

# **WATERFRONT ENTERPRISE BOARD LIMITED**

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**Annual Report & Accounts  
For the year ended 31 December 2008**

## **Operational overview**

### Developments

Under the terms of the Articles of Association, the objectives of the Company are:-

- i) To promote, co-ordinate and implement a comprehensive strategy for the development of the St. Helier Waterfront area as shown on Map No: 3-92 approved by the States on 10th November, 1992 (the "Waterfront").
- ii) To exercise administrative control over the use of the land and the adjacent shore and water areas in the Waterfront and to liaise and consult with all relevant committees of the States of Jersey and other governmental and regulatory authorities in relation to investment in infrastructure projects in and development of the Waterfront.

During the year the Company progressed with its partners several developments and completed directly two community projects.

The development agreement for Castle Quay was completed with the Company's partner on this site, Dandara Jersey Limited on 25 June 2008. This resulted in receipts during the year for the land owned by WEB in the first phase. Works commenced and to date remain well in advance of the programme plan, having surmounted the construction difficulties of building below sea level adjacent to Elizabeth Marina. The Company is excited that the quality of the development has been recognised with the majority of the residential units within Phase 1 having been pre-sold already off plan.

The Company has spent a great deal of its effort in progressing the development of the Esplanade Quarter. WEB joined with the project master-planners and the preferred developers in improving the designs and undertaking extensive public consultation. Accordingly, the States of Jersey approved the Esplanade Quarter Masterplan on 5 June 2008.

Following this endorsement, the development team worked on further detailed designs in conjunction with the statutory authorities. Planning applications were submitted with the preferred developers in July 2008. A public planning inquiry was held in late October. The resulting Inspectors' report was delivered in late 2008. The Minister for Planning and Environment indicated in early January 2009 that he is minded to approve the application subject to the completion of a number of conditions in a manner satisfactory to the Minister.

The Company considers that this has advanced the potential delivery of the project. However, there are a number of significant issues to be resolved. These include the debating of the terms and conditions of the proposed Development Agreement and hopefully, the approval of the transaction by the States of Jersey. Following such approval, the Company would expect to complete the Development Agreement and grant the lease of the relevant land before the end of 2009.

The Liberty Wharf project progressed during the year. Liberation House is fully occupied and Westwind House was completed and fully let. WEB received staged land receipts resulting from the Liberty Wharf development during 2008. The Company expects the remainder of Liberty Wharf to be completed in 2009. The fabric of the old abattoir buildings has been respected and enhanced as part of the re-modelling.

In October 2008 the Company entered into a development agreement with developers for a high quality residential scheme known as Westwater and situated alongside the Radisson Hotel overlooking St. Aubin's Bay. The development received a conditioned planning permit in September and final plans are being progressed with the Company's joint venture development partners and their architects. Construction is expected to commence during 2009.

## **Operational overview (continued)**

WEB completed the redevelopment of the Weighbridge in June, on time and within budget. This important public square is pivotal between the Waterfront and St. Helier. It has been well used already for public events and also by petanque players. The Company hope to progress public art on the Weighbridge during 2009.

WEB also financed and built a skateboard park on the New North Quay. This was opened in December 2008. It has already proved a Mecca for the skateboarding and BMX fraternity of the youth of St. Helier and the Island.

## Financial

This has been a year of financial success; having started the year with a £1,646,058 overdraft and ended it with a cash surplus of £5,618,192. For the year ended 2007, the Company posted a loss of £461,127 whereas in 2008 it has shown a profit of £5,563,412. WEB is a property development company and the profit has emanated from progress on developments within the West of Albert area of the St. Helier Waterfront.

During the year the Company posted c. £11.5 million income from the disposal of land which had a corresponding cost to the Company of c. £3.36 million.

On 1 February 2008 the Company took back the management and running of the Waterfront car park and Waterfront estate. Car park receipts increased by 47% for 2008, from £337,804 in 2007 to £497,674.

Rental income was also increased from £97,014 to £202,612. Of this increase c. £35,000 related to the new rentals on the Weighbridge and c. £79,000 related to the rent of the transportation centre (2007: part year £19,000).

During the year the Company moved to owner occupied offices at Harbour Reach. Premises costs have decreased as a result of the Company no longer paying rent. The 2008 reduction does not fully reflect the rental cost saving as the premises costs in 2008 included removal costs and moving IT systems to the new offices. It is expected that the premises costs will further reduce in 2009 as these elements will not be applicable.

The increase in salary costs for 2008 is primarily as a result of the Company employing additional members of staff. This was as a result of taking in-house the management of the Waterfront car park and estate and employing staff directly.

Exceptional operating costs relate to the writing down of the following costs:-

- Weighbridge and Avenues redevelopment £1,646,682 (2007:£304,608);
- Skateboard park £121,463;
- Assets costing less than £10,000 written off in the year to accord with new States of Jersey accounting policies; total net book value written off £76,909; and
- Final account payment to CTP of £98,009 for the leisure pool construction contract (it has taken the developer over 4 years to reach final settlement with the contractor).

## Future

Whilst the Company has the expectations of a strong cash flow during 2009, it is planning for the change in circumstances of working within a worsening worldwide economic environment to which Jersey will not be immune. One of the keys to success in property development is delivering the correct product into an improving economy. It is essential to keep momentum in an economic downturn and to be progressing with the pre-development stages of future developments. It is also beneficial to commence construction near to the bottom of a cycle. This provides significant cost savings. Development usually takes 3-5 years so the finished product can be delivered into the up cycle. The key is to study the economy closely so as to call the stages of the cycles correctly.

## Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2008.

### Incorporation

Waterfront Enterprise Board Limited was incorporated in Jersey on 21 February 1996 when 1 million shares of £1 each were issued to the States of Jersey. On 18 March 1997, the Company's authorised share capital was increased from £1 million to £20 million which has been issued and fully paid as at 31 December 2008 and of which 19,999,999 are held by the Greffier of the States on behalf of the States of Jersey and 1 share is held by the Treasurer of the States.

On incorporation the Company was vested with responsibility for the co-ordination and promotion of development in the St Helier Waterfront Area on behalf of the States of Jersey and this mandate was renewed for a period of ten years from 12 December 2006. On 28 April 2002 the States of Jersey resolved to pass legal title to the Company of a number of parcels of land located within the St Helier Waterfront Area which has now been implemented with the exception of two parcels of land which should be completed in 2009.

### Principal activities

The principal activities of the Company and its subsidiary undertakings are property holding, development and estate management.

### Results

The results for the year are set out in the Consolidated Profit and Loss Account on page 11.

### Dividend

The Directors do not propose to pay a dividend for the year.

### Directors

The Directors who held office during the year were:

#### Executive Director

Mr S R Izatt (Managing Director)

#### Non Executive Directors

Mr F G Voisin removed by the States of Jersey on 4 July 2008

Jurat J C Tibbo (Acting Chairman)

Mr P J Crespel

Senator P Routier

Mrs J Huet

Senator J Perchard resigned on 12 June 2008

## **Report of the Directors (continued)**

The Company maintains insurance for its Directors and Officers providing indemnity against certain liabilities which may be incurred by them whilst acting as Officers of the Company.

### **Company Secretary**

The secretary of the Company at 31 December 2008 was Mr L R Henry, who continued in office for the whole of the year.

### **Corporate Governance**

A detailed statement on Corporate Governance is set out on pages 6 and 7. A statement on Directors' remuneration is set out on page 8. Both of these statements are adopted as part of this report.

### **Auditors**

The auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### **Directors' responsibilities with regard to the Financial Statements**

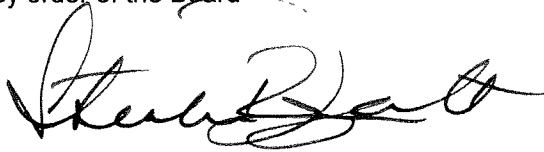
The Directors are responsible for preparing financial statements for each financial year, for ensuring that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period and are in accordance with applicable laws. In preparing those financial statements the Directors are required to:-

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

**Report of the Directors (continued)**

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



For and on behalf of  
Waterfront Enterprise Board Limited  
*12th February* 2009

**Registered Office**

Ground Floor  
Harbour Reach  
La Rue de Carteret  
St Helier  
Jersey  
JE2 4HR

## **Corporate Governance**

The Directors are committed to maintaining a high standard of Corporate Governance, in accordance with Jersey Company Law and in accordance with its Memorandum and Articles of Association. The Board is of the opinion that it has materially complied with these governing statutes. The Comptroller and Auditor General undertook a review of the Company's corporate governance during 2008 and the results of this review are on the States of Jersey website. The Comptroller and Auditor General concluded that the Company is now in compliance with normal corporate governance practice.

### **The Board**

The Board currently comprises one executive director (the Managing Director) and four non-executive directors, two of whom were members of the States of Jersey at their appointment ("States Directors"). Since the removal of Mr F G Voisin by the States of Jersey on 4 July 2008 Jurat J C Tibbo has performed the role of Acting Chairman as agreed with the Chief Minister of the States of Jersey.

The Board's principal focus is the overall strategic direction, development and control of the Company. Key matters such as the Company's objectives and commercial strategies, budgets and risk management strategy are reserved for the Board.

The Board met 17 times during 2008 and was quorate on 13 of those occasions with attendance recorded in the minutes of each meeting. For meetings where the Board was not quorate any decisions taken were subsequently ratified by any member unable to attend.

### **Board Committees**

- **Audit Committee**

The Audit Committee comprises the two Non-States Non-Executive Directors under the Chairmanship of Jurat J C Tibbo. Meetings are also attended by invitation by the Deputy Treasurer of the States of Jersey, the Managing Director and the Company Secretary as well as PricewaterhouseCoopers CI LLP, the external auditors. The Audit Committee supports the Board in the execution of its responsibilities to establish and monitor financial reporting and internal control procedures.

The Audit Committee met 4 times during 2008 and there was full attendance at all these meetings.

- **Remuneration Committee**

The Remuneration Committee comprises the two States Non-Executive Directors and Mr P J Crespel (appointed 9 December 2008). The Remuneration Committee makes recommendations to the Board regarding the remuneration of both Executive and Non-Executive Directors and senior management and considers the ongoing appropriateness and relevance of the remuneration policy.

The Remuneration Committee met 3 times during 2008 and there was full attendance at all these meetings.

- **Internal Control**

The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness while the role of management is to implement Board policies on risk and control. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives.

## Corporate Governance (continued)

The key procedures which the Board has established to provide effective controls are:

- **Board Reports**

Key strategic decisions are taken at Board meetings following due debate and with the benefit of Board papers circulated beforehand. The risks associated with such decisions are a primary consideration in the information presented and discussed by the Board.

- **Financial Information and Control**

The Company prepares budgets and business plans on an annual basis which are submitted to the Shareholders. The performance of the business against these budgets and business plans is monitored by the Board. There is an established investment evaluation process to ensure Board approval for all capital expenditure commitments above £5,000 and includes the scrutiny of business plans by the Board.

The Company also prepares annual and five yearly cashflows which are regularly reviewed and updated and are monitored and approved by the Board.

- **Organisation**

The Board concentrates mainly on strategic and directional matters and on financial performance. It aims to safeguard the Company's assets and ensure proper and reliable accounting records are maintained. There is a clearly defined organisational structure with established reporting responsibilities, authorities and reporting lines to the Board.

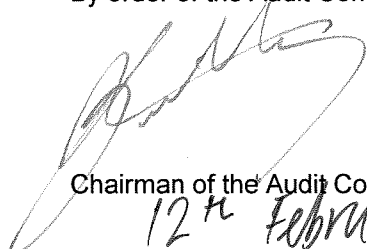
- **Audit Committee**

The Audit Committee reviews the effectiveness of the internal control process and discusses the reports of the external auditors with them.

- **Relations with Shareholder**

The Company is wholly owned by the States of Jersey with the Chief Minister acting as the Company's sponsor. The Company seeks to comply in full with its governing statutes as the basis for the conduct of its relationship with its shareholder.

By order of the Audit Committee



Chairman of the Audit Committee  
12<sup>th</sup> February 2009



**Report of the Remuneration Committee**

The Remuneration Committee comprises the States Non-Executive Directors and Mr P J Crespel (appointed 9 December 2008) under the Chairmanship of Senator P Routier. The Committee operates under a charter that was ratified by the Board on 25 July 2005.

Remuneration structures are simple with no equity participation (share ownership) by the Directors. Salaries are established by reference to those prevailing in the open market generally for directors of comparable status, responsibility and skills in comparable industries. The Committee uses executive remuneration surveys prepared by independent consultants to assist in establishing market levels. The determination of the Managing Director's remuneration is a decision taken by the full Board.

Changes to salaries and remuneration payments are normally effective from either 1 January or 1 June each year.

**Directors' Remuneration**

	<b>Salary &amp; Fees £</b>	<b>Benefits* £</b>	<b>Bonus £</b>	<b>2008 Total £</b>	<b>2007 Total £</b>
<b>Executive Director</b>					
Mr S R Izatt	170,000	11,291	30,000	211,291	95,321
<b>Non Executive Directors</b>					
Mr F G Voisin	15,478	-	-	15,478	30,000
Jurat J C Tibbo	21,785	-	-	21,785	12,000
Mr P J Crespel	10,000	-	-	10,000	10,000
Senator P Routier	-	-	-	-	-
Mrs J Huet	-	-	-	-	-
Senator J Perchard	-	-	-	-	-
<b>Total</b>	<b>217,263</b>	<b>11,291</b>	<b>30,000</b>	<b>258,554</b>	<b>147,321</b>

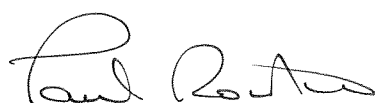
Mr S R Izatt was appointed as Managing Director with effect from 7 May 2007.

Mr F G Voisin was removed from the Board by the States of Jersey on the 4 July 2008, Jurat J Tibbo is currently acting Chair. Senator J Perchard resigned from the Board with effect from 12 June 2008.

\*The Managing Director received an accommodation allowance not included in benefits above with the value of £30,000 (2007: £13,037).

In addition to the remuneration disclosed above, pension contributions were paid in respect of the Managing Director to the value of £25,500 (2007: £13,199)

By order of the Remuneration Committee



Chairman of the Remuneration Committee

12th February 2009

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATERFRONT ENTERPRISE BOARD LIMITED

### Report on the financial statements

We have audited the accompanying financial statements of Waterfront Enterprise Board Limited which comprise the consolidated and company balance sheet as of 31 December 2008 and the consolidated profit and loss account, the consolidated statement of total recognised gains and losses and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with United Kingdom Accounting Standards and with the requirements of Jersey law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and the Group as of 31 December 2008, and of the financial performance and cash flows of the Group for the year then ended in accordance with United Kingdom Accounting Standards and have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

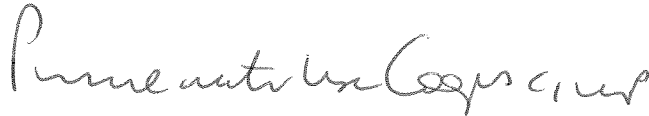
### Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Operational overview, the Report of the Directors', the Report on Corporate Governance and the Report of the Remuneration Committee.

In our opinion the information given in the Report of the Directors' is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATERFRONT  
ENTERPRISE BOARD LIMITED - CONTINUED**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 110 of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers CI LLP  
Chartered Accountants  
Jersey, Channel Islands  
12 February 2009

# WATERFRONT ENTERPRISE BOARD LIMITED

## Consolidated Profit and Loss Account For the year ended 31 December 2008

	<i>Note</i>	2008 £	2007 £
<b>Turnover</b>	29	<b>12,160,089</b>	454,818
Operating costs	29	<b>(4,938,442)</b>	(1,357,920)
<b>Profit/(loss) before exceptional items, interest and tax</b>		<b>7,221,647</b>	(903,102)
Operating exceptional items: permanent changes in carrying value of properties	3	<b>18,556</b>	796,500
Costs of developing land	4	<b>(1,646,682)</b>	(304,608)
Costs of assets written down	2iv)	<b>(76,909)</b>	-
Costs of providing community benefits	2iv)	<b>(219,472)</b>	-
Other operating income	5	-	71,900
<b>Operating Profit/(Loss)</b>	6	<b>5,297,140</b>	(339,310)
Finance income	7	<b>359,118</b>	174,488
Finance costs	8	<b>(92,846)</b>	(85,808)
<b>Profit/(Loss) before taxation on ordinary activities</b>		<b>5,563,412</b>	(250,630)
Taxation on profit on ordinary activities	9	-	(210,497)
<b>Retained profit/(loss) for the year</b>		<b>5,563,412</b>	(461,127)

All the items included in the retained profit/(loss) for 2008 and 2007 relate to continuing operations.

There are no material differences between profit on ordinary activities before taxation and the historical cost equivalents.

## Statement of total recognised gains and losses

	<i>Note</i>	2008 £	2007 £
Profit/(loss) for the year		<b>5,563,412</b>	(461,127)
Unrealised (deficit)/surplus on revaluation of properties	10	<b>(314,650)</b>	570,650
<b>Total recognised gains and losses for the year</b>		<b>5,248,762</b>	109,523

The notes on pages 15 to 28 form part of these financial statements.

# WATERFRONT ENTERPRISE BOARD LIMITED

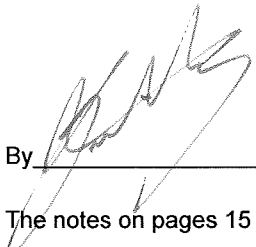

## Consolidated Balance Sheet At 31 December 2008

	Note	2008		2007	
		£	£	£	£
<b>Fixed Assets</b>					
Investment properties	10	6,816,000		6,792,094	
Other tangible assets	11	1,450,697		1,292,527	
		8,266,697		8,084,621	
<b>Current Assets</b>					
Current asset investments	12	21,333,008		23,560,298	
Debtors	13	4,933,216		3,927,310	
Cash at bank and in hand		5,618,192		157	
		31,884,416		27,487,765	
<b>Creditors (amounts falling due within one year)</b>					
Creditors and accruals	14	(1,183,751)		(1,853,786)	
<b>Net Current Assets</b>		30,700,665		25,633,979	
<b>Net Assets</b>		38,967,362		33,718,600	
<b>Equity shareholders funds</b>					
Called up share capital	15	20,000,000		20,000,000	
Profit and loss account	16	(1,485,103)		(7,048,515)	
Revaluation Reserve	16	256,000		570,650	
Capital reserve	16	20,196,465		20,196,465	
	17	38,967,362		33,718,600	

The financial statements on pages 11 to 28 were approved by the Board of Directors

On *12<sup>th</sup> February 2009*

and signed on their behalf

By  Director 

The notes on pages 15 to 28 form part of these financial statements.

# WATERFRONT ENTERPRISE BOARD LIMITED

**Company  
Balance Sheet  
At 31 December 2008**

	Note	2008		2007	
		£	£	£	£
<b>Fixed Assets</b>					
Investment properties	10	6,816,000		6,792,094	
Other tangible assets	11	1,450,697		1,292,527	
		<b>8,266,697</b>		<b>8,084,621</b>	
<b>Current Assets</b>					
Current asset investments	12	21,333,008		23,560,298	
Debtors	13	4,933,216		3,938,864	
Cash at bank and in hand		5,618,192		157	
		<b>31,884,416</b>		<b>27,499,319</b>	
<b>Creditors (amounts falling due within one year)</b>					
Creditors and accruals	14	(1,183,759)		(1,853,797)	
<b>Net Current Assets</b>		<b>30,700,657</b>		<b>25,645,522</b>	
<b>Net Assets</b>		<b>38,967,354</b>		<b>33,730,143</b>	
<b>Equity shareholders funds</b>					
Called up share capital	15	20,000,000		20,000,000	
Profit and loss account	16	(1,485,103)		(7,036,961)	
Revaluation Reserve	16	256,000		570,650	
Capital reserve	16	20,196,457		20,196,454	
	17	<b>38,967,354</b>		<b>33,730,143</b>	

The financial statements on pages 11 to 28 were approved by the Board of Directors

on *12<sup>th</sup> February 2009*

and signed on their behalf

by \_\_\_\_\_ Director



The notes on pages 15 to 28 form part of these financial statements.

**Consolidated Cash Flow Statement  
For the year ended 31 December 2008**

	<i>Note</i>	2008 £	2007 £
Net cash inflow/(outflow) from operating activities	18	9,680,705	(620,349)
Returns on investments and servicing of finance	19	(14,442)	(79,971)
Cash inflow/(outflow) before investment activity		9,666,263	(700,320)
Capital expenditure and financial investment	20	(2,402,170)	(235,967)
Cash inflow/(outflow) before financing		7,264,093	(936,287)
Financing	21	(1,646,058)	929,878
<b>Increase/(decrease) in cash in the year</b>		<b>5,618,035</b>	<b>(6,409)</b>

**Reconciliation of net cash flow to movement in net funds**

<b>Increase in cash in the year</b>	£ 5,618,035
<b>Change in net funds</b>	
<b>Net Funds at 1 January 2008</b>	157
<b>Net Funds at 31 December 2008</b>	<b>5,618,192</b>

Net funds comprise cash

The notes on pages 15 to 28 form part of these financial statements.

## Notes to the accounts for the year ending 31 December 2008

### 1 Purpose and financing of the Group and the Company

#### *Share Capital*

The Company was formed to manage the development of the St Helier Waterfront area on behalf of the States of Jersey. The Company is responsible for the developments which will be financed from share capital issued by the Company, other capital receipts and grants from the States of Jersey as well as from third party financing where required. The States of Jersey has subscribed £20m of share capital in the Company to finance development projects.

#### *Introduction of property assets*

On 28 April 2002 the States of Jersey resolved to pass legal title to the Company of a number of the parcels of land located on the St Helier Waterfront for which the Company had already been delegated management responsibility. In the course of development of the whole scheme, the Company had already commissioned projects to enhance the value of the sites affected. The Company credited the surplus between the development costs incurred to date and the fair value of these assets to a capital reserve in order to reflect the further contribution they represent to the Company by the States of Jersey.

The first of these assets were transferred into WEB's ownership before 31 December 2003, with further transfers being completed during 2004.

In accordance with the States of Jersey adopted projet P60/2008 'Esplanade Quarter, St. Helier: Masterplan', on 19 December 2008 the Company passed back to the States of Jersey various long leasehold and freehold interests forming the site known as the Esplanade Quarter. In exchange the States of Jersey granted the Company a single 150 year lease which consolidated these land interests.

### 2 Principal accounting policies

#### **i) Basis of accounting**

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain freehold and leasehold assets, and in accordance with generally accepted accounting principles in the United Kingdom. In accordance with Financial Reporting Standard (FRS) 18 the Company's accounting policies are reviewed annually to confirm that they remain appropriate and are in accordance with United Kingdom accounting standards. A summary of the more important policies is set out below.

#### **ii) Basis of consolidation**

The Company has prepared consolidated financial statements in accordance with FRS2 "Accounting for subsidiary undertakings".

The consolidated financial statements of Waterfront Enterprise Board Limited comprise the financial statements of Waterfront Enterprise Board Limited and its subsidiary undertakings as listed in note 27.

Intra-group transactions are eliminated fully on consolidation.

#### **iii) Investment properties**

Investment properties are reflected in the accounts at market value in accordance with SSAP 19 "Investment Properties". Unrealised surpluses less unrealised deficits on valuation of investment properties are credited directly to the revaluation reserve.



## Notes to the accounts for the year ending 31 December 2008 (continued)

### **2 Principal accounting policies (continued)**

In the event that there is a permanent impairment of investment properties below original cost, the impairment below original cost is taken to the Profit and Loss Account in the year recognised.

Any increases in value that reverse previously recognised permanent diminutions are taken to the Profit and Loss Account to the extent that they reverse the previously recognised impairments below cost and the excess over cost is taken to the Revaluation Reserve.

#### **iv) Tangible assets**

Freehold and leasehold land and buildings are carried at cost and depreciated over their useful economic lives.

If land and buildings are managed on the understanding that the Company will never receive legal title to the asset but the Company's management of the asset for and on behalf of the States of Jersey generates income to be enjoyed by the Company, then the cost of developing that asset will be amortised on a straight line basis over the number of years that the income is expected to continue, and is subject to impairment reviews.

If an asset is held on the understanding that the Company will in due course receive legal title to the asset then expenditure incurred in the course of bringing the asset to its present location and condition is shown at cost and is not amortised. When at some future date legal title to the asset is acquired, then the asset will be re-classified as either an investment property or as a current asset investment depending upon the Directors' plans in relation to the asset.

Any expenditure on developing assets from which the Company expects to derive no economic benefits is taken to the income and expenditure account in the year in which it is incurred.

Other tangible fixed assets are stated at cost less accumulated depreciation. In order to comply with the States of Jersey Financial Reporting Manual, all tangible assets with a cost of less than £10,000 are to be written off through the profit and loss account. In 2008 all assets with a cost of less than £10,000 were written off resulting in an exceptional operating cost charged to the profit and loss account of £76,909. Assets with a cost of £10,000 or more, depreciation is provided to write off the cost of the assets over their estimated useful lives in equal annual instalments as follows:

Furniture, fittings and equipment	5 years
Events installations and equipment	5 – 10 years
Estate capital improvements	5 years
Computer equipment	3 years

During the year the Company paid for the construction of a skateboard park for the benefit of the Public of Jersey. On completion, the skateboard park was handed over to the Education Sport and Culture Department. The skateboard park cost £121,463 and this cost has been written off through the 2008 profit and loss account.

During the year the Company received a final account invoice in relation to the Waterfront leisure pool from developer CTP. The Company commissioned and project managed the Waterfront leisure pool on behalf of the States of Jersey. The sum of £98,009 has been taken through the 2008 profit and loss account.

#### **v) Current Asset Investments**

Current asset investments comprise freehold and long leasehold land and buildings which the Directors intend to develop themselves or to sell to a third party for re-development and are stated at the lower of the established carrying value or net realisable value.

## Notes to the accounts for the year ending 31 December 2008 (continued)

### **2 Principal accounting policies (continued)**

The established carrying value is determined by the opening market value at the date of acquisition and subsequent expenditure incurred after acquisition.

On acquisition the difference between the market value and the cost incurred by the Company in relation to the asset prior to acquisition is taken to a capital reserve account. Any decrease in value is taken to the Profit & Loss account.

Acquisition and disposal is considered to have taken place when a legally binding, unconditional and irrevocable contract has been entered into.

#### **vii) Deferred Consideration**

Deferred consideration arises when freehold or leasehold land and buildings previously classified as a current asset investment are sold but realisation of the consideration is deferred until a future date or dates. If the realisation of the deferred consideration is reasonably certain then the asset is recognised at the net present value of the estimated future cash flows. The unwinding of the discount is recognised annually in the profit and loss account as finance income. If the realisation of deferred consideration is less than reasonably certain, because it is subject to the outcome of relevant future events, but is nevertheless probable, then the future value of these contingent assets is disclosed.

#### **viii) Pension costs**

Employer's contributions to pension costs are charged to the Profit and Loss Account as they become payable (see note 23).

#### **ix) Taxation**

The Company is exempt from paying Income Tax (see note 9).

#### **x) Turnover**

Turnover represents the value of the consideration received on the disposal of current asset investments, rental income received and fees for professional consultancy services rendered recognised on an accruals basis.

Benefits to lessees in the form of rent free periods are treated as a reduction in the overall return on the lease in accordance with UITF 28 "Operating Lease Incentives" and are recognised on a straight line basis over the shorter of the lease term or period up to the initial rent review date.

#### **xi) Bank interest**

Bank interest is accounted for on an accruals basis.

#### **xii) Revenue grants**

Grants from the States of Jersey in respect of expenditure incurred are credited to the Profit and Loss Account on an accruals basis. The Company received its last grant from the States of Jersey in 2007.

## Notes to the accounts for the year ending 31 December 2008 (continued)

### **2 Principle accounting policies (continued)**

#### **xiii) Legal, consultancy and professional costs**

Legal, consultancy and other professional fees relating to investigations, other studies and land/buildings previously sold are written off in the Profit and Loss Account. Costs relating to current asset investments are capitalised.

#### **xiv) Leases**

Payments for operating leases are accounted for on an accruals basis.

Receipts from leases are accounted for on an accruals basis.

Any leases that the company has entered into (in the capacity of lessee or lessor) and which contain incentives are accounted for in accordance with UITF 28 Operating Lease Incentives with the incentives allocated to match the effect of increased rentals receivable or payable in later periods.

#### **xv) Cash**

Cash comprises cash in hand and bank deposits.

### **3 Operating exceptional items: permanent changes in carrying value of properties**

As explained in note 2(iii) assets acquired which the Company intends to retain indefinitely as investment property are shown in the accounts at market value.

As explained in note 10 on 31 December 2008 the Company revalued the underground car park in La Rue du Port Elizabeth. The leasehold tenure of the car park was acquired in 2004 when the market value of this property together with the related infrastructure costs identified a deficit of £6,260,516 that was expected to be permanent and was therefore charged to the Profit and Loss Account in that year. The latest valuation was performed internally by a qualified RICS Valuation Surveyor.

This revaluation generated an increase of £215,500 (2007: £210,500) and has been taken to the profit and loss account as a partial reversal of 2004 write down.

On 31 December 2008 the Company revalued the Transportation Centre (known as "Liberation Station"). In 2005 the Company granted a sub lease on the Island Site, now known as "Liberty Wharf", and in doing so effectively disposed of its economic interest in this property. The sub lease excluded the area now occupied by Liberation Station which, following the completion of its construction, is held by the Company as an investment property. In 2005 the carrying value of the land and the cost of construction exceeded the market value of the property and this deficit, which in the opinion of the Directors was expected to be permanent, and which amounted to £586,000, was written off in the Profit and Loss Account in 2005. The recent revaluation decreased the carrying value of the asset by £321,000 which has been charged to the revaluation reserve (2007: increase in value of £1,022,000). The latest valuation was performed internally by a qualified RICS Valuation Surveyor.

On 31 December 2008 the Company revalued its interest in the Radisson Hotel. This revaluation generated a decrease of £196,944 which has been charged to the profit and loss account.

On 31 December 2008 the Company revalued its land ownership of a JEC sub-station at Liberty Wharf. The revaluation generated an increase of £6,350 which was taken to the revaluation reserve.

# WATERFRONT ENTERPRISE BOARD LIMITED

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## Notes to the accounts for the year ending 31 December 2008 (continued)

### 4 Cost of developing land

During the year the Company completed the redevelopment of a new square at the Weighbridge for the benefit of the public and visitors to the Island of Jersey. The estimated value of the site on completion has been internally valued by a qualified RICS Valuation Surveyor as £320,000. This value is less than the costs of the works and a proportion of those costs has been written down in the 2008 accounts by £1,646,682 (2007:£304,608).

### 5 Other operating income

Other operating income comprises grants from the States of Jersey in respect of operational expenditure incurred which are credited to the Profit and Loss Account on an accruals basis, £Nil 2008 (2007: £71,900).

### 6 Operating profit/(loss)

	2008	2007
	£	£
<b>Operating profit/(loss) is stated after charging:</b>		
Auditor's remuneration – audit	33,000	33,000
Professional fees	130,275	25,876
Directors' remuneration	314,054	173,557
Employees emoluments and associated costs	471,046	388,315
Depreciation	71,851	46,760

Note: 2008 professional fees relate to investigation costs into preferred developers financial capacity. This work was undertaken by PwC LLP.

### 7 Finance income

	2008	2007
	£	£
Bank interest receivable	78,404	5,837
Interest receivable on deferred consideration	280,714	168,651
	<b>359,118</b>	<b>174,488</b>

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### 8 Finance costs

	2008	2007
	£	£
Bank interest payable	85,082	83,615
Bank fees and charges	7,764	2,193
	<b>92,846</b>	<b>85,808</b>

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# WATERFRONT ENTERPRISE BOARD LIMITED

## Notes to the accounts for the year ending 31 December 2008 (continued)

### 9 Taxation on profit on ordinary activities

	2008 £	2007 £
<b>Jersey</b>		
Adjustment in respect of prior year	-	2,445
Total current tax	-	2,445
<b>Deferred taxation</b>		
Reversal of deferred tax asset	-	208,052
<b>Total taxation on profit on ordinary activities</b>	<b>-</b>	<b>210,497</b>

On 19 October 2007 the Minister for Treasury and Resources exempted the Company and its associated enterprise from income tax under Article 115 of the Income Tax (Jersey) Law 1961 as the profits of the Company are to be expended wholly and exclusively to improve and extend public infrastructure and works for the good of the public of the Island.

### 10 Investment properties

Group and Company	2008 £	2007 £
At 31 December 2007	<b>6,792,094</b>	3,100,000
Transfer of assets from Other Tangible Assets	<b>320,000</b>	2,324,944
Revaluation (deficit)/surplus	<b>(296,094)</b>	1,367,150
<b>At 31 December 2008</b>	<b>6,816,000</b>	6,792,094

Included with Investment Properties are the following assets:-

Property	Tenure	Description	Valuation as at 31 December 2008
Waterfront car-park	Long Leasehold	500 space car-park located on La Route de Port Elizabeth	Internal
Liberation Station	Long Leasehold	Bus station located at Liberty Wharf	Internal
Radisson Hotel	Long Leasehold	Financial interest in a 195 bed four star hotel on La Rue de L'Etiau	External
Weighbridge	Long Leasehold	Public square with alfresco dining	Internal
JEC sub-station	Long Leasehold	Land upon which sub-station is located at Liberty Wharf	Internal

# WATERFRONT ENTERPRISE BOARD LIMITED

## Notes to the accounts for the year ending 31 December 2008 (continued)

### 10 Investment properties (continued)

Internal valuations were undertaken by a qualified RICS valuation surveyor who is an employee of the Company.

The external valuation of the Company's interest in the Radisson Hotel as at 31 December 2008 was undertaken by CB Richard Ellis.

The following amounts were taken to the profit and loss account:- £215,500 related to the reversal of previous write downs (see note 3) and £(196,944) related to a diminution in value that Directors considered permanent (see note 3) (2007: £796,500).

The following amounts were taken to the revaluation reserve:- decreases in value of £321,000 (see note 3) and increases in value of £6,350 (see note 3) (2007: £570,650).

### 11 Other tangible fixed assets

#### Group

	Interest in Land and Buildings	Furniture, fittings and equipment	Improvement to office	Events installations and equipment	Estate Capital Improvement	Total
Cost	£	£	£	£	£	£
31 December 2007	1,368,890	128,910	31,403	67,884	-	1,597,087
Additions	2,149,817	11,230	9,114	-	127,123	2,297,284
Disposals	-	-	(31,253)	(12,000)	-	(43,253)
Write-down of costs	(1,646,682)	(82,898)	(9,264)	(24,828)	(31,407)	(1,795,079)
Transfer to Investment Properties	(320,000)	-	-	-	-	(320,000)
<b>At 31 December 2008</b>	<b>1,552,025</b>	<b>57,242</b>	<b>-</b>	<b>31,056</b>	<b>95,716</b>	<b>1,736,039</b>
<b>Depreciation</b>						
31 December 2007	229,278	43,625	12,301	19,356	-	304,560
Charge for year	11,374	29,912	830	8,977	20,758	71,851
Disposals	-	-	(13,131)	(6,450)	-	(19,581)
Write Down	-	(59,228)	-	(8,672)	(3,588)	(71,488)
<b>At 31 December 2008</b>	<b>240,652</b>	<b>14,309</b>	<b>-</b>	<b>13,211</b>	<b>17,170</b>	<b>285,342</b>
<b>Net Book Value At 31 December 2008</b>	<b>1,311,373</b>	<b>42,933</b>	<b>-</b>	<b>17,845</b>	<b>78,546</b>	<b>1,450,697</b>
At 31 December 2007	1,139,612	85,285	19,102	48,528	-	1,292,527

#### Notes:

Estate Capital Improvement: On the 1 February 2008 the Company took over the responsibility of managing and maintaining the waterfront car park and the waterfront estate, a role which had since 1 January 2005 been outsourced. £54,852 related to purchasing the written down value of the car park barriers and pay-stations that had been installed by the previous operator.

# WATERFRONT ENTERPRISE BOARD LIMITED

## Notes to the accounts for the year ending 31 December 2008 (continued)

### 11 Other tangible fixed assets (Continued)

Interest in Land and Buildings: written down costs of £1,646,682 relate to the write down of the majority of costs associated with redeveloping the Weighbridge and Avenues.

Interest in Land and Buildings: the £320,000 transfer of the open market value of the Weighbridge to investment properties.

The remainder of written down costs (totalling £148,397) relate to assets that originally cost less than £10,000 and have been written off in the year in accordance with note 2 iv).

The net book value of these assets written down (£76,909) has been shown as an exceptional item in the profit and loss account (the original costs of these assets had been reduced by depreciation charges totalling £71,488).

### Company

	Interest in Land and Buildings	Furniture, fittings and equipment	Improvement to office	Events installations and equipment	Estate Capital Improvement	Total
Cost	£	£	£	£	£	£
31 December 2007	1,368,890	128,910	31,403	67,884	-	1,597,087
Additions	2,149,817	11,230	9,114	-	127,123	2,297,284
Disposals	-	-	(31,253)	(12,000)	-	(43,253)
Write-down of costs	(1,646,682)	(82,898)	(9,264)	(24,828)	(31,407)	(1,795,079)
Transfer to Investment Properties	(320,000)	-	-	-	-	(320,000)
<b>At 31 December 2008</b>	<b>1,552,025</b>	<b>57,242</b>	<b>-</b>	<b>31,056</b>	<b>95,716</b>	<b>1,736,039</b>
<b>Depreciation</b>						
31 December 2007	229,278	43,625	12,301	19,356	-	304,560
Charge for year	11,374	29,912	830	8,977	20,758	71,851
Disposals	-	-	(13,131)	(6,450)	-	(19,581)
Write Down	-	(59,228)	-	(8,672)	(3,588)	(71,488)
<b>At 31 December 2008</b>	<b>240,652</b>	<b>14,309</b>	<b>-</b>	<b>13,211</b>	<b>17,170</b>	<b>285,342</b>
<b>Net Book Value At 31 December 2008</b>	<b>1,311,373</b>	<b>42,933</b>	<b>-</b>	<b>17,845</b>	<b>78,546</b>	<b>1,450,697</b>
At 31 December 2007	1,139,612	85,285	19,102	48,528	-	1,292,527

Note: Other tangible fixed assets are the same for the Company as the Group. Please see notes provided to the Group for further explanation

# WATERFRONT ENTERPRISE BOARD LIMITED

## Notes to the accounts for the year ending 31 December 2008 (continued)

### 12 Current asset investments

	Note	Group		Company	
		2008	2007	2008	2007
		£	£	£	£
Subsidiary undertakings	27	-	-	8,067,664	12,151,543
Freehold land and buildings		8,067,664	12,151,543	-	-
Leasehold land and buildings		13,265,344	11,408,755	13,265,344	11,408,755
		<b>21,333,008</b>	23,560,298	<b>21,333,008</b>	23,560,298

In the opinion of the Directors the net realisable value of the current asset investments is not less than their carrying values.

Leasehold land values have increased partly as a result of the various transfers of freehold into leasehold following States of Jersey adoption of projet P60/2008 (see note 1).

### 13 Debtors

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts due from subsidiary undertakings	-	-	-	11,554
Amounts due from the States of Jersey	26,438	3,350	26,438	3,350
Trade debtors	1,076,563	31,567	1,076,563	31,567
Deferred consideration due within one year	3,685,000	1,729,000	3,685,000	1,729,000
Deferred consideration due after more than one year	-	2,088,000	-	2,088,000
Other debtors	134,420	53,887	134,420	53,887
Prepayments	10,795	21,506	10,795	21,506
	<b>4,933,216</b>	3,927,310	<b>4,933,216</b>	3,938,864

Note: deferred consideration relates to guaranteed considerations receivable following disposal of interests in land and buildings.

### 14 Creditors: amounts falling due within 1 year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts due to subsidiary undertakings	-	-	8	11
Amounts due to the States of Jersey	247,215	10,489	247,215	10,489
Bank overdraft	-	1,646,058	-	1,646,058
Trade creditors	152,086	71,593	152,086	71,593
Other creditors	28,525	32,694	28,525	32,694
Accruals and deferred income	755,925	92,952	755,925	92,952
	<b>1,183,751</b>	1,853,786	<b>1,183,759</b>	1,853,797



# WATERFRONT ENTERPRISE BOARD LIMITED

## Notes to the accounts for the year ending 31 December 2008 (continued)

### 15 Called up share capital

#### Equity share capital

	2008	2007
	£	£
<b>Authorised</b>		
20,000,000 ordinary shares of £1 each	<b>20,000,000</b>	20,000,000
<b>Issued and fully paid</b>		
20,000,000 ordinary shares of £1 each	<b>20,000,000</b>	20,000,000

### 16 Reserves

#### Group

	<i>Capital Reserve</i>	<i>Revaluation Reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
At 31 December 2007	20,196,465	570,650	(7,048,515)	<b>13,718,600</b>
Retained profit/(loss) for the year			5,563,412	<b>5,563,412</b>
Revaluation of Investment Property		(314,650)		<b>(314,650)</b>
<b>At 31 December 2008</b>	<b>20,196,465</b>	<b>256,000</b>	<b>(1,485,103)</b>	<b>18,967,362</b>

	<i>Capital Reserve</i>	<i>Revaluation Reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
At 31 December 2007	20,196,454	570,650	(7,036,961)	<b>13,718,589</b>
Sale of share capital	3			<b>3</b>
Retained profit for the year			5,551,858	<b>5,563,412</b>
Revaluation of Investment Property		(314,650)		<b>(314,650)</b>
<b>At 31 December 2008</b>	<b>20,196,457</b>	<b>256,000</b>	<b>(1,485,103)</b>	<b>18,967,354</b>

# WATERFRONT ENTERPRISE BOARD LIMITED

## Notes to the accounts for the year ending 31 December 2008 (continued)

### 17 Reconciliation of movements in shareholders' funds

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Retained profit/(loss) for the year	5,563,412	(461,127)	5,551,861	(461,127)
(Decrease)/Increase in revaluation reserve	(314,650)	570,650	(314,650)	570,650
Opening equity shareholders' funds	33,718,600	33,609,077	33,730,143	33,620,620
<b>Closing shareholders' funds</b>	<b>38,967,362</b>	<b>33,718,600</b>	<b>38,967,354</b>	<b>33,730,143</b>

### 18 Reconciliation of Operating profit/(loss) for the year to net cash outflow from operating activities

	2008	2007
	£	£
Operating profit/(loss)	5,297,140	(339,310)
Depreciation (note 2iv)	71,851	46,760
Write down of assets (note 2iv)	76,909	-
Cost of providing community benefit (note 2iv)	121,463	-
Exceptional Items (note 3)	(18,556)	(796,500)
Loss on disposal of tangible fixed asset	7,094	-
Decrease/(Increase) in current asset investments	2,227,290	(137,010)
(Increase)/Decrease in debtors	(725,192)	538,237
Increase/(Decrease) in creditors	976,024	(237,134)
Cost of developing land	1,646,682	304,608
<b>Net cash inflow/(outflow) from operating activities</b>	<b>9,680,705</b>	<b>(620,349)</b>

The changes in debtors for the year ended 31 December 2008 as disclosed above do not correspond to the changes in the corresponding values as disclosed in the consolidated balance sheet. These differences arise as a result of non cash transactions as set out in note 22.

### 19 Returns on investments and servicing of finance

	2008	2007
	£	£
Bank interest received	78,404	5,837
Bank interest paid	(92,846)	(85,808)
<b>Total</b>	<b>(14,442)</b>	<b>(79,971)</b>

# WATERFRONT ENTERPRISE BOARD LIMITED

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## Notes to the accounts for the year ending 31 December 2008 (continued)

### 20 Net capital income/(expenditure) and financial investment

	2008 £	2007 £
Purchase of tangible fixed assets	(2,297,284)	(235,967)
Costs of community benefit	(121,463)	-
Disposal of tangible fixed assets	16,577	-
<b>Total</b>	<b>(2,402,170)</b>	<b>(235,967)</b>

### 21 Financing

	2008 £	2007 £
Bank loan advanced	-	929,878
Bank loan repaid	(1,646,058)	-
<b>Total</b>	<b>(1,646,058)</b>	<b>929,878</b>

### 22 Major non cash transactions

During the year the Group recorded the following major non cash transactions:

	2008 £	2007 £
Revaluation of investment property (exceptional item shown in note 18)	(18,556)	(796,500)
Interest receivable on the net present value of deferred consideration in respect of land and buildings sold	(280,714)	(168,651)

### 23 Pension costs

Salaries and emoluments include pension contributions of £10,564 (2007: £18,065) which relate to one member of staff who is a member (2007:1) of the Public Employees Contributory Retirement Scheme (PECRS). This is a defined benefit pension scheme whose assets are held separately from those of the States of Jersey, however, it is not a conventional defined benefit scheme as the employer is not responsible for meeting any on-going deficiency for the scheme.

Reference should be made to the States of Jersey accounts for the year ended 31 December 2008 for further details of the scheme. Contributions are accounted for within this Company as a defined contribution scheme, as it is a multi-employer scheme.

The Actuarial valuation of the scheme as at 31 December 2004, dated 13 March 2006, indicated that the Scheme had a deficit of £17.4m.

As an admitted body to PECRS the Company has been allocated a proportion of the unfunded liabilities of the scheme which arose in the years up to and including 31 December 1986. With effect of 1 January 2008 the Company is required to fund additional annual contributions amounting to £5,532 (2007: £5,232). This figure is subject to annual adjustment by reference to the percentage increase of the average pensionable earnings of all members of the scheme.

# WATERFRONT ENTERPRISE BOARD LIMITED

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## Notes to the accounts for the year ending 31 December 2008 (continued)

### 23 Pension costs (continued)

It is the understanding of the Directors that the Company will not be required to fund any other part of the deficit relating to the PECS pension scheme.

Salaries and emoluments include pension contributions of £47,305 (2007: £32,217) which relate to staff who have personal pension plans that are defined contribution schemes. In 2008 the Company had 6 members of staff in such schemes (2007: 6).

### 24 Commitments

The Group has commitments at the year end as follows:

	2008	2007
	£	£
Contracted for but not provided for in the financial statements	-	1,622,809
Authorised but not yet contracted for	250,000	562,285
	<hr/> 250,000	<hr/> 2,185,094

The 2008 figure relates to design fees in respect of a development site that the Company will seek to obtain a planning permit on prior to tendering the site in the open market for partnering the development.

### 25 Related party transactions

The Company intermittently purchases services from the States of Jersey on a commercial basis and during the year £340,469 was expended in this regard.

In September 2007, a new lease was entered into for the new Liberation Station, whereby rental income receivable from the States of Jersey is at a level the Directors consider to be equivalent to market rates. The total recognised in the Profit and Loss Account for the year ended 31 December 2008 in respect of this contract is £78,889 (2007: £19,722).

Balances with the States of Jersey at the balance sheet date are disclosed in notes 13 and 14.

The Company intermittently purchases goods and services on a commercial basis from corporate bodies that are wholly or partially owned by the States of Jersey. During the year purchases were made from the following corporate bodies: The Jersey Electricity Company Limited £93,404, The Jersey New Waterworks Company Limited £20,895, Jersey Telecom Limited £11,741 and Jersey Energy Limited of £9,837.

The Company has a related party relationship with the Jersey Electricity Company Limited who lease the electricity sub-station located on the Esplanade from the Company on a commercial basis. During the year rentals totalling £8,564 were collected.

### 26 Contingent asset

During the year the Company sold Waterfront 6A Limited to Castle Quays Development Limited (a wholly owned subsidiary of Dandara (Jersey) Limited). The share sale and development agreement provides the Company with a financial interest in the end quantum of development space and the end sales values by way of potential planning and sales overages should these materialise.

# WATERFRONT ENTERPRISE BOARD LIMITED

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## Notes to the accounts for the year ending 31 December 2008 (continued)

### 27 Subsidiaries

The principal activities of the Company are property holding, development and management.

It is also the owner of all the equity share capital of the following subsidiary companies all of which are incorporated in Jersey:

	<b>Principal activity</b>	<b>Holding</b>
Waterfront 5A – B Limited	Property Holding	2 ordinary shares of £1 each
Waterfront 6C Limited	Property Holding	2 ordinary shares of £1 each
Waterfront 6D Limited	Property Holding	2 ordinary shares of £1 each
Waterfront 6E Limited	Property Holding	2 ordinary shares of £1 each

During the year the Company sold Waterfront 6A Limited (see note 26)

### 28 Immediate and ultimate controlling party

The Company is wholly owned by the States of Jersey.

### 29 Detailed analysis of turnover and operating costs

	2008	2007
	£	£
<b>Turnover</b>		
Proceeds on disposal of land and assets	11,459,803	20,000
Rental income	202,612	97,014
Car park receipts	497,674	337,804
	<b>12,160,089</b>	<b>454,818</b>
<b>Operating Costs</b>		
Cost of land and assets sold	3,336,801	-
Salaries and emoluments	785,100	561,872
Premises and establishment	108,314	118,383
Estate Management	364,114	457,905
Legal, consultancy and professional	208,538	120,700
Depreciation of tangible fixed assets	71,851	46,760
Audit	33,000	33,000
Other operating expenses	30,724	19,300
	<b>4,938,442</b>	<b>1,357,920</b>