We are pleased to have been able to meet in person for a number of our Board meetings. We have worked collaboratively with the Team to reach well informed and considered decisions. In particular, individual non-executive Board members have shadowed various key projects to bring their experience of best practice to the Authority.

The Authority is committed to the highest standards of good governance. We now have well established board committees to cover Audit and Risk (Chaired by Lara Stoimenova) and Remuneration (Chaired by Paul Masterton). We operate a careful spending regime ensuring Government and stakeholder funds are spent in the best interests of Jersey.

The Authority has an extremely broad brief as the Jersey competition regulator as well as the sector regulator for Ports, Posts and Telecommunications. In comparison to the UK, we are essentially the CMA, part of the Civil Aviation Authority and Ofcom – all in one. Though Jersey may be a smaller economy, the regulatory challenges are very similar and sometimes more complex.

We are working independently of and collaboratively with Government. The Authority and Government have agreed and completed both our Memorandum of Understanding and Funding Agreement. We have had regular formal and informal meetings with Government, the Scrutiny Committee, various Ministers and civil servants.

Chair's Message

We continue to work closely with the Guernsey Competition and Regulatory Authority (GCRA) under a separate Memorandum of Understanding. Tim Ringsdore and I have regular updates from the CEO and Chair of the GCRA. We also coordinate on various competition matters that affect the wider Channel Islands. We are aware that, particularly in the telecoms sector, there is a desire by the operators that the two regulators are aligned in relation to 5G and telecoms security.

Over the next 12 months we will be undertaking a strategic review of both the Ports and Posts sectors so that we can better understand what support and changes in their responsibilities might be appropriate in the future. As part of this review, the Authority Board has met with the Boards of Jersey Post and the Ports of Jersey during the year. These meetings have provided valuable information so that we can plan how to address their current challenges as normal business resumes.

Telecoms has been both challenging and time consuming over the last 12 to 18 months, with a number of investigations highlighting the need to support effective competition. I am pleased with the outcome of the recent wholesale broadband access review. We look forward to seeing new products and lower retail prices offered by all operators for the benefit of Jersey consumers.

We did impose some significant fines as a result of our investigations into emergency service failures. This was necessary in light of the seriousness of the failures. The Authority is focusing on resilience and reliability within communications networks. We are continuing to work closely with operators on delivering the right outcomes. We would like to provide Jersey residents with confidence

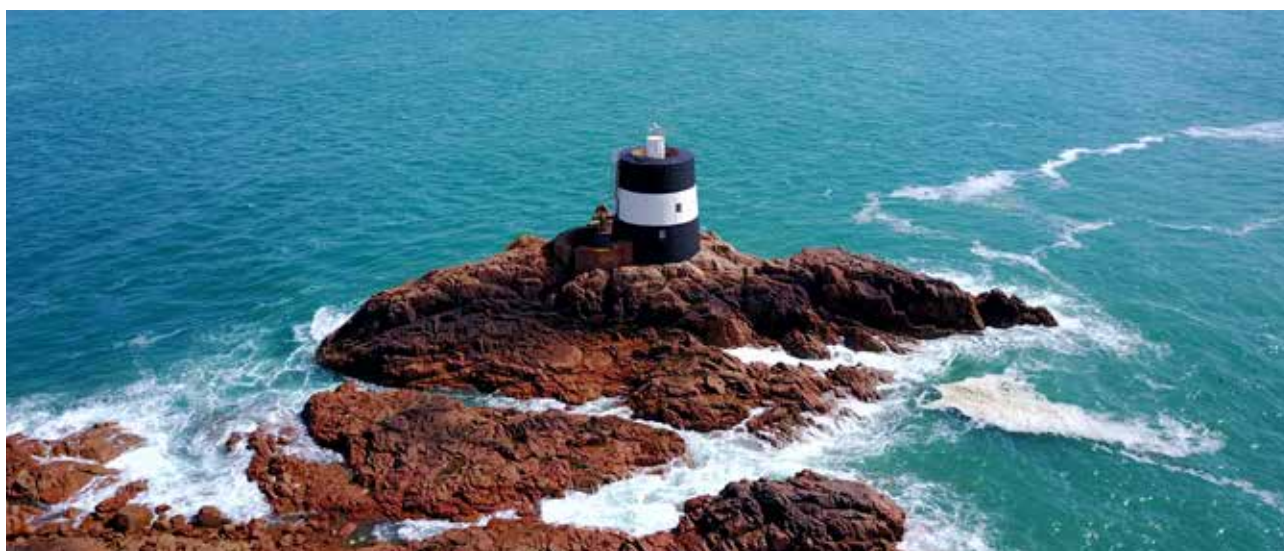
that the Authority will take the appropriate action necessary to protect Islanders.

I expect telecoms to remain a significant part of our regulatory responsibilities as the industry continues to move at a fast pace. The Authority will remain informed and ready to react to new demands and technologies as they arise. Two areas of focus in the coming year will be the consideration of the introduction of 5G technology and licences as well as implementation of telecoms security measures.

Throughout the year we have undertaken significant stakeholder engagement to enable us to better understand the challenges faced by the sectors we regulate and by Government. What we have learned is reflected in our strategy. We launched our 2022 Strategic Plan at a breakfast event on Wednesday, 3 November 2021. We were very pleased to present our plan to a group of stakeholders. It is our aim to continue to be transparent and accessible to all.

As a small nation regulatory authority, we are determined to be best in class. Through our personal engagement, we are pleased to find people asking for our advice and guidance on a wide variety of subjects affecting the Island.

Our overall approach is to listen and work proactively with stakeholders. We prefer this approach to confrontation. We have significant powers which we have exercised and will continue to use, as appropriate. However, we are concentrating on being forward looking and focusing primarily on positive and lasting outcomes for Jersey.



Chief Executive's Report

2021 continued to be dominated by the impact of the Coronavirus Pandemic. Despite the challenges this presented, the Authority managed to complete the internal structure in the early part of the year. We now have a small but extremely talented team, supported by a panel of external experts. The objectives for the Authority were clearly communicated and managed, which resulted in effective performance throughout the year.

Impact of the Coronavirus Pandemic

The Authority remained flexible in its approach to many unique challenges, this included working from home (WFH) but maintaining close communication with all stakeholders during these home working periods. A number of board meetings were undertaken remotely but these were managed effectively with no impact to decision making.

The Authority worked, and continues to work, to support its regulated sectors and businesses and when the WFH restrictions were lifted we managed to undertake face to face board to board meetings with Ports, Post and a number of telecommunications companies.

Despite the challenges faced, the Authority continued to meet its legal duties and functioned to a very high standard through another challenging year.

We are grateful to all our regulated sectors for the excellent support they provided to the consumers and business throughout the year.

Performance

During the year officers commenced three separate market studies and provided competition law guidance to local businesses and government. This work is funded through a government grant and marks a significant improvement on performance for many years. The board to board meetings with Ports and Post helped improve relationships and provided an opportunity to share strategies and discuss specific issues. A key area of discussion related to the need to undertake sector reviews, this was accepted. This work will commence in 2022.

The telecommunications sector continued to be challenging with two ongoing investigations taking up considerable time. The decision by the Authority to direct

JT to reduce its wholesale cost of broadband services over the next five years to other operators has already resulted in more competition, greater choice and value for all Jersey citizens. We will continue to monitor the retail price to consumers. Initial work to support 5G spectrum allocation commenced and will continue in 2022.

The Authority works closely with the GCRA under a separate MOU. We will continue to work with the Jersey Regulators Forum to look at key issues that are affecting the Island and collectively working with Government and local businesses to develop appropriate policies for the future.

The Authority also spent considerable time discussing various topics with Ofcom, the CMA and other regulators from small nations across the world. This international engagement assists us in our ambition to be best in class in everything we do.

The 2022 business plan was consulted upon and published in December 2021 and has been supported in its content and approach. It continues to be an ambitious plan, which is designed to provide a clear understanding to all stakeholders as to where the Authority will focus its limited resources to deliver the best results possible.

We also presented and published our longer-term strategic plan which, provides all stakeholders a view of the Authority's future focus and ambitions.

At the end of 2021, the Authority is in a strong position to continue to focus on Jersey and Jersey consumers. We will continue to engage with all stakeholders and focus on key projects that help markets work efficiently in the interests of consumers, businesses and the wider Jersey economy. We look forward to encouraging innovation, investment, value for money, choice and quality, making Jersey an attractive place to do business.

I would like to thank my team for their professionalism, dedication and commitment during a very challenging year.

Tim Ringsdore
CEO



Introduction

The Jersey Competition Regulatory Authority (the Authority) is established by way of the Competition Regulatory Authority (Jersey) Law 2001, with further functions and legal duties relating to competition law and economic regulation set out in legislation passed by the States of Jersey to which the Authority is ultimately accountable.

The Authority is responsible for promoting competition in the supply of goods and services in Jersey, together with the economic regulation of the ports, postal and telecommunications sectors.

The Authority's mission is to help markets work efficiently in the interests of consumers, businesses and the wider Jersey economy by encouraging innovation,

investment, value for money, choice and quality, and making Jersey an attractive place to do business.

This is to achieve the vision of healthy and sustainable markets in goods and services for Jersey.

To support this objective, the Authority, as an independent body, has a broad range of formal powers to ensure that competition law and its regulatory duties are upheld.

The year 2021 was the first full year the Authority operated as a standalone organisation in Jersey only, following the end of the joint arrangement with the GCRA in June 2020.

Article 6, Competition Regulatory Authority (Jersey) Law 2001

- 01** The Authority has such functions as are conferred on it by or under this or any other Law or any other enactment.
- 02** The Authority may recognise or establish, or assist or encourage the establishment of, bodies that have expertise in, or represent persons having interests in, any matter concerning competition, monopolies, utilities or any matter connected with the provision of goods or services to which the Authority's functions relate.
- 03** The functions of those bodies shall include one or more of the following:
 - (a) The provision to the Authority of advice, information and proposals in relation to any one or more of those matters; and
 - (b) The representation of the views of any one or more of those persons.
- 04** The Authority may, on request by the Minister, provide the Minister with reports, advice, assistance and information in relation to any matter referred to in paragraph (2).
- 05** The Authority shall have the power to do anything that is calculated to facilitate, or is incidental or conducive to, the performance of any of its functions.



Introduction

The Role of the Authority

Legislation

Role

Competition
(Jersey)
Law 2005

This Law promotes competition in the supply of goods and services in Jersey. Competition Law is designed to deal with three main issues: anti-competitive arrangements, abuse of a dominant position in a market, and mergers that are harmful to competition. In line with its Strategic Objectives, the Authority aims to ensure that consumers and the economy benefit from competitive markets.

Air and Sea Ports
(Incorporation)
(Jersey) Law 2015

This Law enables the Authority to license port operations in Jersey. The Authority's primary duty under this Law is to best protect and further the interests of users of port operations, where appropriate, by promoting competition in the provision of port operations. In addition, to ensure that provision is made to satisfy all reasonable demand, both current and prospective, for port operations, and that they are provided efficiently and effectively.

Postal Services
(Jersey) Law 2004

This Law empowers the Authority to license companies providing postal services that concern Jersey. The Authority's primary duty is to ensure that postal services are provided so as to satisfy all current and prospective demand. The Authority provides oversight of Jersey Post's behaviour and charges, as well as ensuring quality of service provision and universal service obligations (which ensures all users receive a minimum level of service) are met.

Telecommunications
(Jersey) Law 2002

This Law empowers the Authority to license the provision of telecommunications systems in Jersey. The Authority's primary duty in this respect is to ensure that telecommunications services are provided both within and between Jersey and the rest of the world so as to satisfy all current and prospective demands for them, wherever arising. In the telecoms sector, the Authority carries out its functions in a way that maintains well-regulated Jersey telecoms markets, supports retail competition and the path to next generation connectivity (5G) and co-ordinates spectrum and number management with Ofcom (the UK telecoms regulator).

Strategic Goals

In 2021, the Authority published its mission to help markets work efficiently in the interests of consumers, businesses and the wider Jersey economy by encouraging innovation, investment, value for money, choice and quality, making Jersey an attractive place to do business.

This is to achieve the vision of healthy and sustainable markets in goods and services for Jersey.

To achieve these, the Authority has four strategic goals which are interrelated and mutually reinforcing:

Strategic Goal 1:

Protect and encourage competition

- Enforce competition law effectively – with a key focus to prevent the application of anti-competitive arrangements and the abuse of a dominant position in a market and to assess mergers to prevent any substantial lessening of competition.
- Encourage competition where appropriate and proportionate – use the market studies regime to address issues with competition in those markets where change would most benefit islanders.

Strategic Goal 2:

Deliver effective supervision of regulated sectors

- Ensure the effective regulation of specified sectors.
- Encourage continuity and security of supplies of goods and services by enabling environmental and other best practices.

Strategic Goal 3:

Safeguard consumers

- Using both competition and regulation powers, empower consumers to exercise informed choice and help markets work in the best interest of Jersey as a whole.
- Support and work effectively alongside other Jersey consumer bodies.

Strategic Goal 4:

Establish the Authority as a respected organisation

- Build knowledge and capability to meet future requirements and challenges.
- Complement and support the work of regulatory and enforcement authorities in Jersey (and beyond) and act as a trusted advisor to Government.

Prioritisation Principles and Values

During 2021, the Authority consulted on a revised set of Prioritisation Principles which it believes better align with its overall future objectives. These were published in May following a public consultation.

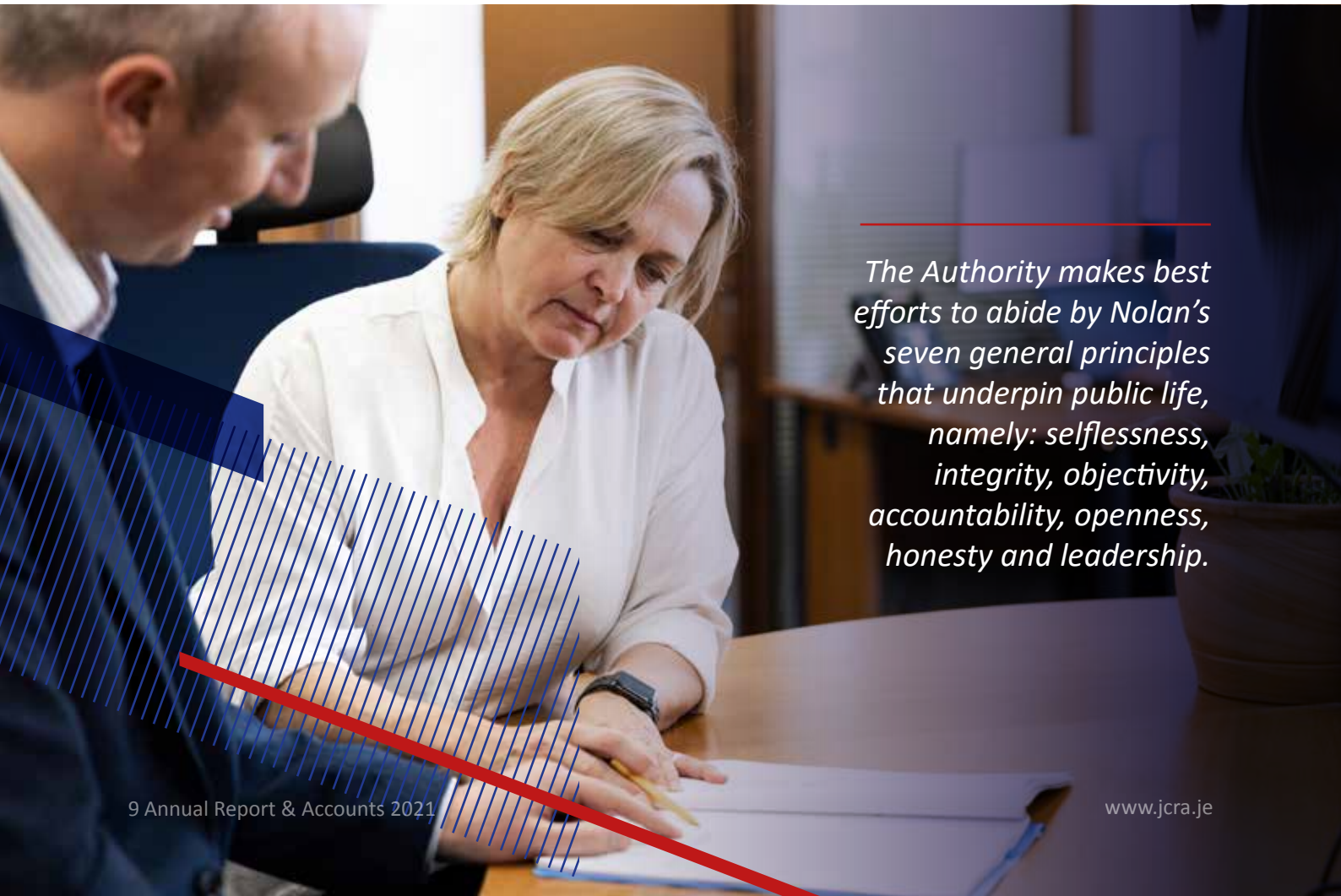
The Authority has strategic choices to make in deciding which areas to focus its limited resources and the appropriate approach to further its aim. The Authority will make these strategic choices based upon its remit under the various laws that apply to it, as well as drawing on the intelligence and analysis gathered through its research and stakeholder engagement. In prioritising the use of its resources, the Authority will take an evidence-based view of the likely contribution to its strategic aim in the short and longer term.

The list of factors to consider under different principles is illustrative and not exhaustive. We will not apply these principles in a mechanical way. Judgement and reasoned balancing are required for each case, which necessitates that we consider the principles in the round and on a case by case basis.

In some cases we have a legal duty to act once certain relevant circumstances arise. For instance:

- Once we have discovered or been notified of a breach of licence condition of one of our sector licensees;
- We have a function to obtain and review information relating to merger situations;
- We have a duty to conduct regulatory appeals and references in relation to price controls, terms of licences and other regulatory arrangements under sector specific legislation; and
- We have a duty to act if we receive a Ministerial direction.

During prioritisation we will consider the timing and resource requirements of our work to ensure that the Authority's duties are appropriately met within the confines of the resources available to the Authority.



The Authority makes best efforts to abide by Nolan's seven general principles that underpin public life, namely: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Prioritisation Principles and Values

Prioritisation Principles

1. Impact

What would be the likely direct effect on consumer or citizen welfare in the market or sector where the intervention takes place?

Consumer welfare includes better value for consumers in terms of price, quality, range of services, both static and dynamic, and may also include non-financial detriment such as the avoidance of physical harm or emotional distress. We may prioritise work because the direct effects would specifically benefit disadvantaged consumers.

What would be the likely indirect effect on consumer welfare?

This principle captures further improvement to citizen/consumer welfare and citizen/consumer confidence that results from changes in consumer, business or Government behaviour which is prompted by the Authority's actions. We intend to both capture deterrence and improve awareness for consumers, citizens, business and Government.

What would be the expected additional economic impact on efficiency, productivity, innovation and the wider economy?

This captures whether, as a result of our actions, efficiency would be expected to increase or growth and innovation be encouraged in a particular sector and across the Jersey economy.

2. Strategic Significance

Does the work fit with the Authority's strategy and with other objectives of the Authority?

This will include whether there are elements of strategic significance of the work that are additional to impact. The Authority will periodically review and publish its strategy in line with its overall ambition of being consistently a best in class regulator.

Many of the duties placed upon the Authority are in fact essentially about protecting principles of fairness to consumers and fair play in commercial behaviour between businesses. Such benefits do not readily lend themselves to measurement in terms of monetary value but require a more subjective assessment of their value. The majority of areas in which the Authority is involved will involve strategic as well as tangible financial cost/benefit considerations.

Is the Authority best placed to act? Alternatives to Authority action could include:

- Private enforcement; and
- Action by other regulators and stake holders, such as members of the consumer council, the Jersey Financial Services Commission, the Channel Islands Financial Ombudsman, the Jersey Office of the Information Commissioner or Government legislation and policy.

What would be the impact of the new work on the balance of the Authority's current portfolio of work?

By ensuring the projects we do are aligned with the Authority's strategic aims, have an appropriate impact and consideration of the resource constraints, we will ensure that our portfolio is balanced and focussed on the most important issues.

Prioritisation Principles and Values

3. Risks

What is the likelihood of a successful outcome?

The higher the likelihood of a successful outcome, the more likely we are to open or continue an investigation or to take a particular enforcement action. A successful outcome is one that helps us to achieve one or more of our strategic goals.

Scale of detriment.

In some cases, the likely scale of the detriment may be such that a project should be pursued despite there being a small likelihood of success because it will nevertheless provide clarity on the law. We also consider the overall balance of risk across the whole of the Authority's work portfolio.

Need for consistency.

In other cases the desired impact may be to establish consistent standards, create legal certainty and send clear long-term messages rather than "win" a case. We will balance the risk of short-term failure with the chances of long-term success. We are also subject to challenge and take account of this in our decisions.

Risk management.

Risk is inherent in everything that an organisation does. Consequently, good risk management at all levels is a critical success factor for any organisation. A core component of good corporate governance is risk management. The Authority will therefore carefully manage risk throughout the process of making decisions on its work programme.

4. Resources

Proportionality.

We will only decide to open or continue an investigation or to take particular enforcement action if we are satisfied that the resources required are proportionate to the expected short/long term benefits (taking into account any risk that they may not be achieved). We may decide to open or continue an investigation or to take enforcement action that is resource-intensive because we consider that, having regard to its impact, strategic significance and risk, it is a good use of our resources. Conversely, we may decide to terminate or not to open an investigation or not to take enforcement action that is relatively resource-light because it is still a poor use of our resources.

What are the resource implications of doing the work? We will have regard to

- The level of resource that is likely to be required;
- Whether the resource requirements of the work are proportionate to the benefits of the work;
- The period over which the resources are required;
- The alternative uses to which that resource could be put; and
- Any savings created for the Authority by enabling us to meet our objectives more efficiently.

We will consider not only our internal resource requirement, but also what external resource we may need (such as outside counsel or consultancy advice).

Prioritisation Principles and Values

Values

During 2021, the Authority abided by the principles of openness, integrity and accountability – and those standards which are widely recognised as being applicable to public service, and to the conduct of all involved in public life.

The Authority has published its values as part of the establishment of its Strategic Goals in 2021.

In achieving those goals, the Authority aims to live by its values:

Trusted and Independent

We engender trust by making clear and proportionate decision, being open and transparent and working for the public interest.

Collaborative and Considerate

We listen and engage with all stakeholders.

Diverse and Inclusive

We promote diversity and equality inside and outside of our organisation by treating everybody with respect and dignity.

Proactive and Evidence Based

We seek to have maximum impact by holding a proactive, independent non-judgemental and inclusive outlook.

Determined

We balance the use of soft and hard powers, are resolute in our decision-making, while being innovative in our approach.



Performance Report

This section provides an overview of the work of the Authority in 2021:

- 1 Key Activities
- 2 Summary of the Authority, including its purpose and the key risks to achieving its objectives
- 3 Performance analysis

Stephanie Liston
Chair

14 April 2022

Tim Ringsdore
CEO

14 April 2022

Performance Report

Key Activities

The table below records some of the key activities, decisions and publications made in 2021.

February

Competition (Merger control)

Jersey Post, Woodside Logistics
– Decision

Telecoms

Emergency Call Failures Financial
Penalties – Information Note

Business Connectivity Market Review
– Information Note

March

Competition

JT Sure competition law investigation
– Information Notice

May

Prioritisation Principles published

Telecoms

Network Sharing Licence Modifications
JT and Sure

June

Competition (Merger control)

Digital UK, Freesat – Decision

July

Competition (Market study)

Freight logistics market study
– Terms of Reference

Telecoms

BCMR Final Decision – Market
Definition and SMP assessment
Licence Modification JT and Sure
– Final Notice

Telecoms Statistics and Market Report
2020 issued

Wholesale Broadband final decision

August

Competition (Merger control)

JJ Fox Ltd, A E Surcouf (Easenmyne)
– Decision

August (cont.)

Scientific Games, Sideplay
Entertainment – Decision

Telecoms

Caller Line Identity – CFI / Consultation

September

Competition (Market study)

Launch Alcohol Pricing and Promotions

Telecoms

JT July 2021 Outage Information
Note issued

October

Telecoms

Wholesale Broadband Price Control –
new pricing implemented

November

Government Funding Agreement and MOU published

JCRA: Strategic Plan launched

Competition (Market Study)

Telecoms Retail Pricing Terms of
Reference published

Competition

Channel 5, Digital UK – Merger Decision

Telecoms

Mast Audit published

December

2022 Business Plan published

Competition (Merger control)

Sky UK, Paramount Pictures - Decision

Post

Jersey Post Licence Modification issued

Telecoms

Directory Information Services – CFI /
Consultation launched

999 Guidance Consultation launched

2021 in Numbers

1 major
event
launch

50%

increase
in LinkedIn
followers
Aug - Dec

2 telecoms
licence
modifications

2 telecommunication
price reviews

- Wholesale broadband
- Business connectivity

2 telecommunication
penalties

3 telecommunication
investigations

5 commenced
guidelines

7 published key papers

- Prioritisation Principles
- JCRA strategy
- Annual report
- 2022 Business plan
- Telecoms statistics report
- Funding agreement
- MOU with Government

26
press releases
sent out (2 per
month average)

33
LinkedIn posts
(3 per month
average)

Performance Report

2021 Resources

The Authority is supported by a number of permanent staff and specialist consultants with the appropriate skills and experience to undertake the work required.

Tim Ringsdore was confirmed into the permanent role of Chief Executive in February 2021, bringing further stability to the organisation. He was appointed as a Member of the Authority on 14 September.

During 2021 the CEO appointed a General Counsel, Finance Officer and Office Manager in support of its work across all sectors. The Authority will continue to support personal development for all officers to ensure we have the appropriate in house skills to deliver the business plan.

As a result of having a very small team a resource mitigation plan will be developed in 2022 to ensure that risks of losing key personnel are offset and our work continues in an effective and efficient manner.

Officers also have the ability to draw on a number of specialist consultants to support key projects that require expert help.

The MOU with the GCRA remains in place with regular communication taking place.

The MOU is designed to:

- Enhance the exchange of information between the Authorities;
 - Promote, insofar as possible, cross-border co-operation in investigation and enforcement; and
 - Enable, insofar as possible, the Authorities to assist each other in training and education relating, in particular, to competition law matters.
-

Key Issues and Risks

The key issues and risks faced by the Authority in delivering its objectives were identified as:

(i) Relationship with Government

– ensuring a balance of accountability and independence

(ii) Relationship with Stakeholders

– ensuring an appropriate relationship with regulated entities and other regulators, developing and maintaining the reputation of the Authority

(iii) Delivery

– dealing with planned and unplanned work programme, ensuring sufficient resource and expertise is available to meet its duties and objectives.

More information on how the Authority approaches such issues and risks can be found in the Accountability Report.

Performance Report

Financial Performance

All of the activities undertaken are separately funded, and by sector. Cross-subsidisation is not permitted to ensure that all costs are ring-fenced by sector, and common costs are shared between sectors. A working capital balance and an appropriate level of reserves were maintained at all times.

A budget for expenditure was set for the Authority of £1,540,786 for 2021 (2020: £1,261,289). This covered regulatory and competition law activities.

The Authority were updated on a regular basis of the expenditure against budget, and in 2021 total expenditure was 4% under budget for the year. The most significant under spend being within salaries, which was largely offset against over budgeted costs in consultancy and legal fees.

Income

Licence Fees

Sector specific regulation is funded through licence fees paid by licensed operators in each of the ports, post and telecoms sectors. The licence fees are calculated based on the forecasted cost of regulating the sector for the year in question. Any surplus licence fees above costs are either returned to operators after the year end or held to fund future work.

A breakdown of the licence fees charged, the cost of regulating the sector and surplus/(deficit) for the year is provided below.

£	Ports		Post		Telecoms	
	2021	2020	2021	2020	2021	2020
Licence & application fees	180,000*	90,000	20,000	22,000	688,954	665,781
Costs	56,576	32,343	31,076	7,190	707,095	771,416
Surplus for the year	123,424	57,657	(11,076)	14,810	(18,141)	(105,635)

*The Ports licence fees have increased to £180,000, being in line with prior years, with the fees and reserves to be utilised for the review of Quality of Service in line with the published Business Plan for 2022.

Merger and Other Fees

Fees are received from parties making applications for approval of notifiable mergers and acquisitions. These applications and costs are, by their nature, unpredictable. During 2021, these fees amounted to £45,000 (2020: £50,000). In total, the cost for all merger and acquisition activity was £26,676 (2020: £12,584), resulting in a surplus for the year of £18,324 (2020: £37,416). Any cost in excess of fees received are funded through the competition law grant.

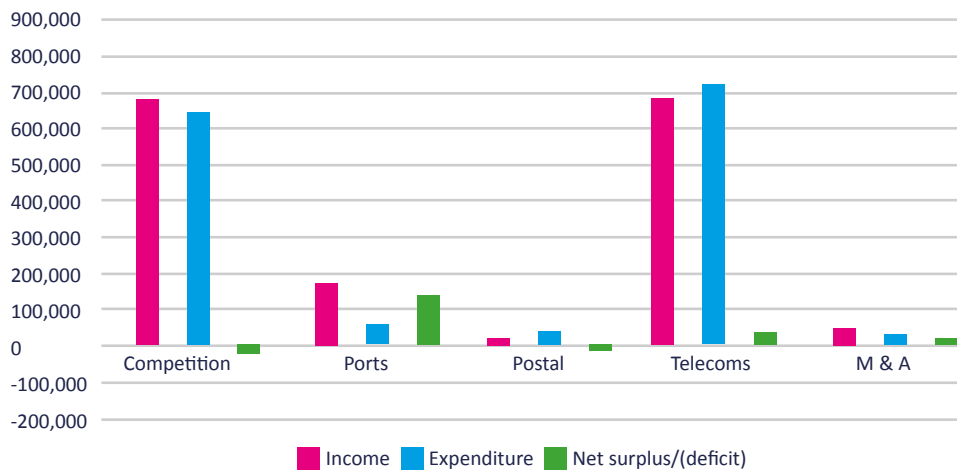
Grant Funding (Competition)

Grant funding is received from government to cover the cost of administering and enforcing competition law. The initial grant approved for this work in 2021 of £577,000 and was increased by £114,000 in relation to two additional market studies, to grant in total £691,000 (2020: £350,000).

In total, the cost for all competition law activity in 2021 was £653,022 (2020: £325,303), resulting in a surplus for the year of £37,978 (2020: £24,797). Grant income in excess of costs is, with the agreement of the Department, either returned to government or held to fund future work.

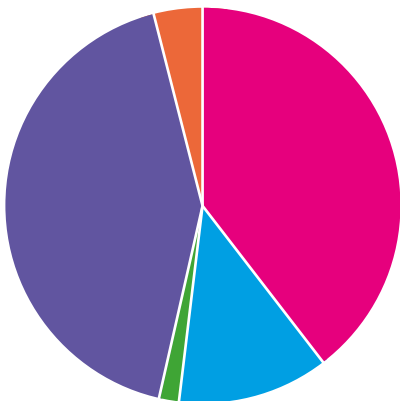
Financial Performance

2021 Summary of Income, Expenditure and Net Surplus/(Deficit)(£)



Income

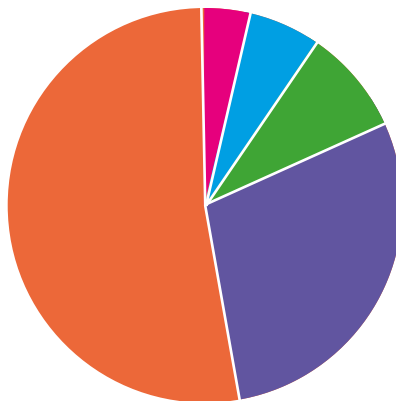
2021 Income



- Competition (43%)
- M & A (3%)
- Ports (11%)
- Postal (1%)
- Telecoms (42%)

Analysis of 2021 Costs

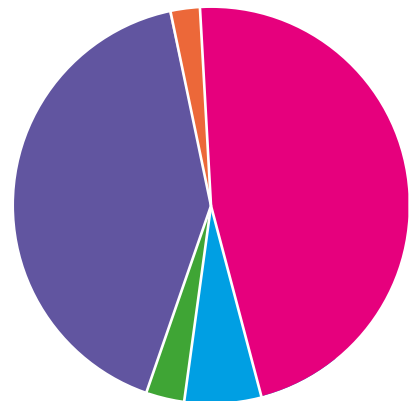
2021 Cost Analysis



- Supplied & Services (3%)
- Office Premises (4%)
- Establishment (9%)
- Consultancy & Legal (32%)
- Salaries & Staff (51%)

Expenditure

2021 Expenditure



- Competition (44%)
- M & A (2%)
- Ports (4%)
- Postal (2%)
- Telecoms (48%)

Engagement Strategy

Principle 1: Public and Consumer Benefit

We work for the benefit of the public and consumers in Jersey, ensuring there remains strong choice, value and protection. We accomplish this through engaging with consumer and business groups to understand the specific needs of our citizens and businesses.

Principle 2: Transparency and Communication

Whilst maintaining our duty of confidentiality, we ensure openness and transparency with stakeholders, working on the basis of 'no surprises'. Clear and regular communication to all stakeholders is a priority for the whole organisation.

Principle 3: Working closely with Government

While independent in its decision making, it is essential we work in close collaboration with Government, to ensure that our work programme remains aligned with policies and the strategic plan. We provide independent advice and guidance where necessary to inform and assist with the development of Government policy.

Principle 4: Engagement with Licensees / Stakeholders

We will maintain close working relationships with licensed operators and wider stakeholders ensuring that we remain aware of key issues affecting them.

During 2021 the Chair, Members of the Authority and the CEO undertook an intensive engagement programme, meeting with all regulatory sectors and key stakeholders within Government and businesses.

This reminded stakeholders of the Authority's role and responsibilities, as well allowing in depth discussions regarding specific issues that were affecting the various sectors the Authority is responsible for. As a result of these discussions we finalised the Authority's strategic approach and officially launched our strategy at the end of 2021 and subsequently developed a new 2022 business plan that will help deliver positive outcomes for the Island and its consumers.

Officers of the Authority also developed closer working relationships with a wide range of individuals and industry bodies, such as the Institute of Directors, Chamber of Commerce, Jersey Consumer Council, Ofcom and the UK

Competition and Markets Authority, which has allowed us to reach a wider audience, clarifying key projects and benefits to the community.

Officers also commenced three major market studies. These required significant engagement with a wide variety interested parties to ensure the Authority was clear about the terms of reference before commencing these significant projects, which will be concluded in 2022.

Media coverage remained positive and officers also supplemented PR through various LinkedIn video posts which allowed further information and updates to be supplied about the 2021 Business Plan to interested parties.

Given the modest size of the Authority it is vital that focus is on projects that provide the best possible support for the community and economy. In order to maximise impact of any intervention, the Authority builds its engagement and trust around four key principles.

Performance Report

Measuring Success

VALUE FOR MONEY FOR JERSEY CONSUMERS

This section provides an overview of how the Authority measured its success over the year.

Success Criteria	Further Detail
Reviewed in 2021	<p>2021 Objective: Ensure appropriate and proportionate price controls are in place and regularly reviewed for regulated sectors. In 2021, a rolling programme of reviews will be developed.</p> <p>2021 Delivery: Ports: changes to the Ports of Jersey charges were reviewed by the Authority in 2021. No changes were made to the price control framework.</p> <p>Post: Jersey Post made some changes to its postal charges which it notified the Authority and its customers ahead of implementation.</p> <p>Telecoms: During 2021, market and price reviews were carried out for the Business Connectivity Market and Wholesale Broadband Access Services.</p>

CONSUMER CHOICE

Success Criteria	Further Detail
Customer Support	<p>2021 Objective: Ensure appropriate and proportionate controls are in place and regularly reviewed for regulated sectors. In 2021, a rolling programme of reviews will be developed.</p> <p>2021 Delivery: Telecoms: Fixed Line CLI: Consultation commenced with key stakeholders on Call Line Information, which will help prevent harm to consumers and will conclude during 2022.</p> <p>Directory Enquiries: Stakeholders were consulted with during 2021 on the future requirements for these services and this will be concluded in 2022.</p>

DESIRABLE GOODS AND SERVICES

Success Criteria	Further Detail
Quality of Service Standards	<p>2021 Objective: Ensure appropriate and proportionate Quality of Service standards and reporting are in place and regularly reviewed for regulated sectors.</p> <p>2021 Delivery: Ports: Reporting was re-established during 2021 following a break due to the Pandemic.</p> <p>Post: Due to the ongoing working from home guidance we have agreed to delay Quality of Service reporting until Q2 2022.</p>

Performance Report

Measuring Success

DESIRABLE GOODS AND SERVICES

Statistics Reporting

2021 Objective: Review publication of industry statistics for all regulated sectors to ensure they are relevant, add value, and support Government policy objectives.

2021 Delivery: Telecoms: This is joint project with the Guernsey Competition and Regulatory Authority and Statistics Jersey. The approach and presentation of the report was refreshed and the report was published in July 2021.

Compliance

2021 Objective: Spectrum and Numbering: The annual mast audit was undertaken in Q4 and a report was published on the Authority's website, once again all operators are working within ICNIRP guidelines.

2021 Delivery: It is the Authority's intention to continue with mast audits on an annual basis.

MARKETS THAT WORK WELL FOR JERSEY

Success Criteria

Further Detail

Competition Investigations

2021 Objective: Carry out investigations into possible breaches of Competition Law in line with prioritisation principles. At the end of 2020, there was one open investigation into a potential breach of Article 8.

2021 Delivery: The investigation into a potential breach of Article 8 of the Competition Law was closed in March 2021 without coming to a formal decision. However, the initial investigation prevented any business or consumer harm and new licence conditions were imposed on operators as a pragmatic and positive outcome.

At the end of 2021, there was one investigation which was actually opened formally in January 2022 into a potential breach of Article 21.

Investigations

2021 Objective: Telecoms: Investigate potential breaches of the law and licence conditions by licensed operators. As at the end of 2021, there are two open investigations in this sector.

2021 Delivery: 2020 Outage & Emergency Calls: New directions were provided to JT and it is anticipated this investigation will be completed in early 2022.

2021 Outage: Directions were provided to JT and it is anticipated that this investigation will be concluded, in the first half of 2022.

Measuring Success

MARKETS THAT WORK WELL FOR JERSEY

Merger Control

2021 Objective: Assessment of mergers notified for clearance in line with published guidelines and administrative target dates.

2021 Delivery: There were six mergers cleared in 2021, and numerous informal discussions throughout the year.

Advocacy and Training

2021 Objective: Promote and support competitive markets in Jersey, by the provision of information and guidance in a variety of forms as appropriate for different stakeholder groups.

2021 Delivery: This area of work was challenging in 2021 due to the Pandemic, however officers engaged with a wide variety of stakeholders either face to face or via video conferencing, used LinkedIn to promote its work and preparation work was carried out ready for a wider campaign in 2022.

MARKETS THAT WORK WELL FOR JERSEY

Success Criteria

Further Detail

Market / Price Reviews and Market Studies

2021 Objective:
Develop a rolling programme of market/price reviews and market studies for regulated and non-regulated local markets respectively.

2021 Delivery:

Competition / Market Studies: The Authority is a member of the Consumer Protection Network, which brings together various Jersey regulatory and consumer bodies.

In 2021 the Authority developed a long list of potential candidate markets which were screened to determine those most relevant to Jersey. The subsequent short list was then assessed against a structured range of criteria to rank in order of desirability. This led to the selection of freight logistics as the first market study to be launched in July 2021. The study is due to complete in June 2022.

Alongside the freight logistics market study, in September 2021 the Authority launched a market study into Alcohol Pricing and Promotions. In November 2021 the Authority launched a market study into Telecoms Retail

Pricing. All three market studies are due to complete in 2022, though there is likely to be follow up work flowing from the studies.

Telecoms: The wholesale broadband access services price review successfully concluded in September 2021. This was a major project and the outcome was that the wholesale price of broadband in Jersey will start to come down over a five-year period, encouraging more competition in the marketplace and therefore benefitting consumers. This has already encouraged Airtel to enter the market, creating more competition for the benefit of consumers.

Stage 1 of the business connectivity market review, which set out the relevant market definitions and significant market power assessments, was completed in July 2021. Structured engagement on Stage 2 of the review, remedies, took place in November 2021. The review is expected to conclude in 2022.

Performance Report

Performance Analysis

Competition law and economic regulation seek to achieve economic efficiency and sustainable competition, which allow consumers to have the benefits of fair prices, desirable goods and services and the opportunity to choose what they want to buy. In contrast, where firms have a great deal of market power, consumers are more likely to encounter unfair prices, inferior products and a lack of responsiveness to their needs.

It is vital that the Authority remains independent so that it supports the interests of the Island and its citizens without external undue pressure or influence. The 2021 Business Plan set out the objectives for the year. The table below sets out how the Authority performed against these objectives over the year.

Summary

2021 was a challenging year with new team and Members of the Authority, as well as the pandemic causing everyone to work remotely for long periods of time. However, officers worked to deliver on the business plan and all major projects were either delivered on time or remain in line with project milestones - three key market studies; freight logistics, alcohol pricing and promotions and telecoms retail pricing were commenced, and the results will be published in 2022.

There were several mergers and acquisitions along with many enquiries where guidance was provided, which officers dealt with in a timely and professional manner.

Significant officer time and expertise were spent on telecoms investigations with two fines being issued to

operators as a result of emergency call failures. The Authority and officers spent considerable time building relationships across all sectors of our responsibility along with other key stakeholders, the engagement has resulted in a better understanding of the Authority's responsibilities, enhanced our reputation and built mutual trust and respect.

The Authority and team have developed a strong working relationship. Our aim of being best in class as a small nation regulator is now a reality. We are confident that we will continue to deliver value to the Island and its citizens, ensuring we achieve our vision of healthy and sustainable markets in goods and services for Jersey.



Performance Report

Performance Analysis

ADMINISTRATION OF COMPETITION LAW

The Competition (Jersey) Law 2005 promotes competition in the supply of goods and services in Jersey.

In line with its strategic objectives, the Authority aims to ensure that consumers and the economy benefit from competitive markets. As with most competition laws in the world, in Jersey, competition law is designed to deal with three issues associated with problems arising from market power:

- Anti-competitive arrangements;
- Abuse of a dominant position in a market; and
- Mergers that are harmful to competition.

Work Area	Further Detail
Competition investigations	<p>2021 Objective: <i>To carry out investigations into possible breaches of the Competition Law.</i></p> <p>2021 Delivery: The investigation into a potential breach of Article 8 of the Competition Law was closed in March 2021 without coming to a formal decision. However, the initial investigation prevented any business or consumer harm and new telecoms licence conditions were imposed on operators, giving a pragmatic and positive outcome for the case.</p> <p>At the end of 2021, there was one investigation which was actually formally opened in January 2022 into a potential breach of Article 21.</p>
Merger Control	<p>2021 Objective: <i>Assessment of mergers notified for clearance in line with published guidelines and a 25 working day administrative target date for Phase 1 clearance.</i></p> <p>2021 Delivery: There were six mergers cleared in 2021, and numerous informal discussions throughout the year.</p>
Advocacy and Training / Competition Guidelines	<p>2021 Objective: <i>Continue to promote and support competitive markets in Jersey, by the provision of information and guidance in a variety of forms as appropriate for different stakeholder groups.</i></p> <p>2021 Delivery: This area of work was challenging in 2021 due to the Pandemic, however officers engaged with a wide variety of stakeholders either face to face or via video conferencing, used LinkedIn to promote its work and preparation work was carried out ready for a wider campaign in 2022.</p>
Competition Law Amendments	<p>2021 Objective: <i>Working with Government to make recommendations for amendments to competition legislation for the benefit of the Island.</i></p> <p>2021 Delivery: Officers and Members of the Authority continued to work with Government on the proposed changes to the competition law framework in Jersey. This will be further developed during 2022.</p>

Performance Report

Performance Analysis

MARKET STUDIES

A market study is a flexible tool to explore whether a market or features of a market are working well for Jersey consumers. It considers the relationship between consumer behaviour in a market, the behaviour of firms in that market, and the market's structure. By looking at these relationships, the Authority can determine whether action that will encourage changes to consumer behaviour, business behaviour, or both, will help address any market problems found.

The outcomes of a market study may be one or more of the following:

- A clean bill of health for the market
- Consumer/business focused action
- Non-binding recommendations to Government
- Investigation and enforcement action

A market study can be initiated at the request of the Minister for Economic Development, under the Competition Regulatory Authority (Jersey) Law 2001, or self-initiated by the Authority.

Market studies are an important tool for the Authority to evaluate issues in particular markets that are not working well for our stakeholders and promote a competitive environment as well as raise awareness of competition policy and its benefits among businesses, consumers and public institutions. Preparation work has been undertaken while considering the Government of Jersey's strategic plan and inflation strategy. Three market studies were shortlisted and commenced in 2021. The Authority will prioritise further market studies in line with its broader policy framework, not only for 2022 but into the future.

Work Area	Further Detail
Market Study Programme	<p>2021 Objective: Deeper links with wider consumer bodies will be developed alongside a pipeline of potential future market studies.</p> <p>2021 Delivery: The Authority is a member of the Consumer Protection Network, which brings together various Jersey regulatory and consumer bodies.</p> <p>In 2021 the Authority developed a long list of potential candidate markets which were screened to determine those most relevant to Jersey. The subsequent short list was then assessed against a structured range of criteria to rank in order of desirability. This led to the selection of freight logistics as the first market study to be launched in July 2021. The study is due to complete in June 2022.</p>
Market Study Guidelines	<p>2021 Objective: Draft guidelines that describe our general processes and approach to market studies will be issued for consultation. These will then be finalised, incorporating any stakeholder feedback.</p> <p>2021 Delivery: Rather than issue formal guidelines, instead a "Quick Guide" is being developed, this will utilise lessons learned from the market studies currently underway. These will be completed and released in 2022.</p>
Market Study Delivery	<p>2021 Objective: Terms of reference will be finalised and an appropriate market study undertaken during the course of 2021.</p> <p>2021 Delivery: Alongside the freight logistics market study, in September 2021 the Authority launched a market study into Alcohol Pricing and Promotions. In November 2021 the Authority launched a market study into Telecoms Retail Pricing. All three market studies are due to complete in 2022, though there is likely to be follow up work flowing from the studies.</p>

Performance Report

Performance Analysis

REGULATION OF AIR AND SEA PORTS

The Authority is responsible for regulating Jersey's air and sea port operations through the Air and Sea Ports (Incorporation) (Jersey) Law 2015, and aims to protect and further the interests of users of port operations, where appropriate by promoting competition.

Ports of Jersey Limited (PoJL) plays a vital role for the economy of Jersey, and faced significant challenges during 2021. The Authority intends to work closely with PoJL to develop a strong and constructive relationship and understand the impact of the coronavirus pandemic on its business, focusing attention on supporting Jersey consumers, connectivity and the economy.

Work Area	Further Detail
Government Policy	<p>2021 Objective: Support development of the MOU with Government and a Government policy for port operations.</p> <p>2021 Delivery: A draft Ports policy has been shared with Officers, who will continue to work closely with Government officials on finalising any future policy.</p>
Impact of Pandemic	<p>2021 Objective: Support PoJL in dealing with the impact of the pandemic on the air and sea port operations.</p> <p>2021 Delivery: Members of the Authority met with the Board of PoJL during 2021 to understand the impact of the pandemic, which resulted in a better understanding of the challenges it faced and agreed that Quality of Service metrics would continue to be relaxed in the short term and it was agreed that a review of the regulation of port operations would commence in 2022..</p>
Price Control	<p>2021 Objective: If necessary, review the price control in light of the impact of the coronavirus pandemic on the regulated business and long-term investment programme.</p> <p>2021 Delivery: No changes were made to the price control during 2021. Price changes made by PoJL were reviewed on notification.</p>
Quality of Service	<p>2021 Objective: PoJL reports Quality of Service metrics to the Authority on a quarterly basis. These will be reviewed in 2022 to ensure they are still appropriate and fit for purpose.</p> <p>2021 Delivery: Reporting was re-established during 2021 following a break due to the Pandemic.</p>
Customer Support	<p>2021 Objective: Support consumers of air and sea port services where necessary and appropriate – for example, airlines and shipping and freight companies in accessing port services.</p> <p>2021 Delivery: There were no active cases during 2021.</p>
Investigations	<p>2021 Objective: Investigate potential breaches of the law and licence conditions by licensed operators.</p> <p>2021 Delivery: There were no active investigations during 2021.</p>

Performance Report

Performance Analysis

REGULATION OF POSTAL SERVICES

The Authority is responsible for regulating Jersey's postal services by way of the Postal Services (Jersey) Law 2004, and aims to protect and further the interests of users of postal services, where appropriate by promoting competition.

Postal services play a vital role for the economy of Jersey. Jersey Post faced significant challenges during 2021. The Authority intends to work closely with Jersey Post and other operators to understand the impact of the coronavirus pandemic on the business, focusing attention on Jersey consumers and the economy.

Work Area	Further Detail
Impact of Pandemic	<p>2021 Objective: Support postal operators in dealing with the impact of the pandemic on postal operations.</p> <p>2021 Delivery: Members of the Authority met with the board of Jersey Post during 2021 to understand the impact of the pandemic, which resulted in a better understanding of the challenges it faced and agreed that Quality of Service metrics would continue to be relaxed in the short term and it was agreed that a Post review would commence during 2022.</p> <p>Licence modifications have been implemented for Jersey Post and High Speed Freight Services and the licence for Regency Holdings has ceased.</p>
Price Control	<p>2021 Objective: If necessary, review the price control in light of the impact of the coronavirus pandemic on the regulated business of Jersey Post.</p> <p>2021 Delivery: Jersey Post made changes to its postal charges which it notified to the Authority and its customers ahead of implementation.</p>
Quality of Service Metrics	<p>2021 Objective: Quality of Service targets will be reviewed in 2021 to ensure that Jersey Post continues to provide the best value and service possible to Jersey.</p> <p>2021 Delivery: Due to the pandemic, quality of service of reporting has been paused. This will be restarted in 2022 and more broadly the reporting framework considered further under the Postal review</p>
Customer Support	<p>2021 Objective: Support consumers of postal services where necessary and appropriate – for example, Jersey public and businesses complaints in regard to postal services.</p> <p>2021 Delivery: There were no active cases in 2021.</p>
Investigations	<p>2021 Objective: Investigate potential breaches of the law and licence conditions by licensed operators.</p> <p>2021 Delivery: There were no active cases in 2021.</p>

Performance Report

Performance Analysis

REGULATION OF TELECOMMUNICATION SERVICES

The Authority regulates Jersey's telecoms market in line with legislation and the Government Telecoms Strategic Action Plan. Its aim is to encourage sustainable competition, which will deliver innovation, value for money and service development for the benefit of consumers.

Telecoms technology and solutions continually change and play a vital role in the economy of Jersey but local operators have faced significant challenges during 2021. The Authority intends to work closely with operators to understand the impact of the coronavirus pandemic on the industry. Other areas of attention include the impact of telecoms on Jersey consumers and the economy, and ensuring there are secure and resilient services.

Work Area	Further Detail
Government Policy and MOU	<p>2021 Objective: Support development of an MOU between JT and the Government, as shareholder, and the implementation of Government telecoms policy. Support the development of the telecoms security framework.</p> <p>2021 Delivery: We remain in constant contact with Digital Policy Unit and as a member of the Telecoms Steering Group.</p> <p>We are liaising with the Digital Policy Unit via the Telecoms Security Working Group and await sight of the draft instructions to the Legislative Drafting Office so that we can input on proposed changes to the 2002 Telecoms Law to reflect our new role.</p> <p>Additional funding of £150,000 was paid by Government to support additional costs in 2022 in developing the new telecoms security regime, including management of high risk vendors and telecoms security requirements.</p>
Licensing	<p>2021 Objective: Continue to evolve, monitor and review licence conditions and guidelines as required and appropriate.</p> <p>2021 Delivery: JT and Sure licences were modified in 2021 as a result of a competition investigation and it is the Authority's intention to make further amendments to all operators licences to ensure they clearly understand their regulatory responsibilities. A review of licensing is part of the 2022 Work Programme.</p>
Market / Price Reviews	<p>2021 Objective: During 2021, market and price reviews are being carried out for the Business Connectivity Market and Wholesale Broadband Access Services, and others as required.</p> <p>2021 Delivery: The wholesale broadband access services price review successfully concluded in September 2021. This was a major project and the outcome was that the wholesale price of broadband in Jersey will start to come down over a five-year period, encouraging more competition in the marketplace and therefore benefitting consumers.</p> <p>Stage 1 of the business connectivity market review, which set out the relevant market definitions and significant market power assessments, was completed in July 2021. Structured engagement on Stage 2 of the review, remedies, took place in November 2021. The review is expected to conclude in 2022.</p>

Performance Analysis

REGULATION OF TELECOMMUNICATION SERVICES

Work Area	Further Detail
Telecoms Statistics	<p>2021 Objective: Refresh the approach to the annual statistics report to ensure it is fit for purpose and identifies key dependencies and market data.</p> <p>2021 Delivery: This is a joint project with the Guernsey Competition and Regulatory Authority and Statistics Jersey. The approach and presentation of the report was refreshed and the report was published in July 2021.</p>
Customer Support	<p>2021 Objective: Provide support to Jersey consumers where appropriate, for example dealing with customer complaints where necessary.</p> <p>2021 Delivery: Fixed Line CLI: Consultation commenced with key stakeholders on Call Line Information, which will help prevent harm to consumers and will conclude during 2022.</p> <p>Directory Enquiries: Stakeholders were consulted with during 2021 on the future requirements for these services and this will be concluded in 2022.</p>
Investigations	<p>2021 Objective: Investigate potential breaches of the law and licence conditions by licensed operators.</p> <p>2021 Delivery: 2020 Outage & Emergency Calls: New directions were provided to JT and it is anticipated this investigation will be completed in early 2022</p> <p>2021 Outage: Directions were provided to JT and it is anticipated that this investigation will be concluded in early 2022.</p>



Performance Report

Performance Analysis

REGULATION OF SPECTRUM AND NUMBERING

The licensing of spectrum in Jersey (referred to as WT Licences), as in the UK, is carried out by Ofcom, by virtue of powers given to it by the Wireless Telegraphy Act 2006 and the Communications Act 2003. Certain parts of this legislation have been extended to Jersey by the Communications (Jersey) Order 2003, and the Wireless Telegraphy (Jersey) Order 2006. WT Licences are granted by Ofcom for Jersey to authorise the use of radio spectrum where it considers it is satisfied the Authority's recommendation is consistent with its own statutory duties. The WT Licence include a condition that refers to there being a local telecoms licence in place issued by the Authority relevant to the spectrum granted.

The Authority maintains a close working relationship with Ofcom, and will ascertain the level and nature of demand for spectrum which is on offer. When the assessment and selection process is completed, a recommendation is provided to Ofcom for approval.

Work Area	Further Detail
Spectrum allocation	<p>2021 Objective: Make recommendations to Ofcom for spectrum licensing to Ofcom as required.</p> <p>2021 Delivery: During 2021, the Authority approved a detailed project plan to re-start the 5G project which has now commenced.</p>
Numbering	<p>2021 Objective: Ofcom is responsible for the allocation of numbers for Jersey. Operators will therefore apply directly to Ofcom for range allocation. Allocation will be dependent on a local telecoms licence in place. Ofcom will inform the Authority on receipt of such applications and of the outcome of its consideration of such applications. The Authority includes conditions in the licences of local operators concerning the management of numbering.</p> <p>2021 Delivery: The CLI consultation will support this work area.</p>
Compliance	<p>2021 Objective: Ensure that local licensed operators adhere to Ofcom requirements in relation to spectrum licensing and numbering.</p> <p>2021 Delivery: Mast Audit: The annual mast audit was undertaken in Q4 and a report was published on the Authority's website, once again all operators are working within ICNIRP guidelines.</p> <p>It is the Authority's intention to continue with mast audits on an annual basis.</p>

Performance Report

Performance Analysis

ORGANISATIONAL DEVELOPMENT

2021 represents the first full year of the Authority as an independent organisation. The Authority has a small and experienced team with a wide range of skills to deliver the business plan, and will continue to develop its capabilities to maximise its impact.

To continue to ensure competition works well for consumers and businesses in Jersey in the short and long term. To meet this, the organisation must be fit for purpose against current needs while also developing capability to meet future requirements.

Work Area	Further Detail
Resources	<p>The Authority will continue to build an agile local efficient team with a wide range of skills to support this plan and its long term aims.</p> <p>In addition, the Authority has been developing a panel of external expert consultants to provide specialist support when required.</p>
Training	<p>The Authority continues to support the team, encouraging self-development, CPD and providing specific training as required. Internal training is provided for new starters.</p>
IT and Systems	<p>The Authority will ensure secure and reliable services which enable the team to work effectively in the office or from home as required. An assessment of future requirements was undertaken during 2021 with implementation planned for 2022.</p>
Engagement and Communication	<p>The Authority continues to build trust and respect by developing key relationships across all sectors of Island life to ensure it remains aware of what support it can provide. It will continue to develop clear communications using the website, social and local media.</p>
Staff Wellbeing	<p>The team is made up of dedicated individuals who have a large portfolio and do work under pressure. The Authority works to ensure its staff and their families are well supported.</p>
Corporate Governance	<p>The Authority aims to lead by example and ensure work is delivered in line with best practice.</p> <p>A programme of internal audit was established in 2021, with the first audit carried out during Q4.</p>
Risk Management	<p>The Authority has developed a robust mitigation plan for all key risks, under the guidance of the Audit and Risk Committee. Risks are actively reviewed on a regular basis.</p>

Performance Report

Priorities for 2022



The aftershocks of the pandemic may include associated supply chain disruption, increasing inflationary pressures and changes to business models to reflect the post pandemic experience. These sit alongside the uncertainties over the full impact of the UK's exit from the EU, on both the UK and the Crown Dependencies.

These pressures will be reflected in our work on regulation, with an increased focus from us on ensuring our approach provides the right balance of outcomes, both now and for the future. In particular, this will be reflected through an increased focus on Ports and Post with multiyear reviews. Our reviews are intended to ensure our approach delivers effective supervision of these critical services for Jersey.

These reviews will sit alongside our ongoing focus on Telecommunications and ensuring Jersey's spectrum and numbering are effectively utilised and the foundations laid for next generation services.

Wider technological drivers continue to disrupt existing business models across all sectors, with the power to both positively and negatively influence our economy and society. Among those areas holding our attention – to a greater or lesser extent – will be ecommerce and online retailing, next generation

telecoms, satellite broadband, fraud and security and online content concerns. We plan to remain abreast of these developments, acting in some cases, assessing in others.

Alongside this, we will continue to focus on protecting and encouraging competition. We plan to engage in wider advocacy work in 2022 to explain and highlight the importance of Competition Law. We will continue to use our market study programme to provide important and comprehensive understanding of local markets and insight on how well they are working for Jersey consumers. We will also work with Government to make recommendations for amendments to competition legislation for the benefit of the Island.

The drive towards an environmentally sustainable Island will increasingly exert influence on both our organisation and those we regulate or engage with. This will be reflected in our internal thinking during 2022 and help shape possible approaches to assessing involvement in external activities.

Performance Report

Sustainability

Committed to sustainability principles, the Authority has been working with local industry experts on both policy and plans to ensure carbon neutral working practices.

The approach includes:

- Fully understanding the Authority's own present and future carbon footprint;
- Identifying and taking actions to reduce our direct emissions; and
- Evaluating and encouraging any steps that will help reduce our indirect emissions.

In addition, the Authority is working to increase awareness of the application of local and global environmental policies within our regulated sectors.

This work will continue to develop during 2022.

There is little doubt sustainability is no longer an option but now a widespread and increasingly binding expectation. As a responsible organisation with a global outlook which values strongly connected to the community it serves, the Authority takes the matter of sustainability seriously, both for itself and those organisations it regulates.

Sustainable approaches have featured increasingly prominently within our internal plans, policies and procedures. As opportunities arise to review and change existing practices or adopt as standard within new ones. This is a progressive process, seeking prudent early wins and making short-term cost-neutral changes, while assessing and preparing for more fundamental longer-term work practice transformations.

The sustainable activities of those we regulate have become more visible as organisations announce bold policies and move forward with exciting plans. While our formal remit does not encompass the setting or monitoring of environmental standards, we are increasingly mindful that islanders expect local organisations to act responsibly, not just when it comes to regulated services but in their overall approach to business.

Steps we have taken

In 2021, the Authority engaged a local environmental consultant as a first step in turning recognition for more environmentally-focused internal organisational practices into the reality of established sustainable systems, processes and procedures. With expert support, we have been able to increase our understanding of the reasons for change and increase awareness of steps towards achieving a best practice approach, across Scope 1, Scope 2 and Scope 3 emissions.



Accountability Report

The Accountability Report provides key accountability information on the Authority. It comprises:

- 1 Corporate Governance Report
- 2 Remuneration and Staff Report
- 3 Accountability Statement

Stephanie Liston
Chair

14 April 2022

Tim Ringsdore
CEO

14 April 2022

Accountability Report

Corporate Governance Report

Statement from the Chair

I was appointed as Chair of the Authority on 1 July 2020.

All Members of the Authority have made declarations of interest. No Member declared significant company directorships or other interests that may have conflicted with their responsibilities. No Member of the Authority had any other related-party interests.

Sarah Price has been appointed as Company Secretary by the Board to oversee the maintenance of a high standard of corporate governance and transparency for the Authority.

To enable the Authority and its committees to discharge their duties, appropriate and timely briefing papers are distributed in advance of meetings. All Members have access to the Company Secretary who is responsible for ensuring procedures, rules and regulations are followed.

Rory Graham, a solicitor admitted in England and Wales, was appointed General Counsel on 2 January 2021, with ultimate responsibility for legal and regulatory compliance.



Significant Interests

Whilst no distinction is made in the 2001 Law between Non-Executive and Executive Members of the Authority, the majority of Members are not also officers, employees or agents appointed under Article 8. They are independent of management and free of any other relationship that could materially interfere with the exercise of their judgement.

Data Protection

Sarah Price is the Data Protection Officer for the Authority.

There were no personal data related incidents during the year reported to the Jersey Office of the Information Commissioner.

Accountability – Public Finance Manual

The Authority has been designated as a Grant Receiving Body under the terms of the States of Jersey Public Finance Manual. The Authority is fully cognisant of its responsibilities as the recipient of public funds, and a new Funding Agreement was signed between the Government of Jersey and the Authority. This can be found here:

www.jcra.je/strategic-plans/governance-framework/

In addition to the requirements of the 2021 Law and the requirements placed on recipients of grant funding, the Authority is committed to maintaining a high standard of corporate governance.

Members of the Authority

The Law requires the Authority to comprise, as a minimum, three Members, with one Chair. As at 31 December 2021, the Authority consisted of a Chair, three non-executive Members and one executive Member. At all times, the Authority remained quorate.

Appointments to the Authority

The Law provides that the Chair is appointed by the Minister, as are other Members following consultation with the Chair. Vacancies which arise are filled through an open and transparent process, consistent with the procedures recommended by the Jersey Appointments Commission.

In September 2021, Tim Ringsdore was appointed as a Member of the Authority, following his appointment to the permanent role as Chief Executive in February.

Accountability Report

Governance Report

Governance Report

The Authority believes that Members have, between them, a wide range of experience which ensures effective leadership and control of the Authority.

The role of Non-Executive Member of the Authority includes the following responsibilities:

- i. Ensuring that the Authority's business is conducted in an impartial, open and efficient manner and in accordance with international best practice.
- ii. Providing advice and guidance in decision-making and on the strategic direction of the Authority.
- iii. Maintaining a close working relationship with the Executive, providing support and guidance as required.
- iv. Together with other Board Members, building and maintaining a positive reputation for the Authority so that it commands the trust and respect of all of its stakeholders - the citizens, consumers, businesses, the States of Jersey, and in doing so enhances Jersey's reputation nationally and in the international community.
- v. Ensuring that the Board maintains an appropriate level of scrutiny of the operations and governance of the Authority, maintaining the Authority's independence.

Meetings

The Board of the Authority meets regularly. Customarily, there are eight meetings each year with additional meetings when circumstances require it. During 2021, the Authority met on nine occasions.

Meetings were held either in person or via video conference call due to the Pandemic. Papers and supporting documentation are distributed to Members a week in advance of each meeting.

Each board meeting is effectively managed by the Chair who finalises the agenda for each meeting in conjunction with the CEO and Company Secretary.

The agenda will include items that require decisions by the Authority, these are made after receiving comprehensive papers and information from officers that ensure there is sufficient detailed information regarding the subject matter, including advice from the General Counsel on any legal aspects. These issues are discussed by the Board of the Authority who then make effective decisions.

On occasions the Authority will engage with subject matter experts to provide further information prior to making final binding decisions.

The board meetings address governance matters ensuring the Board is satisfied that the Authority is being managed effectively and efficiently on a day-to-day basis.



Corporate Governance Report

MEMBERS OF THE AUTHORITY AS AT 1 JANUARY 2021

		Start	End
Liston, Stephanie	Chair	01/07/2020	25/05/2024
Masterton, Paul	Senior Independent	13/02/2017	12/02/2022
Ringsdore, Tim	Chief Executive	19/11/2020	30/06/2021
Stoimenova, Lara		07/10/2020	06/10/2023
Walden, Ian		07/10/2020	06/10/2024

MEMBERS OF THE AUTHORITY AS AT 31 DECEMBER 2021

		Start	End
Liston, Stephanie	Chair	01/07/2020	25/05/2024
Masterton, Paul*	Senior Independent	13/02/2017	12/02/2022
Ringsdore, Tim**	Chief Executive	14/09/2021	01/02/2026
Stoimenova, Lara		07/10/2020	06/10/2023
Walden, Ian		07/10/2020	06/10/2024

* In January 2022, Paul Masterton was been reappointed for a further 3 years to 12/02/2025

** Tim Ringsdore was appointed as a Member of the Authority on 14 September 2021

Accountability Report

Attendance

The table below details board and committee meetings and attendance (where eligible) for 2021:

Member	Position	Board Meeting**	Audit and Risk Committee	Remuneration Committee
Stephanie Liston	Chair	9/9	n/a	3/3
Paul Masterton	Senior Independent	9/9	3/3	3/3
Hannah Nixon	Member	1/1	n/a	n/a
Tim Ringsdore	Chief Executive	7/7	3/3*	2/2*
Lara Stoimenova	Member	9/9	3/3	n/a
Ian Walden	Member	8/9	n/a	2/3

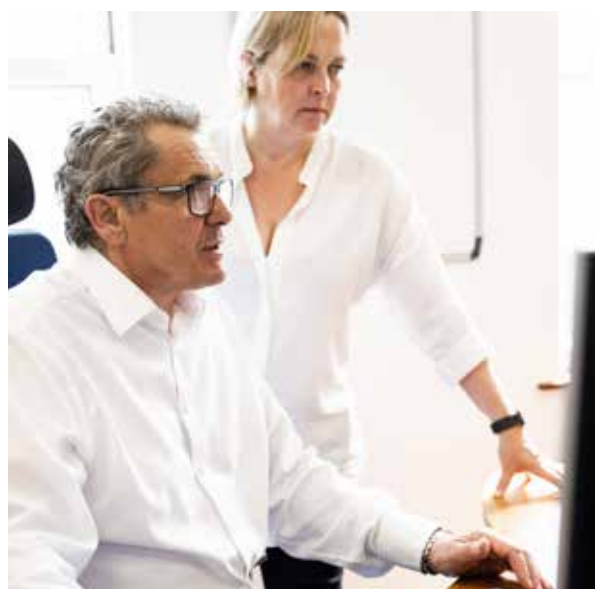
*In attendance only

Board Effectiveness Review

At the end of 2021, the Authority carried out a Board Effectiveness Review, considering the performance of the Board, the two Committees and the Chair. For 2021, this was an internal process run by the Company Secretary. This will become an annual exercise, with a decision to be taken later in 2022 whether to run an external review for the year.

The exercise has provided valuable information on the performance and operation of the Authority, and identified areas of improvement, which include; horizon scanning, sustainability, increased focus on consumers, continue to develop the Board culture and encouraging peer level participation at Board meetings.

These will be incorporated into the annual work programmes year on year. It is the intention of the Authority to continue with board effectiveness reviews on a regular basis to ensure we achieve best in class status.



Accountability Report

Risk Management

COMMITTEES

Audit and Risk Committee

The 2001 Law provides that the Authority may establish committees whose members may, but need not be, members, officers, employees or agents of the Authority.

The Authority has established an Audit and Risk Committee, with Lara Stoimenova as Chair and Paul Masterton as a Member. The Chief Executive attends Committee meetings in an advisory capacity, and the Committee is supported by the Company Secretary. The key roles and responsibilities of the Committee relate to issues of internal control, financial reporting, compliance with laws and regulation, working with the external and internal auditors.

The Committee oversees the financial reporting process to ensure the balance, transparency and integrity of financial information.

The Committee also reviews:

- The effectiveness of internal controls;
- Compliance with laws and regulation;
- Working with internal and external auditors;
- The risk management process;
- The effectiveness of the outsourced internal audit function;
- The external audit process including recommending the appointment and assessing the performance of the external auditor;
- The process for monitoring compliance with laws and regulations;
- The application of corporate governance best practice; and
- The adequacy of responses to internal audit reports.

The Committee met three times in 2021. The first meeting in April was to consider the 2020 annual report and accounts, and independent auditor's report. The Committee met in June when it reviewed the risk register and internal audit proposals for the year. The Committee met in November to consider the risk register and internal audit report.

Remuneration Committee

The Authority established a Remuneration Committee in 2021. The duties of the Committee are to make recommendations to the Minister for non-executive remuneration, and to the Authority on remuneration for the executive and senior management. The Committee is tasked with the design of remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to the Authority's purpose and values, clearly linked to the successful delivery of the company's long-term strategy, and that enable the use of discretion to override formulaic outcomes and to recover and/or withhold sums under appropriate specified circumstances.

When determining executive remuneration policy and practices, take into consideration clarity, simplicity, risk mitigation, predictability, proportionality and alignment to culture.

The Committee is chaired by Paul Masterton, as Senior Non Executive Member, with Ian Walden and Stephanie Liston as Members.



Accountability Report

Risk Management

The Audit and Risk Committee is appointed by the Authority under Article 7 of the 2001 Law to assist the Authority in discharging its oversight responsibilities.

The Authority operates a risk register that captures those risks with the potential to have a significant adverse impact on the operations of the Authority. The Authority reviewed the register in September, and came to a consensus view on the key risks to the Authority successfully fulfilling its statutory duties and objectives. It agreed a list of mitigations and agreed how risk will be monitored and reviewed in future.

The risk register is organised around themes as summarised below:

Theme	Risk and mitigation
Relationship with Government	<p>To ensure a balance of transparency and independence, the Authority has focussed on regular engagement with Government at a senior level, along with a clear 2021 and 2022 business plan and the development of updated prioritisation principles. Finalisation of the Memorandum of Understanding and Funding Agreement with Government has supported this process. Two formal meetings were held with the Minister in 2021.</p>
Stakeholder Management	<p>To ensure an appropriate relationship with regulated entities, the Authority holds regular meetings, including Board to Board engagement. The Authority is also focussed on building relationships with other regulators, through the Consumer Protection Network, Jersey Regulators' Forum and International Institute of Communication.</p> <p>The Authority has worked on developing and maintaining its reputation which could impact on its ability to meet its duties and objectives. This has been delivered through the provision of regular updates to key stakeholder groups, and the development of a clear business plan for 2021. Media relationships have been improved, and there has been regular engagement with other regulatory bodies, both on and off Island.</p>
Delivery	<p>There is a risk associated with dealing with the planned work programme and unplanned issues and cases which arise. The challenge is ensuring that sufficient resource and expertise is available to meet the Authorities duties and objectives.</p> <p>A new team has been built, developing close working relationships with external expert consultants where appropriate.</p>
Internal Audit	<p>The internal audit function was established in 2021, with the first internal audit report being produced in Q4 which assessed and evaluated the effectiveness of financial controls. The frequency of the internal audit cycle is semi-annual with an agreed timetable for 2022 and 2023 in place.</p>

Accountability Report

Remuneration and Staff Report

Remuneration and Staff Report

The Authority believes that, within the constraints of being a public body, it should provide rewards that will attract and retain the high calibre management necessary to fulfil its statutory remit and responsibilities.

Components of Executive Remuneration

The main components of Executive Members' remuneration are salary and other benefits. The basic salary for the Executive Members is determined by taking into account each individual's responsibilities, performance and experience, together with market trends. Basic salaries are reviewed annually by the Remuneration Committee.

In addition to salary, the Executive Members receive certain benefits; specifically private medical insurance, life insurance, and critical illness insurance. These benefits are not disclosed in the remuneration table below as they are not taxable as benefits in kind.

Executive Members may be both Members of the Authority and employees of the Authority. The Chief Executive receives no fees as a Member of the Authority.

Chief Executive Officer	2021 (£)	2020 (£)
Michael Byrne	Nil	41,700 ⁺
Tim Ringsdore	132,218 ⁺	75,000 ⁺
Total	132,218⁺	116,700

Remuneration and Schedule

Details of the remuneration of the Board are set out in the following tables. The tables reflect the remuneration for that part of the year during which individuals were members of the Board.

Remuneration of Members

Article 5 of the 2001 Law provides that the Minister shall determine the remuneration of Members of the Authority, as well as reasonable out-of-pocket or other expenses occasioned in the reasonable course of carrying out their duties.

Non-Executive Member	2021 (£)	2020 (£)
Stephanie Liston	56,500	39,000
Paul Masterton	20,000	23,858
John Curran	Nil	6,667 ⁺
Hannah Nixon	3,600	13,333 ⁺
Lara Stoimenova	18,000	4,241 ⁺
Ian Walden	18,000	4,241 ⁺
Total	116,100	91,340

+part year only

Accountability Report

Remuneration and Staff Report

Staff Report

Article 8 of the 2001 Law provides that the Authority may appoint such officers, employees and agents as it considers necessary for the performance of its functions. Staff costs are split on an apportion basis of competition (40%), telecoms (50%), ports (8%) and post (2%).

At the end of 2021, the permanent team members were:

- Chief Executive
- Company Secretary / Senior Case Officer
- Finance / Case Officer
- General Counsel
- Office Manager
- Senior Economic Case Officer

A further two case officers were employed on a part time

/ contractor basis and as a secondment from Government. The total staff costs for 2021 were £754,338 (2020: £499,299). There were no payments in compensation for loss of office made in the year.

Staff numbers are not large enough to publish a more detailed staff report for the year.

Contracts

The Authority is a small team and outsources the provision of specialist advice to external contractors where this is more cost effective than a dedicated in-house resource for that particular area. In 2021, the cost was £423,158 (2020: £379,627).

Contracts are awarded following a tender process where appropriate, with significant expenditure approved by the Authority. All contractors are actively managed by officers.

Accountability Report

The Accountability Statement

Pandemic

As in 2020, the continuation of the Coronavirus Pandemic during the year has had a significant impact on working arrangements at the Authority and upon the activities of the regulated entities for which the Authority has oversight. Nevertheless, the activities of these entities are essential to the population of the Island and, whilst there may be a temporary fall in the value of services provided, it is anticipated that demand for these services will recover and revenues (which are basis for licence fees) will be restored to pre-Covid levels. Given this and that the grant is from Government, the Members are satisfied that the continued use of the going concern basis is appropriate.

Members Report for the Financial Statements

The Members in office during the year are shown on page 36.

Events during the year and subsequent to the year end

There have been no events between the statement of financial position date and the date when the financial statements were authorised for issue that need to be disclosed or recognised in the financial statements.

Independent auditor

RSM Channel Islands (Audit) Limited are appointed to act as auditor in accordance with Article 17 of the Competition Regulatory Authority (Jersey) Law 2001.

Members' Disclosure

As far as the Members are aware, there is no relevant audit information of which the auditor has not been made aware. All reasonable steps have been taken by the Members in order to make themselves aware of any relevant audit information to establish that the auditor is aware of this information.

Members' Responsibilities

The Members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Competition Regulatory Authority (Jersey) Law 2001 requires Members to keep proper accounts and proper records in relation to those accounts. The Members therefore consider themselves responsible for keeping adequate accounting records that are sufficient to show and explain the Authority's transactions and disclose with

Accountability Report

The Accountability Statement

reasonable accuracy, at any time, the financial position of the Authority and which enable them to ensure that these financial statements comply with the Law. They also consider that they are responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Law also requires Members to prepare accounts in respect of each financial year, and once audited by auditors appointed by the Auditor and Comptroller General, to submit to the Minister's Department the accounts together with the auditor's report. The Minister, in turn, must submit the accounts and auditor's report thereon to the States of Jersey.

The Members have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law.

In preparing the financial statements the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

The Members confirm that these financial statements comply with these requirements.



Financial Statements

Jersey Competition Regulatory Authority



Independent Auditors' Report to the Members of Jersey Competition Regulatory Authority

Opinion

We have audited the financial statements of Jersey Competition Regulatory Authority (the "Authority"), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income for the year then ended, and notes 1 to 11 to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Authority as at 31 December 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the Competition Regulation (Jersey) Law, 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Members are responsible for the other information, which comprises the Introduction, The Role of the Authority, Performance Report and Accountability Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusions thereon.

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

We have nothing to report in this regard.

Responsibilities of Members

As explained more fully in the Members' Responsibilities Statement set out on page 45, the Members are responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Report to the Members of Jersey Competition Regulatory Authority

Responsibilities of Members (continued)

In preparing the financial statements, the Members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of the Members' 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We identify and assess the risks of material misstatement of the financial statements as a whole, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is in our professional judgement sufficient and appropriate to provide a basis for our opinion.

We consider the Authority's susceptibility to fraud and other irregularities, taking account of the business and control environment established and maintained by the Members, and the nature of transactions, assets and liabilities recorded

Independent Auditors' Report to the Members of Jersey Competition Regulatory Authority

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

in the accounting records. We enquire whether management have any knowledge of any actual or suspected fraud. The engagement team discuss potential indicators of fraud and how and where fraud might occur in the financial statements.

Owing to the inherent limitations of an audit there is an unavoidable risk that some material misstatement of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). However, the principal responsibility for ensuring that the financial statements are free from material misstatement, whether caused by fraud or error, rests with the Members who should not rely on the audit to discharge those functions.

Use of our report

This report is made solely to the authority's Members as a body, in accordance with Article 17 of the Competition Regulatory Authority (Jersey) Law, 2001. Our audit work has been undertaken so that we might state to the Authority's Members those matters we are required to state them in auditor's report and for no other purpose. To the fullest extent permitted by Law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's Members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM Channel Islands (Audit) Limited

RSM Channel Islands (Audit) Limited Chartered Accountants Jersey, C.I.

14 April 2022

Financial Statements

Statement of Comprehensive Income for the Year Ended 31 December 2021

Income	Notes	2021 (£)	2020 (£)
Competition law funding		691,000	350,000
Mergers and acquisitions fees		45,000	50,000
Ports of Jersey licence fees		180,000	90,000
Postal licence fees		20,000	22,000
Telecommunications licence fees		688,954	665,781
		1,624,954	1,177,781

Expenditure	Notes	2021 (£)	2020 (£)
Salaries and staff costs		754,338	499,299
Consultancy fees		423,158	379,627
Operating lease rentals		49,225	45,262
Computer maintenance and software		48,582	57,430
Insurance		47,843	25,504
Advertising and publicity		35,284	12,826
Audit and accountancy fees		26,174	16,156
Travel and entertainment		23,042	6,836
Legal and professional fees		20,925	37,613
Administration expenses		16,352	7,570
General expenses		13,008	16,683
Depreciation	4	9,508	9,826
Recruitment		7,006	34,104
		1,474,445	1,148,736
Surplus for the Financial Year	8	150,509	29,045

Statement of Total Comprehensive Income

There are no differences between the surpluses for the financial years stated on the above and total comprehensive income.

The notes on pages 49 to 56 form an integral part of these financial statements.

Financial Statements

Statement of Financial Position as at 31 December 2021

	Notes	2021	2020
Fixed Assets		£	£
Fixed assets	4	27,005	23,174
Current Assets			
Debtors and prepayments	5	224,161	115,522
Cash and cash equivalents		1,144,500	763,304
		1,368,661	878,826
Current Liabilities			
Creditors: amounts falling due within one year	6	178,874	125,717
Deferred income	7	290,000	-
		468,874	125,717
Net Current Assets		899,787	753,109
Total assets less current liabilities		926,792	776,283
Retained Surplus	8	926,792	776,283

The financial statements on pages 47 to 60 were approved on XX April 2022 and authorised for issue by the Members and signed on their behalf by:

Stephanie Liston
Chair
14 April 2022

Tim Ringsdore
CEO
14 April 2022

The notes on pages 53 to 60 form an integral part of these financial statements.

Financial Statements

Notes to the Financial Statements for the Year Ended 31 December 2021

1. Authority information

The Jersey Competition Regulatory Authority (the Authority) is established by way of the Competition Regulatory Authority (Jersey) Law 2001, with further functions and legal duties relating to competition law and economic regulation set out in legislation passed by the States of Jersey, to which the Authority is ultimately accountable.

The principal place of business is 2nd Floor Salisbury House, 1 - 9 Union Street, St Helier, Jersey, JE2 3RF.

2. Accounting policies

These financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

The presentation currency of these financial statements is sterling with all amounts rounded to the nearest whole pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Members to exercise judgement in applying the accounting policies.

The Authority has adopted the provisions of FRS 102.1A as it relates to small entities.

The following principal accounting policies have been consistently applied:

a) **Income**

Income is received from government grant and other charges raised in respect of the Authority's responsibilities as the administrator and enforcer of Jersey's competition law and through fees raised through the licensing regime in place for certain sectors. Further details are given below:

i) **Grants and other charges**

Grants received are of a revenue nature and are recognised, in accordance with the Accrual model of FRS 102 Section 24, in the statement of comprehensive income in the period in which they are receivable which is expected to relate to the costs for which the grant is intended to compensate. There are no performance obligations attached to the grants provided.

The grant for 2021 was £577,000 (2020: £350,000). In 2021 additional cash funding of £114,000 was provided by the government to support two additional market studies which were not specifically provided for in the 2021 Business Plan.

Any unused funds at the financial year end are either held by the Authority for application against future cases or repaid to the Minister's Department.

'Mergers and acquisitions fees' comprises fees received for the assessment of certain notifiable mergers and acquisitions in the year. They are recognised in the statement of comprehensive income once the proposed transaction has been formally registered with the Authority. Fees recognised in 2021 were £45,000 (2020: £50,000) with expenditure of £26,676 (2020: £12,584) reflected in the statement of comprehensive income.

ii) **Licence fees**

Licence fees across all regulated sectors are set in accordance with sector-specific legislation and are recognised in the period to which they relate. Licence fees are charged either by applying a percentage to the licensed revenue of each licensed operator (in the case of telecoms) or through charging an annual fee (in the cases of post and ports). Licence fee percentages / charges are set out overleaf:

Financial Statements

Notes to the Financial Statements for the Year Ended 31 December 2021

2. Accounting policies (continued)

	2021	2020
	Licence fee % / charge	Licence fee % / charge
Ports	£180,000	£90,000
Post	Class II £20,000 Class I £1,000	Class II £20,000 Class I £1,000
Telecoms	0.75% relevant turnover /£500 de minimus	0.75% relevant turnover /£500 de minimus

b) **Expenditure**

Expenditure is accounted for on an accruals basis and is measured at its transaction price.

c) **Fixed assets**

Fixed assets are stated at cost less depreciation. Depreciation is provided on all fixed assets at rates calculated to write down their cost on a straight line basis to their estimated residual values over their expected useful economic lives. The depreciation rates used are as follows:

Other equipment	20% per annum
Fixtures and fittings	10% per annum
Computer equipment	33% per annum
Website costs	33% per annum
Leasehold improvements	shorter of remaining length of lease or expected useful life

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

d) **Leasing commitments**

All leases entered into by the Authority are operating leases. Rentals payable under operating leases are charged in the statement of comprehensive income on a straight line basis over the lease term.

e) **Pensions**

The Authority historically has provided a defined contribution pension scheme to some of its employees, with contributions being charged in the statement of comprehensive income as they become payable in accordance with the rules of the scheme. This scheme has been closed to new employees for a significant period of time and there are currently no employees who are members of this or any pension scheme.

Financial Statements

Notes to the Financial Statements for the Year Ended 31 December 2021

f) Taxation

Article 16 of the Competition Regulatory Authority (Jersey) Law 2001 provides that the income of the Authority shall not be liable to income tax under the Income Tax (Jersey) Law 1961.

g) Going concern

The Authority is established by law to monitor the fairness of competition in the Island of Jersey and its ability to raise the funds necessary to do that, either from Government or by way of licence fees from the regulated sectors, is defined in the same law. Until the Government decides to change that law the going concern status of the Authority is assured.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Authority's accounting policies, which are described in note 1, the Members are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. The critical judgements made by management that have a significant effect on the amounts recognised in the financial statements are described below:

- Determined whether leases entered into by the Authority as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determined whether there are indicators of impairment of the Authority's fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset.

Key sources of estimation uncertainty:

- Tangible fixed assets (see note 4) are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Financial Statements

Notes to the Financial Statements for the Year Ended 31 December 2021

4. Fixed Assets

	Leasehold Improvements	Computer Equipment	Website	Fixtures & Fittings	Equipment	Total
Cost	£	£	£	£	£	£
As at 1 January 2021	50,821	43,625	17,001	22,413	1,845	135,705
Additions	7,064	3,211	-	3,064	-	13,339
Disposals	-	-	-	-	-	-
As at 31 December 2021	57,885	46,836	17,001	25,477	1,845	149,044
Depreciation						
As at 1 January 2021	39,178	34,799	17,001	20,521	1,032	112,531
Provided for the year	3,451	5,278	-	608	171	9,508
As at 31 December 2021	42,629	40,077	17,001	21,129	1,203	122,039
Net Book Value						
As at 31 December 2021	15,256	6,759	-	4,348	642	27,005
As at 31 December 2020	11,643	8,827	-	1,892	813	23,174

Notes to the Financial Statements for the Year Ended 31 December 2021

5. Debtors and prepayments

	2021	2020
	£	£
Prepayments	77,350	87,130
Trade and other debtors	146,352	25,890
Amounts due from the Guernsey Competition and Regulatory Authority	459	2,502
	224,161	115,522

6. Creditors: amounts falling due within one year

	2021	2020
	£	£
Accruals	117,481	28,673
Trade and other creditors	61,392	97,044
	178,873	125,717

7. Deferred income

The deferred income relates to funds received in advance for the Postal Sector Review in 2022-2023 of £140,000, together with the specific funding of £150,000 was received in December 2021 from the States of Jersey for work to be performed in 2022 on Jersey's Telecoms Security Framework.

Financial Statements

Notes to the Financial Statements for the Year Ended 31 December 2021

8. Movement on retained surplus

The allocation of retained surplus' or deficits between sectors is shown below.

	General (£)	Grant (£)	M&A (£)	Ports (£)	Post (£)	Telecoms (£)	Total (£)
At 1 January 2020	125,457	89,985	55,581	70,736	19,526	385,953	747,238
Surplus /(deficit) for the year	-	24,797	37,416	57,657	14,810	(105,635)	29,045
At 31 December 2020	125,457	114,782	92,997	128,393	34,336	280,318	776,283
Surplus /(deficit) for the year	-	37,978	18,324	123,424	(11,076)	(18,141)	150,509
At 31 December 2021	125,457	152,760	111,321	251,817	23,260	262,177	926,792

The General Reserve reflects historic surplus' not allocated to a specific sector.

Notes to the Financial Statements for the Year Ended 31 December 2021

9. Commitments under operating leases

At 31 December 2021 the Authority had commitments under non-cancellable operating leases as set out below:

	Buildings		Photocopiers	
	2021	2020	2021	2020
	£	£	£	£
Amounts payable under operating leases:				
Not later than one year	47,471	25,105	3,724	3,724
In more than one year but less than five years	69,229	-	5,256	8,980
In more than five years	-	-	-	-
	116,700	25,105	8,980	12,704

Buildings

The Authority signed a nine year lease, commencing on 21 June 2021, for the office building in Salisbury House, Union Street, St. Helier. The lease has an option to break at the end of year three and year six, and expires in June 2030. Only the amounts up to the first break on 21 June 2024 have been recognised in the table above. Under the full term of this nine year lease, the amount payable not later than one year would be £47,471, the amount payable in more than one year but less than five years would be £196,406 and the amount payable in more than five years would be £176,894.

Notes to the Financial Statements for the Year Ended 31 December 2021

10. Pension commitments

The Authority historically provided a defined contribution pension scheme (the Public Employees Contributory Retirement Scheme) to some of its employees. The assets of the scheme are held separately from those of the Authority in an independently administered fund. There are currently no employees who are members of this closed scheme, consequently contributions of £NIL (2020: £NIL) were paid across in the year.

11. Related party disclosures

a) The Authority and the Minister

The Authority acts independently of the States of Jersey, but is accountable to the States of Jersey through the Minister of Economic Development, Tourism, Sport and Culture (the Minister) for the funding it receives to administer and enforce Jersey's competition law. The transfer of political and ministerial responsibility for competition policy from the Chief Minister to the Minister was effective from 30 January 2020. The transfer of statutory responsibilities and functions took place on 11 July 2020 when the States of Jersey (Transfer of Responsibilities and Functions) (Completion, Unregistered Rights and Trade Marks) (Jersey) Order 2020 came into effect.

The Minister acts as a conduit for requests from other Ministers who may request the Authority to carry out projects. The Authority reports formally to the States of Jersey through the Minister on an annual basis.

In 2021, the Minister's Department provided £577,000 (2020: £350,000) in funding to the Authority to finance the administration and enforcement of the Competition (Jersey) Law 2005. Additional funding of £114,000 was also provided in 2021 to fund specific market studies. The Minister's Department provided further funding of £150k in December 2021 to support the work to be performed in 2022 regarding Jersey's Telecoms Security Framework which has been recognised as deferred income (Note 6).

b) The Authority and the Guernsey Competition and Regulatory Authority (GCRA)

The Authority and the GCRA worked together under the aegis of CICRA until June 2020, sharing a board, resources and expertise between the islands, whilst retaining their own separate legal identities. Recharges were made for expenses incurred (including staff costs) on a no gain no loss basis.

During 2021 £4,392 (2020: £168,250) was invoiced by the Authority to the GCRA and £Nil (2020: £128,012) was invoiced by the GCRA to the Authority. At the statement of financial position date the amount owed by the GCRA to the Authority was £459 (2020: £2,502).

c) Key management personnel

Key management personnel includes all members (both executive and non-executive) of the Authority who together have authority and responsibility for planning, directing and controlling the activities of the Authority. The total compensation paid to key management personnel for services provided to the Authority was £266,569 (2020: £194,765).

Meet the Team

Jersey Competition Regulatory Authority



Stephanie Liston
Chair

Stephanie Liston is an acknowledged international expert in a wide range of technologies and has been a leading partner in the most respected communications law firms. She has significant experience in helping businesses navigate their marketing and communications strategies to address the broadest and most valuable markets.

Stephanie has extensive knowledge and experience of international and emerging markets. Stephanie is Chair of the UK Broadband

Stakeholder Group; Senior Advisor to Frontier Economics; Chief Executive Officer of Sequoia Way Limited; Associate Director of Innovation Advisors; and Founder and Director of Women in Telecoms and Technology.



Paul Masterton
Senior Independent & Non-Executive Board Member

Paul Masterton joined the Authority in February 2017.

He has spent most of his career in the printing and communications industry in the UK, USA and Asia. Paul has a number of directorships in finance, insurance and property development. From 2012 to 2017 he was Chairman of Digital Jersey, a partnership between the States of Jersey and the digital sector to represent and promote the industry.



Lara Stoimenova
Non-Executive Board Member

Lara Stoimenova was appointed a Member of the Authority in October 2020. Lara is a competition and regulatory economist with significant experience in the private and public sectors, including the UK's Competition and Markets Authority (CMA) and Ofcom.

She is currently Managing Director of Sigma Economics and Associate Partner at DT Economics. In January 2022 she was appointed as an independent non-executive director and

the Chair of the Audit and Risk Committee at Portsmouth Water. She is also a Trustee at the Reform think tank.

Meet the Team



Ian Walden

Non-Executive Board Member

Ian Walden was appointed as a Member of the Authority in October 2020. He is Professor of Information and Communications Law and Director of the Centre for Commercial Law Studies, Queen Mary, University of London. His publications include *Media Law and Practice* (2009), *Free and Open Source Software* (2013), *Computer Crimes and Digital Investigations* (2nd ed., 2016), *Telecommunications Law and Regulation* (5th ed., 2018) and *Cloud Computing Law* (2nd ed., 2021). Ian was an 'expert nationaux détaché' to the European Commission (1995-96); Board

Member and Trustee of the Internet Watch Foundation (2004-09); on the Executive Board of the UK Council for Child Internet Safety (2010-12); the Press Complaints Commission (2009-14); a member of the RUSI Independent Surveillance Review (2014-15); a member of the Code Adjudication Panel at the Phone-paid Services Authority (2016-21); and a member of the European Commission Expert Group to support the application of the GDPR (2017-21). Ian is a solicitor and Of Counsel to the global law firm Baker McKenzie.



Tim Ringsdore

CEO and Board Member

Tim has over 15 years extensive experience as a Managing Director within the telecoms industry, working at Board level across the Channel Islands, London and the Caribbean.

This included working with various regulatory bodies and building strong relationships which resulted in positive outcomes for all parties. Tim was Managing Director of JTGlobal (JT) and was pivotal in setting up Wave Telecom (a subsidiary of JT) in Guernsey in 2002. He also had responsibility for consumers and corporate clients across both Islands. Tim was also instrumental in developing JT's global business with the acquisition of Worldstone in 2012. As a Jersey man Tim was proud to move back to Island to join the Authority after leading Cable

& Wireless as Managing Director based in the British Virgin Islands. He had jurisdictional and overall financial responsibility for the Cable and Wireless business (Flow) in the BVI and responsible for developing relationships with government, the industry regulator and corporate clients. During this time he restructured and rebranded the business to help improve credibility and the customer experience.

Since being appointed CEO of the Authority, Tim has built a strong team around him and ensures that the Authority is run effectively and efficiently for the benefit of consumers and businesses in the Island.



Sarah Price

Senior Case Officer and Company Secretary

Sarah joined the Authority in October 2014. She was appointed as Company Secretary in July 2020.

Previously, Sarah was Company Secretary at Andium Homes during the incorporation of the former States Housing Department. Prior to that, she was Group Business Manager for Ports of Jersey (Jersey Harbours and Jersey Airport) where she was extensively involved in the incorporation project and setting up the Shadow Board in 2011. During her time with the States of Jersey, Sarah

also worked on secondment with the States of Jersey Law Officers Department. Sarah completed a Master of Arts in European Competition Law from Kings College, London in 2019, having completed the Postgraduate Diploma in 2016 and has a Graduate Diploma in Law from Nottingham Trent University. She qualified as a Chartered Secretary in 2009 and completed her Chartered Shipbroker's exams in 2000.

Meet the Team



Rory Graham
General Counsel

Rory has 30 years' experience as a company and commercial solicitor in the technology and related sectors, with a strong emphasis on telecommunications. He has been a partner in a number of UK and global law firms, including Bird & Bird and Baker McKenzie, as well as setting up his own tech and corporate boutique law firm. His public sector experience includes the privatisation of the telecoms division of British Rail and acting for a bidder for the Elizabeth Line (Crossrail) rolling stock provision and maintenance contract, as well as defence and

health related outsourcing and procurement deals.

A Glaswegian by birth, Rory studied law at Cambridge and trained in the City and Hong Kong. He is Honorary Solicitor to the annual Story of Christmas charity appeal and a trustee of the London Firebird Orchestra, which promotes the careers of recent graduates from the London Conservatoires.



Peter Hetherington
Senior Economic Case Officer

Peter joined the Authority in August 2020. He is an experienced economist and has worked for a number of regulators in the United Kingdom.

His first role was with Ofcom, working across broadcasting, telecoms and spectrum projects. Subsequently, he was a Principal Economist at Ofwat, where he worked extensively on price reviews, market design and the management of water resources. Until joining the Authority, Peter was the Senior Economist for the Fourth

National Lottery Licence Competition at the Gambling Commission. There he led the design of the new incentive and regulatory framework for the Fourth Licence. Peter has a first class degree in Economics and an MSc in Industrial Economics with Distinction from the University of East Anglia.



Claire Kybett
Finance Officer

Claire joined the Authority in March 2021 and is a fellow of the Institute of Chartered Accountants of England and Wales.

Previously Claire worked in the financial services industry during which she was a Client Service Reporting Manager for a leading European Private Equity Fund, and gained extensive knowledge of fund administration and accounting over a 7 year period. Prior to this, Claire worked for a local international

accountancy firm within Audit and Assurance, focusing on regulatory and internal audits. Claire moved to Jersey in 2008, bringing with her extensive experience in auditing complex and large clients in the UK within a wide variety of industries, including pharmaceutical, motor trade and manufacturing.



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This publication is available at <https://www.jcra.je/annual-reports/>
Any enquiries relating to this publication should be sent to info@jcra.je

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