

Balance Sheet

31 December 2006

	Note	2006		2005	
		£'000	£'000	£'000	£'000
Fixed assets	2		59,372		58,580
Current assets					
Stock and work in progress		1,098		1,120	
Debtors	3	3,431		3,436	
Bank and cash		273		-	
		4,802		4,556	
Creditors - Amounts falling due within one year					
Bank overdraft		-		(277)	
Creditors and accruals	4	(2,395)		(2,652)	
Contract retentions		(83)		(76)	
Income tax		(2)		(3)	
Bank loans	6	-		(3,650)	
		(2,480)		(6,658)	
Net current assets / (liabilities)			2,322		(2,102)
Total assets less current liabilities			61,694		56,478
Creditors - Amounts falling due after more than one year					
Contract retentions		(7)		(8)	
Income tax		(155)		-	
Bank loans	6	(14,900)		(11,250)	
Non-equity preference shares	9b	(5,382)		(5,382)	
			(20,444)		(16,640)
Provisions for liabilities and charges					
Deferred taxation	7		(4,957)		(4,734)
Net assets excluding pension liability			36,293		35,104
Pension liability	8		(2,000)		(3,080)
Net assets			£34,293		£32,024
Equity capital and reserves					
Called up equity share capital	9a		483		483
Capital redemption reserve			124		124
			607		607
Share premium account			678		678
Reserves	10		33,008		30,739
Shareholders' funds	11		£34,293		£32,024

The financial statements on pages 21 to 35 were approved by the Board of Directors on 28 March 2007 and were signed on its behalf by:

David Norman
Chairman

Profit and Loss Account

For the year ended 31 December 2006

	Note	2006		2005	
		£'000	£'000	£'000	£'000
Turnover					
Water supply charges	12	12,358		12,038	
Rechargeable works income		864		468	
Other income		195		177	
			13,417		12,683
Cost of sales					
Pumping expenses		(626)		(607)	
Maintenance of reservoirs and works		(2,017)		(1,982)	
Distribution and analysis of water		(2,049)		(2,269)	
Desalination station expenses		(348)		(180)	
Miscellaneous		(450)		(283)	
		(5,490)		(5,321)	
Administration					
Administration expenses	13	(2,110)		(1,915)	
Insurances		(397)		(406)	
		(2,507)		(2,321)	
Depreciation					
Completed works	2	(1,887)		(1,865)	
Expenditure					
			(9,884)		(9,507)
Operating profit					
			3,533		3,176
Profit on disposal of fixed assets					
			469		504
Interest					
- payable	14	(839)		(836)	
- receivable		12		17	
Non-equity dividends					
	15	(381)		(381)	
Other finance income / (costs)					
	8	6		(41)	
			(1,202)		(1,241)
Profit before taxation					
			2,800		2,439
Jersey income tax					
	5	(412)		(323)	
Profit available for distribution to equity shareholders					
			2,388		2,116
Equity dividends					
	16	(1,070)		(1,372)	
Retained profit for the year					
			£1,318		£744
Earnings per ordinary share of £1					
	17		£4.94		£4.38

There is no material difference between the reported profit for 2006 and 2005 and the profit prepared under the historical cost basis.

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Profit for the year		2,388	2,116
Gain / (Loss) arising on pension liabilities	8	951	(592)
Total recognised gains and losses for the year		<u>£3,339</u>	<u>£1,524</u>

Cash Flow Statement

For the year ended 31 December 2006

	Note	2006		2005	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	18		5,509		5,083
Returns on investments and servicing of finance					
Interest received		12		18	
Interest paid		(822)		(835)	
Non-equity dividends paid		(381)		(381)	
Net cash outflow on returns on investments and servicing of finance			(1,191)		(1,198)
Taxation					
Jersey income tax (paid) / repaid			(3)		62
Capital expenditure					
Purchase of fixed assets		(3,173)		(3,614)	
Disposal of fixed assets		478		713	
Net cash outflow from capital expenditure			(2,695)		(2,901)
Equity dividends paid			(1,070)		(1,372)
Net cash inflow / (outflow) before financing			550		(326)
Financing					
New loans		-		-	
Loans repaid		-		-	
Net cash flow from financing			-		-
Increase / (Decrease) in cash			£550		£(326)
Reconciliation of net cash flow to movement in net debt					
	Note		2006		2005
			£'000		£'000
Increase / (Decrease) in cash			550		(326)
Movement in net debt	19		550		(326)
Net debt brought forward	19		(20,559)		(20,233)
Net debt carried forward	19		£(20,009)		£(20,559)