

# Notes to the Financial Statements

## 1 Accounting policies

The following statements outline the main accounting policies applied in the preparation of the financial statements.

### Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom accounting standards.

### Turnover

Turnover represents the total value of water charges together with minor contracts and rental income.

### Stocks of water

No value is placed on stocks of water held in reservoirs, which may vary from year to year.

### Stock and work in progress

Stores are valued at the lower of cost and net realisable value.

### Water charges

Water is billed either as a fixed rate (in advance) or as a metered charge (in arrears). No revenue is recognised for water supplied between the date of the last quarterly meter reading of the year, which is usually in December, and the year end. Fixed rate income is recognised for the year up to 31 December.

### Fixed assets and depreciation

Fixed assets under construction are recognised within 'Uncompleted Works' until such time as they are first brought into use. At this point the asset is transferred to 'Property and Completed Works' and depreciation commences. Subsequent qualifying expenditure is transferred directly to 'Property and Completed Works'.

Depreciation is charged on a straight line basis in accordance with the rates of depreciation set out below for each major asset type. No depreciation is provided on freehold land.

Asset type	Depreciation period
Water mains - Iron .....	80 years
- Others .....	50 years
Buildings .....	60 years
Dams .....	60-100 years
Pumping plant .....	30 years
Reinforced concrete structures .....	80 years
Motor vehicles .....	3-6 years
Mobile plant and tools .....	3-10 years
Reverse osmosis plants .....	10 years

### Deferred taxation

Deferred taxation is calculated on a full provision basis in accordance with Financial Reporting Standard 19 'Deferred Taxation'.

### Retirement benefits

The Company values its liability in respect of defined retirement benefits in accordance with FRS 17 and following the unit cost method of calculation.

Any surplus or deficit in the defined benefit plan, being the difference between the value of the plan assets and the present value of the plan liabilities, is recognised in the balance sheet as an asset or liability to the extent that any surplus is recoverable through future reduced contributions or that, conversely, any deficit reflects a legal or constructive obligation. The defined benefit asset or liability is shown net of any related deferred tax liability or asset.

## Notes to the Financial Statements (continued)

### Changes in accounting policy

- FRS 21 - Events after the balance sheet date

During the year the Company adopted the accounting standard FRS21 - Events after the balance sheet date, which became mandatory for all accounting periods beginning on or after 1 January 2005. The standard requires, inter-alia, that dividends declared after the balance sheet date but before the financial statements are approved shall not be recognised as a liability at the balance sheet date. This is because they do not meet the definition of a liability under FRS12. Previously, dividends would have been recognised as a liability at the balance sheet date in accordance with SSAP17 which has now been replaced by FRS21. The effect of the change in accounting policy is to delay the recognition of final dividends until the following year once they are approved by shareholders at the Annual General Meeting.

The change in accounting policy has the effect of increasing the retained profit for the prior year by £962,866.

In respect of the year ended 31 December 2005, the change in policy has reduced retained profit for the year by £321,095.

- FRS 25 - Financial Instruments: Disclosure and Presentation

During the year the Company adopted the applicable sections of the new accounting standard FRS25 - Financial Instruments: Disclosure and Presentation. The standard sets out certain disclosure and presentation requirements for financial instruments. Under the requirements of the standard, non equity shares must be reclassified as financial liabilities and shown in the appropriate section in the balance sheet. Consequently, dividends on non equity shares are reclassified as finance costs within the profit and loss account.

The effect on the financial statements for the year ended 31 December 2004 and 2005 is to reduce Net Assets by £5,382,425. Retained profits for both years remain the same, however, dividends on preference shares totalling £380,665 are now included within finance charges.

- Uncompleted works - Contributions received towards the cost of treated water mains

The Company receives contributions from customers for the extension of some treated water mains. Treated water mains are carried within Tangible Fixed Assets net of contributions received. Contributions received in respect of mains that are incomplete at the year end have historically been included within Uncompleted Works within Fixed Assets, netted against the cost to which they relate. As a result of the increasing volume of projects involving contributions from customers and in a change from the prior year, the treatment of payments received on account has been amended. Where, at the year end, payments received on account exceed the balance of costs on the project, the excess is now shown within other creditors. For the year ended 31 December 2004 this has the effect of increasing fixed assets by £97,521 and increasing current liabilities by the same amount. For the year ended 31 December 2005, the effect is to increase fixed assets by £145,000 and increase current liabilities by £145,000. There is no effect on the net assets or retained profit for either year.

## Notes to the Financial Statements (continued)

### 2 Fixed Assets

	Property and completed works	Uncompleted works	Motor vehicles, mobile plant & equipment	Total
	£	£	£	£
<b>Cost</b>				
Brought forward per prior year financial statements	69,581,832	730,456	1,779,102	<b>72,091,390</b>
Change in accounting policy	-	97,521	-	<b>97,521</b>
Revised brought forward	69,581,832	827,977	1,779,102	<b>72,188,911</b>
Additions	303,558	3,087,397	321,779	<b>3,712,734</b>
Disposals	(210,831)	-	(153,913)	<b>(364,744)</b>
Transfers	3,537,249	(3,537,249)	-	-
Carried forward	<b><u>73,211,808</u></b>	<b><u>378,125</u></b>	<b><u>1,946,968</u></b>	<b><u>75,536,901</u></b>
<b>Depreciation</b>				
Brought forward per prior year financial statements	(13,858,985)	-	(1,081,732)	<b>(14,940,717)</b>
Change in accounting policy	-	-	-	-
Revised brought forward	(13,858,985)	-	(1,081,732)	<b>(14,940,717)</b>
Charge for the year	(1,864,748)	-	(307,055)	<b>(2,171,803)</b>
Disposals	12,603	-	143,394	<b>155,997</b>
Carried forward	<b><u>(15,711,130)</u></b>	<b><u>-</u></b>	<b><u>(1,245,393)</u></b>	<b><u>(16,956,523)</u></b>
<b>Net book value</b>				
Brought forward	<u>£55,722,847</u>	<u>£827,977</u>	<u>£697,370</u>	<b><u>£57,248,194</u></b>
<b>Carried forward</b>	<b><u>£57,500,678</u></b>	<b><u>£378,125</u></b>	<b><u>£701,575</u></b>	<b><u>£58,580,378</u></b>

Of the £2,171,803 depreciation charge for the year, £307,055 relating to motor vehicles, mobile plant and equipment has been allocated to various cost centres included within the Cost of Sales and Administration Expense categories in the Profit and Loss Account.

At 31 December 2005 the capital commitments contracted for amounted to £213,731 (2004: £507,563).

### 3 Debtors

	2005	2004
	£	£
Trade debtors	<b>3,059,840</b>	3,014,107
Prepayments	<b>376,082</b>	363,315
Other debtors	-	245,757
	<b><u>£3,435,922</u></b>	<u>£3,623,179</u>

## Notes to the Financial Statements (continued)

## 4 Creditors and accruals

	2005	2004 Restated
	£	£
Trade creditors	604,471	359,041
Other creditors	507,520	242,103
Accruals and deferred income	1,539,803	1,556,236
	<u>£2,651,794</u>	<u>£2,157,380</u>

## 5 Jersey Income Tax

	2005	2004
	£	£
<b>Current tax</b>		
Income tax on the profits for the year	161,217	150,438
Over provision for previous years	(33,782)	(57,338)
Total current tax	<u>127,435</u>	<u>93,100</u>
<b>Deferred tax</b>		
Charge for the year	257,980	372,364
(Over) / under provision for previous years	(62,463)	218,703
Total deferred tax	<u>195,517</u>	<u>591,067</u>
<b>Total tax charge for the year</b>	<u>£322,952</u>	<u>£684,167</u>

## Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of Jersey income tax (20%). The differences are explained below:

	2005	2004 Restated
	£	£
Profit before tax	<u>£2,438,651</u>	<u>£2,456,984</u>
Profit before tax multiplied by the standard rate of Jersey income tax of 20% (2004: 20%).	487,730	491,397
Tax at 20% on:		
Capital allowances for period in excess of depreciation	(99,068)	(211,297)
Capital expenditure, deductible for tax purposes	(202,725)	(101,701)
Profit on sale of fixed assets	(100,853)	(104,094)
Dividends on non equity shares - Non deductible	76,133	76,133
Current tax charge for year	<u>£161,217</u>	<u>£150,438</u>

## Notes to the Financial Statements (continued)

### 6 Bank loans

	Repayment Dates	2005 £	2004 £
<b>Facilities drawn down</b>			
HSBC Bank plc	2006	<b>3,650,000</b>	3,650,000
HSBC Bank plc	2011	<b>5,250,000</b>	5,250,000
HSBC Bank plc	2013	<b>6,000,000</b>	6,000,000
		<b><u>£14,900,000</u></b>	<u>£14,900,000</u>
Loans falling due within one year		<b>3,650,000</b>	3,650,000
Loans falling due within between one and two years		-	-
Loans falling due after two years but less than five years		-	-
Loans falling due after five years or more		<b>11,250,000</b>	11,250,000
		<b><u>£14,900,000</u></b>	<u>£14,900,000</u>

The Company has a rolling overdraft facility with HSBC Bank plc. Unconditional guarantees have been given by the States of Jersey for the repayment of the principal and interest on loans up to a maximum of £16.2m taken out to fund the Company's capital works programme.

Subsequent to the year end, the terms of the £3,650,000 loan due for repayment in 2006 were extended for 4 years. The loan is now due for repayment in 2010.

### 7 Deferred taxation

	2005 £	2004 £
Capital allowances	<b><u>£4,733,994</u></b>	<u>£4,538,477</u>
Brought forward	<b>4,538,477</b>	3,947,410
Transfer from profit and loss account	<b>195,517</b>	591,067
At 31 December	<b><u>£4,733,994</u></b>	<u>£4,538,477</u>

### 8 Pensions

The Company operates two formal pension schemes; a defined contribution scheme and a defined benefit scheme. There are also certain past employees whose pension or pension supplements, which are of a defined benefit nature, have not been funded by the Company's present or previous pension agreements (the 'unfunded scheme'). Where applicable, the liability of the Company in respect of the unfunded scheme is included within the disclosure below relating to the defined benefit section.

The defined contribution scheme and defined benefit scheme are both sections of The Jersey New Waterworks Retirement Benefits Plan 1987. The Trustees of the plan throughout the year were Paul Batho, Michael Le Brocq, Richard Pirouet, Helier Smith and Howard Snowden. Jurat Peter Blampied OBE retired as a Trustee of the plan on 22 July 2005.

#### Defined contribution section

The defined contribution section of the plan was opened to new members on 1 May 2003. Employer contributions during the period to 31 December 2005 totalled £39,697 (2004: £35,250).

## Notes to the Financial Statements (continued)

### Defined benefit section and unfunded scheme

The liabilities of the defined benefit section of the plan are funded by contributions from the employer. The assets of the section are held separately from those of the Company, being administered by independent investment advisers. The defined benefit section of the plan was closed to new entrants with effect from 1 January 2003.

A full actuarial valuation of the defined benefit plan was carried out as at 31 December 2005 by a qualified actuary. The major financial assumptions used by the actuary were:

	2005	2004	2003
Rate of increase in salaries	<b>4.39%</b>	4.86%	5.00%
Rate of increase in pensions in respect of 1988 guarantee	<b>5.00%</b>	5.00%	5.00%
Rate of increase in pensions accrued after 1 January 1999	<b>3.14%</b>	4.11%	3.75%
Discount rate	<b>4.74%</b>	5.23%	5.38%
Inflation assumption	<b>3.39%</b>	4.86%	4.00%

The assets in the defined benefit plan and the expected rate of return as at 31 December were:

	2005		2004		2003	
	Expected long term rate of return	Value £	Expected long term rate of return	Value £	Expected long term rate of return	Value £
Equities	<b>8.04%</b>	<b>6,408,687</b>	8.12%	5,198,565	8.14%	4,708,789
Corporate bonds	<b>4.42%</b>	<b>5,209,323</b>	5.23%	3,445,050	5.38%	2,896,675
Cash	<b>4.50%</b>	<b>64,217</b>	4.75%	553,545	3.75%	85,040
Weighted rate of return on assets	<b>6.41%</b>	<b>£11,682,227</b>	6.83%	£9,197,160	7.05%	£7,690,504

	2005 £	2004 £	2003 £
Total market value of assets	<b>11,682,227</b>	9,197,160	7,690,504
Present value of total pension liabilities	<b>(15,532,153)</b>	(13,096,169)	(12,188,596)
Pension deficit	<b>(3,849,926)</b>	(3,899,009)	(4,498,092)
Related deferred tax asset	<b>769,985</b>	779,802	899,619
Net total pension liability	<b>£(3,079,941)</b>	£(3,119,207)	£(3,598,473)

### Analysis of the amount charged to Operating Profit

	2005 £	2004 £
Current service cost	<b>£416,115</b>	£394,034

## Notes to the Financial Statements (continued)

### Pensions continued

#### Analysis of the amount included in Other Finance Costs

	2005	2004
	£	£
Expected return on defined benefit scheme assets	<b>651,898</b>	569,359
Interest on total pension liabilities	<b>(693,271)</b>	(665,755)
Net charge for the year	<b><u>£(41,373)</u></b>	<u>£(96,396)</u>

#### Analysis of amount recognised in Statement of Total Recognised Gains and Losses

	2005	2004
	£	£
Actual return less expected return on defined benefit scheme assets	<b>1,135,218</b>	161,655
Experience gains arising on the total pension liabilities	<b>135,625</b>	193,989
Changes in assumptions underlying the present value of the total pension liabilities	<b>(2,011,385)</b>	(494,691)
Actuarial loss recognised	<b>(740,542)</b>	(139,047)
Current tax relief	<b>157,925</b>	147,627
Movement in deferred tax relating to net liability	<b>(9,817)</b>	(119,817)
Loss recognised in statement of total recognised gains and losses	<b><u>£(592,434)</u></b>	<u>£(111,237)</u>

#### Movement in deficit during the year

	2005	2004
	£	£
Total pension deficit at beginning of the year	<b>(3,899,009)</b>	(4,498,092)
Deferred tax asset	<b>779,802</b>	899,619
	<b><u>(3,119,207)</u></b>	<u>(3,598,473)</u>
Movement in year:		
Current service cost	<b>(416,115)</b>	(394,034)
Contributions and pensions paid	<b>1,247,113</b>	1,228,560
Other finance costs	<b>(41,373)</b>	(96,396)
Actuarial loss	<b>(740,542)</b>	(139,047)
	<b><u>(3,070,124)</u></b>	<u>(2,999,390)</u>
Movement in deferred tax asset	<b>(9,817)</b>	(119,817)
Total pension deficit at end of the year	<b><u>£(3,079,941)</u></b>	<u>£(3,119,207)</u>

## Notes to the Financial Statements (continued)

History of experience gains and losses	2005 £	2004 £	2003 £	2002 £	2001 £
<b>Difference between the expected and actual return on plan assets:</b>					
Amount	<b>1,135,218</b>	161,655	409,095	(2,011,997)	(1,157,719)
Percentage of plan assets	<b>9.7%</b>	1.8%	5.3%	31%	16%
<b>Experience gains and losses on total pension liabilities:</b>					
Amount	<b>135,625</b>	193,989	13,139	(385,605)	614,856
Percentage of the present value of pension liabilities	<b>0.9%</b>	1.5%	0.1%	3%	6%
<b>Total amount recognised in statement of total recognised gains and losses:</b>					
Amount	<b>(592,434)</b>	(111,237)	197,908	(2,448,572)	(299,513)
Percentage of the present value of pension liabilities	<b>3.8%</b>	0.8%	1.6%	21%	3%

**Funding of the defined benefit pension plan**

The actual funding of the defined benefit pension scheme is determined by the actuarial valuation and this differs from the amount that is required to be charged to the profit and loss account under Financial Reporting Standard 17. During the year the Company made scheduled retirement benefit contributions into the defined benefit scheme totalling £708,175 (2004: £669,643) plus a special contribution of £500,000 (2004: £520,000).

Following the results of the latest actuarial valuation as at 31 December 2003 the contribution rate for 2003, 2004 and 2005 was set at 11.5% of Pensionable Salaries plus £400,000 per annum, of which £400,000 represents contributions to reduce the scheme deficit.

As the defined benefit scheme is closed to new members from 1 January 2003, under the projected unit method, the current service cost will increase as a percentage of salaries as the members of the scheme approach retirement.

**9 Share capital****a) Equity share capital**

	2005 £	2004 £
<b>Authorised</b>		
252,000 ordinary shares of £1	<b>252,000</b>	252,000
231,000 'A' ordinary shares of £1	<b>231,000</b>	231,000
	<b>£483,000</b>	£483,000
<b>Issued and fully paid</b>		
252,000 ordinary shares of £1	<b>252,000</b>	252,000
231,000 'A' ordinary shares of £1	<b>231,000</b>	231,000
	<b>£483,000</b>	£483,000

## Notes to the Financial Statements (continued)

### Share capital continued

Ordinary and 'A' ordinary shares carry no right to fixed income and rank after preference shares and other liabilities. Each ordinary share carries one vote in the event of a poll. Each 'A' ordinary share, whilst in the ownership of the States of Jersey, entitles the holder to such additional votes at a poll as brings the total number of votes attaching to the 'A' ordinary shares to twice the number of votes cast in respect of all other shares.

#### b) Non equity preference share capital

	2005 £	2004 £
<b>Authorised</b>		
20,000 cumulative preference shares of £5	<b>100,000</b>	100,000
20,000 cumulative second preference shares of £5	<b>100,000</b>	100,000
100,000 cumulative third preference shares of £5	<b>500,000</b>	500,000
100,645 cumulative fourth preference shares of £5	<b>503,225</b>	503,225
900,000 cumulative fifth preference shares of £5	<b>4,500,000</b>	4,500,000
	<b><u>£5,703,225</u></b>	<u>£5,703,225</u>
<b>Issued and fully paid</b>		
17,261 5% cumulative preference shares of £5	<b>86,305</b>	86,305
17,402 3.5% cumulative second preference shares of £5	<b>87,010</b>	87,010
23,509 3% cumulative third preference shares of £5	<b>117,545</b>	117,545
16,036 3.75% cumulative third preference shares of £5	<b>80,180</b>	80,180
11,400 5% cumulative third preference shares of £5	<b>57,000</b>	57,000
90,877 2% cumulative fourth preference shares of £5	<b>454,385</b>	454,385
900,000 10% cumulative fifth preference shares of £5	<b>4,500,000</b>	4,500,000
	<b><u>£5,382,425</u></b>	<u>£5,382,425</u>

Preference shares bear interest at the rates indicated above and rank, in the order listed, above ordinary and 'A' ordinary equity shares in the event of winding up.

Upon a poll, every holder of a preference share present at a general meeting in person or by proxy shall have one vote only for all the preference shares held by him, irrespective of the number and class of such preference shares.

### 10 Reserves

	Retained profit £	Capital reserve £	Total £
Brought forward per prior year financial statements	26,560,914	3,041,357	<b>29,602,271</b>
Prior year adjustment	985,703	-	<b>985,703</b>
Revised brought forward amount	27,546,617	3,041,357	<b>30,587,974</b>
Retained profit for the year	743,596	-	<b>743,596</b>
Transfer of profit on sale of fixed assets to capital reserve	(504,263)	504,263	-
Loss relating to pension plan deficit recognised in the statement of total recognised gains and losses	(592,434)	-	<b>(592,434)</b>
<b>Carried forward</b>	<b><u>£27,193,516</u></b>	<b><u>£3,545,620</u></b>	<b><u>£30,739,136</u></b>

## Notes to the Financial Statements (continued)

### 11 Reconciliation of movement in shareholders' funds

	2005	2004
	£	Restated £
Profit for the year	2,115,699	1,772,817
Equity dividends	<b>(1,372,103)</b>	(37,134)
Retained profit for the year	<b>743,596</b>	1,735,683
Loss arising on pension plan	<b>(592,434)</b>	(111,237)
Opening equity shareholders' funds	<b>31,872,599</b>	30,248,153
Closing equity shareholders' funds	<b>£32,023,761</b>	£31,872,599

### 12 Water supply charges

	2005	2004
	£	£
Unmeasured water charges	<b>6,246,977</b>	6,082,097
Measured water charges	<b>5,247,247</b>	5,131,183
Service charges and other charges for water	<b>544,179</b>	532,461
	<b>£12,038,403</b>	£11,745,741

### 13 Administration expenses

	2005	2004
	£	£
Included in administration expenses are the following:		
Directors' fees (note 20)	<b>48,000</b>	32,000
Auditors' fees - Statutory audit	<b>23,600</b>	22,500
- Other services (Tax advisory and compliance)	<b>4,000</b>	4,000

### 14 Interest payable

	2005	2004
	£	£
On loans and overdrafts from banks	<b>£835,902</b>	£828,947

### 15 Non equity dividends

Amounts are shown net of 20% tax

		2005			2004		
		Paid	Payable	Charge for the year	Paid	Payable	Charge for the year
		£	£	£	£	£	£
5%	cumulative preference shares	1,726	1,726	3,452	1,726	1,726	3,452
3.5%	cumulative second preference shares	1,624	812	2,436	1,624	812	2,436
3%	cumulative third preference shares	2,587	235	2,822	2,587	235	2,822
3.75%	cumulative third preference shares	2,004	401	2,405	2,004	401	2,405
5%	cumulative third preference shares	2,090	190	2,280	2,090	190	2,280
2%	cumulative fourth preference shares	7,270	-	7,270	7,270	-	7,270
7.5-10%	cumulative fifth preference shares	360,000	-	360,000	360,000	-	360,000
Total dividends on non-equity shares recognised in the year		<b>£377,301</b>	<b>£3,364</b>	<b>£380,665</b>	£377,301	£3,364	£380,665

## Notes to the Financial Statements (continued)

### 16 Equity dividends

Amounts are shown net of 20% tax	2005	2004 Restated
	£	£
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2004 of 255.1 pence per ordinary and 'A' ordinary share (2003: 5.91 pence)	985,703	22,837
Interim dividend for the year ended 31 December 2005 of 100 pence per ordinary and 'A' ordinary share (2004: 3.7 pence)	386,400	14,297
	<u>£1,372,103</u>	<u>£37,134</u>
Proposed final dividend for the year ended 31 December 2005 of 172 pence per ordinary and 'A' ordinary share (2004: 255.1 pence)	<u>£664,608</u>	<u>£985,703</u>

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in the financial statements.

### 17 Earnings per ordinary share

The calculation of earnings per ordinary share of £1 is based on earnings of £2,115,699 (2004: £1,772,817), being the profit available for distribution to equity shareholders and 483,000 ordinary and 'A' ordinary shares of £1 in issue.

### 18 Reconciliation of operating profit to net cash flow from operating activities

	2005	2004
	£	£
Operating profit	3,175,866	3,228,465
Depreciation	2,171,803	2,015,599
Change in order to bring pension contributions onto a cash basis	(830,998)	(834,526)
Decrease / (Increase) in stores	8,129	(41,597)
Decrease / (Increase) in debtors	155,211	(488,592)
Increase / (Decrease) in creditors	403,005	(59,368)
Net cash inflow from operating activities	<u>£5,083,016</u>	<u>£3,819,981</u>

### 19 Analysis of changes in net debt

	At 1 January 2005 Restated	Cash Flows	Other Changes	At 31 December 2005
	£	£	£	£
Bank and cash	49,905	(326,337)	-	(276,432)
Debt due within one year	(3,650,000)	-	-	(3,650,000)
Debt due after one year	(16,632,425)	-	-	(16,632,425)
<b>Total</b>	<u>£(20,232,520)</u>	<u>£(326,337)</u>	<u>£ -</u>	<u>£(20,558,857)</u>

## Notes to the Financial Statements (continued)

### 20 Directors' emoluments

	Salary	Fee <i>(excluding pension contributions)</i>	Bonus	Benefits	Total Emoluments	
	£	£	£	£	2005 £	2004 £
<b>Executives</b>						
Howard Snowden <sup>1</sup>	81,917	6,000	3,000	9,566	<b>100,483</b>	96,290
Helier Smith <sup>2</sup>	69,333	6,000	3,000	7,078	<b>85,411</b>	82,721
<b>Non-Executives</b>						
David Norman	-	12,000	-	-	<b>12,000</b>	8,000
Leonard Norman	-	6,000	-	-	<b>6,000</b>	4,000
Carlyle Hinault	-	6,000	-	-	<b>6,000</b>	4,000
Richard Pirouet	-	6,000	-	-	<b>6,000</b>	4,000
Stephen Marie	-	6,000	-	-	<b>6,000</b>	4,000

<sup>1</sup> For the year ended 31 December 2005 the Company's contribution in respect of Howard Snowden's pension was £9,373.

<sup>2</sup> For the year ended 31 December 2005 the Company's contribution in respect of Helier Smith's pension was £4,050.

Benefits consist of full expenses for the use of a motor car, private health care and prolonged disability and death in service insurance.

### 21 Ultimate controlling party

The ultimate controlling party of The Jersey New Waterworks Company Limited is the States of Jersey.