

Access to Public Information Request

Date of receipt: 5th November 2018

Date of response: 5th November 2018

Information on Aurigny's forecast loss of £4.4 million for 2019 and loss of £3 million in respect of Alderney routes

I am writing to make a request for information under the provisions of the Code of Practice for Access to Public Information.

The information that I am requesting relates to Aurigny Airservices Ltd, trading as part of Cabernet Ltd. I am requesting substantiating information for the statements made regarding the losses made on their Alderney routes.

The Annual Report and Consolidated Financial Statements, for Cabernet Ltd, for the year ended 31 December 2017, Finance Director's Report, pages 9 and 10, when referring to their Alderney network reports 'it represents only 10% of our overall passengers and 9% of our passenger revenue, generating a negative EBITDA contribution of £2.3m and a loss of £3.3million in 2017.'

The 2019 Budget Report, in Billet D'Etat XXIV for Tuesday 6th November 2018, variously states at particular paragraph numbers :

9.53	'was £6.8million in 2017 (including £3.3million in respect of the Aurigny operating loss on Alderney routes).'
9.59	'Aurigny's forecast loss of £4.4million for 2019 includes an expected loss of £3million in respect of the Alderney routes (£1.2million for Alderney - Guernsey and £1.8million for Alderney - Southampton).'
9.69	'The majority of Aurigny's accumulated losses since 2015 arise from the ongoing requirement for the airline to continue operating its Alderney services.'

Can this information please be made available in the same format as used for the Consolidated Statement of Comprehensive Income published in the Financial Statements for Cabernet Ltd for the year ending 31 December 2017.

Can you also please confirm if the revenue derived from both Freight and Mail carried between Guernsey and Alderney is included in Passenger revenue (£41,593,426 for 2017) or in Other revenue (£3,086,078 for 2017).

Response

Further to your request made under the Code of Practice on Access to Public Information, we make the following observations in response.

While Cabernet is owned by the States of Guernsey, it is a separate legal entity with its own Board of Directors who have fiduciary responsibilities to act in the best interests of the company.

Detailed profit and loss statements, cash flow statements and balance sheets and other management accounting information are provided to the States Trading Supervisory Board and the Policy & Resources Committee by the Board of Directors of Cabernet. However, this arrangement is subject to a requirement of the Cabernet Board that these remain confidential. These detailed figures contain commercially sensitive information which, if published, could harm the competitive position of Cabernet and, as such, could prejudice the commercial interests of both Cabernet (and, by extension) the States;

It is for this reason that the States publishes only consolidated financial information on the company's performance in its Budget Report and Annual Accounts. Similarly, the States only requires Cabernet to publish its consolidated annual accounts. Detailed information has never been published on a route by route basis.

The annual financial statements for Cabernet and Aurigny are independently audited.

With the above in mind, we are satisfied that the following exceptions within the Code apply in this case:

- Section 2.2 - Information whose disclosure would harm the financial interests of the States (on the basis that financial harm to Aurigny results in financial harm to the States);
- Section 2.3 – Information whose disclosure could lead to improper gain or advantage or would prejudice the effective conduct of personnel management or commercial or contractual activities (on the basis that it could prejudice the commercial position of Cabernet/Aurigny, including the current live tender process);
- Section 2.13 – Information including commercial confidences (including grants and

loans), trade secrets or intellectual property whose unwarranted disclosure would harm the competitive position of a third party (Cabernet/Aurigny for the reasons outlined above);

- Section 2.14 – Information held in consequence of having been supplied in confidence by a person who was not under any legal obligation, whether actual or implied, to supply it, and has not consented to its disclosure (Cabernet/Aurigny Board has consistently refused to publish information at the level being sought under this request and has supplied it in confidence to the States).