

2025 Annual Report and Financial Statements

The Jersey New Waterworks Company Limited



This year we asked
our customers not to
get 'the hump' with our
water saving campaign...

Contents

2025: The year in numbers.....	1-2
Chair's introduction	3-4
Operating review.....	5-8
Our business	9-10
Sustaining long-term value for all our stakeholders	11-12
Strategic outcomes	13-62
High quality water supply	13-26
Great customer experience.....	27-30
Fair and affordable bills.....	31-34
Environment and community benefit.....	35-38
Great, safe place to work	39-44
Financially secure.....	45-50
Sustainable and resilient.....	51-58
Our strategy to 2030.....	59-62
Meeting the needs of our stakeholders.....	63-64
Principal and emerging risks	65-70
Corporate governance.....	71-84
Our Board	71-72
Compliance with the UK Corporate Governance Code.....	73-76
Audit Committee report.....	77-78
Risk Committee report.....	79-80
Remuneration Committee report.....	81-82
Nomination Committee report.....	83-84
Directors' report.....	85-86
Directors' statement.....	87-88
Independent Auditor's report to the members of The Jersey New Waterworks Company Limited	89-90
Consolidated financial statements	91-113
Five-year summary (unaudited)	114

Throughout this report, 'Jersey Water', 'the company', 'we' and 'us' refer to Jersey Water and its two wholly owned subsidiaries, Handois Holdings Limited and De La Haye Plant Limited. 'The year' refers to the financial reporting year from 1 October 2024 to 30 September 2025.

Front cover: Artwork from our water saving campaign
Inside cover image: Customers using rainwater collected in their water butt to water their garden. Photographer Max Burnett

2025: The year in numbers



100% overall
compliance with water
quality regulations
(2024: 99.95%)



200 million
litres of water
produced by the
desalination plant
(2024: Not applicable)



£12,500 raised for
Brighter Futures
(2024: £19,610 for Macmillan Jersey)



80.3% for
customer satisfaction
(2024: 83.1%)

100% compliance
with UK and EU
standards for PFAS
(2024: 100%)



118 litres of water
per person per day
(2024: 116)



£48 million
investment planned
for 2026-2030

31% improvement in
getting it right first time
for our customers
(2025: 71.4%, 2024: 54.5%)



ZERO nitrate or
pesticide failures in
drinking water
(2024: Zero)

TWO new outdoor water
refill points (2024: Three)

7,138 million
litres of water
supplied during year
(2024: 6,879 million litres)



Refills totalling
194k litres at
water fountains
across the Island



SAVING
388+
THOUSAND
500ML
PLASTIC
BOTTLES

£2,707k
Profit before tax
(2024: £1,421k)



7.0 out of 10
customers rate us
value for money
(2024: 7.4)



£22,858k
Turnover (2024: £21,069k)



96.3% of employees
agree it's a great place
to work
(2024: 96.7%)

2.517 million
litres of daily leakage
(2024: 2.060 million litres)



72 community events
and organisations
supported (2024: 78)



1.06km
of mains replaced
(2024: 1.47km)

184 new mains
connections
(2024: 239)



40% of customers
changing their habits
after seeing our water
saving campaign
(2024: Not applicable)



£9,330k
Capital expenditure
(2024: £5,499k)



£1,610k Dividend paid
(2024: £1,320k)

One award winning
Annual Report



5.7%
increase in
water charges
(2024: 10.9%)



108 employees (2024: 99)



One new board
member (2024: Not applicable)

Chair's introduction

Heather MacCallum
Chair

As I write this, my final statement as Chair of Jersey Water, I find myself not only reflecting on the achievements of the past year but on the journey that the company has been on over the course of the last nine years, during my time serving on the Board. It has been a period of transformative change, marked by operational improvements, solid performance and continued commitment to the community we serve.

Starting as Chair just weeks before the onset of the Covid pandemic, the last five years alone have brought unprecedented global and domestic challenges, including Brexit, conflict, economic turbulence and new governments for Jersey and many other jurisdictions. Despite operating in such a changing environment, Jersey Water has consistently worked to move the dial towards greater efficiency and effectiveness. What was once a quietly dependable water utility has evolved into a modern, robust organisation, which is driven by a steadfast commitment to continuous improvement and operational excellence.

The last near decade has brought countless highlights and achievements of which everyone at Jersey Water should be rightly proud. The most notable in my mind has been, and continues to be, our proactive and positive approach to managing pollution threats to water quality, such as nitrates, pesticides and PFAS. While these are not of our making, our targeted response has led to real improvements in water quality and we will continue to do everything possible to protect and enhance the Island's supply.

We have also made significant progress with our plans to secure water for the Island's future and navigate the growing effects of climate change, with the publication of two Water Resources and Drought Management Plans, the design for a substantial upgrade to the desalination plant and our response to several extreme weather events. Then there is our move from our former headquarters at Westmount to our new operational hub and laboratory at Rue des Pres, scheduled for early 2026. This marks a new chapter for Jersey Water as the majority of our operations will be centralised for the first time in nearly 50 years, making us more efficient and resilient for the future.

"Jersey Water will continue doing right by customers and right by Jersey."

In this time, we have also strengthened our drought preparedness and emergency planning, our cyber security systems and technology, our stakeholder engagement, our governance, our in-house skills and expertise and our succession planning. From a community perspective, we have installed ten public water refill points across the Island, raised more than £180,000 for local charities and supported more than 600 local events. And, of course, I couldn't not mention the Floating Earth art installation on Queen's Valley, which attracted more than 33,000 visitors to the reservoir.

Most of all though, I have been continually impressed by the output and performance of the team of some 100 employees that day-in-day-out, year-on-year, consistently deliver for their Island. Whether that's achieving industry-leading results for leakage and minimal supply interruptions; responding with resilience and professionalism during any crisis; retaining top ratings for customer satisfaction that put Jersey Water on par with some of the UK's biggest household brands; or diligently supplying water 24/7 that is proven to be among the best in the world.

Focused on performance and planning in 2025

Looking specifically at 2025, one of the standout highlights was achieving 100% compliance with water quality regulations. This is no small feat: maintaining the safety and purity of the water supply requires constant vigilance, rigorous testing and careful management of our sources and treatment processes. Meeting these standards demonstrates the dedication of Jersey Water's team to protecting public health and maintaining the Island's trust. That commitment is unfaltering as we prepare to meet new water quality standards for PFAS to be determined by the Government of Jersey.

2025 also tested our ability to manage Jersey's water resources under difficult climate conditions. The year brought one of the driest springs on record, followed by a hot summer, which combined created challenges for water supply leading into the autumn. Thanks to strong planning and action, we were able to efficiently run the desalination plant during those dry months, providing an essential backup when rainfall was scarce. Alongside this, our water saving campaign struck a chord with customers, who responded to our calls to reduce their demand during a crucial period.

At the same time as managing these operational challenges, we were focused on planning for the future of Jersey Water and the Island's water supply, with our five-year strategy to 2030. Already now in train, our strategy is built on three main priorities: making sure there is always enough water for the Island; keeping that water safe at all times; and building smarter, more resilient, future-ready operations. These are areas that our customers have indicated they want and expect us to prioritise.

Investing for the long term

The £48 million investment we are planning to make in essential upgrades over the next five years aims to deliver for our customers. This investment is critical for ensuring the continued reliability, quality and resilience of our Island's water supply. It reflects our long-term commitment to our customers and Jersey.

While our financial performance in 2025 has once again been solid, we remain acutely aware of the need to balance this investment programme with fair bills for customers and returns for shareholders, so that we can keep building financial and operational resilience that benefit all our stakeholders. In line with our dividend policy, and consistent with recent years, dividend payments reflect our focus on long-term financial sustainability. Thank you to all our shareholders for your support and trust over the years and the confidence that you have in the future of Jersey Water.

United by purpose

Looking ahead, I am confident that Jersey Water is in a strong position. I am delighted that Paul Masterton will succeed me as Chair in February 2026. I know Paul will lead Jersey Water into this next chapter with distinction and I look forward to working with him in my final few months on the Board. We also look forward to welcoming a new non-executive director who will be joining us in 2026. To my fellow Board members, past and present, it has been my pleasure to serve alongside you to help shape Jersey Water into the company it is today.

I also extend my sincerest thanks to the leadership team and every Jersey Water colleague from frontline teams, engineers, customer service advisors and everyone else for their hard work and dedication, not just this year but every year. Your commitment to excellence and customer care has ensured that Jersey Water remains a trusted and valued service provider. You are a credit to the Island and the people you serve. Keep doing what you do with the passion you hold for the critical service you provide.

Finally, it has been a privilege and a career highlight to have served on the Jersey Water Board. The last nine years have been insightful and rewarding in equal measure. I will step down in full confidence that the future of our Island's water supply is in safe hands and that Jersey Water will continue delivering and doing right by customers and right by Jersey.

Heather MacCallum

Chair
11 December 2025

Operating review

Helier Smith
Chief Executive

From one of the wettest years on record in 2024 to one of the driest in 2025, the signs of climate change are here and clear for us all to see. The year was a stark reminder of the Island's vulnerability to drought and the need for us to act now to secure our water supply for the future.

Managing water in a dry year

For most of the year, our focus was firmly on managing the Island's water resources through prolonged dry conditions. With reservoir levels remaining below the ten-year average for much of 2025, we brought the desalination plant into service in July to boost our dwindling supplies for a two-month period. We also adopted an innovative approach for our water saving campaign, encouraging customers to use water wisely. Thanks to these actions, and the cooperation of our customers, we avoided the need for water restrictions over the summer.

Even so, entering the winter months, our storage was only 62% at the end of October, significantly below average for the time of year (five year average: 73%). This led to us restarting the desalination plant and refocusing our water saving efforts at a time of year when reservoirs should be recovering. If the Island does not receive sufficient rainfall this winter, 2026 will be a more precarious year for supply.

Planning for long-term water security

With this firmly focusing our minds, we finalised and published our latest Water Resources and Drought Management Plan in October 2025: a vital blueprint for securing the Island's water future. Based on changes in climate and population, the forecasting that was undertaken to update this plan indicated that Jersey could face daily water shortages of up to 8.6 million litres by 2035, during severe drought. That is nearly half of our current average daily supply and a clear message that action is needed now. Our 2025 plan sets out how we will address this challenge, from developing new water sources to managing demand more effectively (see page 57 to 58 for more details).

Investing in resilience

Ensuring the Island has enough water is one of the priorities that we have set in our new five-year strategy. Much of 2025 was focused on planning the strategy and the projects we aim to deliver between now and 2030. Setting a clear direction, it is primarily based on the critical findings and recommendations from our Water Resources and Drought Management Plan.

Alongside water security, our other two strategic priorities are keeping water safe and building smarter, more resilient, future-ready operations. We have committed £48 million in investment to safeguard the Island's supply, focusing particularly on expanding the desalination plant, which is categorically the most cost-effective and climate-independent way to strengthen our water resilience. 2025 has shown just how important this investment is for our Island's future.

To support this programme, we will be increasing water charges in 2026 by the equivalent of around 16 pence per day or £5 per month for an average household, with further above inflation price rises in 2027. This critical investment in essential upgrades will ensure that we can continue to provide a safe, reliable water supply for customers today and for generations to come.

Keeping water safe

While keeping water safe is a strategic priority for the next five years, protecting water quality has been and will remain at the forefront of our day-to-day work. Throughout 2025, we continued to devote significant effort and research to PFAS, as part of Jersey's broader response to this environmental issue. While the historic contamination identified

"Customers can be fully confident in their drinking water."



around Jersey Airport is unrelated to our operations, we have been supporting the Government and the Ports of Jersey with their remediation efforts and engaging with the Independent PFAS Scientific Panel on its work to understand the extent of PFAS pollution across the Island. We also prioritised how we inform and educate our customers and the wider community about PFAS, aiming to allay understandable concerns about these man-made chemicals and sharing the work we continue to do to minimise them in the mains water supply. The panel has stated that "there is no cause for concern" with the current water supply and recommendations for a specific PFAS limit for Jersey are "precautionary" to safeguard future supply. To meet any new regulation, we have been advancing our research into potential treatment options to reduce the trace levels of PFAS detected in drinking water. Now that we have a clearer indication of the forthcoming water quality regulations to be set by the Government of Jersey, we are honing this work further. We will shortly start pilot trials of powdered activated carbon, ion exchange and granular activated carbon technologies to find the right long-term treatment solution, which will likely require substantial investment. It's therefore crucial that we get this right for our customers and for Jersey. We will progress this work at the right pace and will be led by the science and new regulations.

Meeting the needs of all our stakeholders
 PFAS is just one area where we have increased our engagement and visibility over the past year. As water continues to be firmly on the public and political agenda, and rightly so, we have a duty as the Island's sole water provider to keep Islanders informed and to maintain their trust. Over the past year, we have become more proactive in our communications and activities, asking customers and the wider community what matters to them in a public consultation and using the insights to help shape our 2026-2030 strategy. We also had deeper dialogue with government officials, politicians and the media on issues from water quality and supply resilience to financial stability and longer-term investment. Our intention is that this approach will help build greater understanding of the challenges and progress in managing the Island's water supply. As a stakeholder, we also hope you have noticed a step-change in our engagement.

Retaining high performance and customer confidence
 Despite the operational challenges of a dry year, our overall performance remained strong. In fact, we achieved the best possible results for water quality, with 100% compliance across all regulated water quality parameters, including PFAS, nitrates, pesticides and lead. This is significant and means customers can be fully confident in their drinking water.

While we did not quite meet our internal target for reducing leakage levels, we still maintained industry-leading performance (2025: 2.517 million litres per day (ML/d), 2024:

2.060 ML/d). We also made important progress on leakage reduction by improving our zonal meter coverage across the Island, enhancing our ability to monitor our water network performance. By the end of September, we had significantly reduced leakage rates by 13% and are now set up to reach future targets, thanks to this enhanced monitoring technology. These developments are already leading to quicker leak detection and repairs, which we plan to leverage even further in the coming years.

Customer satisfaction remained high, on par with previous years, with us maintaining top quartile industry performance and customers still considering us value for money (2025: 7.0 out of 10, 2024: 7.4 out of 10). As customer expectations are growing across all sectors in response to today's fast-changing world, we are making every effort to respond, by delivering more personalised experiences, enhancing our digital platforms and creating more opportunities for customers to self-serve and connect with us directly. 2025 saw us getting it right first time more often (71.4% compared to 54.5% in 2024) and this will continue to be a key focus for our team.

Moving into a new era for Jersey Water
 A highlight of 2026 will be our move to Douet House, our new headquarters and water quality laboratory at Rue des Pres trading estate. This new hub will house the majority of our operations and be a game-changer for streamlining our work, improving cross-team collaboration, strengthening our operational resilience and ensuring we continue to provide excellent levels of service for all our customers.

The move will also support our people. In our most recent employee survey, 96.3% of colleagues agree that Jersey Water is a great place to work (2024: 96.7%). That's a result we are proud of and determined to sustain as we settle into our new home.

Following a sustainability framework that fits
 Our new headquarters will be another step towards cementing our values around sustainability, incorporating environmentally efficient design and sustainable travel for our people. We know that sustainability is a journey, not a destination, so over the past year we have refined our approach to arrive at a framework that fits our scale, purpose and resources. Starting next year and running parallel with our new strategy, we will set measurable sustainability goals, continue reporting on our progress and impact, and roll out more training for employees.

Keeping Jersey Water safe and secure
 In 2025, our Health and Safety team renewed our focus on proactive safety management. With more training, regular site inspections and strengthened reporting, we maintained a low incident rate of workplace injuries during the year (2025: five, 2024: four).



Jack, Production Operations Manager

Given the highly operational nature of our work, safety will always be a top priority for us. With our next independent audit scheduled for 2026, we will be updating our policies and training.

We also continued to enhance our cyber security capability, ensuring that our operational systems and customer and employee data remain well-protected in an increasingly digital environment. The sobering reality is that critical national infrastructure services are finding themselves facing escalating hostile intrusions, with greater sophistication, fuelled by advances in technology and geopolitical tensions. As a result, we know we need to keep investing in and enhancing our cyber-related controls to protect our key operations and data.

Financially secure and resilient
 Our 2025 financial results show steady progress. Our operating profit grew by 10.2% to £3,086k (2024: £2,801k), exceeding our target, thanks to careful cost management and focused investment. Revenue went up by 8.4% to £22,858k, helped by a 5.7% price increase in water charges linked to RPI and higher water use by our customers, particularly in the first

half of the year. Although operating costs rose due to inflation, risk management and key projects like PFAS research and our new headquarters, we made savings of £500k to help these extra costs. Overall profit more than doubled to £1,968k (2024: £943k), helped by accounting gains from our interest rate derivative and lower net finance costs. Our refinancing strategy continues to support long-term investment, with £26.6m now borrowed under our 'green' revolving credit facility and £20m hedged to reduce exposure to interest rate volatility. These results show our commitment to steady financial performance and lasting value for shareholders. We propose a final dividend of 12.144 pence per share, which is 3.5% growth on last year's return, reflecting our focus on maintaining a solid, sustainable operating and financial position.

Working together for Jersey
 I would like to thank our Board of Directors for their guidance and support throughout 2025, in particular Heather, our Chair, who will complete her tenure in February 2026. Her leadership and dedication over the past nine years have been invaluable. We also extend a warm welcome to Paul Masterton, our Chair designate, who has already begun working closely with the Board and executive team. His experience and insight will be instrumental as we enter our next strategic phase.

To my fellow executive and operational leadership colleagues and every employee at Jersey Water, thank you for your continued professionalism and care. Your work ensures that every Islander can turn on their tap with confidence every day.

Shaping the future
 The years ahead are set to bring some major milestones for Jersey Water and the Island: preparing for new water quality regulations, advancing our PFAS treatment solutions, starting work to expand the desalination plant and settling into our new home, Douet House, to name but a few. These are changing and important times, as we shape the future of water supply for our Island. It is, as ever, our water, our future and our shared responsibility to secure and protect it.

Helier Smith
 Chief Executive
 11 December 2025

Our business

Our purpose

Supplying the water for our Island to thrive, today and every day.

What we do

We collect, treat and supply 19.6 million litres of clean water every day to more than 40,000 households and 3,600 businesses in our community.

Our values

WE CARE

We care for colleagues, our customers and more widely for the environment. We act thoughtfully and with kindness at all times.

WE ARE AMBITIOUS

We are constantly seeking to improve, tackle challenges and demonstrate excellence. We are not afraid to innovate and take bold decisions that will benefit Jersey today and tomorrow.

WE WORK TOGETHER

We recognise the power, strength and solutions that come from teamwork, both inside and outside the company. We work with our colleagues, our customers and our stakeholders, and are proud to be a partner for positive change.

CUSTOMER OUTCOMES

In 2020, we devised four customer outcomes to focus our activities to 2025 and ensure that our customers are at the heart of everything we do. Over the five years, we have consistently achieved against these outcomes. Find out about our goals for 2026 to 2030 in our new strategy, details of which are on pages 59 to 62.



High quality water supply

We aim to deliver a reliable supply of safe, high quality water to our customers, now and in the future.



Great customer experience

We prioritise high standards of service, always. Our customers are unable to choose their water supplier, but if they could, we would want it to be us.



Fair and affordable bills

Every customer should feel that we offer good value for money and keep charges for water fair and affordable.



Environment and community benefit

We have a responsibility to future generations for the decisions we make today. We strive to have a positive impact on the environment and the Island community we serve.

Cyclists at Grands Vaux reservoir

Sustaining long-term value for our stakeholders

Our challenges

The action we take

The outcomes we deliver

The community benefit

- Population growth and demographics
- Economic uncertainty
- Climate change
- Skills shortage and succession
- Planning for generations to come
- Technological advances and AI
- Intensive farming practices
- Pressures on land use
- Biodiversity loss
- Affordability and stakeholder expectations
- Pollution

Ensure we meet the needs of our customers by providing a **great customer experience**

Challenge ourselves to keep prices for water down while protecting our ability to invest for the future

Develop and deploy plans that **protect drinking water quality** from catchment to tap

Develop our company culture and remain a **great place to work** so that we can attract the necessary skills and talent

Plan for and implement additional water resources to **address future needs**

Use technology to drive efficiency, improve service and build resilience

Maintain our network assets to **reduce bursts and leakage**

Manage the risks that could challenge our business both now and in the future

Support community events and **protect** the environment

Work with stakeholders to deliver **community and Island benefit**

Principal and emerging risks
pages 65 to 70



Provide households and businesses with access to a reliable, safe water supply

Help make Jersey resilient to the impact of climate change

Improve the ecological quality of our land, water catchments and Island streams

Help Jersey to meet net zero targets by reducing our environmental impact

Contribute to Island life by supporting community initiatives and educating Islanders about water use

Meeting the needs of our customers and stakeholders
pages 63 - 64



High quality water supply

Key results

	Actual 2024	Actual 2025	Target 2025
Water quality compliance %	99.95%	100%	> 99.98%
Customer contacts regarding the acceptability of the water (zonal rate per 1,000)*	1.09	1.01	<1.1
Leakage (million litres per day)	2,060	2,517	<2,181
Water supplied (million litres per year)	6,879	7,138	NA
Per capita consumption (PCC litres per day)	116	118	<114
Length of mains renewed (km)	1.47	1.06	0.86
Supply interruptions (customer minutes lost)	00:01 seconds	01:34 minutes	<01:45 minutes
Water restrictions	None	None	None
Number of new connections made in the year	239	184	150

* Revised reporting methodology in line with UK Drinking Water Inspectorate

2025 Highlights

100%

Water quality compliance
(2024: 99.95%)



Completed comprehensive maintenance on both Les Platons and Westmount service reservoirs



100%

Compliance with regulatory standards for per- and polyfluoroalkyl substances (PFAS)
(2024: 100%)



Upgraded flow monitoring capability across the Island's main district metered areas



ZERO

Nitrate or pesticide failures in drinking water
(2024: Zero)



Completed our smart metering trial, with more than 1,200 meters now installed across the Island



Undertook detailed investigation into PFAS treatment solutions in anticipation of new water quality regulations coming into effect for Jersey



Published our latest Water Resources and Drought Management Plan



2026 Key initiatives



Start work to upgrade and expand the desalination plant



Continue detailed research for PFAS treatment solutions and conduct pilot trials



Move into our new water quality laboratory at our new headquarters in Rue des Pres



Start work to update our Drinking Water Safety Plan



Install new leakage and pressure monitoring technology to help identify and fix leaks and other issues quicker



Continue with district meter upgrades, by proactively replacing aging flow meters



Add an extra 2,000 smart meters to the network, in line with our annual commitment going forward



Replace 1km of existing mains network



Continue improving operational resilience of water treatment works by upgrading key systems



Add a minimum of two additional water refill points to the Island network

"Out of the 12,900 test results carried out on treated drinking water throughout the year, every single one met the Island's water quality regulations"

Supplying safe drinking water

Public interest in water quality has never been higher. Across the world, there is growing attention on how pollution is affecting the water we all depend on. Water companies are facing increasing pressures to manage both recognised threats, such as nitrates and pesticides, and emerging risks, like PFAS¹, a group of man-made chemicals now under global scientific and regulatory scrutiny.

Against this backdrop, we remain more committed than ever to protecting the Island's drinking water. As science, regulation and customer expectations evolve, so is our approach to our work. We are continuously enhancing our monitoring and testing, investing in infrastructure and sharing more information with the public, to make sure Islanders can have confidence in the safety and reliability of their supply. Beyond our day-to-day technical operations, a large part of our work is increasingly focused on engaging with the public: educating, informing and addressing concerns, while actively countering misinformation and misunderstanding around water quality.

100% compliance

We have an exemplary track-record for the quality of the water we supply, and we improved further in 2025, achieving 100% compliance with regulatory requirements. Out of the 12,900 tests carried out on treated drinking water throughout the year, every

single one met the Island's water quality regulations, aligning with standards set by the UK and European Union. This reflects the dedication of our Operations and Water Quality teams to ensuring we maintain exacting standards at every step of the water supply process.

Meeting future water quality standards

At the time of writing, the Government of Jersey is considering new, stricter water quality standards for the Island, particularly for PFAS chemicals. We have been advocating for specific limits for PFAS since 2019 so we welcome this development.

Until the regulatory requirements and any associated funding for treatment are confirmed, we will continue to prepare for any new standards, while minimising the trace levels of PFAS we detect in drinking water. We anticipate having to adopt new treatment processes to manage PFAS and other contaminants, so we are developing a long-term treatment strategy to ensure that customers can continue to have confidence in their tap water.

Tackling PFAS

Throughout 2025, we continued to dedicate significant effort to addressing PFAS as part of Jersey's broader response to this environmental issue. Global scientific consensus is that water is just one of many sources of exposure to PFAS. Water treatment is therefore a key focus for reducing any potential risks, and we remain fully committed to ongoing action in this area.

While the Island's current supply meets all UK and EU water quality standards for PFAS, and an independent panel of experts commissioned by the Government to look at PFAS across the Island has confirmed that there is "no cause for concern" with

¹ PFAS or per- and polyfluoroalkyl substances are a group of more than 10,000 synthetic chemicals



HIGH QUALITY WATER SUPPLY

Mark carrying out reservoir inspections

our drinking water, we are proactively investigating treatment solutions to meet any new regulations. This is considered by the independent experts to be a "precautionary" measure to future proof the water supply. During the year, we advanced our research into potential treatment technologies for addressing PFAS in mains water. We assessed ten different options and will soon be progressing pilot trials for two solutions that could be suitable for Jersey, namely activated carbon and/or ion exchange. The results over the next 12 to 18 months will help us determine the feasibility, investment needed and ongoing operational costs for introducing any required treatment. We welcome the Government's provision for PFAS in its *Investing in Jersey Fund*.

While water treatment and environmental remediation are essential, tackling pollution at its source is equally critical. Manufacturers have a key role to play in exploring alternative substances for their products so they do not pose environmental risks. At the same time, as consumers, we all need to be more conscious of what our everyday products contain, and the long-term impact they may create. Where there are opportunities to reduce or replace non-essential products that use these substances, we should be taking them, so that we protect the environment and our water resources for the long term.

Unrelated to the mains drinking water supply, we continue to support the Government and Ports of Jersey with their remediation efforts to address PFAS pollution around the airport, caused by the historic use of firefighting foam containing PFAS. All five of our boreholes in St Ouen's Bay and a stream source at Pont Marquet remain out of service due to the pollution. Returning these to service would help alleviate challenges with water resources.

For more information on our progress against PFAS, see pages 23 to 26 of this annual report. For further details and our test results, read our 2025 Water Quality Report published on our website.

Maintaining water quality during a dry year

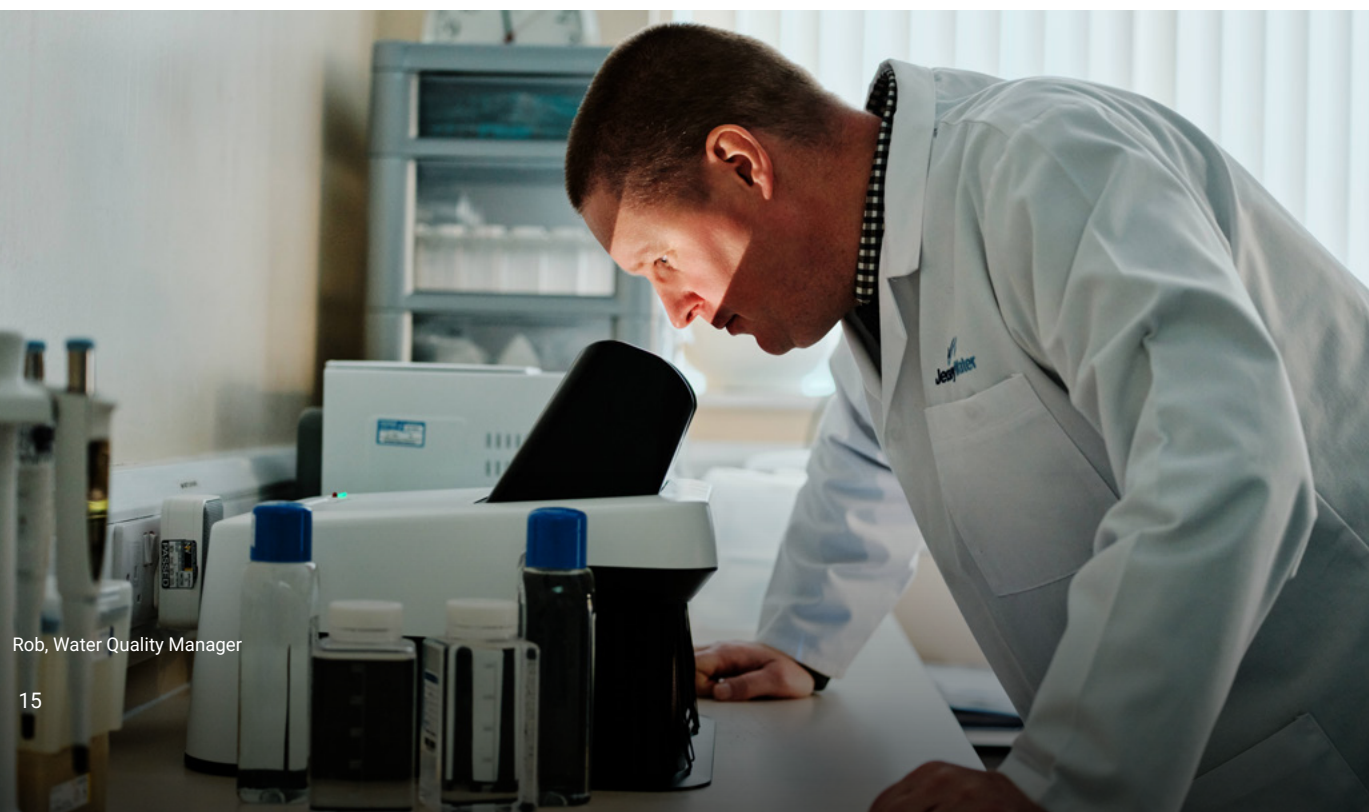
2025 was much drier than the wet year of 2024, with less rainfall and dropping water levels. Between October 2024 and February 2025, we had 569mm of rain, but after that only 293mm, during which reservoir levels fell by 33%. From July onwards, our reservoirs stayed below the ten-year average. Overall, rainfall was 21% below the average for the past five years.

The dry spring and summer brought several challenges for protecting water quality. Low rainfall and warmer temperatures led to increased algae growth in our reservoirs, which we carefully monitored and managed to ensure effective treatment before supplying to customers' taps. We also detected elevated manganese levels in the reservoirs, a common issue in dry periods, which impacts water flow. Our Water Quality and Operations teams responded quickly by optimising processes to control algae and effectively reduce manganese, so that drinking water remained compliant with all standards throughout the season.

Nitrates and pesticides

There is a long-standing misconception that Jersey's water supply is high in nitrates and pesticides. In reality, levels of these substances have been consistently low and within drinking water standards for 12 years and nine years respectively, thanks to the collaborative work of the Action for Cleaner Water Group between Jersey Water, the farming community and the Government. Working together to bring about stricter controls and better practices on the use of fertilisers and pesticides, we have collectively reduced levels of these chemicals in our streams and reservoirs. As a result, we did not seek to renew our dispensation for oxadixyl from the Environment Department when it expired in January 2025.

The dry weather was also a notable factor for reducing potential field run-off and contributing towards the lower levels of nitrates. For the year, the total average detections of nitrates in treated drinking water were 27 milligrams per litre (mg/l) (2024: 31mg/l).



Rob, Water Quality Manager



The desalination plant



Queen's Valley reservoir, October 2025

We are committed to carrying on this important work with the Government and local farmers to protect water quality and our reservoirs. For the eighth consecutive year, we sponsored the Jersey Farming Conference, strengthening these relationships further. We will continue our efforts over the next five years and beyond, as part of our 2026-2030 strategy, with the development of a coordinated catchment management plan.

Supplying water from source to tap

Weather was a key factor for our water supply operations in 2025. A very wet winter followed by one of the driest springs on record and a hot summer shaped many of our operational decisions. With reservoirs at 100% after the winter, we quickly had to adapt to a lack of rainfall and falling storage levels between February and September to as low as 57%.

Jersey's per capita water use for the year remained relatively steady at 118 litres per person per day (2024: 116). Although this was marginally more than we were forecasting for average weather conditions, it still remains well below the UK average of 137 litres and lower than we would typically expect for drier years, when demand for water tends to increase. This indicates that the community efforts of our customers to save water are paying off.

Closely monitoring conditions locally and nationally, as several UK water companies introduced temporary restrictions, we started to ready the desalination plant in June. After being used in anger for the last time during the drought of 2022, we brought it into operation at the end of July. During its two-month run, it produced approximately 200 million litres of additional water to boost supplies at an approximate running cost of £185,000. Towards the end of October 2025, we had to start the plant up

again, as reservoir levels were only 62%. This is a clear signal of the growing challenges posed by increasingly unpredictable seasonal patterns, with dry winters presenting a significant risk to our water security if our reservoirs do not refill adequately due to insufficient rainfall.

All our reservoirs are inspected regularly to ensure that they meet all regulatory safety requirements and, in 2025, Grands Vaux received its five-yearly bill of health from the independent UK inspector. In addition to the inspections, for the first time we started using state-of-the-art AI techniques to record and monitor the condition of our dams, starting with Val de la Mare, so we can detect any changes to the structure.

Another important activity during the year was the maintenance work that the Water Supply team carried out on our treated service reservoirs at Les Platons and Westmount. As well as cleaning and treating the tanks, they also upgraded key components to ensure that the water they hold remains clean and safe to supply to customers. Typically undertaken every ten years, the work involved is significant, but reduces operational risk to our Island-wide supply. See pages 65 to 70 for more details on how we manage our principal risks and uncertainties.

Operating with limited water resources

In a year when we had limited rainfall and our water reserves were below the ten-year average, we also faced the challenge of having several key resources out of operation or unavailable to us, adding pressure to our limited storage.

We encountered a new type of algal bloom at La Hague reservoir, which serves as a main source of supply for Val de la Mare reservoir. A consequence of the hot dry weather, the algae

was tough to eradicate and hampered pumping operations, requiring considerable effort to manage and keep the reservoir operational at all times.

Our stream source at St Catherine's was operated intermittently during the year due to a pollution incident upstream of the woods. This stream can provide up to an extra two and a half million litres per day to our supply, although that varies depending on the weather. Again, not being able to rely on it during a dry year has exposed further vulnerability.

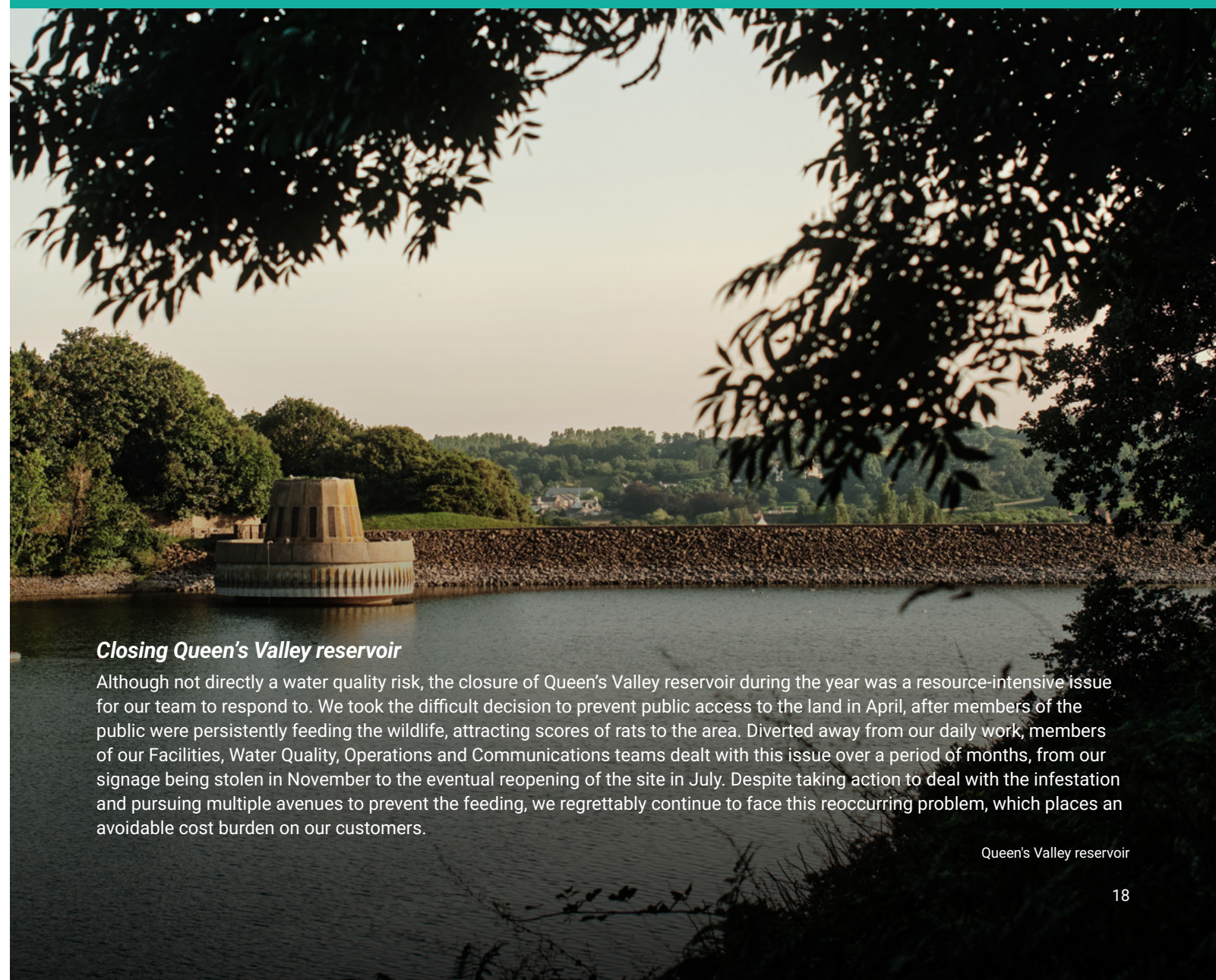
It is well-documented that our boreholes in St Ouen's Bay and the stream at Pont Marquet have not been in service for a number of years, due to PFAS contamination from the historic use of firefighting foam at Jersey Airport. These sources can generate around 550 million litres of water during the year, so represent a significant loss for our Island's resources.

With all these challenges, our Operational team worked hard to maximise our resources wherever possible and ultimately avoided the need to introduce temporary restrictions during the summer.

Planning for our future water supply

2025 once again showed how important it is for Jersey Water to plan for the future, to make sure we always have enough water. Our latest Water Resources and Drought Management Plan, published in October 2025, highlights the need for us to take action now to ensure that we secure sufficient water for the Island. Forecasts for climate change and population growth indicate that water demand could rise by 1.5% by 2035 to around 20 million litres per day. This could lead to potential water shortages of 8.6 million litres per day in ten years, during a severe drought. To address this, we will be implementing a series of measures, including expanding the capacity of the desalination plant by 50%.

Making sure the Island has enough water always is one of three priorities that underpin our next five-year strategy to 2030. To find out more, see pages 59 to 62, and for more detail on our water resource management and Jersey's future water supply needs, see pages 57 to 58.



Closing Queen's Valley reservoir

Although not directly a water quality risk, the closure of Queen's Valley reservoir during the year was a resource-intensive issue for our team to respond to. We took the difficult decision to prevent public access to the land in April, after members of the public were persistently feeding the wildlife, attracting scores of rats to the area. Diverted away from our daily work, members of our Facilities, Water Quality, Operations and Communications teams dealt with this issue over a period of months, from our signage being stolen in November to the eventual reopening of the site in July. Despite taking action to deal with the infestation and pursuing multiple avenues to prevent the feeding, we regrettably continue to face this reoccurring problem, which places an avoidable cost burden on our customers.

Queen's Valley reservoir

"We supported a number of third-party projects, which have added 184 new connections to mains water."

Our Network team working at Marrett Court

Extending and maintaining our mains network

Maintaining the reliability and condition of our infrastructure is essential to keep providing a safe, reliable water supply to our customers 24/7. With nearly 600km of pipework under the ground, which is approximately the distance from Jersey to Amsterdam, and a pipe joint every few metres, our Network team has a lot to look after.

Every year, we commit to upgrading priority sections of the mains network, to minimise the likelihood of bursts and leaks and therefore limit interruptions to customers' supply. In 2025, we completed two substantial mains renewal schemes in Clos des Bauche in St Peter and Grasset Park in St Saviour, strengthening supply resilience for 90 properties. From 2026 to 2030, we intend to upgrade a further 6km of the Island's network.

During the year, we also supported a number of third-party projects, which have added a further 184 connections to mains water. We are also working closely with the Government of Jersey to understand how the small number of remaining Island properties (less than 3,000) might be connected to our network, thanks to a funding provision allocated in the Government's *Investing in Jersey Fund*, proposed in August 2025.

On the back of our best ever leakage performance in 2024, we entered the new financial year with a high bar to meet. A key factor in managing leakage is having accurate, reliable data and understanding how weather conditions and customer use affect our mains network. During the year, we replaced half of our district meters with new equipment and improved telemetry, eliminating issues on the network where we had 'data blind spots', which prevented us from detecting and resolving issues as quickly as we would have liked.

Leakage for 2025 was higher than target largely due to the consequences of the long dry spells of weather on bursts and night-time consumption. During the year, we experienced a higher burst frequency on our pipework (16 burst mains in 2025 compared to seven in 2024). Similarly to cold weather, warmer conditions cause the ground to contract, and these small movements can cause bursts. The dry weather also meant a greater amount of night-time water consumption for garden watering, which can be misclassified as leakage. We responded by deploying extra resources to identify and fix leaks quickly and brought leakage levels down by September, averaging 2.517 MI/d for the financial year (2024: 2.060 MI/d). While this didn't quite achieve our annual target for leakage of 2.181 MI/d, it continues to be significantly lower than our UK water company counterparts. See pages 65 to 70 for how we manage risks to water supply.

Recognising that the closure of Rouge Bouillon from December 2024 to May 2025 caused significant disruption for residents and motorists in the area, it was not typical of the normal challenges we face on our network and we believe it was the result of the specific ground conditions in that area of St Helier. While we repaired the initial burst main within hours, concerns regarding

the safety of a neighbouring property meant that it was nearly 21 weeks before we could fully reinstate the roadway and reopen the road. With the Government of Jersey taking the role of lead agency following our initial repair, we supported the subsequent response efforts and we remain cognisant of the impact this event had on homes, businesses and road users.

Ahead of any scheduled mains renewals or extension works, or if we need to do emergency repairs, we will always inform properties in the affected area or, where applicable, the wider public. We do this through direct mailings, door-to-door visits, traditional media and our digital channels.

Looking ahead to 2026, we are making significant investment to improve our leakage performance further. We have recruited another Leakage Technician so we can find and fix more leaks and we are developing a digital twin of our network through a Leakage and Network Management Platform to monitor network performance. We will continue replacing sensors and meters on the network and have plans to upgrade pressure management technology to prevent bursts. These efforts reflect our commitment to reducing leakage and maintaining our leading performance in this area.

In September, we successfully completed the last of three smart metering trials to find the best technological solution. We now have 1,200 domestic smart meters in the ground and intend to gradually increase this by an additional 2,000 each year across the Island going forward, as existing meters need to be replaced. The data we are receiving from these meters is already making a huge difference to how we monitor and advise customers about their usage. Longer term, our intention is to enable customer access to real-time information about their water use to encourage water efficiency and alert customers about leaks almost as soon as they occur.

Reducing use to protect supplies:

Our water saving campaign

2025 saw Jersey experience one of the driest springs on record followed by a long, hot summer, resulting in reservoir levels falling behind the ten-year average. In the face of this challenge, and to avoid the need for water restrictions, we took proactive steps to encourage customers to reduce their water use through an innovative and engaging water saving campaign.

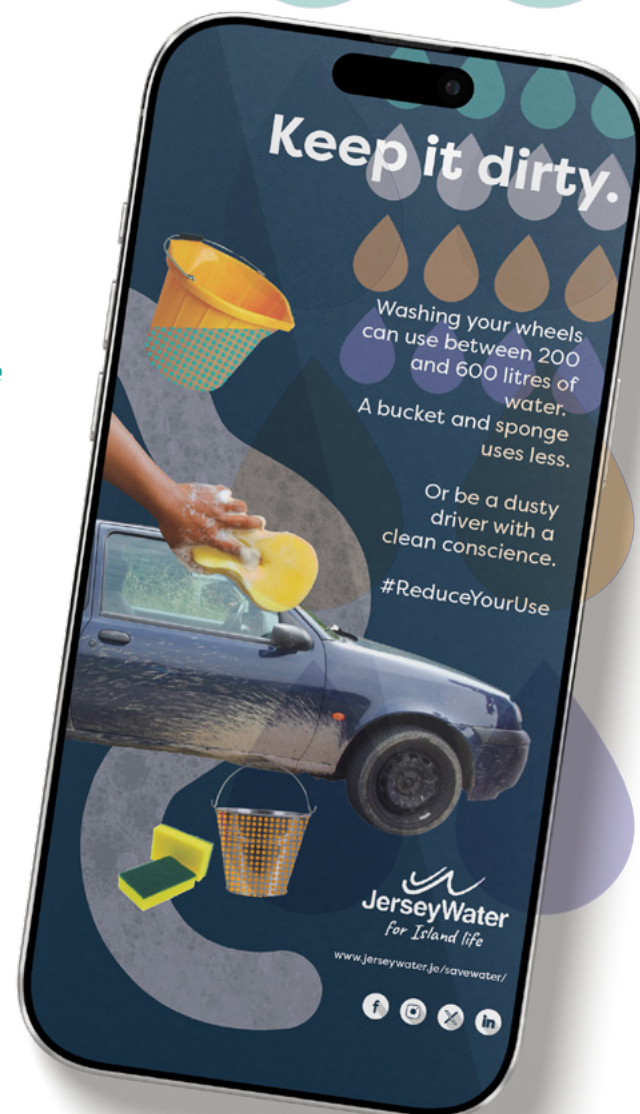
Designed to connect with customers and the wider community in a more playful and humorous way, the multi-media campaign was a step-change from the traditional messaging we have previously publicised.

Recognising the potential seriousness of the situation but wanting to inspire collective action with a different approach to water saving, our campaign featured a range of creative initiatives. These included proactive media coverage, adverts in the Jersey Evening Post, Bailiwick Express and Gallery Magazine, a "Shower-oake" breakfast show competition on Channel 103 radio and a digital drive with targeted social media content, email communications and banner adverts on customers' bills. For the first time, we emailed our customers directly on several occasions over the course of the summer to ask them to use their water wisely. The email campaign achieved exceptional engagement, with more than 60% of customers opening it, which is almost double the industry standard.

Results from our annual customer satisfaction survey revealed that 40% of our customers changed their behaviours after seeing our campaign.

Thanks to concerted efforts by our customers, demand for water dropped during the summer months compared to previous years and this helped to avoid water restrictions, which several regions in the UK had to enforce and continue to have in place.

As well as our water saving campaign, the desalination plant played a crucial role in bolstering supplies over the summer months, contributing an additional 200 million litres of water between the end of July and the end of September. This unquestionably helped mitigate the strain on our reservoirs and demonstrated the importance of having this backup source in drier periods, supporting our move to invest in expanding the plant by 50% by 2030.

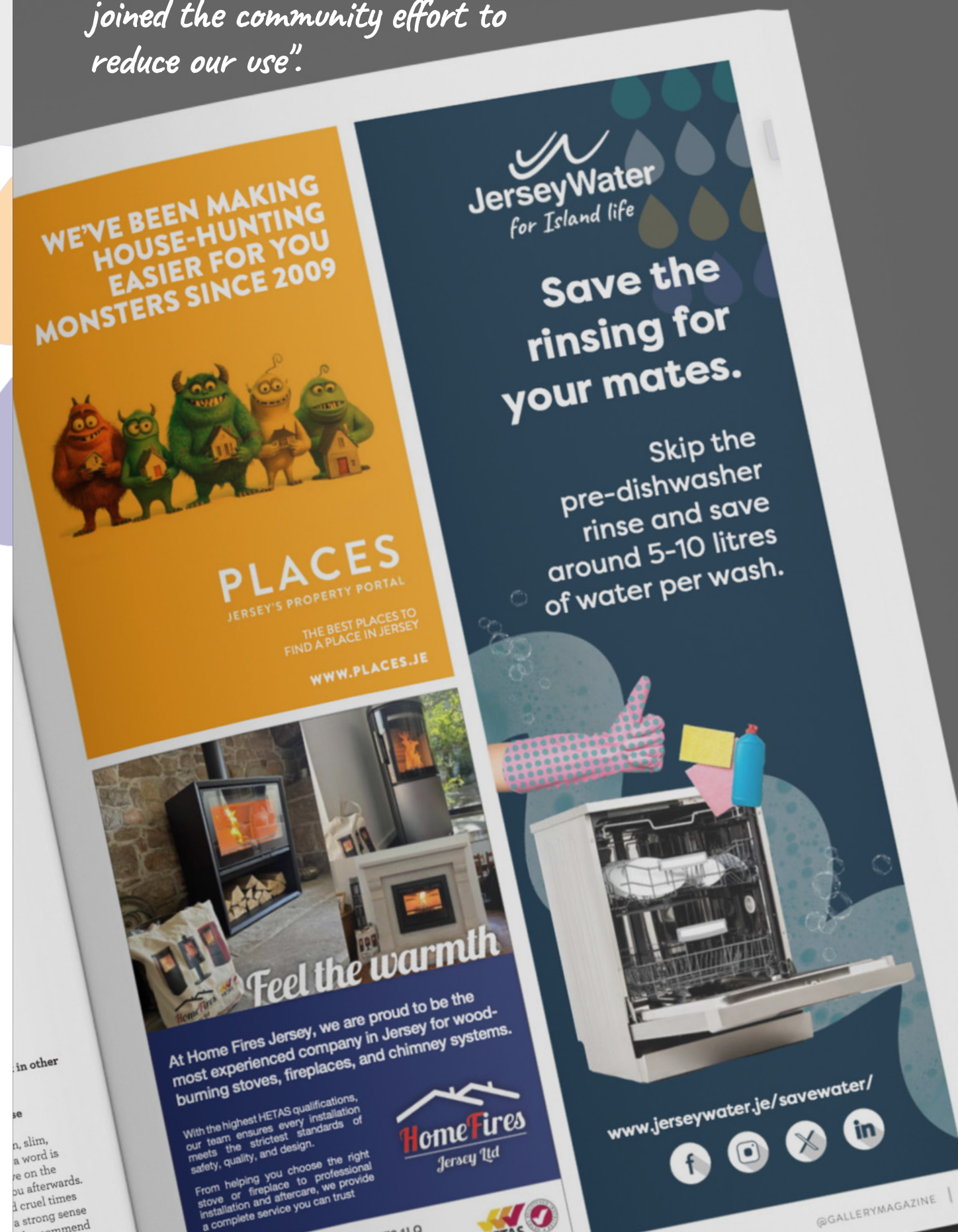


Despite the success of our campaign and the subsequent reduction in summer demand, we remained cautious entering the winter season. Reservoir levels were still behind the ten-year average and the limited rainfall meant the Island was not out of the woods. We started running the desalination plant again in October 2025. Without substantial rainfall by the end of the year, our supplies will be in a precarious position entering 2026.

Looking ahead, we will encourage customers to keep up their water-saving habits, so they become part of daily routine and help us to protect this vital resource.

See pages 59 to 62 for more information about our 2026-2030 strategy and the essential work we will be undertaking to make sure the Island has enough water, always.

"A massive thank you to all Islanders who responded positively to our campaign and joined the community effort to reduce our use".



Progress against PFAS

PFAS - a global problem

PFAS, or poly and perfluoroalkyl substances, are a group of more than 10,000 synthetic chemicals that have been used in manufacture since the 1940s because of their heat, oil and water-resistant properties.

Today, they are still found in many everyday products, including food packaging, cosmetics, waterproof clothing, cleaning products, some non-stick cookware, medical equipment and smart technology. As a consequence, they are also found in our environment: in soil, air, water, sea and rainfall. Known as so called “forever chemicals”, they do not break down easily and there is growing concern about the potential implications for public health. PFAS pollution is now recognised as a global issue, arising from decades of industrial and consumer use.

Water companies – not the cause but a solution

Although water companies are not the source of this pollution, they are being increasingly seen as part of the solution. Scientists agree that water is just one of a number of sources of human exposure to these chemicals and it has, therefore, been identified as a targeted and manageable way of removing PFAS.

While removing PFAS from water is an option, these chemicals are highly problematic for water quality because they cannot be removed with typical water treatment processes. This has led to widespread efforts to monitor and regulate PFAS in public water supplies. Water utilities everywhere are therefore being asked to minimise compounds that are of particular concern.

At Jersey Water, for years we have been proactively managing and reducing PFAS levels, to safeguard the Island’s water supply and protect our community. Although we do detect trace concentrations of PFAS in mains water, they are well within the water quality limits set for PFAS by the UK and EU.

Addressing PFAS at source

While water treatment and environmental remediation are essential, tackling pollution at its source is equally critical. Manufacturers have a key role to play in exploring alternative substances for their products that do not pose environmental risks. At the same time, as consumers, we all need to be more conscious of what our everyday products contain, and the long-term impact they may create. Where there are opportunities to reduce or replace non-essential products that use these substances, we should be taking them, so that we protect the environment and our water resources for the long term.

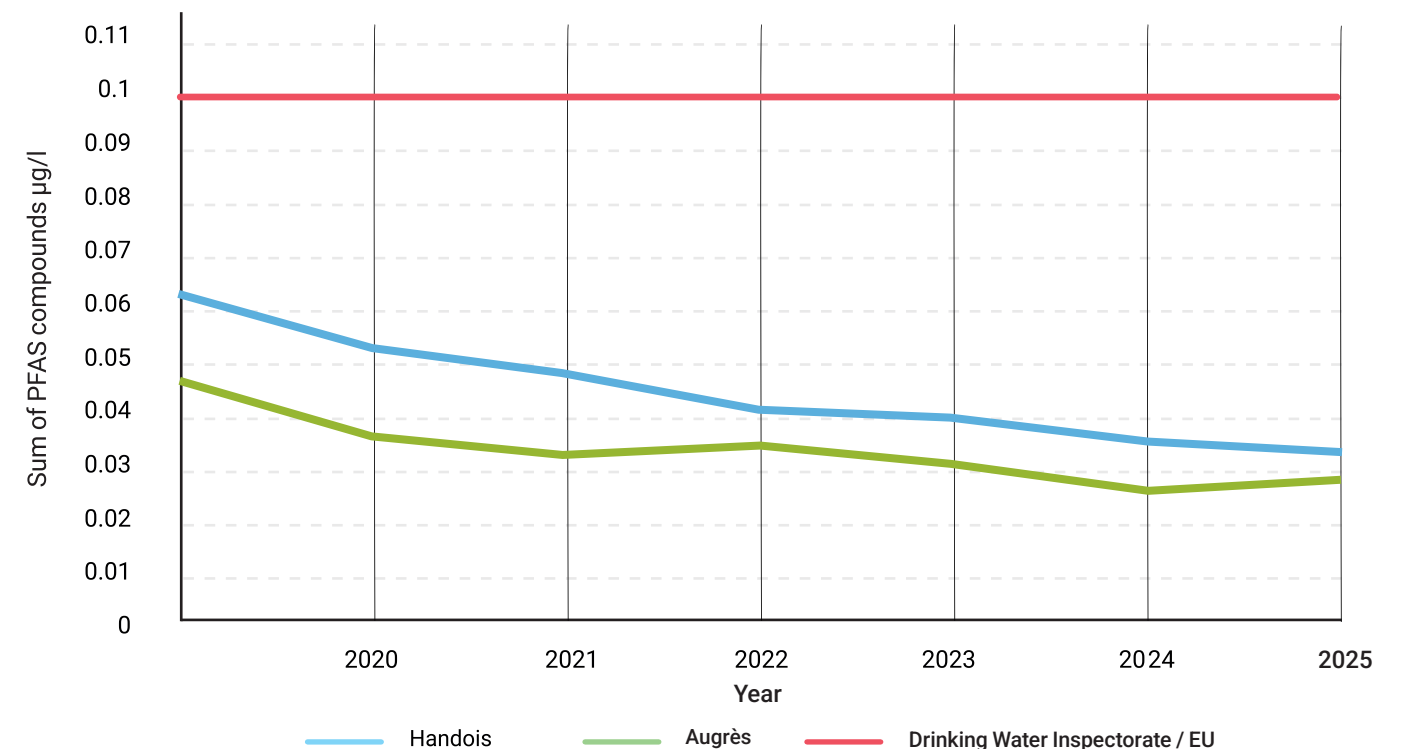
Historic contamination around Jersey Airport

In 2025, an independent hydrogeological report commissioned by the Government of Jersey identified that an area of PFAS pollution around Jersey Airport had grown. This contamination pre-dates the 1990s and was caused by the historic use of firefighting foam containing PFAS, which leached into the environment and polluted private water supplies. Five of our own boreholes in St Ouen’s Bay and a stream source at Pont Marquet were also contaminated and remain out of service. Being able to return these water sources to service would help alleviate pressure on our resources.

Over the past year, we have continued to play an active role in supporting the Government of Jersey and Ports of Jersey with their PFAS remediation work around the airport. We have been assisting with testing private water supplies at properties in the extended investigation area, helping to build a clearer picture of how PFAS has affected local groundwater, boreholes and wells. On behalf of the Government, we have also been looking at options for extending the mains network to affected properties.



Annual average number of sum of 48 PFAS compounds



Engagement with the community has been an important part of our work over the course of the year. We have attended public meetings, met with concerned customers and campaigners and shared information about the steps we are taking to protect the Island’s water supply. This important work will continue into 2026 and we remind all customers that they can contact us with their enquiries and concerns. If you do your own research on PFAS, we always suggest checking that any sources you consult are credible and verified. There is a lot of inaccurate information being circulated.

PFAS in the mains water supply

Outside of the identified area of contamination around Jersey Airport, the rest of the Island is not a pollution hotspot. While we do detect trace levels of PFAS in our treated drinking water, these are well within the regulatory standards set the by the UK and EU.

Once again in 2025, from 16,724 tests, we had zero failures for PFAS and, similarly to 2024, the low concentrations were 69% better than the standards (2024: 68%). This demonstrates our consistent efforts to minimise the presence of these chemicals in tap water.

As Jersey does not currently have specific regulation for PFAS, we look to the UK and EU and align with the relevant guidance and standards. The UK’s Drinking Water Inspectorate requires testing for 48 different PFAS compounds. The average PFAS concentration for drinking water in 2025 was 0.031 micrograms per litre (µg/l) for the sum of the 48 compounds we currently test for.

We use an accredited laboratory in the UK for our PFAS testing and, during the year, there were delays in receiving some of the results for our testing. To reduce turnaround time moving forward, we have changed to an alternative accredited laboratory and this should ensure that we receive results more quickly to better inform our water quality operations.

For the results of our PFAS testing on both untreated and treated water, see our 2025 Water Quality Report on our website.

International regulations

In 2025, regulatory scrutiny of PFAS chemicals continued to intensify globally. The EU and US have already announced that they are introducing stricter bans and enforcing tighter controls on concentrations in water supplies, as well as phasing out the use of these chemicals in a variety of commercial categories.

Currently, there are no regulatory requirements for PFAS chemicals in Jersey, so we follow EU regulations and UK guidance for drinking water quality.

The Government is looking at greater alignment with international regulations and considering setting specific



16,724 tests

Conducted at our UK accredited contract laboratories (2024: 16,656)

water quality limits for PFAS. An independent panel of experts has also been commissioned to look at PFAS levels across the Island, beyond the hotspot contamination around the airport. The initial recommendation from the panel is for Jersey to adopt a limit of four nanograms per litre for a combined total of four key compounds:

- PFOA (perfluorooctanoic acid)
- PFOS (perfluorooctane sulfonate)
- PFHxS (perfluorohexane sulfonate)
- PFNA (perfluorononanoic acid).

Currently, we monitor and test for 48 different compounds, which include the above. For these four specific compounds, the current levels in tap water are 12 ng/l. For context, this is the equivalent of one teaspoon of sugar in 133 Olympic-sized swimming pools. The proposed limit of 4 ng/l would be one teaspoon in 400 Olympic-sized swimming pools.

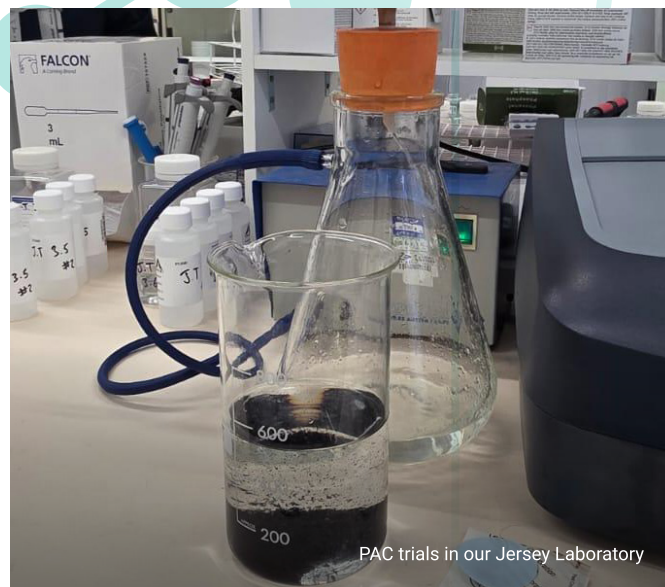
Addressing the trace levels of PFAS in mains water

We have been focusing our efforts on continuing to minimise PFAS in the mains supply. While the trace concentrations are currently well within the regulatory limits set by the EU and UK and are not considered to be a cause for concern, in 2025 we dedicated time and resource to investigate potential treatment technologies for Jersey.

We assessed ten scenarios, ranging from continuing with our current approach of minimising PFAS to completely changing the Island's supply to be desalination only. Many of these options were ruled out because they would not meet the much lower limits recommended by the independent panel.

Looking ahead, we have committed nearly £2 million to investigate interim treatment measures using powder activated carbon (PAC) and to carry out pilot trials with granular activated carbon and ion exchange technologies. These trials will help us understand which approach would be the most suitable for Jersey's unique infrastructure and supply requirements. The Island's size, geography and reliance on both surface and groundwater sources present logistical challenges that we need to address carefully before selecting the most effective long-term solution.

Our pilot trials are expected to run for 12 to 18 months so we can assess how the technologies perform across all seasons and water conditions. This work will help us identify the most effective, affordable and sustainable solution for Jersey. Importantly, any future treatment process must not only deal with PFAS but also help to future-proof our water supply against other potential contaminants that could emerge in the years ahead. Allowing time to fully assess options and select a treatment approach that is both proportionate to the risks faced and grounded in robust health evidence will help ensure that any investment delivers lasting, sustainable protection for Jersey's water quality.



PAC trials in our Jersey Laboratory



Jack, our Operational Scientist during PAC trials earlier this year

There is still uncertainty surrounding the exact future regulatory limits that the Government is likely to set and how they will be applied in Jersey. We expect to have a better understanding of what the standards will be in 2026. Once the new regulation is set and the funding for any required treatment is confirmed, we will be able to identify the most appropriate treatment approach and determine the likely capital investment, operational costs, any potential impact on customer bills and the timelines for delivery and compliance. In the meantime, we will keep working closely with the Government, maintaining open communication with our customers and making sure we are well prepared to meet whatever standards are introduced.

We are committed to being transparent, collaborative and realistic about what is possible to tackle PFAS, based on scientific evidence and expert research. You can be reassured that we are investing significant resources and expertise to protect Jersey's drinking water now and for the future.



Walkers enjoying the view at Queen's Valley reservoir



Great customer experience

Key results	Actual 2024	Actual 2025	Target 2025
Customer satisfaction index (%)	83.1	80.3	+/-5%
Net promoter score (see page 28)	44.1	25.1	+/-5
Right first time (%)	54.5	71.4	>75
How easy we are to do business with (out of 10)*	2.7	3.0	Trend not increasing
Trust score (out of 10)	8.1	8.0	Trend not decreasing
Customer complaints (per 1000 properties)	0.51	0.37	Trend not increasing
Text feedback score (out of 10)	9.4	9.5	>9

*The lower the score the better

2025 Highlights

31%

Improvement in getting it right first time for our customers
(2025: 71.4, 2024: 54.5)



80.3%

Customer satisfaction rating, alongside top utilities in UK Customer Satisfaction Index (UKCSI)
(2024: 83.1%)



New website home page and customer application forms to make it easier for customers to self-serve

2026 Key initiatives

Prioritise our customer service and focus on training so we get it right first time

Reformat our bills so they are easier for customers to understand

Make further improvements to our website so it's easier to access our services

Increase our customer engagement beyond the billing process, to promote our services and activities

Act on constructive feedback and insights gathered from annual surveys to inform, educate and build increased trust

Develop the support we provide for customers struggling to pay their bills.

"Professional, polite, knowledgeable"

Tanya and Jess, two of our Customer Services Advisors

Rising customer expectations, along with financial pressures from the cost of living, are creating a tough operating environment for all sectors, driven by how customers perceive the service they receive².

On top of this, trust levels are universally low, particularly for public sector organisations, and countering misinformation and misunderstanding has become very much a part of business-as-usual. There is the added pressure of responding to evolving environmental risks and public concerns around water quality, relating to PFAS and other pollutants.

Navigating these challenges requires a relentless focus on delivering reliable, high quality water alongside an experience that builds and maintains confidence in Jersey Water. Being the Island's sole water supplier means we have a unique responsibility. While our customers don't have a choice of provider, we want every interaction with Jersey Water to reinforce that they would choose us if they did have a choice. This commitment influences everything we

² Customers service trends and predictions for 2025: Research by the UK's Institute of Customer Services

do, from protecting water quality and fixing leaks to handling enquiries and maintaining our sites for public access. Our 'customer first' approach drives everything we do and our intention is for it to be the foundation for every customer interaction we have.

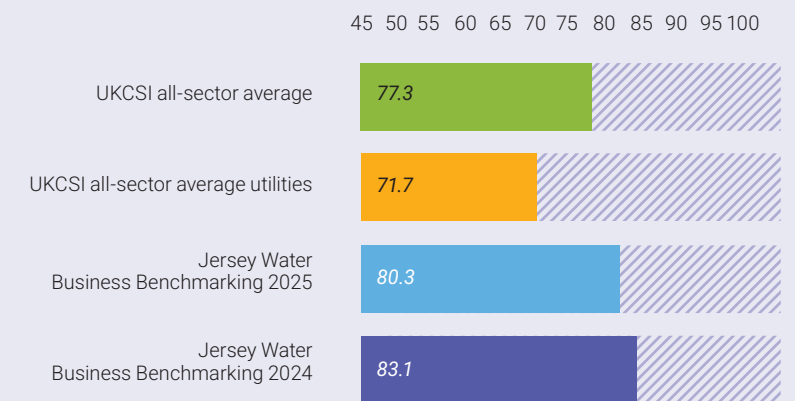
During the year, our 12 Customer Service Advisors worked hard to provide a personalised service, handling 12,436 calls and 8,251 emails.

To strengthen our team and raise our performance, we focused on key recruitment and upskilling team members. In 2026, we aim to be fully resourced and have a Head of Customer in post, who will take the lead on enhancing customer touchpoints across every aspect of our services.

The results from our annual Institute of Customer Service (ICS) survey confirmed that we are maintaining a high standard of performance (2025: 80.3% compared to 83.1% in 2024), at a time when many UK utilities are facing a significant decline in satisfaction levels. While there are areas where we did not quite match our 2024 results, for example our net promoter score, overall we are performing well against UK utilities. We also remain up there with top companies, such as John Lewis, in the January 2025 UK Customer Satisfaction Index (UKCSI).

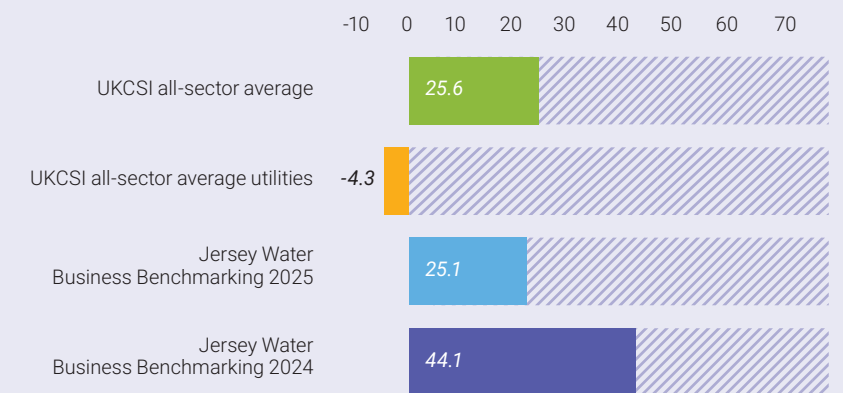
GREAT CUSTOMER EXPERIENCE

UK Customer Satisfaction Index (UKCSI)



UKCSI July 2025 data sourced from nationwide ICS survey panel of 10,000 customers. Our Business Benchmarking survey data based on respondents from the customer survey. The results are generated from a total of 290 respondents.*

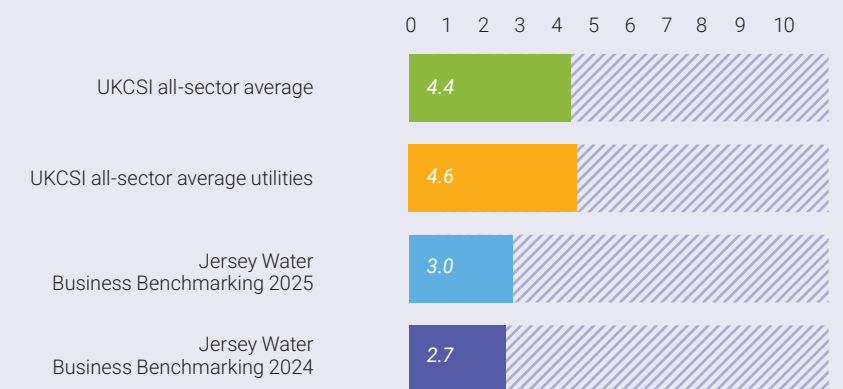
Net promoter score



Net promoter score (NPS) is based on 'likelihood to recommend' scores.

% of respondents scoring 9 or 10 (out of 10) on likelihood to recommend minus % of respondents scoring 0-6 on likelihood to recommend equals NPS.*

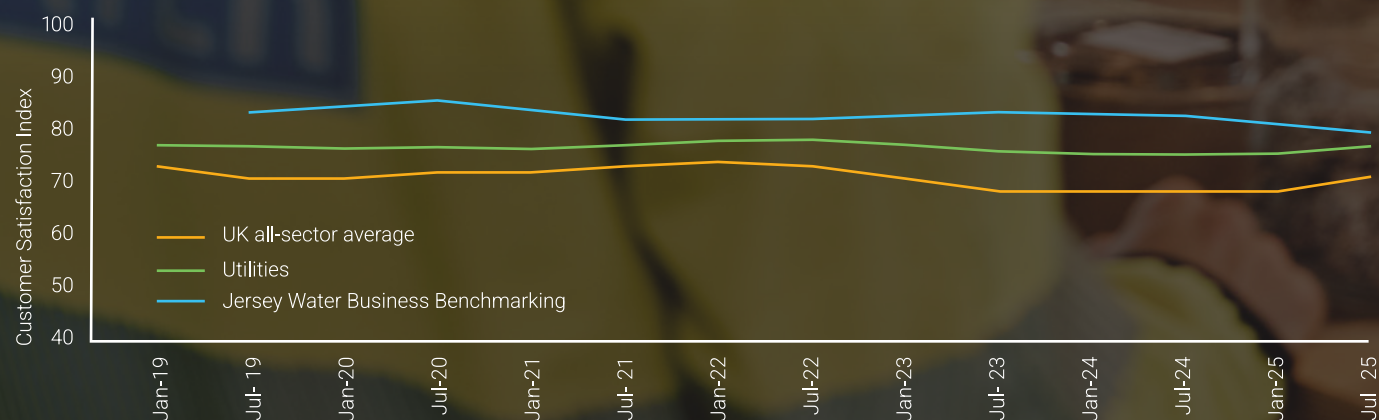
Customer effort



Customer effort is based on the question: 'How much effort did you have to make to complete your transaction, enquiry or request on this occasion' (1-10 scale). A lower score signifies less effort required on the part of the customer.*

*Survey data provided by the Institute of Customer Service

Satisfaction trend over the last seven years



Operational Scientist random sampling at commercial customer's property

After making it a priority for the year, we were most pleased to see the improvement in our 'Right first time' response, from 54.5% in 2024 to 71.4%. This reflects our ongoing efforts behind the scenes to balance operational demands with customer care.

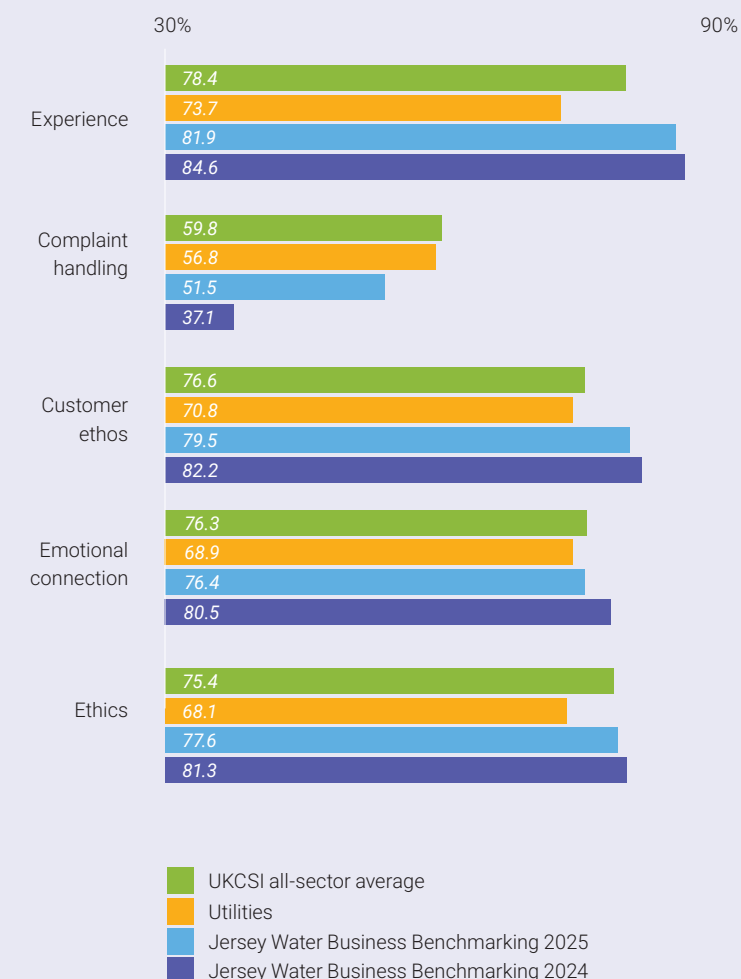
Handling complaints remains an area where we know we can do better. Compared to UK companies, we typically receive fewer complaints. In 2025, we dealt with 13 complaints compared to 14 in 2024. We did have an increase in customers contacting us with concerns about PFAS, which we spent time addressing. We see any problems our customers have as valuable feedback and an opportunity to refine the service we offer.

Listening closely to Islanders has never been more important, as we respond to enquiries around water quality and bills. For the first time, we gave our customers and the wider community a direct voice in shaping our future priorities through a public consultation, launched in October 2024. The results helped guide the direction of our 2026-2030 strategy, so we better meet our customers' needs. See pages 59 to 62 for more details.

A big part of providing excellent customer experience is about making it easy for people to access our services and information. During 2025, we made some changes to our website, upgrading the home page and our online application forms, so customers can quickly find what they are looking for and complete account transactions, without needing to contact our team. With these changes, the number of digital application forms being completed by customers has more than doubled.

2026 will see us accelerate our engagement with customers even further, with more improvements to our digital channels, simpler bills, more communication and greater access to our teams. In this complex and uncertain landscape, we are focused on maintaining Islanders' trust through dependable, transparent and customer-focused water services.

Customer satisfaction



"During the year, our 12 Customer Services Advisors handled 12,436 calls and 8,251 emails."



Fair and affordable bills

Key results	Actual 2024	Actual 2025	Target 2025
Value for money rating (out of 10)	7.4	7.0	Not reducing
Price increase/retail price index (RPI)	10.9%	5.7%	At or below RPI
Bad debt as a percentage of turnover	0.01%	0.08%	0.01%

2025 Highlights

97%

of customers pay for water by meter
(2024: 97%)



5.7%

Price increase effective 1 January 2025, in line with RPI
(2024: 10.9%)



Continued to work together with customers who contacted us with financial hardship concerns

Positive feedback in Institute of Customer Service survey on our bills being affordable and value for money

2026 Key initiatives

Work closely with all customers facing additional pressures from cost-of-living increases



Develop further support measures to help individuals, businesses and charities with bills



15.5% price increase with effect from 1 January 2026 to fund critical infrastructure investment. No further increases before 1 January 2027.



Each pound of our customers' bills is spent as follows:



19p Building new assets:

Such as connecting new homes, upgrading critical infrastructure and replacing the mains network



9p Paying taxes, rates and licences:

Income tax on profits, GST paid, employer's social security, rates and licences



8p

Our shareholders:
Dividends paid to all ordinary shareholders



31p Our people:

Wages, salaries, pensions and other benefits



6p Energy:

To cover day-to-day running of our operations

4p Paying back interest:

On money borrowed to improve services and invest in infrastructure (loan interest and preference share dividends)



11p Maintaining our equipment:

To ensure plant and equipment works efficiently



12p Our suppliers:

Costs of suppliers' services



Over the past five years, we have consciously sought to keep bills as fair and affordable as possible. During the Covid pandemic, we chose not to raise bills at all, recognising the financial strains many faced, and for the other years, our price increases were at or below inflation. In fact, when looking back over the past two decades, there has only been three occasions when our charges have been above the retail price index (RPI). In that time, the real-term price of water has decreased, which is due to our ongoing efforts to make operational efficiencies and manage our finances responsibly.

In 2025, the average daily cost of water for a typical household was approximately £1, reinforcing the value customers get for a vital service that's delivered 24/7, 365 days of the year. In 2026, even with the upcoming increase, the cost of water will remain comparatively low relative to the essential nature of the service and the significant investment required to maintain and improve the Island's water supply infrastructure.

Despite our efforts to keep bills low, the cost of running and maintaining the Island's water infrastructure continues to rise, and there are critical upgrades that we need to make over the coming years to ensure that we can keep supplying safe, reliable water for generations to come.

To support this necessary investment, customers' water bills will be increasing from 1 January 2026. Average households can expect to pay approximately £60 more for their water for the year, with further above-average increases anticipated from 2027. This is a significant step, but it is crucial to fund the £48 million of investment that underpins the long-term safety, resilience and sustainability of the Island's water supply. Our capital programme, including upgrading the desalination plant, enhancing water safety measures and building smarter, more resilient operations, reflects the three priorities of our 2026-2030 strategy. These investments are essential to ensuring Jersey's water remains safe and reliable, meeting future demands and protecting the environment.

We understand the timing comes at a difficult moment for many households, and we do not take this decision lightly. When setting our water charges, we are acutely sensitive that these are tough times and many households are struggling financially. Our approach has consistently been to minimise impacts where possible and provide support for those facing hardship. We actively encourage water-saving behaviours through resources like our GetWaterFit app and water-saving kits, which have seen strong uptake in the last year. More information is available on our website jerseywater.je.

Customer feedback continues to guide us and our annual surveys show that affordability, value and fairness remain key priorities for Islanders, with 2025 results fluctuating slightly with customers rating us 7.0 out of ten for value, fairness and affordability (2024: 7.4). We do anticipate that, by the very nature of the investment we are making and consequently the bill increases we are introducing, this downward trend may

FAIR AND AFFORDABLE BILLS

continue. We do, however, aim to deliver value not just through our pricing but through the quality and service we provide.

The challenges ahead require a pricing approach that is both responsible and sustainable. By investing now, we are protecting the safety, quality and reliability of Jersey's water supply, ensuring it remains accessible for every Islander well into the future. We remain committed to keeping price increases as low as possible, while still meeting our investment needs and operating costs, and delivering a fair return for our shareholders and other providers of finance.



Walkers at Val de la Mare reservoir



Environment and community benefit

Key results	Actual 2024	Actual 2025	Target 2025
Environmental regulatory compliance (%)	100	100	100
Community events supported	78	72	>75
Funds raised for charity	£19.6k	£12.5k	£20k

2025 Highlights

100%

Compliance maintained with environmental regulations
(2024: 100%)



£12,500

Raised for Brighter Futures Jersey, through employee fundraising and Jersey Water matching contributions
(2024: £19,610)



Two

Additional outdoor water refill stations installed in St John and St Helier
(2024: Three)



388k refills

At our Island-wide water refill points, saving the same amount of 500ml plastic bottles



Continued our partnership with Jersey Trees for Life to look after Val de la Mare Arboretum and provided the charity with a mobile water bowser and branded waterproofs



2026 Key initiatives

Maintain 100% compliance with environmental regulation

Keep supporting community events with our hydration station, reusable bottles and water refills

Roll out a minimum of two outdoor water refill points across the Island

Fundraise for chosen charity, Healing Waves

Extend partnership with Jersey Trees for Life to continue work at Val de la Mare Arboretum.

We may be the Island's sole water supplier, but our role goes beyond delivering this vital public service. We aim to play an integral part in Island life by working with key partners to protect our natural environment and contribute to the wellbeing of our community. Acting with purpose, responsibility and care is very much at the heart of our business and our employees equally embody these values.

In 2025, we continued to support initiatives centred around sustainability, education and charity, ensuring that our work benefits the Island, not just today but for generations to come.

Every year, we support local charity and community events, by providing water units, bottles, our land and our time free of charge. 2025 was no different with more than 70 water units, 12,000 litres of water and 1,000 bottles donated to good causes.

Voted for by our people, Brighter Futures was our chosen charity for the year. We raised £12,500 through employee fundraising efforts and the company's £ for £ matching contribution.

Brighter Futures was hugely grateful for the donation which will support families who access the charity's services. We were delighted to be the headline sponsor for the inaugural Brighter Futures Beach Day, which ensured this important event could go ahead, giving local families a much-needed day out. Colleagues also took part in the charity's Take a walk on the bright side sponsored 5k walk along St Aubin's Bay and its six-a-side football tournament, which raised £500 towards our total.

Our partnership with Jersey Trees for Life entered its third year in 2025, and we have now pledged to continue the relationship. During the year, we also supported the charity with the donation of a mobile water bowser for watering saplings and branded waterproof clothing to keep employees dry and warm while going about their work. As part of our lead sponsorship of the annual Jersey Farming Conference, we also gifted a tree to every delegate, with the Island-wide planting managed by Trees for Life. We also supported the Regen Gathering Jersey event in September, celebrating the best of the Island's food and farming.

Continuing our commitment to roll out water refill points around the Island so Islanders have access to free water and reduce their reliance on single-use plastics, we installed a further two fountains: one in St John's Village and another in Howard Davis Park. This brings our total number of outdoor refill points to six. Combined with our four indoor fountains at Jersey Airport, these points provided more than 194 thousand litres of water in 2025, saving double the amount of 500ml plastic bottles. In the coming year, we have plans for further refill points in St Brelade, Greve de Lecq and at Jersey Zoo, the latter two being charitable projects for the National Trust

for Jersey and Durrell Conservation Trust. These installations form part of a wider initiative to expand access to free drinking water through partnerships. We are always keen to collaborate with local businesses and community groups who share our commitment to sustainability and public access to free water.

To mark 80 years since the Liberation of the Channel Islands, we journeyed back into the past, delving into both our own archives and those of Jersey Archive to uncover untold stories about Jersey Water during the occupation. This research into our history revealed the impact German forces had on water supplies, the rationing of essential chemicals and the drought and water restrictions that gripped the Island during those challenging times. We shared these accounts with today's Islanders in a dedicated campaign in early May.

As well as these activities, during the year we continued our education work with local schools and community groups, sharing our critical work and encouraging Islanders to be more water efficient. A standout highlight was La Moye School's visit to Val de la Mare reservoir: an interactive, fun session for primary pupils to learn about our operations, experiment with filtering water and take samples of algae.

Our water saving campaign was also a significant environmental and community effort over the summer. You can find out more about it on pages 21 to 22.

Aptly water-themed, our people have voted Healing Waves as our chosen charity for 2026, and we look forward to supporting this worthy cause.

ENVIRONMENT AND COMMUNITY BENEFIT

"In 2025, we continued to support initiatives centred around sustainability, education and charity"



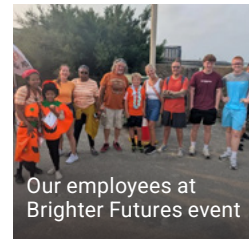
Runners refilling at our fountain in Howard Davis Park



Members of our team during a school tour at Val de la Mare reservoir



Weekender 2025



Our employees at Brighter Futures event



Our team on National Christmas jumper day



Refilling at the Boat Show



Brighter Futures at the Boat Show



Our team at the Consumer Council Fair 2025



Our Christmas present donations to Brighter Futures



Jersey Trees for Life with waterproof jackets donated by Jersey Water



Jersey Water team taking part in Jersey Trees for Life's Run for the Trees at Val de la Mare



Unveiling our St John's refill point



Weekender 2025



Our team demonstrating the water cycle to pupils



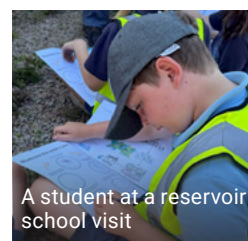
Go team Jersey Water!



School visit at Val de la Mare reservoir



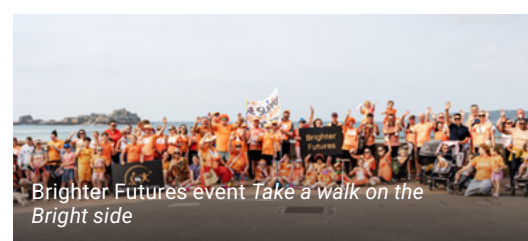
Our team at Brighter Futures football event



A student at a reservoir school visit



Our Charity Committee handing over cheque to Brighter Futures



Brighter Futures event Take a walk on the Bright side



Our volunteers at Weekender 2025



Cyclist using our refill point in St John



Unveiling our donated water bowser to Jersey Trees for Life



Great, safe place to work

At Jersey Water, we know that being a great place to work starts with looking after our people. In 2025, we continued to focus on creating a workplace where everyone feels safe, supported and proud of what they do. Our culture is built on care, ambition and teamwork; our values that guide how we show up for each other every day. We listen, we learn and we look out for one another because that's how we deliver for our community and for the Island we serve.



Developing and supporting our people

During the year, we continued to focus on building the skills, knowledge and culture needed today and for the future of Jersey Water.

We are preparing to roll out a refreshed people strategy, which will set out how we will continue to attract, develop and retain talented people, while creating a collaborative and supportive environment where everyone can do their best work.

Following our silver accreditation from Investors in People in 2024, we have been acting on the assessment recommendations and making steady progress, demonstrating our commitment to continuously improving. Key areas of focus include raising the visibility of our learning and development opportunities, improving communication and access to information and strengthening reward and recognition.

Notably, the uptake of learning and development opportunities increased in 2025, with employees embarking on 30 training courses, including professional qualifications. Another success was 103 colleagues completing our tailored in-house Insights Discovery training programme, aimed at helping teams understand different working and communication styles. This is already improving the way we work together day-to-day.

We continued to strengthen leadership skills through focused training for our executive and operational leadership teams. We awarded four internal promotions; one to the executive team, two to the operational leadership team and one to a line leadership role.

A highlight in 2025 was hosting our inaugural employee awards, which celebrated the contributions and efforts of colleagues across the business.

"With an average length of service of 10.8 years, many colleagues bring experience and insights that benefit every part of our operations."

Focusing on the future of Jersey Water

We are proud that people choose to build their careers at Jersey Water. With an average length of service of 10.8 years, many colleagues bring experience and insights that benefit every part of our operations. In 2025, four team members marked milestone work anniversaries of 30-, 20- and 10-years' service respectively, while five long-standing colleagues retired.

At the same time as celebrating our retention, we recognise the need to attract and develop talent for the future and our continued success. In 2025, we focused on growing skills within our team and inspiring people to consider a career in the water industry. Seventeen new colleagues joined us during the year, a mix of six growth and 11 replacement roles. Our workforce continues to span four generations, from Baby Boomers to Gen Z, each bringing diverse perspectives, skills, experience and ideas.

Looking to the next generation of Jersey Water employees, we took part in three careers fairs, helping to raise our profile and connect with young Islanders. We also welcomed seven work experience students, including a shadowing placement through the Institute of Directors. Additionally, we continued our commitment to visiting schools and hosting tours of our sites, educating young people about water and our operations. For the 17th year, we awarded our university grant to support a local student in higher education.

Celebrating our individuality

We are building on our already inclusive culture, ensuring that we continue to provide an environment which values fairness and where our people always feel respected and empowered to contribute their best.

Our workforce today reflects a gender split of 69.4% male and 30.6% female, a gradual shift in a traditionally male-dominated industry. When it comes to remuneration, female employees earn marginally more than male colleagues, reflecting a higher proportion of women holding management and leadership roles. Our senior leadership and Board are nearly gender balanced, with senior leaders comprising seven females and six males, and our Board equally split between three females and three males.

Inclusion at Jersey Water goes beyond gender. We celebrate diversity in all its forms from backgrounds, nationalities, abilities and neurodiversity, because we know that diverse perspectives and equitable opportunities drive innovation, strengthen our teams and enrich our decision-making. Our commitment is to continue building a workplace where everyone can thrive.

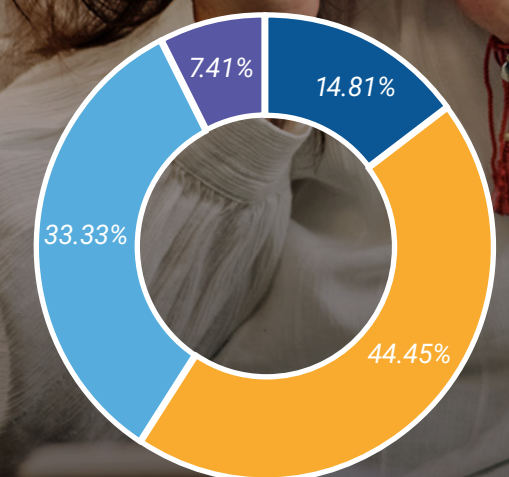


96.3%

Of employees agree that Jersey Water is a great place to work
(2024: 96.7%)

GREAT, SAFE PLACE TO WORK

Jersey Water workforce in generations



■ Baby boomers (1946-1964)
■ Gen X (1965-1980)
■ Millenials (1981-1996)
■ Gen Z (1997-2012)

Jo, HR Advisor, demonstrating Insights Discovery

“We are proud that people choose to build their careers at Jersey Water”

Acting on our people’s feedback

Our quarterly pulse surveys continue to provide a clear picture of how our people feel, with 96.3% of employees agreeing that Jersey Water is a great place to work (2024: 96.7%). Listening to their regular feedback helps us understand what we are doing well and where we can improve.

In 2025, we consulted colleagues on our five-year strategy through in-person workshops, ensuring their views directly shaped our plans. We also enhanced internal communications with a new intranet platform and more email and video updates to keep everyone informed and connected.

To support the move to our new headquarters and wider organisational change, we introduced Change Ambassadors in September. Representing every area of the business, this group of colleagues will initially be focused on supporting the people and change requirements as we prepare to move, ensuring employees have a voice and helping us to act on their feedback.



Lloyd and Suzie, our Health and Safety team, on a site visit at Waterworks Valley

Strengthening our safety and security culture

Health and Safety

Safety remained a central theme for us in 2025, not just in terms of systems and compliance, but in building a strong safety culture across the organisation. Our focus is on leading and maintaining genuine behavioural change. This cultural shift is a long-term journey and we are committed to making it last.

We spent time reviewing and improving our safety systems and training resources. A key milestone was the launch of our dedicated e-learning platform, which allows us to create bespoke training modules tailored to our needs. This is a significant step forward in how we deliver safety education for our people and provide support across the business.

Improving visibility and engagement was also a priority. We increased site visits to 21 (2024: 19 visits) and internal safety audits to better understand how our systems are working in practice and where we need to make improvements. An initiative in 2025 was the introduction of shared safety inspections, involving members of the senior leadership teams and internal Safety Forum. These collaborative visits to assess key infrastructure sites have helped build shared understanding and accountability.

We also focused on improving safety reporting. Our reporting figures have historically been low, so we worked hard to raise awareness among our employees about the importance of reporting near misses and safety concerns, not just incidents. This was supported by targeted communications and training. During the year, we had five minor workplace incidents, compared to four in 2024.

Finally, we developed a new internal health and safety plan, which sets out our roadmap for the next three years. Looking ahead, we are preparing for an external audit in late 2026. This process will help us benchmark our progress and identify areas for further improvement. Our goal is to simplify and strengthen our systems, ensuring everyone has access to the right tools and information to manage safety effectively.

Cyber security

In 2025, we worked on strengthening our cyber security through further training, internal workshops and exercises. We improved system segmentation and retired legacy applications to reduce risk and were proud to be shortlisted for the Jersey Tech Awards for our employee awareness efforts. We also continued to collaborate nationally via the Water UK Cyber Security Network to help improve industry-wide resilience.

A new era for Jersey Water: Douet House

"Our new home, Douet House, takes its name from the Jersey-French word for a 'brook' or 'stream,' a fitting tribute to our Jersey Water heritage and the Island we serve."

Following the sale of our former headquarters, Mulcaster House at Westmount, in 2022 to facilitate the development of Jersey's new hospital, we are now in the final stages of our plans to relocate to Rue de Pres trading estate.

Our soon-to-be new home, Douet House, marks a major step forward for our people, our customers and the Island. For the first time in nearly 50 years, almost all our colleagues will work together on one site, strengthening teamwork and delivering even better service. Bringing our operations together in one modern, purpose-built headquarters will help keep our running costs down, we will work more efficiently and become an even more sustainable business. The new facility addresses much-needed investment in our laboratory and other operational infrastructure, while at the same time reducing risk and delivering greater resilience. The operational and financial benefits of our new headquarters will grow over time, helping to strengthen Jersey Water for the long term.

Progressing the build

Rather than building new premises, we opted to retrofit a vacant property, where we will consolidate most of our operations under one roof. This approach is considered to be more environmentally efficient, reducing carbon emissions compared to new development. Construction of Douet House made strong progress throughout 2025. The new roof and internal structure were fully in place early in the year, marking a major milestone in the build.

Significant progress has also been made on the new laboratory, which will provide a modern, fit-for-purpose environment to support our water quality testing. Designed with efficiency, safety and sustainability in mind, it will give our team the facilities and tools they need to continue meeting the highest water quality standards for the Island.

The first phase of the project, the new warehouse, was completed on time, with the team and all our operational equipment and materials moving to the site in June. Larger than our previous space at Westmount, the new facility provides improved capacity, layout and working conditions to support day-to-day operations.

In June, we also completed and submitted our sustainable travel plan to the Government of Jersey, meeting an important planning condition. Extensive research and engagement went into exploring the best options to support sustainable travel to and from the new site.

Throughout the year, we also started to focus on the change management aspect of the move, ensuring it is as seamless as possible for both our people and our customers. This has included reviewing processes, policies and working practices to support teams through the transition, as well as progressing plans for the wider property programme, such as preparing existing sites for lease or disposal. To keep colleagues engaged and informed, we also continued our regular updates and tours of the site so that they can see the progress first-hand and come on the journey with us.

We remain on track to move into Douet House in spring 2026.



Aerial view of Douet House



Our stores at Douet House



Financially secure

Our financial performance and resources

Key results

	2024	2025	Target 2025
Turnover	21,069k	22,858k	22,426k
Operating profit	2,801k	3,086k	3,040k
Profit for the reporting year	943k	1,968k	1,354k
Capital expenditure	5,499k	9,330k	10,474k

2025 was a year of strengthening financial performance, delivered in the face of operational challenges relating to water quality and resource management. The results reflect a combination of revenue growth, disciplined cost control and targeted investment. While the operating environment remained demanding, we exceeded our key targets, delivered stronger profitability and cash generation, supporting our long-term strategy and investment programme.

Financial performance

Turnover increased by £1,789k (8.5%) to £22,858k, exceeding both the prior year and target. This growth was underpinned by a 5.7% RPI price increase, effective from January 2025, and higher than expected water consumption, particularly in the first half of the year.

Additional income was generated from new mains connections, with rechargeable income totalling £551k, which is over £100k higher than both the prior year and target. Other income also rose by approximately £100k, driven by a combination of increased activity and a review of non-water charges.

Operating profit increased by £285k to £3,086k, reflecting continued strengthening of underlying financial performance.

EBITDA (Earnings before interest, taxes, depreciation and amortisation) is a key measure used by our senior leadership and Board of Directors to assess our financial performance, as it provides a more comparable assessment of operational profitability year-on-year. It is also an important metric that providers of finance use to assess operational performance, due to the removal of capital investment and financing variables.

As set out in the following table, EBITDA increased by 5% or £346k in 2025, reflecting the continued focus on strengthening operational financial performance.

EBITDA is calculated as:	2024	2025
Profit before tax	1,421k	2,707k
Add back net finance expenditure/(income)	999k	(2k)
Add back non equity dividends	381k	381k
Add back depreciation and amortisation	3,272k	3,333k
EBITDA	6,073k	6,419k

Overall profit for the reporting year totalled £1,968k, which is both higher than our target and prior year results. The latter was impacted by a reduction in market value of our interest rate derivative. This was partly reversed in the current year, accounting for the significantly lower net finance charges.

The focus in coming years will be to continue to target improvements in financial performance and profitability, to enable strategic investment as described in our five-year strategy (see pages 59 to 62).

Operating expenditure

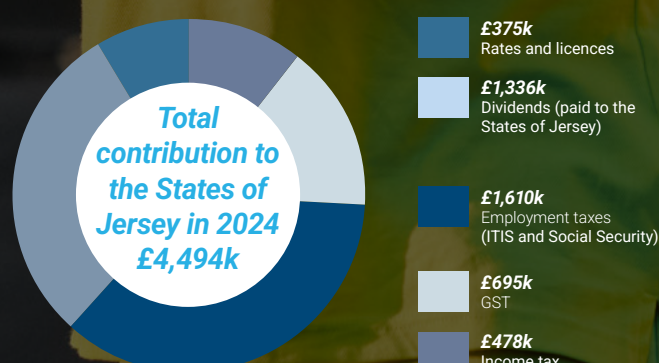
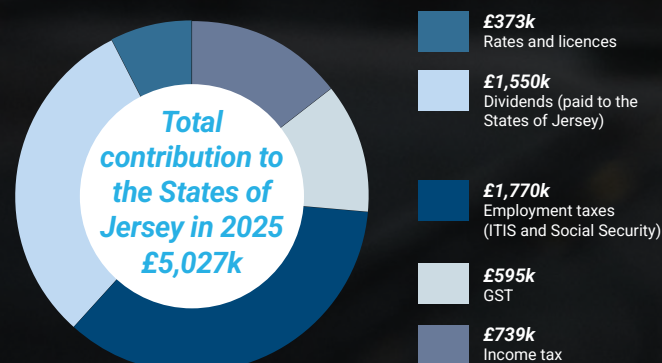
Operating expenditure totalled £19,772k, representing an 8% year-on-year increase on 2024 of £18,268k, of which approximately 6% was anticipated. This rise reflects a combination of strategic investments, inflationary pressures and operational challenges.

"2025 was a year of strengthening financial performance, delivered in the face of operational challenges relating to water quality and resource management".

Natalie Passmore
Finance Director

Transactions with the States of Jersey

The total cash paid to the States of Jersey during the year, including dividends, was £5,027k (2024: £4,494k).



Tyrone, Meter Reader

Key drivers of increased expenditure:

- People costs - Planned recruitment to strengthen water operations and customer services, alongside succession planning, increasing headcount to 108 from 99;
- PFAS - Expenditure incurred in the strategy development and research of viable treatment options and work to support the Government of Jersey and Independent Scientific Advisory Panel (see page 23);
- Water treatment and resource management - Higher than anticipated expenditure on chemicals, freight and analysis, as well as increased electricity usage. These increases were largely driven by the necessity to manage the effects of drier, warmer weather on water quality and resources. This included operation of the desalination plant in the summer months at a cost of £185k, alongside pumping resources across multiple locations to maintain quality standards;
- Property Programme - Costs associated with the temporary relocation of the Network team, property move and preparation of vacated sites for future rental, as part of the headquarters and operational hub development (see page 43 to 44);
- Burst management - A marginally higher-than-average burst frequency, including a few costly incidents, led to increased contractor expenditure;
- Inflation – Continued inflationary pressures, particularly electricity.

To mitigate some of these pressures, we implemented targeted efficiencies and budget reductions, totalling approximately £500k. These included a review of charge structures to better align with associated costs, such as search fees and laboratory charges. We also negotiated new contracts with both existing and new suppliers, delivering further efficiencies, of which the most notable were with our local telecommunications, IT support partners and chemical providers.

Finance income/expenditure

Net finance income amounted to £2k (compared to net finance expenditure of £999k in the previous year), primarily due to the cost of debt being largely offset by non-cash interest income from pension plan assets, an increase in the market value of the interest rate derivative and other interest income.

Interest paid on borrowing was £579k, with total interest incurred on our borrowings reaching £1,021k. The difference was capitalised as part of our new headquarters development project. Looking ahead, finance expenditure is expected to rise upon completion of the project in 2026, at which point capitalisation of this expenditure will cease.

Income tax

Income tax for 2025 was £739k, compared to £478k in 2024. The increase was largely due to a prior year tax charge on capitalised interest of £110k and higher levels of taxable profits (as shown in EBITDA).

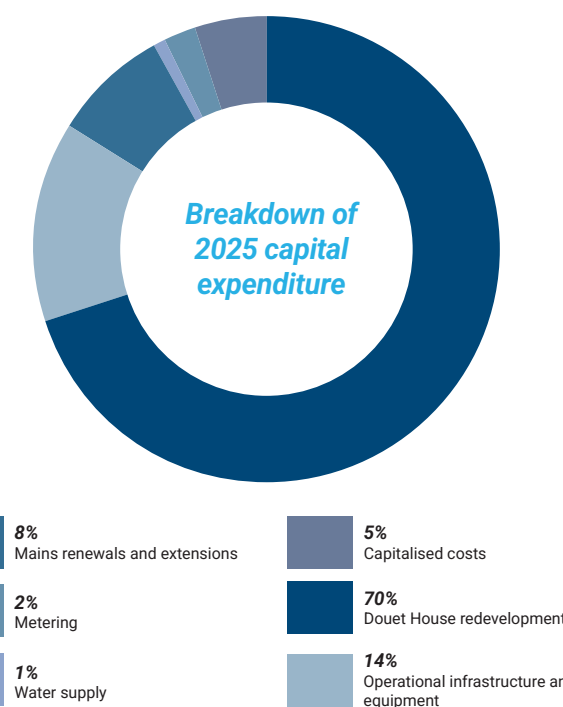
Fixed assets and capital expenditure

Total capital expenditure during the year amounted to £9,330k, reflecting continued investment in infrastructure, operational resilience and strategic growth. Significant expenditure in 2025 included:

- £6,487k on the development of our new headquarters, which is scheduled for completion in the spring of 2026. This is lower than expected in the year due to timing and accounts for the overall difference to target for capital expenditure for the year;
- £838k invested in projects aimed at reducing leakage, improving water quality and enhancing network infrastructure;
- £271k directed towards water resource and drought management initiatives, including the installation of smart meters and capital maintenance of the desalination plant;
- £1,292k invested in operational infrastructure and equipment across the business;
- £442k in capitalised borrowing costs associated with the new headquarters project.

The chart below provides a summary of our investment programme for 2025.

At the year end, net book value of fixed assets stood at £95,044k (2024: £88,863k), reflecting continued investment in key operational assets.



Loans and borrowing

Borrowing increased from £22.6m to £26.6m by the end of 2025, mainly due to the new headquarters development and other strategic projects. This was financed through our £30m

revolving credit facility (RCF) with Lloyds Bank Corporate Markets Jersey Branch, secured in 2024. The RCF offers flexibility to manage borrowing, allowing us to offset cash balances and lower interest charges when investment timing varies. Lloyds was chosen partly for their commitment to sustainability and the interest incentives available for "green" initiatives. At year-end, the RCF balance of £26.6m qualified as "green," making it eligible for the incentive. See note 18 on page 107 for more details.

We have hedged £20m of borrowing with a seven-year interest rate swap to stabilise our debt costs over the medium term. According to Financial Reporting Standard 102 (FRS 102), the fair value of this derivative is shown as £706k on the statement of financial position. A fair value gain of £203k was recorded in the income statement, reflecting changes in market conditions and interest rate forecasts. Additional information on these transactions can be found in note 19 of the financial statements on page 108.

Cashflow

In 2025, there was a net cash outflow of £1,895k. This was primarily attributable to the construction of our new headquarters, which formed a significant part of the £8,487k (76%) outflow related to investing activities. Cash generated from operating activities amounted to £6,128k, an increase of £426k compared to the previous year, reflecting improved operational performance. However, this gain was largely offset by increased tax payments, resulting in a net increase of £131k.

Defined benefit pension scheme

At year-end, the value of the defined benefit pension scheme stood at £7,568k, up from £6,738k in 2024. The increase in valuation was primarily driven by actuarial gains and market factors, as outlined in note 22 to the financial statements on pages 110 to 112.

Deferred tax liability

The deferred tax liability rose during the year from £8,159k to £8,224k. This change was mainly driven by the credit recorded in the statement of other

comprehensive income, which related to the rise in the pension asset's fair value.

Equity shares and earnings per share

73.91% of the ordinary share capital is owned by the States of Jersey (representing 83.33% of voting rights). The remaining 26.09% is held by approximately 176 private and institutional investors. Earnings per share for 2025 was £0.20 (2024: £0.10) for each ordinary share, an increase of 100%.

At the time of writing, the latest share price stands at £5.00, compared to £4.00 at the previous year-end. Liquidity has remained low, presenting difficulties in matching sellers and buyers at mutually agreeable prices. We recognise the challenges arising from current market conditions, a majority shareholder structure, a relatively small investor base and reliance on matched bargain trading. In collaboration with Titan (formally known as Ravenscroft), we have actively explored avenues to increase market activity, though this remains challenging. Nevertheless, we are committed to pursuing further opportunities, maintaining a strong focus on enhancing performance and delivering fair returns.

Equity dividends and dividend policy

Our Board aims to deliver real growth in dividends over time, recognising that short-term adjustments may be necessary to allow for variations in financial performance, investment requirements, liquidity and other factors. In determining the level of dividend in any year, in accordance with our dividend policy, our Board considers several other factors that influence the proposed dividend payment, which include, but are not limited to:

- operational and financial performance of the business;
- level of dividend cover;
- available financial resources and distributable reserves;
- future cash commitments and investment requirements to sustain delivery of our strategic outcomes, particularly the delivery of our five-

year strategy 2026-2030 (see pages 59 to 62); and

- any relevant external issues that may impact overall resilience.

In line with our dividend policy, our Board approved a final dividend of 12.144 pence per share on the Ordinary and 'A' Ordinary shares (2024: 11.561 pence). This brings the total dividend for the year ending 30 September 2025 to 17.251 pence per share (2024: 16.668 pence) and represents 3.5% growth on the prior year.

	2025	2024
Dividends declared and paid	£'000	£'000
Previous year - final dividend	1,117	827
Current year - interim dividend	493	493
	£1,610	£1,320
Dividends proposed		
Current year - final dividend	£1,173	£1,117

We recognise that some shareholders have expressed concerns about the level of returns, and we want to reassure them of our continued commitment to Jersey Water's long-term financial health. Our strategy is focused on delivering sustainable value through operational improvements, cost discipline and investment in critical water infrastructure. The development of our robust business plan for 2026 to 2030 is central to this, aiming to enhance the resilience and quality of our water supply, while generating long-term value for all stakeholders. Supported by a fair and appropriate pricing strategy, and through active risk management and targeted efficiencies, we are working to ensure sustainable service delivery, improved profitability to fund strategic capital investment and fair returns aligned with our dividend policy.

Natalie Passmore

Finance Director
 11 December 2025



Customers at our refill point in St John's Village



Sustainable and resilient

Our focus on sustainability is built around our core responsibility: safeguarding Jersey's water supply for Islanders and the environment, both today and for the future. By the very nature of what we do, we have an eye firmly on managing the Island's water resources responsibly and supporting our local community to thrive. The dry conditions experienced for much of 2025 were a clear reminder of how vital this work is and why protecting such a limited and precious resource matters more than ever.

We fully subscribe to sustainability being a journey, rather than a destination, and we are making good progress on that journey. Over recent years, we have explored different paths to find the right route for us as a water company, focusing on selecting a sustainability framework that fits the scale and nature of our business and that also reflects the significant and critical role we play for the Island.

Planning our journey

In 2025, we took important steps to define and plan our sustainability journey more clearly. Building on the work undertaken and knowledge gained in previous years, we focused on what we need to do for our company vision and values, as well as the wider Island outcomes for quality of life here in Jersey.

Our work this year has centred on assessing and choosing the right sustainability framework with which Jersey Water can align. Having identified an appropriate and relative framework, we undertook a materiality assessment to help us understand where we stand currently in relation to that framework when it comes to environmental, social and governance matters. This has given us a clear baseline from which to develop meaningful and realistic sustainability goals and projects, which will be fully integrated into our operations as we progress our new strategy to 2030.

Healthy environment

A "healthy environment" is one of three goals that we have set in our five-year strategy to 2030, which makes a clear commitment to sustainability. Between now and then, we will be setting realistic goals, measuring our progress and starting regular reporting on our environmental and social impact.



Driving sustainability forward

In our 2024 annual report, we shared an overview of the areas of work for the coming years, aligned with our long-term sustainability vision across our governance, our community, our water and our people. These pillars still stand but we acknowledge that they, and the work we focus on, may evolve over time.

"Our focus is on protecting and securing water resources"



Monitoring stream levels

Here we provide a summary of our progress and plans. While we are yet to align our sustainability goals to our new framework, we can identify our expected contributions to the United Nations' Sustainable Development Goals.

Our governance

United Nations'
Sustainable
Development Goals

Connecting sustainability with our core strategy and reporting

We set "healthy environment" as one of three strategic goals to aim for in our five-year strategy to 2030. We have also built upon our existing key performance indicators with Scope 1 and 2 carbon emission targets.

We assessed and chose an appropriate sustainability framework for Jersey Water which aligns with the United Nation's Sustainability Development Goals. From 2026 and across the duration of our new strategy, we will work to set our goals and by 2028 we will be doing more reporting on our impact.

We provided training to employees in our Finance team so that they can calculate our annual carbon emissions in-house for 2025 and subsequent years.

We continued to leverage our Green Use of Proceeds revolving credit facility, agreed with Lloyds Bank Corporate Markets. This facility supports the financing of eligible green initiatives, including our new headquarters, the replacement of lead pipes and efforts to reduce leakage across our network.

We won the overall award for Best Annual Report for a large organisation in the Controller and Auditor General's inaugural awards. We were also shortlisted in the sustainability category.



Our water

Managing water efficiency, leakage and resources

During 2025, we published our latest Water Resources and Drought Management Plan; we encouraged water efficiency through an innovative public awareness and media campaign; we preserved water resources during a dry year; and we focused resources on detecting and fixing leaks. You can read more about this on page 57.



Measuring and reducing our carbon footprint

Now in our fourth year of reporting, we have made improvements in data quality and our internal skillsets to ensure continuous improvement. Our Finance team completed training on emissions calculation for Scope 1 and 2. Our intention is to expand our reporting to include Scope 3 in the coming years.



Maintaining an environmental management system (EMS)

Our focus in 2025 was on protecting and securing water resources during a dry year. As part of our new strategy to 2030, we will adopt a suitable solution to help us monitor, control and improve our environmental performance.



Our people

Integrating diversity, equity and inclusion, focusing on well-being and developing employee skills

We continue to integrate diversity, equity and inclusion, well-being, and learning and development into our culture.

100% of employees completed Insights Discovery training to improve company-wide collaboration and communication.

During 2025, our employees once again took part in the Love to Ride cycle scheme and Alternative Transport Week. Colleagues also entered teams in the Jersey Marathon and the Jersey Trees for Life Run for the Trees event at Val de la Mare.

We will be launching a new five-year people strategy, focused on these crucial areas.

Pages 39 to 40 expand on our continuous commitment to ensuring Jersey Water is a great, safe place to work.



Our community

Engaging with community and customers

Our community engagement in 2025 included supporting our charity of choice, Brighter Futures, by raising more than £12,500 and sponsoring the charity's first beach day. We also continued our partnership with Jersey Trees for Life on the upkeep of the Val de la Mare arboretum and we provided the charity with a new mobile water bowser and waterproof uniforms for employees and volunteers. We also supported both the Jersey Farming Conference and Regen Gathering to foster positive farming practices across the Island. Find out more about these activities on pages 35 to 38.



Providing access to water and reducing reliance on Single-use plastics

We installed two more water refill stations across the Island, taking our outdoor total to six with four indoor fountains available to the public at Jersey Airport. In 2025, these ten machines supplied more than 194,000 litres of water, equating to double the amount of 500ml plastic bottles saved. We also provided water for 72 community events and more than 1,000 reusable bottles. See pages 35 to 38.



Redeveloping an existing building into our new headquarters and planning sustainable travel for our people and our operations

We are near completion of our new headquarters. Rather than construct a new building, we opted to redevelop an existing property. This approach is considered to be more efficient and environmentally friendly, significantly reducing the carbon footprint associated with new builds. In line with planning conditions set by the Government of Jersey, we delivered our sustainable travel strategy in 2025, supporting greener commuting options for our people. Once we move into our new home in spring 2026, we will have a dedicated travel coordinator to help embed sustainable travel into our daily operations. See pages 43 to 44.



Reducing our impact and energy use

We added two vans to our electric fleet, replacing three diesel/petrol vehicles.



Capital investment with long-term goals

Our capital expenditure programme delivers long-term sustainable benefits, energy efficiency, cost savings, innovation and future proofing, therefore improving operational efficiency and ensuring we are resilient and forward-looking as an organisation.



Walkers hydrating in Waterworks Valley



Martin, Head of Network, refilling in Howard Davis Park

Supporting the Jersey Performance Framework

Since it was established in 2020, the Jersey Performance Framework has guided the Government of Jersey in measuring progress across environmental, community and economic outcomes. In 2025, we remain committed to supporting these long-term well-being indicators through our core mission of delivering a reliable supply of safe, high quality water to our customers.

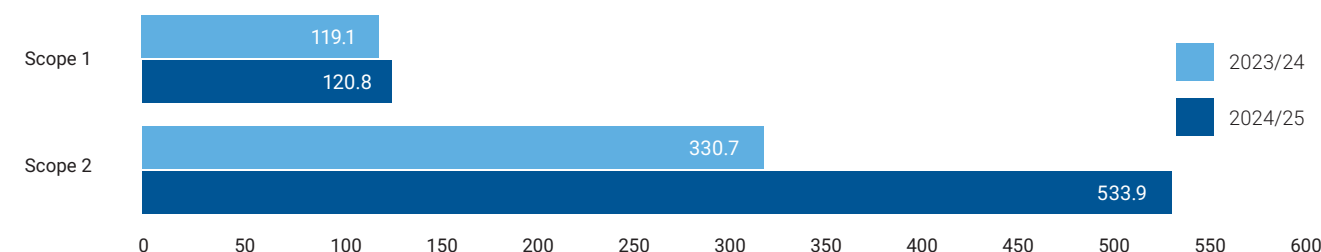
As a provider of critical national infrastructure for the Island, we recognise the vital role we play in enabling sustainable development, protecting natural resources and contributing to public health and community resilience. Our intention is to continue aligning our operations, investments and engagement efforts with the Government's ambitions and to keep collaborating to help Jersey thrive.

Our carbon footprint

Our 2025 footprint shows overall emissions of 654.7 tCO₂e (2024: 449.8 tCO₂e)*. The increase is due to the extended and necessary operation of the desalination plant to maintain water supplies during a dry year. Although we achieved a decrease in emissions of 6% in 2024, we did not run the desalination plant during that year. While it will always be an energy-intensive process to operate and closely linked to the carbon footprint of the Island electricity supply (which is undergoing its own decarbonisation strategy), the plant plays a critical role in ensuring the Island's resilience to drought. We will keep exploring ways of reducing our carbon footprint and using renewable and efficiency measures where we can. The upgrades that we will be making to the desalination plant, aimed at modernising the facility and increasing its output by 2030, will lead to improvements in overall efficiency. The new design also

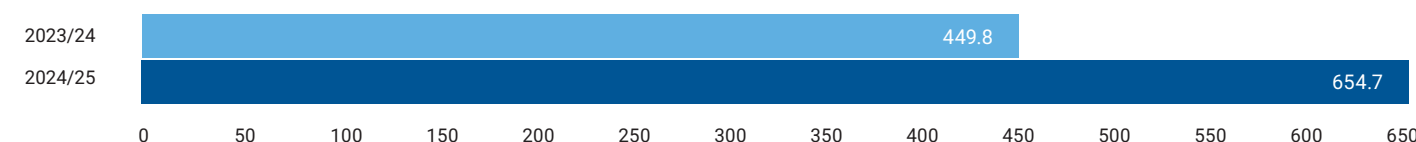
currently intends to incorporate a level of solar power, which will help offset some emissions by supplying energy back into the grid.

Electricity continues to be the primary contributor to our Scope 1 and 2 emissions**, representing 82% of the total, and accounting for the bulk of our Scope 2 footprint. Our Scope 1 emissions currently stem from diesel and other fuels used for transport and heating. Transport-related fuel use, particularly from diesel vehicles, accounts for around half of Scope 1 emissions.



Year-on-year comparison for total emissions, tCO₂e

We have seen an increase in our total emissions compared to financial year 2024. This is due to running the desalination plant for two months between July and September. Scope 2 - Electricity increased by 61% compared to the previous year or 39% after removing the impact of the desalination plant (for the period July to September). The desalination plant along with additional pumping of water to various sites drove the overall increase in electricity.



* tCO₂e means tonnes of carbon dioxide equivalent, the metric used to compare emissions from various greenhouse gases on the basis of their global warming potential by converting amounts of other gases to the equivalent amount of carbon dioxide.

** Calculated using the Greenhouse Gas Protocol methodology, applying UK Government's DEFRA emission factors for all fuels and the Government of Jersey's greenhouse gas emission factor for grid electricity.

Securing water for the future

2025 was a notably dry year for Jersey with one of the driest springs on record, followed by a long, hot summer with minimal rainfall. Reservoir levels were below the ten-year average and we brought the desalination plant into operation for its longest run since 2022, which provided an additional, and much needed, 200 million litres of water into supply. We also relied on customers responding to our appeals to use water wisely, with a prolonged water saving campaign. Entering the winter months, we continue to keep a close eye on our reserves.

The year once again highlighted the Island's vulnerability to drought due to our limited water resources and underscored the importance of the work we do to plan and invest to secure water for the future.

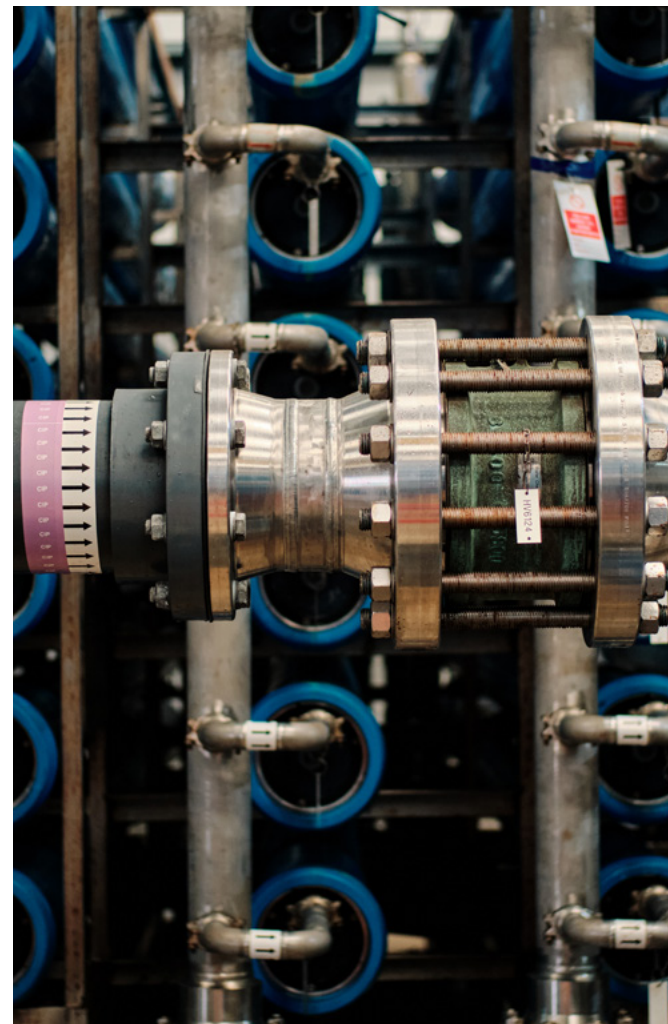
That's why every five years we update our Water Resources and Drought Management Plan, a vital document that looks 40 years ahead to address the Island's long-term water needs amid climate change, population growth and other pressures. This forward-thinking plan identifies risks and develops a balanced portfolio of measures to build resilience and reduce the risk of water shortages. It proactively looks at everything from demand management, resource and infrastructure upgrades and, if needed, emergency measures such as temporary restrictions, to ensure homes and businesses can continue to rely on safe, clean water.

In 2025, we published our most up to date plan and it is particularly significant. After two years of technical research and modelling, our latest forecasts indicate that, without urgent action, Jersey could face a potential water deficit of 8.6 million litres per day within ten years, during severe drought. That is almost half of the Island's current daily supply. This is a stark reminder of the scale of the challenge and the importance of taking action now. Looking further ahead, by 2065, we expect the number of homes we supply to grow by 10% with a similar correlation for total domestic water use, which is estimated to reach 20.7 million litres per day.

As it stands, in a normal year, we can safely and consistently catch up to 31.5 million litres per day, in our reservoirs. That drops to 18.4 million litres per day in an extreme drought, which is described as a one in 500-year event. While such extreme drought events are rare, this "one-in-500-year" standard is what UK water companies now prepare for and therefore this level of resilience equally guides our own planning. We recognise that some risks remain in the short term, but our aim is to reduce those as quickly as possible through investment and management.

After considering more than 100 different ideas, our plan has identified schemes to implement in the next five to ten years and others that require further investigation and planning, to ensure that they are feasible solutions, if we need them in the

By 2035, Jersey could face water shortages of 8.6million litres per day in a severe drought.



The desalination plant



Grands Vaux, October 2025

future. Our final shortlist includes a mix of measures that cover both supply and demand, for example new water sources and storage, infrastructure upgrades, water efficiency advice, water reuse and smart technology.

We will be doing everything we can to reduce the demand for water but that alone isn't enough to meet the forecast deficit in supply. We need to also invest in new supply infrastructure that delivers additional capability and capacity to ensure we have enough water during times of extreme drought.

Between now and 2030, of the £48 million we committed to invest in our operations, £37 million will be allocated to building our resilience to drought by:

- **Increasing the capacity of our existing desalination plant by 50%, providing a more robust source of water during dry periods and drought;**
- **Exploring future options such as water recycling, new reservoir construction or expansion of existing reservoirs, and further desalination plant enhancements;**
- **Trialling treatment solutions for PFAS and returning to use the water sources that were contaminated by the historic use of firefighting foam at the airport;**
- **Continuing to strengthen our work to protect reservoir catchments to safeguard our water sources;**
- **Employing advanced leakage detection and monitoring technologies to further reduce water loss in the distribution network; and**
- **Renewing and upgrading sections of the mains network to improve reliability and reduce bursts or interruptions.**

These steps will help us stay resilient in most future scenarios. If conditions become more extreme, we may need additional solutions such as a bigger or secondary desalination plant, a new reservoir or expanding an existing one, or potentially water recycling from Bellozane wastewater treatment works.

As we publish this report, we remain in need of rain over the coming months to recharge our reservoirs and see us through to the summer of 2026. Relying on wet winters, however, is not a gamble the Island can afford to take for the long term.

This reflects our commitment to proactively planning ahead, adapting to emerging risks and securing our supply for Islanders to count on now and for decades to come.

Our 2025 Water Resources and Drought Management Plan was the main driver for the direction of our five-year strategy to 2030, which is covered in the subsequent pages (59 to 62). Our full plan is published on our website jerseywater.je.

Our strategy to 2030

The five years from 2026 to 2030 will be pivotal in determining the direction of water supply for Jersey. We have a responsibility to keep the Island's tap water safe and reliable, and our strategy focuses on doing just that. Setting a direction for Jersey Water that goes beyond 2030, the work that we are planning to deliver will have a positive impact and bring long-term value for our existing customers, future customers and Jersey.

Our water. Our future. Our responsibility

Right by our customers. Right by Jersey

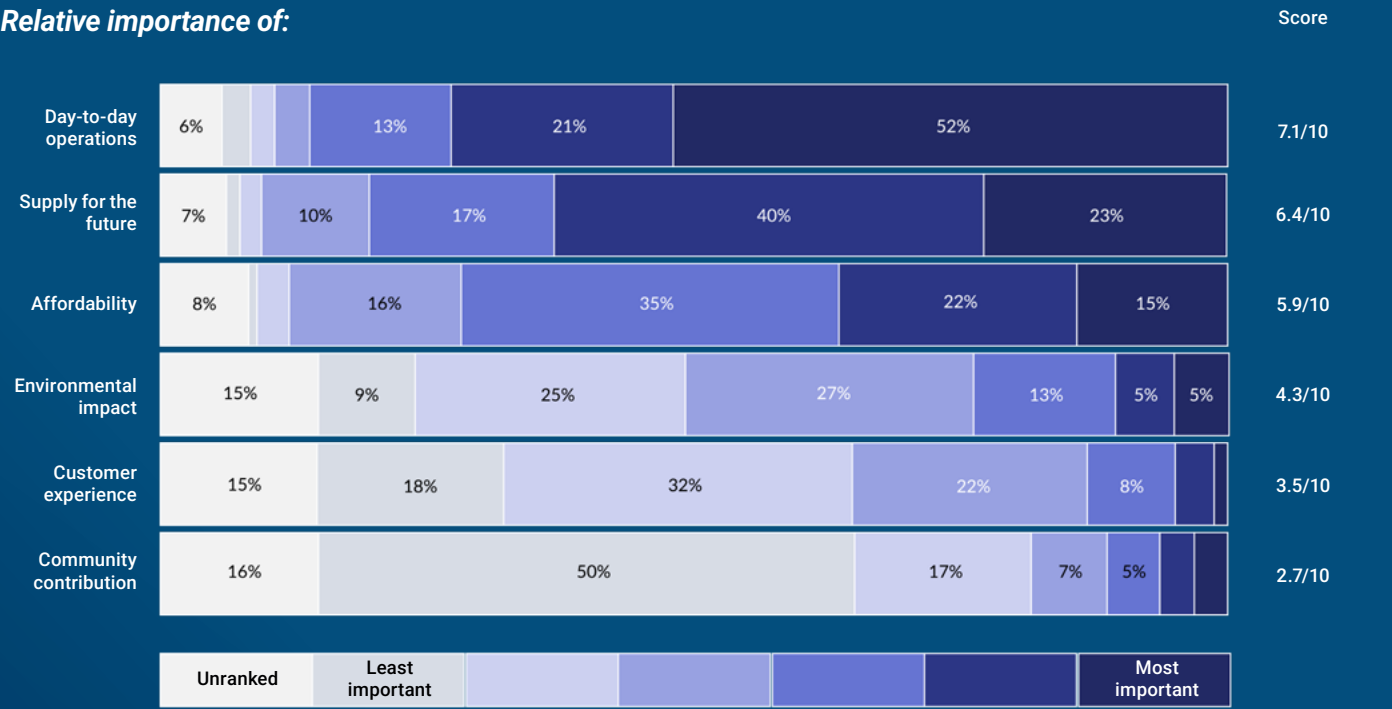
The journey we went on to develop our strategy laid a strong foundation for enhancing how we plan for Jersey Water in the short, medium and long term, ensuring that we can evolve, adapt and develop as the needs of our Island and community also change.

2025 was the culmination of more than 18 months of forecasting, research, engagement and planning to finalise our strategy. It addresses some of the complex issues that we are facing and responding to on behalf of Jersey and everyone living here. These issues - namely making sure we always have enough water for the Island, tackling PFAS pollution, meeting new water quality standards and investing in the Island's critical national infrastructure – mean we need to take action now.

At the same time, we have built our strategy on what matters most to our stakeholders. We have listened to our people, our customers, our investors, the Government of Jersey and the wider community so that we consider their needs and expectations, alongside the essential work we also need to do. To shape the strategy, we ran surveys and workshops, held face-to-face meetings and spoke directly with people to identify what they want and expect from Jersey Water in the years ahead.

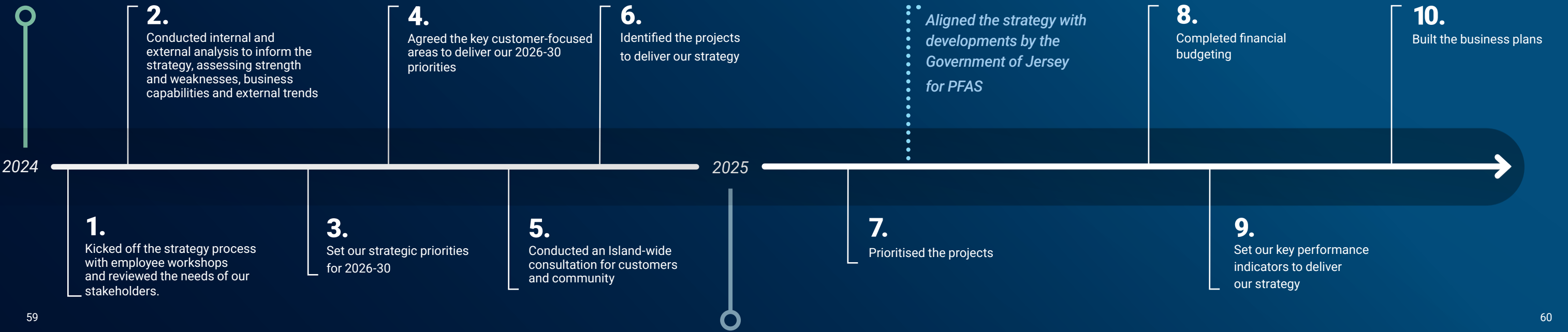
In October 2024, we conducted our first Island-wide consultation to get the views of both customers and non-customers on our current and future services. The feedback that we received indicated that above all else Islanders want us to prioritise day-to-day operations and secure a reliable water supply for the future. While customers rated our service reliability as either good or excellent (83% of respondents), we got a clearer understanding of people's

concerns around water quality, which were key factors for influencing trust. We were hugely grateful to those who took the time to share their honest views with us. The results helped to shape our strategic plans and priorities, which we consider to be central to maintaining and strengthening Islanders' confidence in Jersey Water.



59% of Islanders
Scored us 7.0 for overall trust (out of 10)

83% of customers
Rated our service reliability as either good or excellent



Our strategy to 2030

Listening closely to stakeholders, we established a new set of goals to aim for over the five years to 2030 and beyond. While these goals have always been intrinsic to our purpose and operations, we have refined them to make them more meaningful for our customers. They replace our previous customer outcomes and will be used to measure our performance.



Trusted water

Delivering safe clean water that you can rely on.



Happy customers

Providing great service and listening to your needs.



Healthy environment

Protecting Jersey's natural resources and supporting Island life.



The only way we will achieve our strategic goals is if we have the right foundations in place. These are the people and processes, systems and technology, resources and relationships that make our plans come together:



Our people

Skilled, motivated teams delivering for Jersey.



Our partnerships

Working together with the Government, local industries, shareholders and the wider community.



Our progress

Using innovation, data and technology to drive improvement.



Our performance

Achieving reliable results through strong financial management, clear and effective governance and robust operations.

Our 2026 annual report will be the first year that we will report on our progress against these strategic goals and key priorities.

To achieve our 2030 goals, we have committed to three priorities:

Enough water for the Island, always

With forecast water shortages of 8.6 million litres a day by 2035, we need to take action now to protect the Island's water supply during dry periods and drought, so that we can count on having water when we need it.

Keeping water safe

As the Government of Jersey considers new water quality regulations for the Island, we are taking important steps to make sure our drinking water stays clean, safe and fully compliant, so Islanders can always have confidence in their tap water.

Smarter, resilient, future-ready operations

So that the Island's critical national infrastructure remains resilient, we are investing in our operations to make a long-term difference to the public service we deliver. We know how important it is to have safe water we can all trust.



Driven by these three priorities, over the five years to 2030 we plan to invest £48 million on a series of essential upgrades to strengthen Jersey's water infrastructure, build our resilience to drought and protect water quality. To tackle future water shortages, some of the projects we will deliver include expanding the desalination plant by 50%; deploying advanced leakage detection and pressure monitoring technology; renewing sections of the mains network; alongside exploring further options like water recycling, a new reservoir or expanding an existing one, or an even larger desalination facility. To keep water safe, we are developing a PFAS treatment plan to future-proof water quality in response to regulatory changes, and we will be undertaking interim treatment and pilot trials. Full details of our 2026-2030 strategy are available on our website.

"We are at a pivotal point for Jersey Water. The important decisions and investments we make now will shape the future of the Island's water supply for all of us and for decades to come, as we respond to very real challenges: the impact of climate change on weather patterns, changing demographics, water quality challenges and finite water resources." Helier Smith, CEO.

Meeting the needs of our stakeholders

Working closely with our stakeholders and prioritising their needs is essential for our future planning. By understanding the environment in which we operate and the expectations of the community we serve, we can ensure we provide the highest quality of service.



Customers

Why we focus on them	How we engage them	What they tell us	How we respond
Our customers and consumers are central to our business. We deliver our services with our four customer outcomes at the core of our planning and decision-making (see page 10). These outcomes guide our targets and business priorities.	We connect with customers through meetings, calls, events, emails, our website, social media channels and annual customer surveys. We closely monitor feedback, particularly from our annual Institute of Customer Service benchmarking survey (see pages 27 to 30). We also draw insights from UK water sector consumer groups and their large-scale research to help shape Jersey's approach.	<p>From our ongoing engagement and wider industry research, we know our customers value:</p> <ul style="list-style-type: none"> A reliable supply of high quality water; Great customer service, with issues resolved quickly and effectively; Fair and affordable prices; An environmentally responsible approach to our operations. 	<p>In 2025, we expanded our engagement efforts beyond our annual customer satisfaction survey with a public consultation to shape our 2030 strategy (see pages 59 to 62). We increased our public engagement around PFAS, attending public meetings, enhancing our reporting and proactively communicating progress updates on our work. We ran a targeted water saving campaign to encourage more sustainable water use.</p> <p>Our 2026-2030 strategy is centred around delivering on customer expectations.</p>



Government

Why we focus on them	How we engage them	What they tell us	How we respond
We provide essential public services and operate as a critical part of Jersey's national infrastructure. Our work underpins the health, wellbeing and economic resilience of the Island, ensuring safe, reliable water for homes, businesses and public services. Our success depends on strong engagement with the Government of Jersey, both as our regulator and as a key delivery partner.	We maintain a collaborative and transparent relationship with the environmental regulator and Government departments. Together, we work to address risks and opportunities that affect Jersey's water supply and environment. Our approach is built on transparency, shared goals and a commitment to delivering long-term value for the Island.	Government stakeholders expect us to operate with transparency and accountability, on a 'no surprises' basis. Through our partnerships, we play a leading role in tackling water-related challenges, from resource planning and pollution management to flood mitigation and catchment protection.	In 2025, we advanced long-term water planning with the publication of our latest Water Resources and Drought Management Plan. We continued our efforts in response to PFAS pollution, working with the Government and Ports of Jersey on remediation, testing and public engagement. Our catchment management efforts, in partnership with farmers and the Government, helped achieve 100% compliance in water quality testing; clear evidence of positive environmental impact.



Investors / Shareholders

Why we focus on them	How we engage them	What they tell us	How we respond
Meeting the needs of our investors is essential to the long-term success of our business. A strong, transparent relationship with shareholders supports sustainable growth and ensures we continue delivering value to all our stakeholders.	We maintain open communication with shareholders through our annual report, dividend correspondence and AGM. We meet regularly with our majority shareholder, the Government of Jersey, to discuss performance and strategy. Engagement with other financial stakeholders, such as banks, is managed on an ad hoc basis to keep them informed of our plans.	<p>Our ongoing conversations with shareholders focus on:</p> <ul style="list-style-type: none"> Financial performance and future outlook; Risk management and issue resolution; Cost efficiency balanced with service quality and resilience; Governance standards and transparency; Investment returns and share liquidity. 	We continue to go beyond the required level of financial disclosure, aligning our governance with the UK Corporate Governance Code to ensure transparency and accountability. In 2025, we were awarded Best Annual Report for a large organisation by the Auditor and Controller General. We also enhanced shareholder engagement by improving access to strategic information, upgrading digital channels and keeping shareholders informed on key developments, including dividends and our 2030 strategy.



Island community

Why we focus on them	How we engage them	What they tell us	How we respond
The health and well-being of our Island community depend on a reliable supply of clean water and our wider responsibility to make sure we have a positive societal and environmental impact for Jersey.	We work in partnership with local organisations and charities to support Jersey's community. We maintain regular dialogue with special interest groups to stay informed on emerging issues and participate in local and UK forums to stay up to date with the latest thinking on community and societal matters.	Feedback consistently shows that, as a provider of a vital public service, we are rightly expected to act in the best interests of the wider community. Local stakeholders tell us they value our role in protecting the environment and contributing positively to Island life.	We take our community role seriously and continue to expand our efforts to support local causes and events. In 2025, we supported charities Brighter Futures and Jersey Trees for Life, supplied water to 72 community events and installed another two outdoor water fountains across the Island to help reduce single-use plastics (see pages 35 to 38 for more on our community work).



Our people

Why we focus on them	How we engage them	What they tell us	How we respond
<p>Our people are our most valuable asset, central to our success and delivering on our purpose.</p> <p>Investing in our people drives our culture and performance.</p> <p>Making sure our people feel informed and able to do their jobs is the only way we can be a truly great, safe place to work.</p>	<p>We take an inclusive and collaborative approach to working with our people, ensuring their voices are heard and considered in decision-making. We run regular pulse surveys to track engagement and gather views. Our leadership team engages with employees face-to-face, individually, in teams and through forums and workshops.</p> <p>We use employee feedback to shape our plans and ensure Jersey Water remains a great, safe place to work.</p>	<p>Feedback from our employees is key for determining how we run Jersey Water.</p> <p>Our pulse surveys during 2025 indicated that 96.3% of employees feel that Jersey Water is a great, safe place to work.</p>	In 2025, we launched several initiatives to support and celebrate our people from forming a Change Ambassadors group to support our move to our new headquarters and hosting our first employee recognition awards, to introducing a new Intranet and weekly e-news updates. We held three company-wide events, continued weekly CEO videos and our interim Investors in People assessment showed steady progress against the standard.

Principal and emerging risks

Our strategic outcomes are subject to a number of risks and uncertainties that could, either individually or in combination, affect our operations, performance and future prospects. We identify and manage these and other risks through our risk appetite framework, whereby the amount and type of risk that we are willing to take on, in order to meet our strategic outcomes, is articulated through qualitative statements and tolerance levels.

Our underlying appetite for risk will vary according to the nature of the business activity and will be driven by the need to manage, avoid or mitigate the risk, balanced by the cost of doing so, over the long-term. Overall, we have a low appetite for risks that threaten our ability to fulfil our statutory responsibilities as the provider of mains water to the Island, or that are likely to erode our trustworthiness and reputation among our customers and the community.

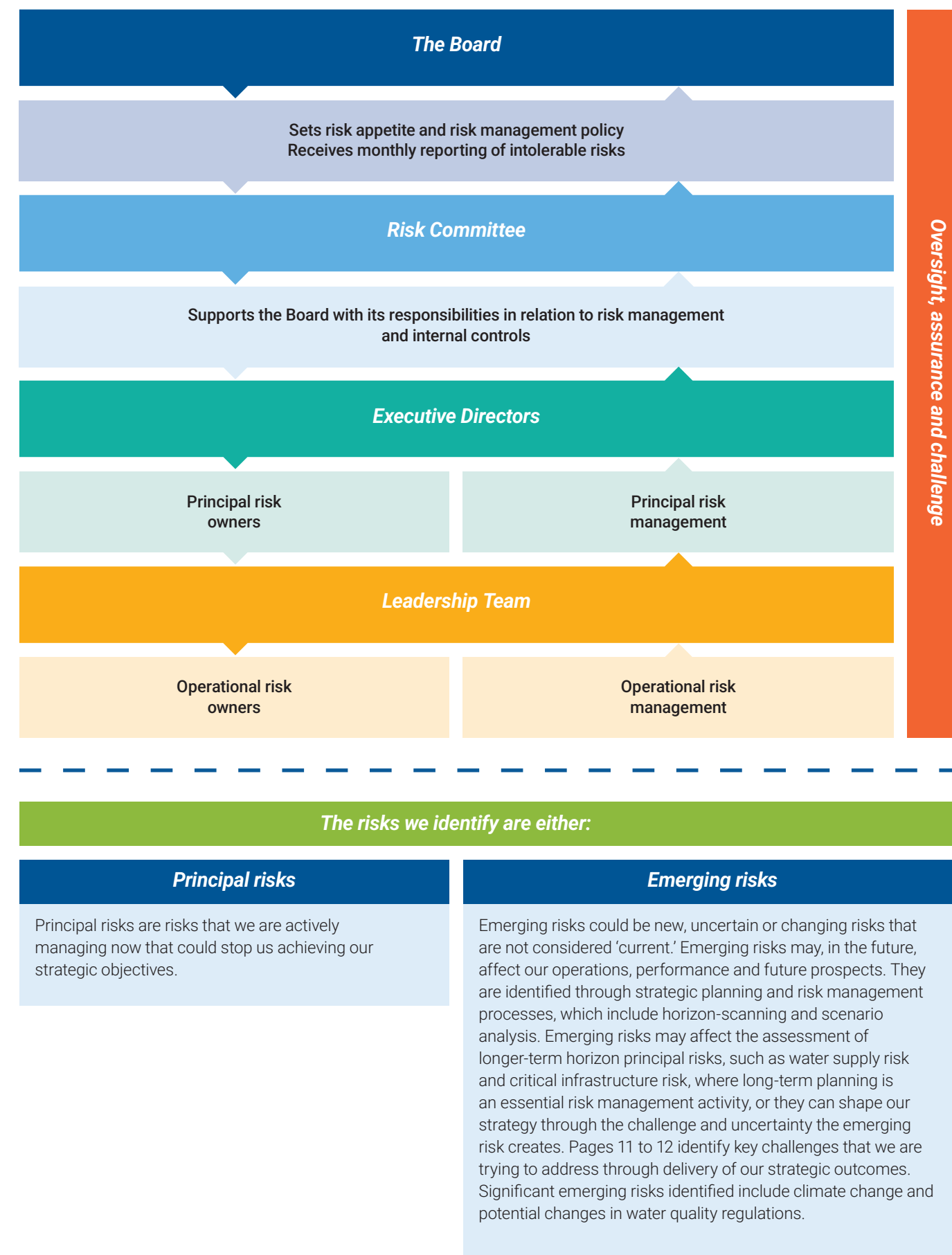
The following diagram illustrates how we manage risk and incorporate it into our business strategy.



Risk assessments include:



The below illustrates the governance structure we adopt for managing risk:





Climate change

The assessment and management of climate related risks and uncertainties is consistent with the approach used to manage risk through the business. The process for identifying and managing the impact of climate change on our principal risks is integrated within our strategic planning, resilience and risk management processes. Climate change has significant influence on several principal risks associated with delivering 'our customer outcomes'. These are identified on the table of principal risks with the risk management activities for intolerable and undesirable risks detailed on pages 69 to 70.



A significant change in water quality regulations



A change in water quality regulations to address PFAS represents a significant emerging risk for water companies around the world, as these "forever chemicals" are difficult to remove. New, stricter regulations will require new or extensive upgrades to treatment processes. These can be costly both to implement and to operate, as well as lead to pressure on supply chains as the water industry prepares itself for the new regulatory standards. Likely changes in regulations will influence a number of principal risks associated with delivering our customer outcomes. These are identified on the table of principal risks with the risk management activities for intolerable and undesirable risks detailed on pages 69 to 70. In addition, pages 23 to 26 provide more detail on how we are managing the risks associated with PFAS in drinking water.

Darren, a member of our Facilities team, supporting with reservoir inspections

Principal risks and uncertainties included within our strategic risk register are summarised in the following table:

Risk description	Risk category (driven by risk appetite)	Trend	Significant emerging risk	High quality water	Great customer experience	Environment and community	Fair and affordable bills
Water supply failure			Climate	✓	✓	✓	✓
Water quality failure			Changes in Water Quality Regulation	✓	✓	✓	✓
Income and profitability			Climate/Changes in Water Quality Regulation				✓
Key skills and succession				✓	✓		
Information security				✓	✓		
Supply chain			Climate/Changes in Water Quality Regulation	✓	✓		✓
Liquidity and funding			Climate/Changes in Water Quality Regulation				✓
Environment and community impact			Climate		✓	✓	
Critical infrastructure			Climate/Changes in Water Quality Regulation	✓	✓		✓
Political/regulatory			Climate/Changes in Water Quality Regulation	✓	✓	✓	✓
Stakeholder imbalance			Climate/Changes in Water Quality Regulation	✓	✓	✓	✓
Large scale employee absence				✓	✓		
Customer satisfaction and trust			Climate/Changes in Water Quality Regulation		✓		
Project delivery				✓	✓	✓	✓
Health and safety				✓	✓		
Pension liabilities							✓
Fraud							✓

The following pages provide further detail on the current intolerable and undesirable principal risks and uncertainties, and how we are investigating those risks.

Intolerable risks	Description	Risk management	Opportunities
Water supply failure 	<p>By 2035, Jersey could face a shortage of 8.6 million litres of water per day (in the worst-case drought scenario) due to population growth, demand and climate change. Without action now, we may not have enough water to supply to the Island in the future. Short-term events like extreme weather, pollution, infrastructure failure or cyber-attacks, combined with limited water storage, could cause water shortages. There is a risk we might not meet our legal duty to supply water, which could harm public health, customer confidence, our finances and our reputation.</p>	<ul style="list-style-type: none"> Water Resource and Drought Management Plan for next 40 years Drought response planning Spare treatment works capacity Universal customer metering Standby desalination which can provide capacity of 50% of daily demand Increased raw water testing and monitoring Operational flexibility of raw water network Water efficiency strategy Working with key stakeholders Jersey Resilience Forum Active leakage detection and repair Pressure management of treated water network. 	<p>Our involvement in the proposed Government of Jersey "Water Strategy" for the Island, which will help focus the need for additional resources.</p> <p>Customers gain a better understanding of their water usage and bills, through improved technology leading to more efficient water consumption.</p>
Water quality failure 	<p>The risk of non-compliance with drinking water quality standards potentially resulting in public health impacts, a loss of public confidence in the water supply and legal and reputational issues for the company.</p> <p>The scientific knowledge and understanding of the risks associated with PFAS are developing at pace; water quality regulations around the world vary and are rapidly evolving. We expect the Government of Jersey will introduce new water quality standards for the Island during the course of our incoming five year strategy. We will need to address changes through our treatment processes in order to continue to deliver "wholesome water". This has been taken into account in the assessment of this risk.</p>	<ul style="list-style-type: none"> Robust water quality monitoring programme Drinking Water Safety Plan approach to identify and address water quality risks in a systematic manner (due to be updated) Partnership approach to address Island-wide water quality issues through the Action for Cleaner Water Group and the PFAS Hydrogeological Steering Group 24/7 automated online quality monitoring for key parameters Automated control of key treatment processes In-house laboratory 24-hour manned treatment works Ultraviolet treatment processes at both treatment works Ability to select and blend from several raw water reservoirs. 	<p>Implementing forward-looking treatments and testing regimes demonstrates our commitment to water quality. Further benefit may arise in operational efficiencies from enhanced treatment processes.</p>

Undesirable risks	Description	Risk management	Opportunities
Income and profitability 	<p>We are facing rising operational costs and major investment needs, including maintaining and enhancing existing infrastructure and potential PFAS treatment systems. These pressures come at a time of lower profits making it increasingly challenging to limit water bill increases while ensuring a fair financial return.</p>	<p>Financial governance model sets financial targets and objectives, ensuring charges are fair and affordable by keeping them at the minimum level required to deliver consistent high levels of water quality and customer experience, whilst also funding the investment required to ensure future resilience of water supply, including keeping our price increases to a minimum.</p> <ul style="list-style-type: none"> Hedging policy to help manage the impact of interest rates and cost of debt Frequent and regular monitoring of financial performance Investment in systems and resources to enable development of long-term investment strategy Comprehensive insurance cover in place Targeted operating model improvements to grow business capability, deliver efficiencies and generate value. 	<p>Investment in systems, processes and people drive efficiency, grow resilience and help manage the upward pressure on costs and be more sustainable. In turn, helping minimise the impact on bills of increased investment and generate longer term value.</p>
Information security 	<p>Globally, critical national infrastructure including water companies are being increasingly targeted by cyber-attacks. These attacks can affect water supply, disrupt business operations and compromise customer data. Strengthening our cyber defences is paramount to protect water services, maintain public trust and ensure we can keep supplying water people can trust.</p>	<ul style="list-style-type: none"> Controlled access to our systems Multiple layers of physical and cyber security in place Internal security audit of data and systems Risk assessment of technology supply chain Security assessments of suppliers prior to procurement stage Third-party scrutiny of security arrangements Secure design of any new system implementations Employee awareness and training Regular testing and enhancement of security arrangements Zero complacency – risk management is continual, as often new challenges offset improvements. 	<p>Investment in our technology systems and cyber security will not only help strengthen our resilience and approach to managing incidents, it will grow our ability to be more agile and efficient, ultimately benefitting the quality of service and customer experience.</p>
Key skills and succession 	<p>We rely heavily on a small number of key employees with specific skills and expertise and, if they leave without replacements, it could hamper our operations and service. Finding skilled workers is hard, especially with Jersey's high living costs, making it less attractive to move here. Competition for these skills is driving up salaries, directly affecting our finances and potentially impacting water charges.</p>	<ul style="list-style-type: none"> Retaining Investors in People silver standard Training and employee development commitment Performance development and leadership frameworks A competitive remuneration and benefits package Additional key technical resources recruited Active benchmarking of roles and remuneration. 	<p>Being a great, safe place to work means we can attract the best talent and employ the skills we need for the future. Investing in people development enables innovation and encourages continuous improvement to the benefit of customer experience, operational efficiency and organisational resilience.</p>



Left to right: Natalie Passmore, Louisa McInnes, Andrew Isham, Heather MacCallum, Helier Smith, Donna Abel, Michael Pocock.

Our Board

Heather MacCallum Chair

BA (Hons), CA

Tenure on Board

Appointed October 2016 and Chair from February 2020

Committee memberships

- Nomination Committee Chair
- Remuneration Committee
- Risk Committee

Donna Abel

Chartered FCIPD, MIO, FCMI

Tenure on Board

Appointed March 2023

Committee memberships

- Audit Committee
- Nomination Committee
- Remuneration Committee Chair
- Risk Committee

Andrew Isham

BA (Hons), FCA

Tenure on Board

Appointed October 2024

Committee memberships

- Audit Committee Chair
- Nomination Committee
- Risk Committee

Paul Masterton

BSc (Hons)

Tenure on Board

Appointed October 2025

Committee memberships

- Nomination Committee
- Remuneration Committee
- Risk Committee

Michael Pocock

BSc (Hons), MBA, CEng, MICE, MCIWEM

Tenure on Board

Appointed May 2018
Senior Independent Director
June 2024

Committee memberships

- Audit Committee
- Nomination Committee
- Risk Committee Chair

Natalie Passmore Finance Director

MA(Hons), BFP FCA, CMgr, MCMI, CDir FloD, ElWater

Tenure on Board

Appointed May 2017
Finance Director

Auditors

PKF CI Assurance Ltd
Bond Street
St. Helier
Jersey JE2 3NP

Helier Smith Chief Executive

BA (Hons), BFP, FCA, FloD, CDir, ElWater, FCMI

Tenure on Board

Appointed October 2003
Chief Executive since April 2015

Registered Office

2nd Floor
Durell House
28 New Street
St Helier
Jersey JE1 1JW

Louisa McInnes Company Secretary

TEP

Bankers

HSBC Bank PLC
HSBC House
Esplanade
St Helier
Jersey JE1 1HS

Bankers

Lloyds Bank
Corporate Markets,
Jersey Branch
9 Broad Street
St Helier
Jersey JE2 3RR

Corporate Governance

Compliance with the UK Corporate Governance Code

We have chosen to adopt the principles of good corporate governance and best practice set out in the UK Corporate Governance Code (the 'Code'), as updated in 2018. The Board is of the opinion that the company has complied with the main principles of the Code throughout the year under review.

Directors and our Board

Our Board

As at 30 September 2025, our Board comprised six directors: two are executive directors and four are non-executive directors. Our Board has a schedule of regular board meetings – normally five per financial year, with any additional meetings convened as and when required. These meetings can include delegated sub-committee meetings for specific matters, together with one to two formal strategy sessions. In financial year 2025, we held a total of nine Board meetings.

None of the executive directors hold any non-executive directorship positions. However, Natalie Passmore is a director and guarantor member of ArtHouse Jersey Limited.

Our Board is collectively responsible for the long-term resilience and success of Jersey Water. To achieve this, it sets the overall operating strategy, approves

detailed business plans and oversees the delivery of objectives by continually monitoring performance against those plans. Our Board also establishes the culture, standards and values of the company, while overseeing the management of risk and monitoring financial performance and reporting, ensuring that appropriate and effective succession planning and remuneration policies are in place.

Our Chair is responsible for leadership of the Board and ensuring its effectiveness in all aspects of its role.

The non-executive directors constructively challenge and help develop strategic proposals, bringing strong, independent judgement, knowledge and experience to the Board's deliberations. Our Board has Audit, Nomination, Risk and Remuneration Committees in place; the terms of reference of the committees are available on request from the

Company Secretary.

While our Board maintains oversight through regular meetings, the day-to-day strategic operations of the company are delegated to the Executive Committee. Our Board is supplied with a sufficient level of regular, detailed, and timely management information to allow it to discharge its functions effectively.

At the 2026 Annual General Meeting (AGM), our Chair, Heather MacCallum will have completed nine-years of service and will therefore be standing down as Chair of the company and will not be standing for re-election. As part of our succession plans, after a rigorous recruitment process, Paul Masterton was successfully appointed to the Board, effective 1 October 2025, as a non-executive director and will stand for election as Chair of the Board of Directors at the 2026 AGM.

Meetings and committee membership

The table below sets out the number of meetings (including committee meetings) held and attended during the financial year.

	Board	Audit	Remuneration	Risk	Nomination
Number of meetings in 2025	9	4	2	2	4
Donna Abel	9	4	2	2	4
Andrew Isham	8	4	-	2	4
Heather MacCallum	9	-	2	2	4
Natalie Passmore	9	-	-	-	-
Michael Pocock	8	4	-	2	4
Helier Smith	9	-	-	-	-

Director independence

Our Board considers all the non-executive directors to be independent in character and judgement. In determining independence, our Board considers the specific circumstances of each director. Our Board has concluded that the non-executive directors serving at the balance sheet date, being Andrew Isham, Donna Abel and Michael Pocock shall be deemed independent.

Paul Masterton was appointed to the Board on 1 October 2025, with the Board concluding that he be deemed independent upon his appointment.

Heather MacCallum, as Chair of the company, was considered independent on appointment and, in accordance with the Code, is not subject to the independence test thereafter.

Evaluating our Board

In previous financial years, our Board has undertaken a review of its effectiveness and its committees, either by an external board performance review or by internal review. The principal focus of our internal review is to evaluate the performance of both our Board and the sub-committees and individual directors. This focuses on themes around meeting management, Board and committee membership, compositions, Board structure, Board culture and behaviours, Board roles and responsibilities, relationships between non-executive directors and executive directors, and the corporate governance arrangements.

Following the external performance review on the effectiveness of Jersey Water's overall leadership structure, which was undertaken in 2024, that included elements of Board performance and the interfaces between our Board and leadership team. The Board agreed that for this financial year, an internal review on the effectiveness of both the board and its committees should be undertaken.

Internal Board evaluation process

1. Review

Reviews, comprising both scored questions and open text responses are circulated to all Board members assessing various aspects of effectiveness, including the performance of the Board, the Chair and the Committees.

2. Appraisal

Results are anonymous and collated and analysed by the Company Secretary.

3. Consultation

Results are then shared and reviewed with the Chair before being presented to the collective Board for discussion and action. The opportunity is also used to provide feedback to the Chair.

4. Review and actions

The conclusions of the review are then recorded, and an action plan is devised to target specific areas of improvement.

5. Non-executive director (NED) reviews

As part of the 2024 external performance review, it was recommended that the NEDs undertake performance reviews. In the current financial year, this recommendation was piloted. Each Board member was invited to provide feedback on each of the NEDs and the responses were collated and analysed by the Chair and the Senior Independent Director.

The NEDs agreed that the exercise had been valuable and recommended that the process be further developed and fully scoped in FY2026.

Response to feedback

The Board discussed its feedback and next steps, and an action plan has been formulated to take forward in FY2026.

Key areas for action	Detail	Objective
Executive succession	Deliver a five-year succession plan for Executive Directors	To have a robust succession plan in place, ensuring leadership continuity and resilience
Board training	Agree on the approach to Board training and develop a training programme for FY2026 and beyond	To have a structured training programme agreed and scheduled, enhancing the Board's capability
Board reviews	Agree parameter and roll out reviews as part of the cyclical process for Board and committee evaluations	To have comprehensive feedback to inform Board development and governance improvements
Technology	Gather technology needs and wants of the Board and adopt a standardised technology approach	To ensure the Board has the right technology to support effective and efficient decision-making
Stakeholder groups	Continue to actively engage with key stakeholders, strengthening relationships	To build stronger stakeholder relationships to drive trust, transparency and strategic alignment

Conclusion

Following this internal review, the Board concluded that for the reporting year, it possesses the requisite mix of skills, experience and knowledge required to approach, develop and deliver the strategies, challenges, opportunities and principal risks facing Jersey Water. It was also concluded that the Board promotes diversity, inclusion and equal opportunity. The composition of the Board is reviewed at least twice a year, with recommendations put forward to the Board by the Nomination Committee.

Three-year Board review cycle

Activity	Financial year
External review of Board and Committees	2024
Internal review of Board and Committees	2025
Internal review of Board and Committees	2026
Anticipated external review of Board and Committees	2027

Other significant commitments

Our Board has a process in place for reviewing other significant commitments of non-executive directors and their impact on the ability of the non-executive directors to discharge their duties to Jersey Water.

It is the opinion of the Board that all non-executive directors can effectively discharge their duties to Jersey Water.

Reappointment

Except where a director is appointed to fill a casual vacancy, all directors are appointed by the shareholders at the Annual

General Meeting (AGM). One third of the directors, or where the number of directors is not a multiple of three, the number nearest to one third, retire by rotation (based upon length of service) and, where eligible, seek re-election each year. No director may serve a term of longer than three years without seeking re-election. In accordance with the Code, unless in prevailing circumstances, we have adopted the policy of requiring all non-executive directors who have served on the Board for nine years or more to retire from the Board and not seek re-election once they have completed their tenure. Directors appointed to fill a casual vacancy must seek formal appointment by shareholders at the next AGM.

Stakeholder engagement

The long-term sustainable success of our business is dependent on our engagement with, and the support we receive from, our key stakeholders. Building positive relationships with our stakeholders, while working towards shared goals, assists us in delivering long-term sustainable success. This is explained in more detail on pages 63 to 64.

Workforce engagement

There are various forms of engagement with teams and individual employees, ranging from informal one to ones with non-executive directors to more formal group workshops or consultations on specific topics and regular employee surveys. Output from such processes is reported back to our Board and action taken as necessary.

Relations with shareholders

We are in regular contact with our majority and controlling shareholder, the States of Jersey, with whom we meet formally at least twice a year. We use events such as the AGM to interact with and hear the views of all shareholders. Due notice of the AGM, stating the business of the meeting, is circulated to all shareholders in advance of the meeting in accordance with Companies (Jersey) Law, 1991, as amended. We monitor and review the votes received and consider the need to further engage with shareholders, in the event of significant opposing votes or informal feedback.

Internal controls

Our Board is responsible for ensuring that there are effective systems of internal control in place to reduce the risk of misstatement or loss, and to ensure that we are operationally and financially resilient, with our strategic business objectives met. These systems are designed to manage and mitigate (rather than to eliminate) the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

We have developed and adopted corporate and operational risk registers detailing and grading the significant risks we face. Alongside these registers, we maintain a process to regularly identify and evaluate key risks. The effectiveness of the controls in place to manage these risks is reviewed by the Risk Committee to ensure their adequacy.

The process of financial risk assessment and reviewing the effectiveness of the systems of internal control is regularly reviewed by the Audit Committee, in accordance with Financial Reporting Council (FRC) 'Guidance on Risk Management, Internal Control and Related Financial and Business Reporting'. This has been in place for the whole of the reporting period, up to and including the date on which the financial statements are approved.

Controls adopted by our Board (or committees) to ensure the effectiveness of the systems of internal control include:

- Review and approve the Risk Management Policy and Risk Appetite Statements;
- Review the corporate and operational risk and control registers ensuring they are maintained and updated by the company, and the status of any actions arising from their regular review;
- Receive confirmation from senior management on the effective operation of controls throughout the reporting period;
- Review and approve the terms of reference of committees;
- Review and approve schedule of matters specifically reserved for its attention; and
- Review reports received from the Audit Committee concerning the findings of the external auditors on our financial statements and the systems of internal control.



Audit Committee report

Committee purpose

The purpose and primary responsibility of the Committee is to support the Board with its responsibilities, pertaining to financial reporting, in accordance with the Code and best practice.

I am pleased to report on the work of the Audit Committee for the financial year ended 30 September 2025.

Membership and meetings

The Committee, which I chair, comprises Donna Abel and Michael Pocock. The external auditors, executive directors (Natalie Passmore and Helier Smith), the Company Secretary, the Head of Finance and the Chair of the Board attend the whole or parts of the meetings by invitation.

During the reporting year, the Committee met on four occasions.

The composition of the Committee ensures that there are sufficient skills, experience, knowledge, professional qualifications, and utility and water industry expertise to discharge the Committee's responsibilities effectively. Biographical information of each of the members of our Board can be found on our website.

The role of the Committee

The terms of reference of the Audit Committee require it to meet at least twice per financial year. Additional meetings may be called when necessary. The Committee is charged by the Board to:

- Monitor the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance;
- Provide advice when requested by the Board, on whether the annual report taken as a whole, is fair, balanced and understandable, while providing the information necessary for shareholders to assess performance, business model and strategy;
- Ensure that arrangements are in place for the proportionate and independent investigation of concerns raised confidentially by whistle-blowers about possible improprieties in matters of financial reporting or any other matters;
- Review and monitor the adequacy, operation and effectiveness of the company's risk management and internal control systems, including internal financial controls, and make recommendations for improvement where necessary;
- Review and approve the statements to be included in the annual report concerning internal control and risk management, and the viability statement;

- Oversee the external audit process and manage the relationship with the external auditors;
- Compile a report on its activities to be included in the company's annual report;
- Exercise judgement in deciding which of the issues it considers in relation to the financial statements to be significant; and
- Make recommendations to the Board as to the re-election and remuneration of the auditors at the AGM (based upon its assessment of the performance of the auditors) giving due regard to their continued independence and any other regulatory or professional requirements.

Internal audit function

The Committee regularly assesses the need for an internal audit function. Having taken into account current systems in place, including inspections and other third-party assurance work, the Committee has determined that the establishment of such a function in-house is, at the present time, given the size and complexity of Jersey Water, not cost effective. The internal audit function is considered by the Committee on at least an annual basis, where a balanced judgement is made.

Review of financial statements

To enable the Committee to discharge its responsibilities effectively in respect of the financial statements, several processes are in place.

The Committee is briefed by Natalie Passmore and the Head of Finance in advance of the year-end on the significant issues pertaining to the financial statements and how they will be dealt with. These issues are generally focused on the areas of subjectivity in the financial statements. For the 2025 year-end, these include: accounting for defined benefit pension scheme valuation and methodology, the valuation of the derivative financial instruments and the critical judgement on capitalisation of the stores area within Douet House, which has been in use since June 2025. Further details can be found on pages 91 to 113 of the financial statements.

In readiness for the upcoming updates to the UK Corporate Governance Code, the Committee focused on the preparatory work required and on agreeing an action plan to achieve compliance.

At the end of the reporting year, the Committee reviews the annual report, related announcements, going concern assumptions and viability statement, and considers them in the context of the significant issues identified, the suitability of any key assumptions and the extent that they have been disclosed. The process is completed in consultation with the external auditors, whose view is sought by the Committee.

The Committee also considers, based on their knowledge of the business and issues arising, whether they can advise the Board that the annual report is fair, balanced and understandable, and provides the information necessary for shareholders to assess our position and performance, business model and strategy.

External auditors

Each period, the Committee considers the external auditors' proposed approach and approves fees for the year-end statutory audit. The performance and effectiveness of the external auditor is monitor and formally considered by the Audit Committee before a recommendation is made to the Board regarding their reappointment. Length of service of the audit firm, effectiveness of the audit process, the independence and objectivity of the team, the depth and breadth of the audit approach, the level of fees and the quality of the service provided are all considered. Fees paid to the auditor for the statutory audit of the company are detailed in note 6 of the financial statements.

The current external auditors are PKF CI Assurance Ltd with David Moehle as Lead Audit Partner. This reporting year will be PKF CI Assurance Ltd's third term as auditors.

The Audit Committee considers the impact of the provision of any non-audit services by the external auditor on the objectivity and independence of the audit. The consideration has regard to the nature of the non-audit work, size of the fee relative to audit fees, any potential involvement of the audit team in the work and the longer-term effect of any non-audit services on the relationship with the audit firm, including an assessment of their continuing objectivity and independence. Based on these procedures, we are satisfied that the external auditors are independent.

Andrew Isham

Committee Chair
11 December 2025



Risk Committee report

Committee purpose

The purpose of the Committee is to support the Board with its responsibilities in relation to risk management and internal controls.

Membership and meetings

I am pleased to report on the work of the Risk Committee for the financial year ended 30 September 2025.

The Committee, which I chair, comprises Andrew Isham, Donna Abel, Heather MacCallum and myself. Paul Masterton was appointed to the Committee as at 1 October 2025. The executive directors (Natalie Passmore and Helier Smith) and the Company Secretary may attend the whole or parts of the meetings by invitation, together with members of the executive and operational leadership team.

In the reporting year, the Risk Committee met twice. Additional meetings may be called when necessary.

The Committee is primarily responsible for reviewing Jersey Water's internal controls and risk management processes, monitoring the principal and emerging risks, and monitoring the robustness of the company's risk management framework. The status of Jersey Water's risk profile is described on pages 65 to 70.

Duties of the Committee

The Committee is charged by the Board to:

- Oversee the development, implementation and monitoring of the company's overall risk management framework and its risk strategy, principles and policies to ensure that they are robust, in line with emerging regulations, corporate governance and industry best practice, and are effective;
- Oversee the company's risk exposure and propose improvements to the company's risk management framework, strategy, principles and policies. This will include proposed changes to risk governance, risk appetite and risk policy frameworks, and the organisation's risk universe;
- Review the adequacy of the company's risk management framework and the resources available to the company to appropriately manage risk, conducting in-depth reviews of specific high-risk areas as required;
- Review and assess identified principal and emerging risks and determine how these may affect the achievement of the organisation's strategic objectives and the continued resilience and viability of its business model;
- Review risk principles, policies and material amendments to such risk principles and policies, as recommended by the executives, for approval by the Board;
- Oversee adherence to risk principles, policies and standards and any action taken resulting from material policy breaches;



Cyclist at Waterworks Valley

- Review and approve the statements to be included in the annual report concerning internal control, risk management and the viability statement from a non-finance risk perspective; and
- Report to the Board as to whether the organisation's purpose, values and Board-approved risk culture expectations are appropriately embedded in the organisation's risk strategy and risk appetite and are reflected in observed behaviours and decisions.

Key areas of focus

To underpin the approach to risk management within the 2026–2030 strategy and business plan, the Committee undertook a comprehensive review of the risk appetite framework to support the delivery of the 2030 strategic goals. This review was informed by risk appetite questionnaires completed by the Board, Executive Committee, and Operational Leadership Team. Drawing on the context of several principal risks, the Committee agreed the organisation's overall risk appetite and that of its supporting goals.

It was acknowledged that, in pursuit of the strategic goals outlined in the 2026–2030 strategy and business plan, the company needed to adjust its risk appetite in certain areas to better respond to emerging priorities. This resulted in a shift towards a medium risk appetite across people, customer and financial areas, while maintaining a prudent low to very low appetite in operational areas. Overall, the company's risk appetite remains defined as low.

Examples of the application to principal risks include:

- Water supply failure - Low appetite due to statutory duty and limited alternative sources.
- Water quality failure - Very low appetite given public health, regulatory and reputational implications.
- Critical infrastructure failure - Low appetite reflecting the need for resilience and continuity.
- Income and profitability - Medium appetite, balancing investment needs with financial resilience.
- Liquidity and funding - Medium appetite, with controls in place to manage debt and ensure long-term viability.

The Committee monitors regular operating reporting to ensure the risk management framework and culture are embedded and effective in day-to-day decision-making.

The Committee reviewed the corporate and operational risk registers at its meetings and conducted an annual review of the risk management policy, risk appetite, assessment of emerging risks, climate change and associated matters such that the disclosure on risk management compliance for the annual report can be made with confidence.

Michael Pocock
Committee Chair
11 December 2025



Meggs and Terry in our new warehouse at Douet House

Remuneration Committee report

Committee purpose

The Committee sets the remuneration policy for the Executive Committee and the Operational Leadership Team, including remuneration packages and incentives such as annual performance-related bonus payments. The Committee is also responsible for agreeing the rules of the performance-related bonus scheme and approving performance objectives for the Executive Committee.

Chair and non-executive director remuneration is determined by the Board of Directors.

Membership and meetings

I am pleased to report on the work of the Remuneration Committee for the financial year ended 30 September 2025.

The Committee, which I chair, comprises Heather MacCallum and myself. The Chief Executive, Head of People and Culture and the Company Secretary may attend the whole or parts of the meetings by invitation. Should external guidance or support be required, the Committee engages these services on an ad-hoc basis.

In the reporting year, the Remuneration Committee met twice. Additional meetings may be called when necessary – for example, when a specific matter arises requiring the Committee's immediate attention.

Remuneration policy

On an annual basis, the Remuneration Committee reviews the salaries, variable pay awards and overall compensation packages for the Executive Committee, Company Secretary and the Operational Leadership Team.

This is to ensure these packages are appropriate, fair and competitive, based on relevant benchmarking data. The Committee also aims to incentivise improved performance and ensure that Jersey Water can attract and retain employees in these important roles, while keeping costs manageable for the company.

Duties of the Committee

The Committee is charged by our Board to:

- Determine the remuneration policy for the Company's Leadership Team and consider specific remuneration packages (including performance-based incentives) for those individuals, having regard to the risk appetite of the company and alignment with the company's long-term strategic goals, so that rewards are linked to improvements in overall performance;

- Review and approve specific remuneration packages for all members of the Executive Committee and Company Secretary;
- Review the terms of executive directors service agreements from time to time;
- Provide oversight and scrutiny regarding the remuneration and benefits of the Operational Leadership Team;
- Maintain contact as required with its principal shareholder regarding remuneration through the Chair of the Board; and
- Review at least once per year, or as required by the Board, the Committee's own performance, constitution, and terms of reference to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board for approval.

Directors remuneration

	Salary	Bonus awarded for 2025	Fee	Benefits	Total remuneration (excluding pension contributions)	
	£'000	£'000	£'000	£'000	2025 £'000	2024 £'000
Executives						
Helier Smith	216	50	-	11	277	259
Natalie Passmore	150	29	-	10	189	175
Non-Executives						
Donna Abel	-	-	25	-	25	24
Andrew Isham	-	-	28	-	28	-
Heather MacCallum	-	-	39	-	39	32
Michael Pocock	-	-	25	-	25	25

During the financial year, the company made pension contributions of £33k (2024: £32k) in respect of Helier Smith and £23k (2024: £22k) in respect of Natalie Passmore. Benefits for Helier Smith and Natalie Passmore consist of private health care, death in service insurance, prolonged disability insurance, a car allowance and motor fuel benefit.

Gender pay gap

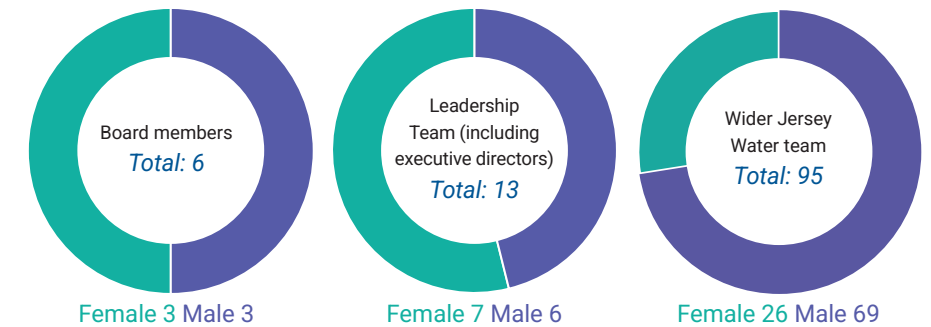
At the reporting date, we had a total of 108 employees of which 75 (69.4%) were male and 33 (30.6%) were female. The table below shows the gender difference in the average hourly pay (mean and median). It is calculated as the difference between the average hourly pay of male and female as a proportion of average hourly male pay as at the reporting date.

Pay gap	2025	2024
Mean	-21%	-24%
Median	-36%	-44%

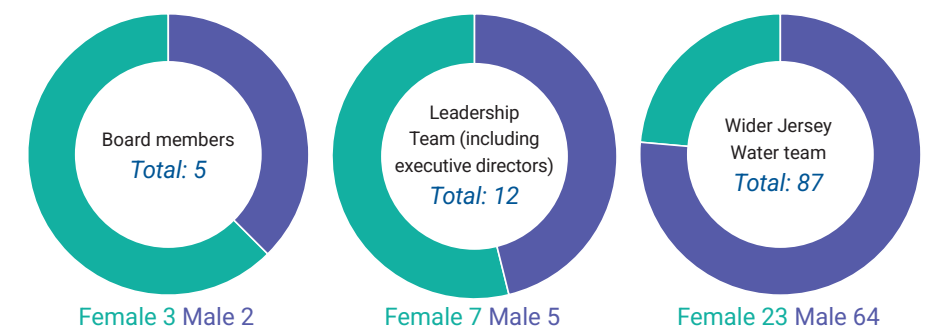
The negative results show that the gap is in favour of women rather than men, indicating that women currently earn more than men on both a mean and median basis.

A mean gender pay gap shows that, on average, women's hourly pay is higher than men's by 21%. The median gap suggests a similar pattern at the midpoint of earnings. The results do not consider any differences in the roles that males and females perform or their seniority. This outcome arises from the proportion of total females in management and leadership positions in Jersey Water, compared to male employees in similar positions, as a proportion of the total male workforce (as detailed in the table on the right).

Gender balance as at 30 September 2025



Gender balance as at 30 September 2024



Fair pay disclosures

Details of how the Chief Executive (CEO) remuneration compares to the rest of our employees is displayed below. The ratio of the highest to lowest salary is 7:1 (2024: 7:1).

	2025 amount	2025 ratio	2024 amount	2024 ratio
At 25th percentile	£37,600	5.74	£35,650	5.75
At median	£43,175	5.00	£40,825	5.02
At 75th percentile	£63,089	3.42	£59,866	3.42

The table above reflects how the full-time equivalent annual salary of the CEO compares to employees at the 25th, 50th and 75th percentiles. £37,600 means that 25% of employees earn less than this amount, with the CEO earning 5.74 times more. The median (also known as the 50th percentile) is £43,175, which means that 50% of employees earn more while 50% earn less than this amount, with the CEO earning five times more. The 75th percentile is £63,089 which means that 25% of employees earn more than this amount with the CEO earning 3.42 times more.

Donna Abel

Committee Chair
11 December 2025

Nomination Committee report

Committee purpose

The key purpose of the Committee is to make recommendations to the Board in respect of Board and Committee composition, Board appointments and succession planning for senior leadership roles throughout Jersey Water.

Membership and meetings

I am pleased to report on the work of the Nomination Committee for the financial year ended 30 September 2025.

One of the key activities and areas of focus for the Committee, during the financial year was non-executive succession planning and the successful recruitment of a new Jersey-based non-executive director, who will stand for election at the 2026 AGM and take on the role of Chair of the Board.

The Committee, which I chair, comprises Donna Abel, Andrew Isham, Michael Pocock and myself. Paul Masterton was appointed to the Committee as at 1 October 2025. The executive directors (Natalie Passmore and Helier Smith) and the Company Secretary may attend the whole or parts of the meetings by invitation.

In the reporting year, the Nomination Committee formally met four times.

Duties of the Committee

The Committee is primarily responsible for the selection and appointment of the company's executives and non-executive directors as and when required.

The Committee is charged by the Board to:

- Make recommendations to the Board as to the re-election of directors under the 'retirement by rotation' provisions in the company's Articles of Association, giving due regard to their performance and ability to continue to contribute to the Board in light of the knowledge, skills and experience required;
- Make recommendations to the Board for the re-appointment of any non-executive directors at the conclusion of their specified term of office, giving due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required;
- Regularly review the structure, size and composition of the Board (including the balance of skills and attributes required of the Board compared to its current position) and make recommendations to the Board with regard to any changes; and
- Keep under review the leadership needs of the organisation, both executive, non-executive and other senior positions,

including succession plans, with a view to ensuring the continued ability of the organisation to operate effectively, and make recommendations to the Board thereon.

When selecting candidates for potential appointment as a non-executive director, the Committee evaluates the needs of the company and identifies the necessary skills and experience required by candidates for consideration. As a matter of policy, the Chair of the Board is not permitted to chair the Committee when it is dealing with the matter of succession to the Chair. The Nomination Committee makes recommendations to the Board considering the performance of the candidates at interview, their skills and experience and their ability to meet the specific needs of the company. Consideration is given to the use of external recruitment consultants and open advertising in the recruitment process. Terms and conditions of appointment of non-executive directors are available for inspection at the company's registered address during normal business hours and at the AGM.

It is the policy of the Board to appoint directors who have a diverse range of skills, attributes and backgrounds so that, collectively, the Board is appropriately resourced to discharge its duties effectively and meet the changing needs of the business and also promote diversity, inclusion and equal opportunity. A wide range of factors are considered in determining the appropriate composition of the Board, including, but not limited to: technical expertise, local market knowledge and experience, independence, length of service on the Board and diversity, including age and gender balance.

The Committee recognises the important contribution the Board makes to the long-term sustainable success of Jersey Water. At least annually, the Committee formally considers the structure, size and composition required of the Board to meet the current and future needs of the company. In accordance with our articles of association, at each AGM, one-third of the directors in office retire by rotation and seek re-election, with no director remaining in office for longer than three years since their last re-election.

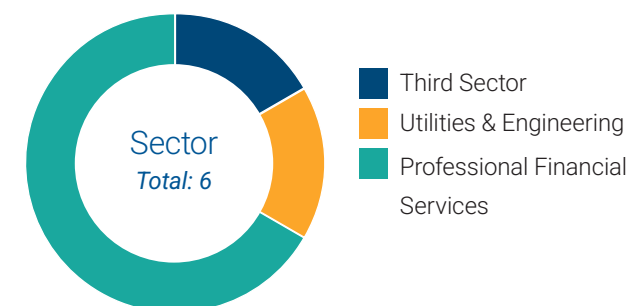
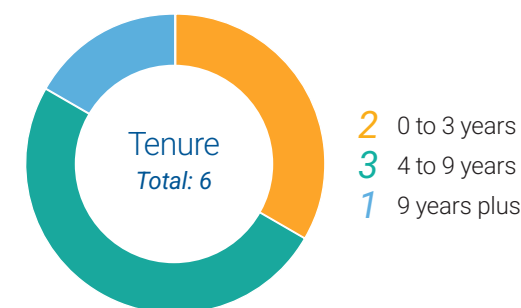
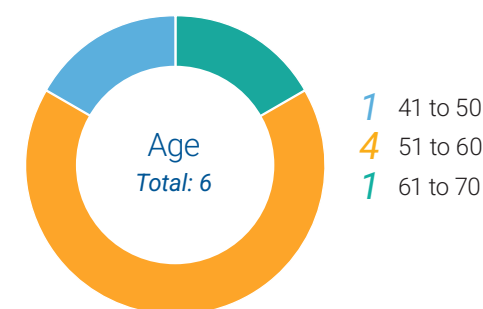
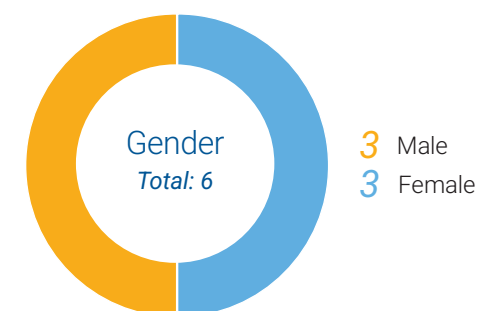
Board structure and composition

During the financial year, the Committee considered the Board and committee compositions, assessing the mix of skills, experience and knowledge required to approach, develop and deliver on the strategies, challenges, opportunities and principal risks facing Jersey Water.

Heather MacCallum

Committee Chair
11 December 2025

Current Board profile at 30 September 2025



Jersey Water Board visit to Pont Marquet

Louisa McInnes
Company Secretary

Directors' report

Activities of the company

The company, which was incorporated in 1882, adopted 'Jersey Water' as its trading name. Jersey Water is the sole supplier of treated water to the Island of Jersey. Both Handois Holdings Limited, a private Jersey holding company, and De La Haye Plant Limited, a water haulage company, are wholly owned by Jersey Water (the company). Together all three companies form the company.

Dividends

Ordinary and 'A' ordinary shares

Jersey Water paid an interim dividend after tax of 5.107 pence per share on 13 June 2025 (2024: 5.107 pence). The Board is proposing a final dividend on ordinary and 'A' ordinary shares for 2025 of 12.144 pence per share (2024: 11.561 pence).

	2025	2024
	£'000	£'000
Interim dividend paid	493	493
Final dividend proposed	1,173	1,117
	£1,666	£1,610

Preference shares

In the 2025 reporting year, Jersey Water paid dividends on preference shares totalling £381k (2024: £381k).

Directors

Changes in directors

The directors of Jersey Water, on the date the consolidated financial statements were approved, are detailed on pages 71 to 72. Heather MacCallum will be retiring at the 2026 AGM and will not be seeking re-election, with Paul Masterton standing for election.

Following the internal evaluation of the effectiveness of the Board and its Committees, the Board considers that the directors standing for election and re-election continue to make an effective and valuable contribution and that these directors all demonstrate commitment to their respective roles.

Directors' interests

Particulars of the holdings of the directors, including family and beneficial interests, in the share capital of the company as at 30 September 2025 are:

	Ordinary shares	Preference shares
Heather MacCallum	24,100	6,147
Natalie Passmore	915	-
Helier Smith	925	589
Michael Pocock	650	-

Insurance of directors and officers of the company

Jersey Water maintains an insurance policy on behalf of all directors and officers of the company against liability arising from neglect, breach of duty and breach of trust in relation to their activities as directors and officers.

Significant shareholdings

Set out below are details of the significant voting rights (3% or more) in shares of Jersey Water as at 30 September 2025:

Shareholder	% of total voting rights held
The States of Jersey	83.33%

The States of Jersey is the company's majority and controlling shareholder.

The States of Jersey owns 4,620,000 (100%) 'A' ordinary shares, 2,520,000 (50%) ordinary shares and 900,000 (100%) 10% cumulative fifth preference shares. The 'A' ordinary shares, while in their ownership, have voting rights that confer twice the number of votes than those cast in respect of all other shares.

Independent Auditors

A resolution to re-appoint PKF CI Assurance Ltd as the company's auditor will be proposed at the forthcoming AGM.

For and on behalf of the Board,

Louisa McInnes
Company Secretary
11 December 2025

Directors' statement

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

The Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year in accordance with generally accepted accounting principles. The financial statements of the company are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors should:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Specify which generally accepted accounting principles have been adopted in their preparation;
- Notify its shareholders of the use of disclosure exemptions, if any, used in the preparation of the financial statements; and
- Prepare the financial statements on the 'going concern' basis of accounting, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping accounting records which are sufficient to show and explain its transactions and to disclose, with reasonable accuracy at any time, the financial position of the company. This, therefore, enables them to ensure that the financial statements prepared by the company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the company and henceforth taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the annual report

We confirm that, having considered all the matters considered by our Board during the year and to the best of our knowledge, the financial statements, taken as a whole, are fair, balanced, and understandable, and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.



Review of risk management and internal control systems

We confirm that we have carried out a review of the company's risk management and internal control systems. We are satisfied that the systems are aligned with our strategic objectives and these systems are being developed, applied and maintained appropriately. We are satisfied that the company has effective processes in place to monitor and review material financial, operational and compliance controls.

Statement of viability

The directors are responsible for assessing and expressing their view on the longer-term viability of the company, considering the company's current position and principal risks. The UK Corporate Governance Code (the 'Code') requires that directors should explain this process and outcome in the annual report.

In accordance with the Code, the directors have assessed the prospect for the company over a longer period than the 12 months required by the 'Going Concern' provision. Our Board conducted this review for a period of five years, in line with the company's five-year strategic business plan. The five-year plan contains sufficiently robust financial forecasts, made up of detailed plans for years one and two with indicative forecasts for years three to five. Capital investment plans are detailed for the full five years.

Our Board has considered the impact that the principal risks or combination of risks may have on the business, including those that would threaten its business model, future performance, solvency, or liquidity. A summary of the principal risks can be found on pages 65 to 70. Where relevant, financial forecasts were subject to sensitivity analysis to illustrate the potential effects of significant risks, and to identify whether any could represent serious threats to the company's liquidity or operation.

With reference to the higher scoring risks on pages 69 to 70, the following scenarios were used in stress-testing the forecasts:

- Climate events resulting in the need to restrict water use;
- Acceleration of capital investment required to address forthcoming changes in water quality regulations, beyond existing lending capacity;
- An operational failure or pollution event impacting our ability to produce water, thus requiring increased expenditure from the operation of the desalination plant for a significant period of time;

- Increased operating and financing costs as a result of increasing inflation and higher interest rates;
- Persistently low profitability resulting from higher than anticipated costs;
- The operational and financial impact of significant supply chain disruption; and
- Significant cyber event.

The stress testing included (but was not limited to) various combinations of the following risk mitigation:

- Operating the desalination plant for a significant period;
- Replacement of critical infrastructure;
- Alternative water treatment processes;
- Re-prioritisation of investment;
- Price changes; and
- The insurance we have in place for a material, adverse event.

Scenario outcomes were also considered, along with the company's financial resources, the ability to raise finance, the Water Resources and Drought Management Plan, our wide and varied customer base within Jersey, the steady demand for our products and services and our stable and well-established treatment and distribution network.

Based on the assessment of prospects and viability described, we confirm that we have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the five-year period ending 30 September 2030.

Going concern

We also consider it appropriate to prepare the financial statements on a 'going concern' basis, as explained in note 3 ('Basis of Preparation') of the financial statements.

Approved by the Board on 11 December 2025 and signed on its behalf by

Heather MacCallum

Chair
11 December 2025



Christian, MEICA Engineer

Independent Auditor's report to the members of The Jersey New Waterworks Company Limited

Report on the audit of the financial statements

Independent auditor's report to the members of The Jersey New Waterworks Company Limited for the year ended 30 September 2025

Opinion

We have audited the consolidated financial statements of The Jersey New Waterworks Company Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 30 September 2025 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the consolidated financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("United Kingdom Generally Accepted Accounting Practice").

In our opinion, the consolidated financial statements:

- give a true and fair view of the state of the Group's consolidated financial position as at 30 September 2025 and of its consolidated financial performance and consolidated cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements including the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

Other Information

The other information comprises the information included in the annual report other than the consolidated financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the consolidated financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The consolidated financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 87 the directors are responsible for the preparation of the consolidated financial statements 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the Group consolidated 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 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 Group consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 for 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 Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the Group's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Group's members those matters we are required to state to them in an 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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Moehle for and on behalf of
PKF CI Assurance Ltd

12 December 2025
 9 Bond Street, St. Helier
 Jersey,
 JE2 3NP

Consolidated financial statements

Consolidated income statement For the year ended 30 September 2025

	Note	2025		2024	
		£'000	£'000	£'000	£'000
Turnover	5		22,858		21,069
Operating expenditure	6		(19,772)		(18,268)
Operating profit			3,086		2,801
Finance costs					
- interest receivable and similar income	8a		378		431
- interest payable and similar expenses	8b		(579)		(635)
- fair value gains/(losses) on derivative financial instrument	8c, 19		203		(795)
Net finance income/(expenditure)			2		(999)
Non-equity dividends	9		(381)		(381)
			(379)		(1,380)
Profit before taxation			2,707		1,421
Income tax	10a		(739)		(478)
Profit for the reporting year			£1,968		£943
Basic and diluted earnings per ordinary share of £0.50	11		£0.20		£0.10

The results for the current and prior years all relate to continuing operations.

Consolidated statement of comprehensive income For the year ended 30 September 2025

	Note	2025	2024
		£'000	£'000
Profit for the reporting year		1,968	943
Re-measurements of defined benefit obligations	22	608	595
Total income tax on components of other comprehensive income	10b	(122)	(119)
Other comprehensive income for the year net of tax		486	476
Total comprehensive income for the year		2,454	1,419

Consolidated statement of financial position As at 30 September 2025

	Note	2025		2024	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	13	1,492		1,589	
Tangible assets	3,14	92,846		86,771	
Derivative financial instrument	19	706		503	
			95,044		88,863
Current assets					
Inventories	15	769		590	
Trade receivables	16	5,981		5,420	
Cash and cash equivalents		1,747		3,642	
			8,497		9,652
Creditors – amounts falling due within one year					
Creditors and accruals	17	(3,851)		(3,125)	
Income tax		(731)		(510)	
			(4,582)		(3,635)
Net current assets			3,915		6,017
Total assets less current liabilities			98,959		94,880
Creditors – amounts falling due after more than one year					
Borrowings	18	(26,551)		(22,551)	
Non-equity preference shares	20b	(5,382)		(5,382)	
			(31,933)		(27,933)
Provisions for liabilities and charges					
Deferred taxation	21		(8,224)		(8,159)
Net assets excluding pension asset			58,802		58,788
Pension asset	22		7,568		6,738
Net assets			£66,370		£65,526
Capital and reserves					
Called up equity share capital	20a		4,830		4,830
Revaluation reserve	25		-		675
Retained earnings	25		61,540		60,021
Total equity			£66,370		£65,526

The financial statements on pages 91 to 113 were approved by the Board of Directors on 11 December 2025 and were signed on its behalf by:

Natalie Passmore
Finance Director

Consolidated Statement of Changes in Equity For the year ended 30 September 2025

	Note	Called-up equity share capital	Revaluation reserve	Retained earnings	Total
		£'000	£'000	£'000	£'000
Balance as at 1 October 2023		4,830	675	59,922	65,427
Profit for the reporting year		-	-	943	943
Other comprehensive income for the year		-	-	476	476
Total comprehensive income for the year		-	-	1,419	1,419
Equity dividends	12	-	-	(1,320)	(1,320)
Balance as at 30 September 2024		£4,830	£675	£60,021	£65,526
Balance as at 1 October 2024		4,830	675	60,021	65,526
Profit for the reporting year		-	-	1,968	1,968
Other comprehensive income for the year		-	-	486	486
Total comprehensive income for the year		-	-	2,454	2,454
Equity dividends	12	-	-	(1,610)	(1,610)
Transfer to retained earnings		-	(675)	675	-
Balance as at 30 September 2025		£4,830	£-	£61,540	£66,370

Consolidated Cash Flow Statement For the year ended 30 September 2025

	Note	2025 £'000	2024 £'000
Net cash inflow from operating activities	23	6,128	5,702
Income tax paid		(575)	(280)
Net cash generated from operating activities		5,553	5,422
Cash flow (used in)/generated from investing activities			
Purchase of fixed assets		(8,507)	(4,847)
Disposal of fixed assets		20	7
Net cash used in investing activities		(8,487)	(4,840)
Cash flow from/(used in) financing activities			
Loans received	18	105,206	120,154
Loans repaid	18	(101,206)	(112,603)
Interest paid and similar expenses		(1,021)	(1,519)
Interest received and similar income		51	101
Non-equity dividends paid		(381)	(381)
Equity dividends paid		(1,610)	(1,320)
Net cash from financing activities		1,039	4,432
Net (decrease)/increase in cash and cash equivalents	24	(1,895)	5,014
Cash and cash equivalents at the beginning of the year		3,642	(1,372)
Cash and cash equivalents at the end of the year		£1,747	£3,642

The results for the current and prior years all relate to continuing operations

Reconciliation of net cash flow to movement in debt

	Note	2025 £'000	2024 £'000
(Decrease)/increase in cash and cash equivalents	24	(1,895)	5,014
Net movement in borrowings	24	(4,000)	(7,551)
Movement in derivative financial instrument	24	203	(795)
Movement in net debt	24	(5,692)	(3,332)
Net debt as at 1 October	24	(23,788)	(20,456)
Net debt as at 30 September	24	£(29,480)	£(23,788)

Notes to the consolidated financial statements

1 General information

The Jersey New Waterworks Company Limited (the company) supplies potable mains water to the Island of Jersey. Its 100% owned subsidiary, Handois Holdings Limited, is a holding company which in turn owns 100% of the issued share capital of De La Haye Plant Limited. De La Haye Plant Limited supplies tankered water, swimming pool filling and refilling and building site bulk water supply services.

The company is a public company limited by shares and is incorporated, domiciled and tax resident in Jersey. The address of its registered office is Second Floor, Durell House, 28 New Street, St Helier, Jersey, JE1 1JW.

2 Statement of compliance

The financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and Companies (Jersey) Law 1991.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas and estimates involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position, and a summary of the financial position of the company, its cash flows and liquidity position, are described on pages 3 to 70, Financial Review on pages 45 to 50, and in notes 18 and 19. The company has entered into an interest rate swap contract to hedge against the interest rate exposure on its revolving credit facility. This is described in the Financial Review on page 49 and in note 19. The company has a wide and varied customer base within Jersey, steady demand for the supply of drinking water and services, and a stable and well established treatment and distribution network. The company's forecasts and projections take into account reasonable possible changes in trading performance. The combination of these measures and the financial analysis concluded that the company expects to be able to operate within the level of their current facilities and available cash resources. As a result, the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a minimum 12 months after signing these consolidated financial statements. Accordingly, they continue to adopt the 'going concern' basis in preparing the annual report and financial statements.

Basis of consolidation

The company's consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The subsidiaries controlled by the company have the same accounting policies as the company and no adjustments are required to be made to those subsidiary financial statements to apply the company's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings acquired are included from, or up to, the dates of change of control or change of significant influence.

All intra-company transactions, balances, income and expenses are eliminated on consolidation.

Under Article 105 (11) of the Companies (Jersey) Law 1991, the directors of a holding company need not prepare separate company financial statements, if consolidated accounts for the company are prepared, unless required to do so by the members of the company by ordinary resolution. The members of the company have not passed a resolution requiring separate accounts and, in the opinion of the Directors, the company meets the definition of a holding company. As permitted by the law, the Directors have elected not to prepare separate financial statements for the company.

3 Summary of significant accounting policies (continued)

Foreign currency

The financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

The company has a Euro bank account which holds a minimal working cash balance for the purposes of settling ad-hoc payments in Euros.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Borrowing costs

Borrowing costs directly attributable to the construction of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use, are capitalised during the period of time that is required to complete and prepare the asset for its intended use. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress.

Interest receivable

Bank interest receivable is recognised as interest earned but not yet received at the end of the reporting period. Details on the recognition of net interest income on pension obligations is set out in note 3, Employee benefits, iii) Defined benefit pension scheme.

Turnover

Turnover is measured at the fair value of the consideration received or receivable when services are delivered. Turnover represents the total value of water charges net of goods and services tax (GST), together with minor contracts, rental income and income from the delivery of tankered water. Rechargeable works income is recognised within turnover on the stage of completion method. Income arising on minor contracts to be provided in the future is treated as deferred income.

(i) Water charges

Water charges are billed either as a fixed rate (in advance) or as a metered charge (in arrears). Both fixed rate and metered water income are recognised for the years ended 30 September 2025 and 30 September 2024. All water meters are read on a cyclical basis, approximately every 12 weeks. As a result, there will be an element of water charges which are accrued at the end of the financial period. All accrued water income is estimated based on historical consumption plus or minus a seasonal adjustment factor. All water charges are also subject to an annual standing charge.

(ii) Rechargeable works income

Rechargeable works income relates to charges raised to cover the cost of installing new water mains, service pipes and connections requested by third parties to secure one or more supplies of water from the mains water network in accordance with the Water (Jersey) Law 1972.

a) Service connections (connections to mains water network)

The income and costs associated with the installation of third party funded service connections are recognised in the income statement on the stage of completion method throughout the duration of the work. Where this cannot be estimated reliably, the company recognises income to the extent of costs incurred.

b) Mains (extensions to the mains water network)

In respect of third party funded mains, income and direct costs relating to installations are carried on the balance sheet as payments on account (see note 17) until the contract has been discharged. Once completed, where the overall direct costs of the installation of a water main exceed the revenue generated, the difference represents a cost to Jersey Water incurred in the creation of a new asset which is capitalised within tangible fixed assets. In circumstances where, upon completion of the contract, the revenue charged for the installation of a water main exceeds the direct cost of installation, the surplus is released to the income statement and shown in rechargeable works income, representing a contribution to company overheads.

The company does not capitalise fixed assets with nil cost.

3 Summary of significant accounting policies (continued)

Stocks of water

In accordance with normal water industry practice, no value is placed on stocks of water held within reservoirs, treatment works or the mains network.

Inventory

Inventory includes desalination plant spares, pipes and fittings, chemicals, meters, fuel and other materials which will be consumed in the course of daily operations. Inventory is issued on a First-In, First-Out (FIFO) basis and is recognised as an expense in the income statement in the period in which it is used. Inventory may also be allocated to capital projects undertaken during the year.

Cost is determined on a FIFO method, which includes the purchase price, plus a standard cost allocation for taxes, duties and transport and handling which are directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period, inventory is assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to sell and an impairment charge is recognised in the income statement. Where a reversal of the impairment is recognised, the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the income statement.

Business combinations and goodwill

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration paid, liabilities incurred or assumed and of equity instruments issued, plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets and liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the company's interest in the identifiable assets and liabilities acquired.

Goodwill is amortised over its expected useful life, estimated to be five years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

Intangible assets

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful economic life of between three to ten years on a straight-line basis.

The assets are reviewed for impairment if factors such as technological advancement or changes in market price indicate that residual value or useful life have changed. If there is impairment the residual value, useful economic life or amortisation rate are amended prospectively to reflect the new circumstances. Any impairment is charged to the income statement in the period in which it arises.

Intangible fixed assets under construction or development are recognised as Intangible Uncompleted Works until such time as they are ready for use. Expenditure on intangible assets under construction or development will only be recognised once it has met the development criteria under FRS 102. Upon completion, the asset is transferred to its appropriate asset category and amortisation commences. Subsequent qualifying expenditure is transferred directly to its appropriate asset category.

Asset type	Depreciation period
IT software	3-10 years

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bring the asset to its working condition for its intended use, dismantling and restoration costs.

Tangible assets are assessed for impairment. Where indicators of impairment have been identified, an impairment assessment is carried out and any required charges are recognised in the income statement. Impairment is calculated as the difference between the carrying amount and the recoverable amount of the asset (or asset's cash generating unit) at the date an impairment loss is recognised.

Tangible fixed assets under construction are recognised within Tangible Uncompleted Works until such time as they are ready for use. At this point, the asset is transferred to Property and Completed Works and depreciation commences. If the major components of a tangible asset have significantly different patterns of consumption of economic benefits the company will recognise those components as separately identifiable assets. Subsequent qualifying expenditure is transferred directly to Property and Completed Works. For recognition of third party funded tangible fixed assets see note 3, Turnover, ii) Rechargeable works income.

Expenditure incurred on a tangible fixed asset, after the asset has been transferred to Property and Completed Works, will be recognised as part of the carrying amount of the asset if it is specifically related to a major inspection, overhaul or contractual performance test, provided it has met the asset-recognition criteria within FRS 102.

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.

3 Summary of significant accounting policies (continued)

Tangible assets (continued)

Asset type	Depreciation period
Water mains	- Ductile iron 80 years
	- Others 50 years
Buildings	30-100 years
Impounding reservoirs and dams	60-100 years
Dam-lining membranes	50 years
Pumping plant	10-40 years
Reinforced-concrete structures	100 years
Water meters	15 years
Motor vehicles	5-8 years
Mobile plant and tools	3-10 years
Reverse osmosis membranes	3-10 years
Office equipment and IT hardware	3-5 years

Borrowing costs, that meet the criteria set out in Section 25 of FRS 102, that are directly attributable to the construction of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use, are capitalised during the period of time that is required to complete and prepare the asset for its intended use. The commencement of capitalisation begins when both finance costs and expenditure for the asset are being incurred, and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete. Other borrowing costs are expensed and included within the income statement.

Assets taking less than one year and/or less than £1m

Any asset taking less than one year would not qualify as taking a substantial amount of time. An asset must cost more than £1m for it to be considered significant enough to be a qualifying asset.

Ongoing capital investment programmes are excluded

The company's ongoing capital investment programmes in the ordinary course of business are funded by short-term working capital and do not require any external funding. Therefore, it is not appropriate to capitalise any interest element of general funding.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts when there is a legally enforceable right to set off the recognised amounts.

Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments are initially recorded at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement or statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying value of the asset is increased such that the amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement or statement of comprehensive income.

Financial assets are derecognised when a) the contractual rights to the cash flows from the asset expire or are settled, or b) substantially all the risks and rewards of the ownership of the assets are transferred to another party, or c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and preference shares that are classified as debt, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or expires.

Preference shares, which result in fixed returns to the holder, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as non-equity dividends.

Derivatives such as interest rate swaps are not basic financial instruments.

(iii) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each reporting date. Changes in the fair value of derivatives are recognised in the income statement as finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

The company can choose to apply hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. In line with the company's hedging policy, interest rate swaps may be held to manage the interest rate exposures and are designated as cash flow hedges of variable-rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised in other comprehensive income. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when interest is incurred and when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedge instrument is derecognised, or the hedging instrument is terminated.

The company has not elected to apply hedge accounting for derivatives in these financial statements.

Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is instead recognised in other comprehensive income or directly in equity respectively. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

(ii) Deferred tax

Deferred tax arises from timing differences that are the difference between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The company provides a range of benefits to employees, including paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension scheme

The company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension plan under which the company pays contributions into a separate entity. The contributions are recognised as an expense in the period they are due. Amounts not paid are shown in accruals in the statement of financial position.

The assets of the plan are held separately from the company in independently administered funds.

3 Summary of significant accounting policies (continued)

Employee benefits (continued)

(iii) Defined benefit pension scheme

The company operates a defined benefit scheme for certain employees. A defined benefit scheme defines the pension benefit that the employee will receive on retirement, usually depending upon several factors, including age, length of service and remuneration. A defined benefit scheme is a pension plan that is not a defined contribution scheme. The scheme closed to future accrual with effect from 1 January 2022.

The asset or liability recognised in the statement of financial position in respect of the defined benefit scheme is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the scheme assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. The company engages independent actuaries to calculate the annual year end obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments (discount rate).

The fair value of scheme assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on scheme assets, less amounts included in net interest, are disclosed as re-measurement of net defined benefit liability/asset.

The cost of the defined benefit scheme is recognised in the income statement as employee costs, except where included in the cost of an asset, and comprises:

- (a) The increase in pension benefit liability arising from employee service during the period; and
- (b) The cost of scheme benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of scheme assets. The cost is recognised in the income statement within net finance income/ (expenditure).

Share capital

Ordinary and 'A' ordinary shares are classified as equity. Incremental costs directly attributable to the issue of any new ordinary or 'A' ordinary shares would be shown in equity as a deduction, net of tax, from the proceeds.

Equity dividends

Equity dividends to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Related party disclosures

The company is applying the exemption available under FRS 102 section 33.11, which exempts the company from reporting related party transactions, balances and commitments with a state that controls it, and with other entities that are related parties because the same state has control over them.

4 Critical accounting judgements, estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events, that are believed to be reasonable under the circumstances.

Critical accounting judgements

In the process of applying the company's accounting policies, the critical judgements applied by the company in the current reporting period are detailed below.

(i) Tangible or intangible assets ready for use

Due to the nature of certain projects, including timing delays, specific contractual obligations or payment schedules, and the nature of the assets in question, the company must occasionally apply judgement in deciding the point of commencement of producing the asset and when the asset was deemed ready for use. See notes 3, 13 and 14 for further details on tangible and intangible assets.

(ii) Core accounting, asset management and laboratory information systems (Core systems)

The company has contractual rights to the Core systems implemented during the financial year ended 30 September 2021 for a period of five years, with the option to extend for a further five years. Based on historical experience, the company has judged that it would expect to use the Core systems for the full ten year period and that costs associated with creating these intangible assets are therefore to be depreciated on a straight-line basis over a period of ten years.

4 Critical accounting judgements, estimates and assumptions (continued)

Critical accounting judgements (continued)

(iii) Third party funded mains asset recognition

FRS102 does not provide specific guidance on how to account for infrastructure assets that are funded by third parties but constructed and operated by the company. Significant judgement is therefore required in determining the appropriate accounting treatment for such arrangements, including whether and when an asset should be recognised, and how associated income and costs should be reflected. Management's judgement is that third-party contributions relating to mains extensions are assessed against the direct costs of installation, and any excess cost incurred to create a new asset is capitalised, while any surplus of contributions over direct costs is recognised in income as a contribution to overheads.

(iv) Assets that take a substantial period of time and a significant amount of cash

Determining whether an asset meets the definition of a qualifying asset under FRS102 requires judgement, particularly in assessing what constitutes a substantial period of time. In applying this judgement, management has determined that only projects with an individual cost greater than £1million are treated as qualifying assets.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are addressed below.

(i) Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management obtains estimates of these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. See note 22 for disclosures relating to the defined benefit pension scheme and estimates used.

(ii) Useful lives of tangible and intangible assets

The company possesses significant tangible and intangible assets integral to its operations. The determination of the useful lives of these assets is a critical accounting estimate. The estimated useful lives of these assets range from 3 to 100 years. The assessment of these useful lives is based on historical performance, expected future usage, and the physical condition of the assets. Changes in any of these factors, technological advancements, or unforeseen wear and tear could result in a change to the estimated useful lives of these assets, which could materially impact the amount of depreciation charged to the income statement and the carrying amount of the assets on the statement of financial position.

Management periodically reviews these estimates and makes adjustments when deemed necessary.

5 Turnover

	2025 £'000	2024 £'000
Measured water charges	20,282	18,842
Unmeasured water charges	400	376
Service charges and other charges for water	959	878
Total water supply charges	21,641	20,096
Rechargeable works income	551	415
Other income	666	558
Turnover	£22,858	£21,069

6 Operating expenditure

	Note	2025 £'000	2024 £'000
Included in operating expenditure are the following:			
Net employment costs	7	7,237	6,640
Reversal of impairment/impairment of inventory	15	(1)	10
Write off of intangible and tangible uncompleted works		16	2
Amortisation and depreciation	13,14	3,333	3,272
(Profit)/loss on disposal of fixed assets		(17)	44
Inventories recognised as an expense	15	964	858
Consumables, hired in services and other costs	a)	7,994	7,186
Directors' fees		117	123
Auditors' fees			
- Statutory audit		103	109
- Other services (Tax compliance)		14	9
- Other services (Pension scheme audit)		12	15
Total operating expenditure		£19,772	£18,268

a) Included within consumables, hired in services and other costs are noncancellable lease payments which amount to £225k (2024: £196k).

The total future minimum lease payments under noncancellable operating leases for each of the following periods are:

	2025 £'000	2024 £'000
Not later than one year	169	199
Later than one and not later than five years	511	533
Later than five years	-	44
Total future minimum lease payments	£680	£776

7 Net employment costs

	2025 £'000	2024 £'000
Wages, salaries and other payments	6,467	5,933
Social security	371	337
Pension costs of defined contribution scheme	584	525
	7,422	6,795
Less amount capitalised within fixed assets	(168)	(144)
Less amount included within rechargeable works income	(17)	(11)
Net employment costs	£7,237	£6,640

Included within wages, salaries and other payments are Directors' emoluments amounting to £455k (2024: £632k). The Remuneration Committee report on pages 81 to 82 provides further details on salaries and benefits.

8 Finance costs

a) Interest receivable and similar income

	2025 £'000	2024 £'000
Bank interest received	43	109
Net interest income on pension obligations	335	322
Total interest receivable and similar income	£378	£431

8 Finance costs (continued)

b) Interest payable and similar expenses

	Note	2025 £'000	2024 £'000
Bank loans, revolving credit facility and overdrafts		1,293	1,300
Refinancing costs		-	476
Capitalisation of borrowing costs	a	(442)	(828)
Interest receivable on derivative financial instrument		(272)	(313)
Total net interest payable and similar expenses		£579	£635

a) Borrowing costs included in the cost of qualifying assets during the year arose on the specific borrowing pools and are calculated by applying capitalisation rates of 4.98% and 5.39% (2024: 5.93%) and on the general borrowing pool at a rate of 2.63% (2024: 3.61%/4.26%) where applicable.

c) Other finance income/(expense)

	Note	2025 £'000	2024 £'000
Fair value gains/(losses) on derivative financial instrument	19	£203	£(795)

9 Non-equity dividends

	2025			2024		
	Paid £'000	Payable £'000	Charge for the year £'000	Paid £'000	Payable £'000	Charge for the year £'000
5% cumulative preference shares	3	1	3	3	1	3
3.5% cumulative second preference shares	3	-	3	3	-	3
3% cumulative third preference shares	3	1	3	3	1	3
3.75% cumulative third preference shares	3	1	3	3	1	3
5% cumulative third preference shares	2	1	2	2	1	2
2% cumulative fourth preference shares	7	2	7	7	2	7
10% cumulative fifth preference shares	360	90	360	360	90	360
Total dividends on non-equity shares recognised in the year	£381	£96	£381	£381	£96	£381

10 Income tax

a) Tax expense included in the income statement

	2025 £'000	2024 £'000
Current tax		
Income tax on the profit for the year	840	552
Deferred tax		
Credit for the year	(101)	(74)
Total tax on profit	£739	£478

b) Tax expense included in other comprehensive income

	2025 £'000	2024 £'000
Current tax		
Movement relating to pension surplus	(44)	(42)
Deferred tax		
Movement on deferred tax relating to pension surplus	166	161
Total tax charge included in other comprehensive income	£122	£119

Reconciliation of tax charge for the year

The tax assessed for the year is higher than the standard rate of Jersey income tax (20%) (2024: 20%) applicable to utility companies. The differences are explained below:

	Note	2025 £'000	2024 £'000
Consolidated profit before tax		2,707	1,421
Profit before tax multiplied by the standard rate of Jersey income tax of 20%		541	284
Tax at 20% on:			
Depreciation for the year in excess of capital allowances		181	179
Capital expenditure, deductible for tax purposes		(131)	(159)
(Profit)/loss on disposal of fixed assets		(3)	9
(Gain)/loss on revaluation of financial derivative		(41)	159
Dividends on non-equity shares – non-deductible		76	76
Non-deductible expenses		94	-
Adjustment for prior year tax charge		110	-
Borrowing costs capitalised		(88)	(70)
Total tax charge for year		£739	£478

There are no income tax losses from prior years to be carried forward (2024: £nil).

11 Basic and diluted earnings per ordinary share

Basic and diluted earnings per ordinary share of £0.20 (2024: £0.10) is based on earnings of £1,968k (2024: £943k), being the profit available for distribution to equity shareholders and 9,660,000 (2024: 9,660,000) ordinary and 'A' ordinary shares of £0.50 in issue.

12 Equity dividends

Ordinary and 'A' Ordinary shares	2025 Pence per share	2024 Pence per share	2025 £'000	2024 £'000
Dividends paid				
Final dividend for the previous year	11.561	8.558	1,117	827
Interim dividend for the current year	5.107	5.107	493	493
	16.668	13.665	£1,610	£1,320
Dividends proposed				
Final dividend for the current year	12.144	11.561	£1,173	£1,117

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

13 Intangible assets

	Goodwill	Software	Intangible uncompleted works	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 October 2024	252	2,941	351	3,544
Additions	–	82	145	227
Disposals	–	(72)	(5)	(77)
Transfers	–	360	(360)	–
As at 30 September 2025	£252	£3,311	£131	£3,694
Amortisation				
As at 1 October 2024	(252)	(1,703)	–	(1,955)
Charge for the year	–	(319)	–	(319)
Disposals	–	72	–	72
As at 30 September 2025	£(252)	£(1,950)	£ –	£(2,202)
Net book value				
As at 1 October 2024	£–	£1,238	£351	£1,589
As at 30 September 2025	£–	£1,361	£131	£1,492

The above amortisation charges are included within operating expenses in the consolidated income statement.

Included within intangible fixed assets is £29k (2024: £22k) relating to internal labour costs capitalised in the year.

At 30 September 2025, capital commitments contracted for amounted to £26k (2024: £24k).

14 Tangible assets

	Property and completed works	Tangible uncompleted works	Motor vehicles, mobile plant and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 October 2024	131,097	5,326	3,436	139,859
Additions	1,086	7,839	178	9,103
Disposals	(333)	(11)	(220)	(564)
Transfers	2,258	(2,435)	177	–
As at 30 September 2025	£134,108	£10,719	£3,571	£148,398
Depreciation				
As at 1 October 2024	(50,386)	–	(2,702)	(53,088)
Charge for the year	(2,698)	–	(316)	(3,014)
Disposals	330	–	220	550
As at 30 September 2025	£(52,754)	£–	£(2,798)	£(55,552)
Net book value				
As at 1 October 2024	£80,711	£5,326	£734	£86,771
As at 30 September 2025	£81,354	£10,719	£773	£92,846

During the year £442k (2024: £828k) of borrowing costs were capitalised by the company.

The above depreciation charges are included within operating expenses in the consolidated income statement.

Included within tangible fixed assets is £139k (2024: £122k) relating to internal labour costs capitalised in the year.

At 30 September 2025, capital commitments contracted for amounted to £139k (2024: £291k) with a further £1,514k committed for the completion of Douet House.

On 13 June 2025 the Stores area of Douet House was brought into use. The costs attributable to the Stores area have been appropriately capitalised, with depreciation commencing from June 2025, the date Stores became operational.

The remainder of the Douet House redevelopment project will continue as Work in Progress and will be capitalised and depreciated once complete and available for use. This is expected to be in early 2026.

15 Inventories

	2025 £'000	2024 £'000
Inventory as at 1 October	761	760
Inventory purchased in year	1,142	859
Inventory consumed in year	(964)	(858)
Inventory as at 30 September	939	761
Provision for impairment as at 1 October	(171)	(161)
Movement in provision in year	1	(10)
Provision for impairment as at 30 September	(170)	(171)
Net inventory balance as at 30 September	£769	£590

Inventory includes desalination plant spares, pipes and fittings, chemicals, meters, fuel and other materials which will be consumed in the course of daily operations.

16 Trade receivables

	2025	2024
	£'000	£'000
Trade debtors	2,475	2,078
Prepayments	921	814
Accrued income	2,447	2,366
Other debtors	138	162
	£5,981	£5,420

Accrued income relates solely to unbilled measured water. The movement in the balances for accrued income and trade debtors is related to cyclical and quarterly billing timing differences and variability in the seasonal adjustment.

The fair value of trade and other receivables is considered by the Directors to be equivalent to its carrying value because of their short-term nature.

17 Creditors and accruals

	2025	2024
	£'000	£'000
Trade payables	686	352
GST, taxation and social security	248	271
Contract retentions	195	44
Accruals and deferred income	1,969	1,798
Payments on account	731	641
Other creditors	22	19
	£3,851	£3,125

Trade payables and accruals relate to amounts owed to various suppliers through the normal course of business.

The fair value of creditors and accruals is considered by the Directors to be equivalent to their carrying value because of their short term nature.

18 Borrowings

	Repayment Dates	2025 £'000	2024 £'000
Facilities drawn down			
Lloyds Bank Corporate Markets PLC, Jersey Branch (Lloyds)	a	£26,551	£22,551
Loans falling due between one and two years		£-	£-
Loans falling due between two and five years		£26,551	£22,551

The company has an overdraft facility of £3,000k with HSBC.

a) On 20 May 2024 the company entered into an unsecured £30,000k Green Use of Proceeds revolving credit facility (RCF) and a £20,000k accordion with Lloyds. The termination date is, subject to the extension option, 20 May 2029, 5 years. The company has the option to extend the facility for a further two years. In May 2025 the company exercised its option and extended the facility by one year increasing the termination date to 20 May 2030.

Interest is at SONIA plus 0.75% on projects meeting the criteria for a "Green" project as set out in the RCF agreement and SONIA plus 0.85% on non-Green projects.

Each utilisation of the RCF is shown as a repayment of the existing principal and a new borrowing within the statement of cash flows.

The accrued interest payable on loans drawn down as at 30 September 2025 is £2k (2024: £nil). The accrued interest on the undrawn portion of the facility is £1k (2024: £2k).

The borrowings have been taken out to refinance existing borrowing and fund capital expenditure.

18 Borrowings (continued)

Lloyds Bank Corporate Markets PLC, Jersey Branch (Lloyds) "Green" loans

	Repayment Date	2025 £'000	2024 £'000
Facilities drawn down			
As at 1 October	2030	22,551	-
Amounts drawn down during the year		4,000	22,551
As at 30 September		£26,551	£22,551

Funds drawn down during 2025 and the whole of the £22,551k drawn down following the refinancing in 2024 met the criteria for "Green" projects as set out in the RCF agreement and attracted interest at SONIA plus 0.75%.

No funds have been drawn down for "non Green" projects.

19 Financial instruments

The company has the following financial instruments:

	2025 £'000	2024 £'000
Financial assets that are debt instruments measured at amortised cost	2,582	2,223
Financial assets at fair value through profit or loss	706	503
Financial liabilities that are measured at amortised cost	35,668	31,019

Derivative financial instruments

The company actively reviews its interest rate exposure risk in accordance with its interest rate hedging policy as updated in February 2025. The company has a low-risk appetite and has agreed that hedging should be maintained with the following tramlines and a minimum interest rate cover of 4.0:

Debt (k)	Upper	Lower
<£30,000	100%	80%
>£30,000	80%	60%

On 4 June 2024 the company entered into an interest rate swap agreement with Lloyds for £20,000k. Interest is fixed at 3.1245% and the termination date is 20 May 2031. Post year end, on the 22 October 2025 the company entered into a second interest rate swap agreement with Lloyds for £8,000k. Interest is fixed at 3.6070%.

The fair value used by the company to value the swap is calculated as the net present value of future cash flows (present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates) expected to be paid or received under the swap contract.

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date:

Outstanding receive floating pay fixed contracts	Average contract fixed interest rate		Notional principal value		Fair value	
	2025 %	2024 %	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Less than 1 year	-	-	-	-	-	-
1 to 2 years	-	-	-	-	-	-
2 to 5 years	-	-	-	-	-	-
5 years +	3.1245	3.1245	20,000	20,000	706	503

The interest rate swap settles on a quarterly basis. The company settles or receives the difference between the fixed and floating interest rate on a net basis.

The interest rate swap contract exchanges floating rate interest amounts for fixed rate interest amounts and is designated as a cash flow hedge to reduce the company's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect the consolidated income statement of the period to maturity of the interest rate swap.

The company valued the derivative on 30 September 2025 as an asset of £706k, (2024: £503k) generating a fair value gain of £203k (2024: loss of £470k).

20 Share capital

a) Called up equity share capital

	Shares of 0.50 each '000	2025 £'000	2024 £'000
Authorised, issued and fully paid up			
Ordinary shares	5,040	2,520	2,520
'A' Ordinary shares	4,620	2,310	2,310
	9,660	£4,830	£4,830

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, while 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

		2025 £'000	2024 £'000
Authorised			
20,000	cumulative preference shares of £5	100	100
20,000	cumulative second preference shares of £5	100	100
100,000	cumulative third preference shares of £5	500	500
100,645	cumulative fourth preference shares of £5	503	503
900,000	cumulative fifth preference shares of £5	4,500	4,500
		£5,703	£5,703

		2025 £'000	2024 £'000
Issued and fully paid			
17,261	5% cumulative preference shares of £5	86	86
17,402	3.5% cumulative second preference shares of £5	87	87
23,509	3% cumulative third preference shares of £5	118	118
16,036	3.75% cumulative third preference shares of £5	80	80
11,400	5% cumulative third preference shares of £5	57	57
90,877	2% cumulative fourth preference shares of £5	454	454
900,000	10% cumulative fifth preference shares of £5	4,500	4,500
		£5,382	£5,382

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 the holder, irrespective of the number and class of such preference shares.

21 Deferred taxation

	Note	2025 £'000	2024 £'000
Accelerated capital allowances		6,710	6,811
Pension asset arising from surplus		1,514	1,348
Net liability		£8,224	£8,159
As at 1 October		8,159	8,072
Amounts charged in the income statement	10a	(101)	(74)
Amounts charged in the statement of comprehensive income	10b	166	161
At 30 September		£8,224	£8,159

There are no unrecognised deferred tax assets. There is no expiry date on timing differences, unused tax losses or tax credits.

22 Pensions

During the year, the company operated two formal pension schemes: a defined contribution scheme and a defined benefit scheme. The defined benefit section of the scheme was closed to new entrants with effect from 1 January 2003 and closed to future accrual with effect from 1 January 2022.

The defined benefit scheme is a section of The Jersey Water Pension Plan (the Plan). The Plan is administered by trustees responsible for ensuring that the Plan is sufficiently funded to meet current and future obligations. Prior to closure of the scheme to future accrual, the company had agreed a funding plan with the trustees which was in place until 1 January 2022, whereby ordinary contributions were made into the scheme based on a percentage of active employees' salary. Additional funding is agreed with the trustees to reduce any funding deficit where necessary.

The defined contribution scheme was opened to new members on 1 May 2003. It was a section of the Plan until March 2016, when it was transferred under a Master Trust arrangement to the Blue Riband Channel Islands Retirement Plan, established and administered by BWCI Pension Trustees Limited.

Defined contribution section

Employer contributions during the year ended 30 September 2025 totalled £584k (2024: £525k). There are no unpaid contributions at year end (2024: £nil).

Defined benefit section and unfunded scheme

The FRS 102 valuation as at 30 September 2025 shows a net asset of £7,568k (2024: £6,738k).

The major assumptions used by the independent actuary were:

	2025	2024
Rate of increase in pensions accrued after 1 January 1999	2.90%	3.15%
Discount rate	5.73%	5.01%
Inflation assumption	2.95%	3.26%
Life-expectancy assumptions		
Current pensioners at 65 – Male	87	87
Current pensioners at 65 – Female	89	89
Future pensioners at 65 – Male	89	89
Future pensioners at 65 – Female	91	91

The post-retirement mortality assumptions allow for expected changes in longevity.

The overall expected rate of return is based on the weighted average return of each class of asset at the start of each accounting period.

	Assets £'000	Liabilities £'000	Total £'000
Reconciliation of the present value of scheme assets and liabilities			
At 1 October 2024	20,799	(14,061)	6,738
Benefits paid	(915)	915	-
Interest income/(expense)	1,017	(682)	335
Administration expenses	(113)	-	(113)
Re-measurement gains/(losses)			
- Actuarial gains	-	1,085	1,085
- Return on plan assets excluding interest income	(477)	-	(477)
As at 30 September 2025	£20,311	£(12,743)	£7,568

22 Pensions (continued)

<i>Total income/(cost) recognised within the income statement</i>	2025	2024
	£'000	£'000
Income within net finance expenditure	335	322
Administration expenses within operating expenditure	(113)	(112)
Total net income	£222	£210

Net interest income on pension plan assets and interest on pension plan liabilities are shown within interest receivable or payable in the income statement.

<i>Total income recognised within other comprehensive income</i>	2025	2024
	£'000	£'000
Re-measurement gains/(losses)		
- Actuarial gains/(losses)	1,085	(851)
- Return on plan assets excluding interest income	(477)	1,446
Total re-measurement gains	£608	£595

<i>Analysis of scheme assets</i>	2025	2024
	% of total fair value of scheme assets	% of total fair value of scheme assets
Equities	18%	15%
Maturing buy and maintain credit funds	73%	77%
Gilt funds	5%	5%
Cash and receivables	4%	3%
	100%	100%

<i>The fair value of the plan assets was:</i>	2025	2024
	£'000	£'000
Equities	3,664	3,115
Maturing buy and maintain credit funds	14,980	15,994
Gilt funds	926	1,029
Cash and receivables	741	661
	£20,311	£20,799

<i>Return on plan assets:</i>	2025	2024
	£'000	£'000
Interest income	1,017	1,033
Return on plan assets excluding interest income	(477)	1,446
Total return on plan assets	£540	£2,479

Funding of the defined benefit pension scheme

The actual funding of the defined benefit pension scheme is determined by the triennial actuarial valuation. This differs from the amount that is required to be charged to the income statement under FRS 102. Following the results of the last triennial valuation as at 1 January 2024, and given the current strong self-funding position of the scheme, no funding is required from the company. This will be reviewed at the next triennial valuation, which will be undertaken as at 1 January 2027.

Discount rate sensitivity

The following tables show the impact on the statement of financial position and income statement of adopting a discount rate of 0.5% per annum higher and lower than the current assumption of 5.73%, considered a reasonable approximation of a potential change in the assumptions. The plan surplus is recoverable by the company and no adjustment to the asset value is required to be made in accordance with FRS 102 paragraph 28.22

22 Pensions (continued)

Sensitivity analysis of funded scheme

<i>Value at the end of 30 September 2025 if:</i>	<i>Base position</i>	<i>Discount rate increased by 0.50% p.a.</i>	<i>Discount rate decreased by 0.50% p.a.</i>	<i>Inflation increased by 0.50% p.a.</i>	<i>Inflation decreased by 0.50% p.a.</i>	<i>Life expectancy increased by approximately one year</i>	<i>Life expectancy decreased by approximately one year</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value of scheme assets	20,311	19,625	21,030	20,311	20,311	20,311	20,311
Present value of funded defined benefit obligations	(12,743)	(12,101)	(13,441)	(12,806)	(12,670)	(13,163)	(12,318)
Net defined benefit asset	£7,568	£7,524	£7,589	£7,505	£7,641	£7,148	£7,993

<i>Impact on the income statement to 30 September 2026</i>	<i>Base position</i>	<i>Discount rate increased by 0.50% p.a.</i>	<i>Discount rate decreased by 0.50% p.a.</i>	<i>Inflation increased by 0.50% p.a.</i>	<i>Inflation decreased by 0.50% p.a.</i>	<i>Life expectancy increased by approximately one year</i>	<i>Life expectancy decreased by approximately one year</i>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Administration expenses	116	116	116	117	115	116	116
Interest on the net defined benefit asset	(430)	(465)	(394)	(427)	(434)	(406)	(455)
Total income recognised in the income statement	£(314)	£(349)	£(278)	£(310)	£(319)	£(290)	£(339)

23 Notes to the consolidated statement of cash flows

	2025	2024
	£'000	£'000
Profit for the reporting year	1,968	943
Tax on profit on ordinary activities	739	478
Non-equity dividends	381	381
Net finance (income)/ expense	(2)	999
Operating profit	3,086	2,801
(Profit)/loss on disposal of fixed assets	(17)	44
Depreciation, amortisation and impairment	3,333	3,272
Write off intangible and tangible uncompleted works	16	2
Defined benefit scheme administration expenses	113	112
(Increase)/decrease in inventories	(179)	9
Increase in trade receivables	(643)	(604)
Increase in creditors	419	66
Net cash inflow from operating activities	£6,128	£5,702

24 Analysis of changes in net debt

	<i>At 1 October 2024</i>	<i>Cashflows</i>	<i>Derivative movement</i>	<i>At 30 September 2025</i>
	£'000	£'000	£'000	£'000
Bank and cash	3,642	(1,895)	-	1,747
Debt due within one year	-	-	-	-
Debt due after one year	(27,430)	(4,000)	203	(31,227)
Total	£(23,788)	£(5,895)	£203	£(29,480)

25 Reserves

	Revaluation reserve	Retained earnings
	£'000	£'000
As at 1 October 2024	675	60,021
Profit for the reporting year	-	1,968
Other comprehensive income for the year	-	486
Equity dividends paid	-	(1,610)
Transfer to retained earnings	(675)	675
As at 30 September 2025	£-	£61,540

During the year the company transferred £675k from the revaluation reserve to retained earnings. The balance of £675k related to two investment properties which were disposed of in 2019.

26 Related parties

The Company shares a common controlling shareholder, the States of Jersey, with Jersey Post Company, Jersey Telecom, Jersey Electricity, Andium Homes, Ports of Jersey and Jersey Development Company. During the year, the Company provided water services and mains and service installations to these entities and several departments of the States of Jersey and purchased services from Jersey Electricity, Jersey Post, Ports of Jersey and Jersey Telecom.

During the year the company purchased architectural design services in the amount of £133k (2024: £134k) from Elliott Design Partnership Limited, a company which is 50% owned by an immediate family member of Heather MacCallum (a director of the company). As at 30 September 2025 the amount of £16k (2024: £16k) was outstanding and included within Trade Payables (note 17).

Natalie Passmore is a director and guarantor member of ArtHouse Jersey Limited, a Jersey registered company limited by guarantee and incorporated on 25 November 2025, ('ArtHouse') (formerly ArtHouse Jersey, a Jersey registered charity). In 2024 the company sponsored ArtHouse an amount of £10k for the project Art in the Arches. The company did not provide sponsorship to ArtHouse during the year ended 30 September 2025. Amounts outstanding as at 30 September 2025 were £nil (2024: £nil).

The remuneration of key management (which is defined as the executive and non-executive directors) is set out in the Remuneration Committee report on pages 81 to 82.

All related party transactions disclosed above were undertaken on an arm's length basis during the normal course of business.

27 Ultimate controlling party

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

28 Events after the end of the reporting date

On 22 October 2025 an additional £1.5m was drawdown from the Lloyds facility bringing the total drawn down to £28,051k against the £30m facility. On the same date the company entered into an interest rate swap agreement with Lloyds for £8,000k with interest fixed at 3.607%.

29 Subsidiaries

Name	Registered office address	Nature of business	Interest
Handois Holdings Limited	Second Floor, Durell House, 28 New Street, St Helier, Jersey, JE1 1JW	Holding company	100% ordinary shares
De La Haye Plant Limited	Second Floor, Durell House, 28 New Street, St Helier, Jersey, JE1 1JW	Water haulage	100% ordinary shares

Five-year summary (unaudited)

	Units	2025	2024	2023 Restated	2022	2021
Statement of financial position						
Total equity	£'000	66,370	65,526	65,427	65,651	62,647
Net debt	£'000	29,480	23,788	20,456	17,197	10,962
Income statement						
Turnover	£'000	22,858	21,069	19,397	18,792	18,356
Operating profit	£'000	3,086	2,801	1,979	5,950	7,446
Profit before tax	£'000	2,707	1,421	1,432	6,765	6,691
Profit for the reporting year	£'000	1,968	943	1,342	5,903	5,976
Equity dividends paid	£'000	1,610	1,320	2,296	2,180	2,127
Financial statistics and ratios						
Capital expenditure	£'000	9,330	5,499	5,100	10,820	3,051
Net cash inflow/(outflow)	£'000	(1,895)	5,014	(3,193)	(599)	(1,856)
Earnings per share	£	0.20	0.10	0.14	0.61	0.62
Dividend cover	Times	1.2	0.7	0.6	2.7	2.8
Interest cover	Times	3.8	2.4	2.9	12.8	11.4
Gearing ¹	%	31	27	24	21	15
Operational statistics						
Total water supplied	MI	7,138	6,879	6,777	6,838	7,065
Maximum daily demand	MI	23.3	23.4	22.7	24.6	24.7
Annual rainfall	mm	862	1,217	1,154	795	1,129
New mains laid	km	1.9	0.9	1.4	2.1	1.5
Mains re-laid/relined	km	1.1	1.5	1.8	1.9	2.2
New connections	No	184	239	307	299	470
Live metered connections	'000	36	36	35	34	34
Desalination plant output ⁴	MI	279.2	0 ³	296.8	453.8	61.2
Customer satisfaction index ²	No	80.3	83.1	83.6	82.7	82.7
% Employee engagement	%	96.3	93.6	93.4	92.8	90.0
Employees	No	108	99	98	89	88
Water quality						
% Compliance with water quality parameters	%	100.00	99.95	99.98	99.99	100.00

¹ Gearing = Debt/(debt + equity).

² Customer satisfaction index is measured by the annual Institute of Customer Service (ICS) survey of Jersey Water customers. The index comprises a score out of 100 and is calculated on the same basis as the UK Customer Satisfaction.

³ The desalination plant was not in operation during the year.

⁴ The desalination plant output is the total for the year with 200 million litres alone during the peak summer months.




JerseyWater
for Island life

St Helier, Jersey, JE1 1JW
T: 01534 707300
E: customerservices@jerseywater.je
www.jerseywater.je

Jersey Water is the trading name of The Jersey New Waterworks Company Limited.



**FORESTS
FOR ALL
FOREVER**