

STATES OF JERSEY



DRAFT POSTAL SERVICES (TRANSFER) (JERSEY) REGULATIONS 200

**Lodged au Greffe on 31st January 2006
by the Minister for Treasury and Resources**

STATES GREFFE



Jersey

DRAFT POSTAL SERVICES (TRANSFER) (JERSEY) REGULATIONS 200

REPORT

Incorporation

1. The States have previously agreed that Jersey Post should be incorporated essentially to allow that organisation the freedom to act commercially in a fast moving, but independently regulated, business environment.
2. Under the Postal Services (Jersey) Law 2004, the States are able to make Regulations to achieve incorporation through the vesting of assets, rights, liabilities and employees into a group of companies. It is intended that this takes place on 1st April 2006.
3. In preparing the attached Regulations and the underlying arrangements to establish that new corporate group, the Minister for Treasury and Resources (the Minister) has sought to create a robust commercial group with every prospect of success in the new business environment.
4. The assets, rights and liabilities being transferred are those of the Minister for Economic Development but are referred to in the Regulations as those of the Committee for Postal Administration (CPA). The employees being transferred are those of the States Employment Board engaged in the business of the Jersey Post Trading Operation.

The new “Jersey Post” corporate group

5. The group holding company will be Jersey Post International Limited (JPIL) (Regulation 2(1)). It will issue to the States the whole of its authorised share capital in the form of £5 million Ordinary Shares (Regulation 3(1)).
6. JPIL will own the entire share capital of the main trading company, Jersey Post Limited (JPL). JPL will in turn own all of the share capital of three asset holding, non-trading, companies (Regulation 2(2)) and of an existing trading company, Offshore Solutions Limited (“OSL”) (Regulation 5(1)). OSL operates the Jersey Post fulfilment business and employs the staff engaged therein.
7. Under PSL, the States has delegated to the Minister all of its powers as holder of securities in the group, except those relating to future ownership. In exercising those powers, the Minister has agreed the appointment of Michael Liston as the first Non-Executive Chairman of the Board of Directors of JPIL, John Pinel and Ian Ridgway as executive directors and Paul Jackson and Clive Spears as non-executive directors.
8. The total value of the net assets (excluding goodwill and after deducting relevant pensions liabilities) to be transferred to the group is currently estimated at approximately £7 million and the shareholders’ equity will comprise £5 million of Ordinary shares and approximately £2 million of reserves.

The main operating company and its employees

9. The main operating and trading entity will be JPL. All employees directly employed by Jersey Post will transfer seamlessly into the employ of JPL (Regulation 15) on 1st April 2006 (Regulation 17(2)). The only change in contracts of service of these employees will be the change of their employer. The rights of those employees currently participating in the Public Employees Contributory Retirement Scheme (PECRS) will also be unchanged save for the change of employer. The obligations of those employees to contribute to PECRS at the same rates as States employees will not change – and all changes in benefits to States employees within PECRS will accrue to and be applicable to these employees in the future as in

the past.

10. In order to achieve this admission of JPL into PECRS on appropriate terms that will give the company a degree of commercial freedom with regard to its participation in it, JPL will pay a Lump Sum Contribution of approximately £12.7 million into that fund in respect of previously unfunded past service liabilities. JPL will have sufficient net assets to meet this cost but will be short of the cash required to make the payment on the entry date of 1st April 2006. Therefore the Minister under the authority of Article 29(3) of PSL intends to make loans to JPIL of approximately £4 million repayable over a maximum period of 5 years and bearing interest at a rate to be fixed at one per cent over the Bank of England Base Rate. This rate will be beneficial to the States because it is higher than the rate the Treasurer of the States receives on bank deposits. It will also be a rate that is likely to be less expensive for JPIL than if it borrowed from outside the States.
11. When PSL was approved by the States in 2004, various undertakings were given by the then Policy and Resources Committee to the Committee of Management of PECRS (COM) with regard to changes to the arrangements set out in the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989, in respect of the admission of such employees into PECRS when they have a new employer (as will occur on the Transfer Date). In particular, undertakings were given to ensure that any new employer would enter into legally effective obligations in that connection and that those obligations would include a requirement to pay a Termination Contribution should an exit of the employer from PECRS (as permitted by the Regulations) ever take place.
12. The Draft Public Employees (Contributory Retirement Scheme) (Amendment No. 9) (General) (Jersey) Regulations 200- will fulfil and discharge these undertakings and have been agreed in principle with PECRS Committee of Management with a view to their being lodged in the near future for early debate in the States.
13. However, because it seems unlikely that these amending Regulations will become law before 1st April 2006, the Minister will ensure (and so undertake to PECRS Committee of Management if necessary) that JPL, the company that will become the employer of these staff, will –
 - Enter PECRS via the General Regulations and an Admission Document;
 - Sign an agreed Admission Document as soon as practicable after the amendments to Regulations have been made; and
 - Pay the envisaged Lump Sum Contribution with interest in full up to the date of payment to PECRS.
14. The rights of those present employees having pension rights that link through to the UK Civil Service Scheme of 1969 will also remain unchanged other than for the change of employer. Those employees and certain pensioners are members of the scheme known either as the Jersey Post Office Pension Fund or the Postal Pension Fund (PPF) which is closed to new entrants. JPL will be obliged (Regulation 7(6)) to make ongoing contributions in respect of employees within that scheme sufficient to provide fully funded pensions for them in retirement. The Postal Pension Fund itself will remain with the States and will not be transferred to JPL. This means that those who have already retired with those UK style pension rights will continue to look to the States for their pensions in retirement. However, Jersey Post will be required to ensure that the PPF contains assets that equate to the amount determined by the Fund Actuary to be the total of past service liabilities of the PPF, in respect of all remaining pensioners and employees, at the transfer date (Regulation 7). That amount required from JPL is currently estimated to be approximately £2 million and is in addition to the £4.4 million paid into the PPF by Jersey Post in 2004.

The main operating company and asset transfers

15. It is to the main operating and trading entity – JPL – that all of the movable assets, rights and liabilities of Jersey Post are being transferred (Regulation 5), other than those noted above in respect of PPF.

The transfer of immovable property

16. The immovable property to be transferred to the group is listed in Regulation 6 and the associated Schedules and plans. These schedules have been prepared by the Law Officers' Department. Each of the two items of freehold property will be transferred to non-trading wholly owned subsidiaries of JPL so that the risk to which such properties are exposed may be reduced. In all cases, the transfers have been made subject to the standard Housing Committee condition (Regulation 6(5)).

17. The transfer of the leasehold interest in Warehouses on the former Jackson’s Garage site, Rue des Pres Trading Estate will be brought about through Regulation 6(3&4)). Because the transfer is effected by Regulations made under Article 35 of the PSL, there is no requirement for the participation or consent of the landlord. As the transfer will alter the identity of the lessee, it is in essence an interference with the landlord’s rights. However the assignments of the leases of those sites were undertaken in the full knowledge of the landlord that the lease assignments would transfer in this way to a States owned company.

Accounting matters

18. Regulations 8, 9 and 10 deal with accounting matters in the books of the States. They provide for the orderly closure and settlement of outstanding balances in the States books at the transfer date.
19. Regulations 11, 12 and 13 deal with accounting matters in the books of the companies. They establish, in particular, the accounting conventions for the valuation of all assets and liabilities of all the group companies at vesting day and also deal with the accounting treatment of the net surpluses of assets over liabilities in each company on that day. Immovable property will be revalued as at 1st April 2006 (Regulation 11(3)).

Corporate governance matters

20. A Memorandum of Understanding (MoU) will be entered into between the Board of JPIL and the Minister. The purpose of this MoU is to ensure the appropriate conduct of Jersey Post Group and to put in place an accountability framework appropriate to the Group as a whole.
21. The MoU will foster a sound working relationship between the Treasury and Resources Department, the Minister and the Group based on a mutual understanding of expectations for the sharing of information, for regular dialogue on key issues as they emerge and develop, and, most importantly, for the operation of a “no surprises” policy such that Treasury and Resources, in exercising responsibilities as the sole holder of securities in the Group on behalf of the States of Jersey, is kept fully informed as to key business decisions which have the potential to impact on the States of Jersey's interests as owner.
22. In discharging his obligations towards the States as owner of the group, the Minister will in future have a role that is significantly different from the previous role of the CPA. The difference arises from the fact that the interests of users of postal services in Jersey are now to be looked after by the regulatory authority that is separate from and independent of the States – the Jersey Competition Regulatory Authority (‘JCRA’), whereas the Minister will act in the interests of the States as holder of securities in the Group.

Financial structure

23. The projected Consolidated Balance Sheet of JPIL immediately after transfer on 1st April 2006 is –

	£'m
Fixed Assets: Tangible Assets	10.2
Net Current Assets	2.6
Creditors falling due after more than one year	(6.0)
Net Assets	6.8
Shareholders Funds	
Share Capital	5.0
Profit & Loss reserve	1.8
Total Shareholders Funds	6.8

Regulatory and other matters

36. The JCRA has given notice of its intent to issue a valid licence – with appropriate conditions – to JPL.

That licence is expected to commence on vesting day – 1st April 2006.

37. Immediately after the debate on the draft Regulations, but only if those Regulations are made, a draft Act of the States to bring into force the remainder of PSL will be proposed by the Minister for Economic Development. Once that Act of the States has been made, 3 things will occur on exactly the same date: the transfer of the businesses to the new group; the licensing of JPL by the JCRA and the whole of PSL becoming applicable to the Postal Services Industry in Jersey.

Financial and Manpower Implications for the States

38. The establishment of the Jersey Post Group in this way will see the net assets of the current operation transformed into a strategic asset of the States for accounting purposes. Jersey Post's expenditure will cease to be controlled through the Public Finances (Jersey) Law 2005 and such governance will be replaced with the corporate governance arrangements that now widely apply to commercial entities in the United Kingdom and Jersey in accordance with best practice.
39. However, the new group will be contributing to States income, through Jersey Income Tax on its profits, dividends and interest payments on loans made to it.
40. These Regulations, if approved, will see the number of States Trading Operation employees fall significantly because those currently employed in the Jersey Post business will become employees within the private sector.

Conclusion

41. The Minister for Treasury and Resources commends these draft Transfer Regulations to the States – first, because they seek to bring into being a robust commercial Group with every prospect of a highly successful future; and second, as one of the final steps necessary to allow the creation of a completely new and exciting environment for postal services in Jersey, envisaged by the Postal Services (Jersey) Law 2004 and to be recommended simultaneously to the States by the Minister for Economic Development.

Explanatory Note

The object of these Regulations is to put into effect the transfers of assets, rights and liabilities envisaged in the Postal Services (Jersey) Law 2004.

Regulation 1 sets out definitions of terms used in the Regulations.

Regulation 2 names the companies (all members of the Jersey Post International Group) to which the assets, rights and liabilities are to be transferred.

Those assets, rights and liabilities are as a matter of definition and origin referred to as those of the Committee for Postal Administration, but are actually those of the Minister for Economic Development.

Regulation 3 prescribes the various shareholdings in the companies.

Regulation 4 names the date at which the transfers are to take place as 1st April 2006.

Regulation 5 deals with most of the movable property connected with postal services and with its associated rights and liabilities. These are to pass to Jersey Post Limited.

The immovable property connected with postal services goes (generally) according to its location to JPI (Rue des Pres) Limited, JPI (Broad Street) Limited and JPI (Parishes) Limited (*Regulation 6*).

Special provisions deal with the arrangements to be made about the Postal Pension Fund, the Treasury special fund relating to the pension scheme that pre-dated the inclusion of postal employees in the Public Employees Contributory Retirement Scheme (*Regulation 7*).

Requirements for the treatment of the accounts of the postal trading fund and of the accounts relating to postal assets and liabilities are set out in *Regulations 8* and *9*, and for the treatment of the States' shareholdings in the Jersey Post International Group of companies in *Regulation 10*.

The values of postal assets, rights and liabilities shall be determined for the purposes of the Companies (Jersey) Law 1991 according to the method prescribed in *Regulations 11 – 14*. Those Regulations also say how to treat any excess of assets or liabilities.

The company to which postal staff are transferred is Jersey Post Limited (*Regulation 15*).

Regulation 16 makes further amendments to the Postal Services (Jersey) Law 2004 as a consequence of the move to ministerial government.

Schedules 1 to *4* set out descriptions of the immovable property transferred under Part 7 of the Law.

The Regulations are generally to come into force on 1st April 2006 (*Regulation 17*).



Jersey

DRAFT POSTAL SERVICES (TRANSFER) (JERSEY) REGULATIONS 200

Arrangement

Regulation

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<u>15</u>	<u>Transfer of staff: Article 40</u>
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SCHEDULE 1

POSTAL HEADQUARTERS, RUE DES PRES

SCHEDULE 2

BROAD STREET POST OFFICE

SCHEDULE 3

UNIT 1 AT 4-6 L'AVENUE LE BAS, RUE DES PRES TRADING ESTATE

SCHEDULE 4

BAYS 3 AND 4, RUE DES PRES TRADING ESTATE



Jersey

DRAFT POSTAL SERVICES (TRANSFER) (JERSEY) REGULATIONS 200-

Made

[date to be inserted]

Coming into force

[date to be inserted]

THE STATES, in pursuance of Articles 27, 28, 32, 34, 35, 36, 37, 38 and 83 of the Postal Services (Jersey) Law 2004^[1] and Article 49 of the States of Jersey Law 2005,^[2] have made the following Regulations –

1 Interpretation

In these Regulations –

“Law” means the Postal Services (Jersey) Law 2004;

“Postal Pension Fund” means the special fund (within the meaning of the Public Finances (Jersey) Law 2005^[3]) in respect of the retirement scheme referred to in Article 42(2)(b) of the Postal Services (Jersey) Law 2004;

“registered” in relation to a company means registered under the Companies (Jersey) Law 1991.^[4]

2 Companies: Articles 27, 34, 35

- (1) Jersey Post International Limited, registered on 22nd September 2005, allocated the registered number 91247 and having its registered office at the Postal Headquarters, La Rue Grellier, Rue des Pres Trading Estate, St. Saviour JE2 7QS, is prescribed as the principal company for the purposes of the Law.
- (2) The following subsidiaries of the principal company are prescribed for the purposes of the Law –
 - (a) Jersey Post Limited, registered on 21st October 2004, allocated the registered number 88764 and having its registered office at the Postal Headquarters, La Rue Grellier, Rue des Pres Trading Estate, St. Saviour JE2 7QS;
 - (b) JPI (Parishes) Limited, registered on 22nd September 2005, allocated the registered number 91245 and having its registered office at the Postal Headquarters, La Rue Grellier, Rue des Pres Trading Estate, St. Saviour JE2 7QS;
 - (c) JPI (Rue des Pres) Limited, registered on 22nd September 2005, allocated the registered number 91246 and having its registered office at the Postal Headquarters, La Rue Grellier, Rue des Pres Trading Estate, St. Saviour JE2 7QS;
 - (d) JPI (Broad Street) Limited, registered on 22nd September 2005, allocated the registered number 91242 and having its registered office at the Postal Headquarters, La Rue Grellier, Rue des Pres Trading Estate, St. Saviour JE2 7QS.

3 Securities in companies: Article 28

- (1) The securities required to be issued to the States by Jersey Post International Limited for the purposes of Article 28(1)(a) of the Law are 4,999,998 ordinary shares, out of an authorized share capital of £5,000,000, divided into 5,000,000 ordinary shares, each share being of a nominal value of £1 and fully paid up.
- (2) The securities required to be issued to Jersey Post International Limited by Jersey Post Limited for the purposes of Article 28(1)(b) of the Law are 999,998 ordinary shares out of an authorized share capital of £1,000,000, divided into 1,000,000 ordinary shares, each share being of a nominal value of £1 and fully paid up.
- (3) The securities required to be issued to Jersey Post Limited by JPI (Parishes) Limited, JPI (Rue des Pres) Limited and JPI (Broad Street) Limited for the purposes of Article 28(1)(b) of the Law are, in the case of each of those subsidiaries, 9,998 ordinary shares out of an authorized share capital of £10,000 divided into 10,000 ordinary shares, each share being of a nominal value of £1 and fully paid up.

4 Transfer date: Article 32

For the purposes of the Law, the transfer date is 1st April 2006.

5 Transfer of Committee movables to Jersey Post Limited: Article 34

- (1) The assets of the Committee for Postal Administration, being shares in Offshore Solutions Limited, shall be transferred to Jersey Post Limited.
- (2) The other assets of the Committee for Postal Administration in the form of movable property, and the rights and liabilities of the Committee for Postal Administration, shall be transferred to Jersey Post Limited.
- (3) The assets, and rights, referred to in paragraph (2) shall include intellectual property rights, whether registered or not.
- (4) However, the assets, rights and liabilities referred to in paragraph (2) shall not include the following—
 - (a) the minutes of the Committee for Postal Administration (constituted under Article 4 of the Post Office (Jersey) Law 1969^[5]), the records of acts of that Committee and other records of the deliberations and decisions of that Committee and the records of the deliberations and decisions of the Minister for Economic Development;
 - (b) to the extent that they are assets and rights of the Committee for Postal Administration, the assets and rights of the States with respect to the retirement scheme referred to in Article 42(2)(b) of the Law, being assets and rights that relate to members of that scheme who are or were employees of the Committee for Postal Administration and retire from that employment whether after, on or before the transfer date and being (to the extent that they are assets) assets held in the Postal Pension Fund;
 - (c) to the extent that they are liabilities of the Committee for Postal Administration, the liabilities to which the States are subject with respect to the retirement scheme referred to in Article 42(2)(b) of the Law, being liabilities that relate to members of that scheme who are or were employees of the Committee for Postal Administration and retire from that employment whether after, on or before the transfer date, and being liabilities referable to the Postal Pension Fund.

6 Transfer of Committee immovables: Articles 35, 37

- (1) The assets of the Committee for Postal Administration in the property known as the Postal Headquarters, Rue des Pres Trading Estate, St. Saviour (being the property described in Schedule 1) are prescribed for the purposes of Article 35(1) of the Law, the transferee being JPI (Rue des Pres) Limited.
- (2) The assets of the Committee for Postal Administration in the property known as the Broad Street Post Office, Broad Street, St. Helier (being the property described in Schedule 2) are prescribed for the purposes of Article 35(1) of the Law, the transferee being JPI (Broad Street) Limited.
- (3) The assets of the Committee for Postal Administration in the property known as Unit 1 at 46 L'Avenue Le Bas, Rue des Pres Trading Estate, St. Saviour (being the property described in Schedule 3) are prescribed for the purposes of Article 35(1) of the Law, the transferee being JF (Parishes) Limited.
- (4) The assets of the Committee for Postal Administration in the property known as Bays 3 and 4, Rue des Pres Trading Estate, St. Saviour (being the property described in Schedule 4) are prescribed for the purposes of Article 35(1) of the Law, the transferee being JPI (Parishes) Limited.
- (5) A term of the transfer of immovable property under Article 35 of the Law is that the consent of the Minister for Housing to the transfer is required, and is taken to have been given under Article 14(1) of the Housing (Jersey) Law 1949^[6] and to be subject to the condition prescribed by Article 14(2) of that Law.

7 Postal Pension Fund: Article 36

- (1) For the purposes of Article 36(1) of the Law, an amount shall be calculated corresponding to an amount that would bring the total market value of the assets held in the Postal Pension Fund immediately before the transfer date to an amount determined by the Fund actuary to be the total of past service liabilities of that Fund immediately before the transfer date.
- (2) If that calculation would require the total market value to be increased, for the purposes of Article 36(1)(d) of the Law there shall hereby be created (and transferred to the States for the credit of the Postal Pension Fund) a liability of Jersey Post Limited equal to the amount of the increase.
- (3) If that calculation would require the total market value to be decreased, there shall for the purposes of Article 36(1)(c) of the Law hereby be created (and transferred to Jersey Post Limited) a liability of the States equal to the amount of the decrease.
- (4) For the purposes of Article 36(1)(d) of the Law, to the extent that the Act of the States of 11th July 1972 known as “an Act revising pensions payable to retired public employees”, as amended, cannot apply to persons only because, by the operation of Article 40 of the Law, they have become employees of Jersey Post Limited, there shall hereby be created a liability of Jersey Post Limited in respect of those persons, and that liability shall hereby be transferred to the States.
- (5) That liability –
 - (a) shall correspond to the extent to which the rights and benefits that would have been conferred on those persons because of that Act will have been reduced or eliminated because of that inapplicability;
 - (b) shall accrue as at the transfer date referred to in Article 40 of the Law; and
 - (c) may include a liability in respect of contingent rights and benefits.
- (6) For the purposes of Article 36(1)(c) of the Law, there shall hereby be created (and transferred to Jersey Post Limited) a liability of the States to pay to the Postal Pension Fund, in respect of persons who, because of Article 40 of the Law, became employees of Jersey Post Limited, amounts equal to the determined percentage of their respective salaries during the periods when they are in receipt of those salaries as employees of Jersey Post Limited.
- (7) In this Regulation –

“determined percentage” means the percentage determined by the Fund actuary to be the long-term future contribution rate as at the transfer date;

“Fund actuary” means Hewitt, Bacon & Woodrow Limited.

8 Treatment of trading fund in transfers: Article 38

- (1) The accounts in the books of the Treasurer of the States recording the position as at midnight on 31st March 2006 (and transactions up to that time) of the trading fund (within the meaning of the Public Finances (Jersey) Law 2005) that is the Minister for Economic Development’s trading fund that corresponds to and is a continuation of the trading fund of the Committee for Postal Administration (as constituted under Article 4 of the Post Office (Jersey) Law 1969), shall be aggregated.
- (2) The balance of those accounts after that aggregation shall be reduced to zero by payment, on demand, from Jersey Post Limited to the States, or from the States to Jersey Post Limited, as the case requires.
- (3) That demand is one made, on or after the transfer date, by the Treasurer of the States or Jersey Post Limited, respectively.

9 Treatment of Committee assets and liabilities in transfers: Article 38

- (1) The accounts in the books of the Treasurer of the States recording the assets and liabilities of the Committee for Postal Administration as at midnight on 31st March 2006 shall be aggregated.
- (2) The balance of those accounts after that aggregation shall be reduced to zero by payment, on demand, from Jersey Post Limited to the States, or from the States to Jersey Post Limited, as the case requires.
- (3) For the avoidance of doubt, it is declared that such of the accounts referred to in paragraph (1) as represent assets held on trust by the Minister for Economic Development (including, but not limited to, deposits paid to the Committee for Postal Administration, as constituted under Article 4 of the Post Office (Jersey) Law 1969) shall be included in the aggregation.
- (4) The demand referred to in paragraph (2) is one made, on or after the transfer date, by the Treasurer of the States or Jersey Post Limited, respectively.

10 Value of JPIL: Article 38

For the purposes of States accounts, the value (at the moment on 1st April 2006 immediately after the transfers referred to in Articles 34, 35, 36 and 40 of the Law) of the States’ shareholdings in the group of companies comprising Jersey Post International Limited and its subsidiaries shall be the net asset value of the group at that moment.

11 Committee assets, rights and liabilities: values relevant for Companies (Jersey) Law 1991: Article 38

- (1) As far as they are relevant to any matter under the Companies (Jersey) Law 1991, the value as at midnight on 31st March 2006 of the assets, rights and liabilities of the Committee for Postal Administration shall be determined using the same valuation and accounting bases as were used in preparing the financial statements of the Committee for Postal Administration (as constituted under Article 4 of the Post Office (Jersey) Law 1969) in respect of the year that ended at midnight on 31st December 2004 that were approved by that Committee on 7th April 2005 and signed on that Committee’s behalf by its President and Chief Executive.
- (2) However the reference in paragraph (1) to liabilities does not include a liability relating to a scheme under the Public Employees (Retirement) (Jersey) Law 1967^[7] nor to the value of the assets referred to in Regulation 6(1), (2), (3) or (4).
- (3) The value of those assets shall be appraised to open market value as at midnight on 31st March 2006

by a qualified Chartered Surveyor in accordance with the Appraisal and Valuation Standard of the Royal Institution of Chartered Surveyors.

- (4) As far as it is relevant to any matter under the Companies (Jersey) Law 1991, the balance remaining after the aggregation of accounts referred to in Regulation 8 or 9 shall be treated (whether or no demand is made for its payment) as a debt of Jersey Post Limited or of the States, as the case requires.

12 JPI (Parishes) Limited, JPI (Rue des Pres) Limited and JPI (Broad Street) Limited: values relevant for Companies (Jersey) Law 1991: Article 38

- (1) The excess of assets over liabilities (at the moment on 1st April 2006 immediately after the transfers referred to in Articles 34, 35, 36 and 40 of the Law) in the case of JPI (Parishes) Limited, JPI (Rue des Pres) Limited and JPI (Broad Street) Limited shall be credited to the respective companies' reserves.
- (2) Those liabilities shall include a liability reflecting the share capital required to be issued under Regulation 3 in the case of each company.
- (3) The reserves shall be treated as realized profits or losses for the purposes of Article 115 of the Companies (Jersey) Law 1991.

13 Jersey Post Limited: values relevant for Companies (Jersey) Law 1991: Article 38

- (1) The excess of assets over liabilities (at the moment on 1st April 2006 immediately after the transfers referred to in Articles 34, 35, 36 and 40 of the Law) in the case of Jersey Post Limited shall be credited to that company's reserves.
- (2) Those liabilities shall include a liability reflecting the share capital required to be issued under Regulation 3 in the case of that company.
- (3) The reserves shall be treated as realized profits or losses for the purposes of Article 115 of the Companies (Jersey) Law 1991.

14 Jersey Post International Limited: values relevant for Companies (Jersey) Law 1991: Article 38

- (1) The excess of assets over liabilities (at the moment on 1st April 2006 immediately after the transfers referred to in Articles 34, 35, 36 and 40 of the Law) in the case of Jersey Post International Limited shall be credited to that company's reserves.
- (2) Those liabilities shall include a liability reflecting the share capital required to be issued under Regulation 3 in the case of that company.
- (3) The reserves shall be treated as realized profits for the purposes of Article 115 of the Companies (Jersey) Law 1991.

15 Transfer of staff: Article 40

For the purposes of Article 40 of the Law, the company is Jersey Post Limited.

16 Amendments to Law consequent on move to ministerial government

- (1) In the long title to the Law the word "former" shall be inserted before the word "Committee".
- (2) In Article 1(1) of the Law for the definition "Committee for Postal Administration" there shall be substituted the following definition –

“Committee for Postal Administration” means the Committee for Postal Administration

formerly constituted by Article 4 of the Post Office (Jersey) Law 1969 before the repeal of that Article by Regulation 19(5) of the States of Jersey (Amendments and Construction Provisions No. 4) (Jersey) Regulations 2005^[8],”

- (3) In Article 31 of the Law –
 - (a) in paragraph (3) for the words “that Committee is entitled” there shall be substituted the words “the Minister for Economic Development is entitled (in relation to the Minister’s functions transferred from the Committee for Postal Administration by the States of Jersey (Transfer of Functions from Committees to Ministers) (Jersey) Regulations 2005^[9])”;
 - (b) in paragraph (4) for the words “that Committee is entitled” there shall be substituted the words “the Minister for Economic Development is entitled (in relation to the Minister’s functions transferred from the Committee for Postal Administration by the States of Jersey (Transfer of Functions from Committees to Ministers) (Jersey) Regulations 2005)”;
 - (c) paragraph (5)(a) shall be repealed.
- (4) Article 33 of the Law shall be repealed.
- (5) In Article 35(2) of the Law for the words “Committee for Postal Administration” there shall be substituted the words “Minister for Economic Development”.
- (6) In Article 40(2)(b) of the Law for the words “employee of that Committee” there shall be substituted the words “employee of the Committee for Postal Administration”.
- (7) In Article 41 of the Law for the words “employees of that Committee” there shall be substituted the words “employees of the Committee for Postal Administration”.
- (8) In paragraph 5 of Schedule 2 to the Law for the words “under the Post Office (Jersey) Law 1969” there shall be substituted the words “transferred from the Committee for Postal Administration by the States of Jersey (Transfer of Functions from Committees to Ministers) (Jersey) Regulations 2005”.

17 Citation and commencement

- (1) These Regulations may be cited as the Postal Services (Transfer) (Jersey) Regulations 200-.
- (2) These Regulations shall come into force on 1st April 2006.

SCHEDULE 1

(Regulation 6(1))

POSTAL HEADQUARTERS, RUE DES PRES

For the purposes of this Schedule, the Public of this Island will be referred to as “the Public”, which designation will include its successors or assigns, and the limited liability Company JPI (Rue des Pres) Limited will be referred to as “the Company”, which designation will include its successors or assigns.

Three sites bearing the numbers 8, 10 and 26 and forming part of Rue des Pres Trading Estate, with the buildings erected thereon, (hereinafter referred to as “the Premises”) to which the Public has right by hereditary purchase by two Contracts dated 17th September, 1993 from the limited liability Company known as “Rue des Pres Properties Limited”.

The Southern boundary of the Premises towards a pathway owned by the Public is constituted by the lower of two raised concrete kerbs which belongs, without offset, to the Public, for the avoidance of doubt the lower kerb is situate immediately to the South of a wire fence established on the Premises.

The Eastern boundary of the Premises towards the pavement and road forming part of Rue des Pres Trading Estate which belong to the Public is the raised concrete kerb (situate immediately to the East of a wire fence established on the Premises), red brick kerb and small walls (forming part of various raised gardens established on the Premises) which all belong, without offset, to the Company.

The Western boundary or thereabouts of the Premises towards the main road “La Rue des Pres” is constituted by the walls and wire fence which belong, without offset, to the Company.

The line of demarcation separating the Premises on part of the Western side of the same (near the Southern end) with land forming part of the main road known as “La Rue des Pres” is a straight imaginary line taken from the South-West corner of the Northern section of the wall of the West or thereabouts of the Premises which belongs without offset to the Company and then projects in a Southerly direction or thereabouts until it reaches the North-West corner of the Southern section of the wall of the West or thereabouts of the Premises which belongs without offset to the Company.

The following specific rights shall affect the Premises, namely –

1. That the walls on the Eastern boundary of the Premises will have a height of three Imperial feet above the normal surface of the ground.
2. That the walls forming the Western boundary of the Premises will have a height of six Imperial feet above the normal level of the ground.
3. That the wall of the North of the Premises will never exceed three Imperial feet in height above the normal level of the soil and this on a distance of twenty Imperial feet as from the Eastern limit of the Premises and a height of six Imperial feet along the remainder of the said boundary.
4. That the Company will have a right of way at all times and for all purposes through and in the roadway and pavements belonging to the Public lying to the East of the Premises and this to come and go from the Premises to the main road “La Grande Route de Longueville”, the Company being obliged to contribute its fair proportion of the costs of maintenance and upkeep of the roadway and pavements along their whole length.
5. That the Company will have a right of way at all times and for all purposes through and in a small section of roadway (and pavement if one should be established at anytime in the future) belonging to the Public lying near the Southern end of the Western boundary of the Premises and this to come and go from the Premises to the main road “La Rue des Pres”, the Company being obliged to contribute its fair proportion of the costs of maintenance and upkeep of the roadway (and pavement if any) of which it makes use.
6. That the Company will have the right to place and maintain in the roadway and pavements belonging to the Public lying to the East of the Premises such pipes, cables and conduits which will be necessary to join to the pipes, cables and conduits of the mains’ services of water, gas, electricity and telephone which are or which will be established in the roadway and pavements, as well as the right at all times and whenever to repair or replace such pipes, cables and conduits on condition that it replaces the areas in an agreeable state after the completion of

such works and undertakes such works as quickly as possible.

7. That the Company will have the right to drain waste water and sewage from the buildings which are or which will in the future be erected on the Premises into the public drain and this by the means of the drain established in the roadway belonging to the Public, the Company having the right to place drainage pipes in the roadway and pavements belonging to the Public and to join them to the drain; charging the Company to replace the areas in an agreeable state after the completion of such works and to contribute its fair proportion of the costs of the maintenance and upkeep of the drain along its whole length.

8. That the Premises will be used principally for the construction of buildings on the same and it will not be permitted to deposit, nor to pile up, nor to tip, nor to display any goods whatsoever in the open air on the Premises.

9. That the Premises will be used solely for the purposes of warehousing and that no other business will be conducted on the same without the consent in writing of the Minister for Planning and Environment. And in the case where the Company ceases to use the Premises and the buildings which are or which will in the future be erected on same in connection with the business of the Company, the Company will not be able to lease, sell or otherwise dispose of same without having obtained the prior consent of the Minister for Planning and Environment.

10. That it will be forbidden to display, either in any window or elsewhere in public, or to sell retail on any part of the Premises any goods whatsoever, except the articles having immediate connection with the maintenance and repair of cars on the Estate called "Rue des Pres Trading Estate".

11. That no car, except the cars which will be brought temporarily on to the Premises, will be parked on the Premises at any time, except inside the buildings which are erected on same.

12. That the Company will have a right of access on to the roads, pavements, pathway and land belonging to the Public lying to the East, South and West of the Premises, whenever it becomes necessary but only after having giving prior notice of at least two weeks to the relevant Minister of the States (except in the case of emergency), with or without workmen, ladders, tools and materials in order to repair, replace, renew, rebuild, clean, maintain and upkeep the walls and fences forming part of the Premises built on or close to the boundaries of the Premises; charging the Company to complete the works as quickly as possible, to cause the least inconvenience possible to the Public and to replace the affected areas in a clean and agreeable state immediately after the completion of such works.

13. That the Public will have the right to keep all the pipes, cables, conduits, drainage pipes and all other related apparatus for the provision of mains services and the drainage of rain water, waste water and sewage through and under the Premises as they are at present established, with a right of access for the Public on to the Premises whenever it becomes necessary but only after having given at least two weeks prior notice to the Company (except in the case of emergency), with or without workmen, tools and materials in order to repair, replace, renew, rebuild, unblock, thaw out, clean, maintain and upkeep the pipes, cables, conduits, drainage pipes and all other related apparatus; charging the Public to complete the works as quickly as possible, to cause the least inconvenience possible to the Company and to replace the affected areas in a clean and agreeable state immediately after the completion of such works.

14. That the Company has the right to keep the openings which are currently established firstly in the wire fence established along the Southern end of the Eastern limit of the Premises and secondly in the Southern end of the wall established along the Western limit of the Premises. It being further understood that the Company has the right to establish gates or barriers in these openings providing that such gates or barriers open towards the interior of the Premises.

15. That the Company has the right (after having first received the prior consent in writing of the Minister for Planning and Environment) to replace the existing wire fence, concrete kerb, red brick kerb and small walls established along the Eastern and Western limits of the Premises and furthermore the right to build up to and against the lower of two raised concrete kerbs established along the Southern limit of the Premises which concrete kerb belongs without offset to the Public with walls or other enclosures, such walls or other enclosures are to be built by the Company on the same alignment as the aforesaid wire fences, concrete kerb, red brick kerb and small walls and once built shall belong without offset to the Company and never exceed a maximum height of nine Imperial feet above the level of the soil. It being understood that the Company has the benefit of the rights described in the clause bearing the number "12" and this for the purposes of maintaining and up keeping the said walls or other enclosures. It being further understood that the Company has the right to establish gates or barriers

in such walls or enclosures and this along the Eastern limit of the Premises providing that such gates or barriers open towards the interior of the Premises.

The whole in perpetuity.

The other boundaries of the Premises and other relevant rights attaching thereto being as set out and described within the two said contracts of hereditary purchase both dated 17th September 1993 by the Public from the limited liability company "Rue des Pres Properties Limited" which contracts are enrolled in the Public Registry of the Island book RP950, pages 253 and 256 respectively; have recourse to both contracts.

The Premises are situate in the Parish of Saint Saviour, in the Vingtaine of La Petite Longueville, and are in the condition in which they are currently found, with all their faults, apparent or hidden, if they exist.

SCHEDULE 2

(Regulation 6(2))

BROAD STREET POST OFFICE

A certain building being the Central Post Office (hereinafter referred to as “the Premises”) built on the sites of properties bearing the numbers 15 and 17 Broad Street and 7 and 9 Commercial Street and to which the Public of this Island has right by hereditary purchase (first corpus fundi) by Contract dated 26th September, 1969 from the Crown.

The boundaries of the Premises, and all rights attaching thereto, being as set out and described in the above mentioned Contract of Purchase dated 26th September, 1969, which Contract is enrolled in the Public Registry of the Island, Book RP560, page 167, have recourse thereto.

The Premises are situate in the Parish of St. Helier in the Vingtaine de Bas de la Ville and are in the condition in which they are currently found, with all their faults, apparent or hidden, if they exist.

SCHEDULE 3

(Regulation 6(3))

UNIT 1 AT 4-6 L'AVENUE LE BAS, RUE DES PRES TRADING ESTATE

The contract lease interest in certain premises being Unit 1, forming part of the plot numbered 4 to 6 l'Avenue le Bas, Rue des Pres Trading Estate which the Public of this Island acquired by the assignment of the remainder of a 21 year lease ("the Lease") by the company "Jacksons (C.I.) Limited" by contract dated 2nd September 2005.

The boundaries of the premises, and all rights attaching thereto, being set out and described in the Lease dated 4th August 1989 between the lessor "Jacksons Garage (Property) Limited" and the lessee "Jacksons Garage Limited" which contract is enrolled in the Public Registry of the Island, Book RP869, page 254. The latter contract being extended and modified by a further contract between the aforementioned parties dated 17th November 1995 which contract is enrolled in the Public Registry of this Island, Book RP1000 page 455, have recourse thereto.

The extension to the Lease commenced on 1st July 1995 and will terminate on 30th June 2016.

All the above premises are situate in the Parish of St. Saviour, Vingtaine de la Petite Longueville and are in the condition in which they are currently found, with all their faults, apparent or hidden, if they exist.

SCHEDULE 4

(Regulation 6(4))

BAYS 3 AND 4, RUE DES PRES TRADING ESTATE

The contract lease interest in certain premises being Bays 3 and 4 forming part of the plot numbered 2 “Rue des Pres Trading Estate” which the Public of this Island acquired by the assignment of the remainder of a 21 year lease (“the Lease”) by the company “Hawthorn Corner Limited” by contract dated 2nd September 2005.

The boundaries of the premises, and all rights attaching thereto, being as set out and described in the Lease dated 18th December 1987 between the lessor “Jacksons Garage (Property) Limited” and the lessee “La Motte Garages Limited” which contract is enrolled in the Public Registry of the Island , Book RP841, page 326. The latter contract being modified by a further contract of assignment of the Lease dated 11th August 1995 by “Soubriquet Limited” to “Ettom Property Holdings Limited”, which contract is enrolled in the Public Registry of the Island, Book RP993, page 569, have recourse thereto.

The Lease commenced on 1st January 1988 and will terminate on 31st December 2008.

All the above premises are situate in the Parish of St. Saviour, Vingtaine de la Petite Longueville and are in the condition in which they are currently found, with all their faults, apparent or hidden, if they exist.

[1] *chapter 06.145*

[2] *chapter 16.800*

[3] *chapter 24.900*

[4] *chapter 13.125*

[5] *chapter 06.144*

[6] *chapter 18.315*

[7] *chapter 16.650*

[8] *R&O.44/2005*

[9] *chapter 16.800.30*