

# Balance sheet

31 December 2007

	Note	2007		2006 Restated	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>	2		<b>59,831</b>		59,962
<b>Current assets</b>					
Stock and work in progress		<b>1,073</b>		1,098	
Debtors	3	<b>4,225</b>		3,990	
Bank and cash		<b>2,259</b>		273	
		<b>7,557</b>		5,361	
<b>Creditors</b> - Amounts falling due within one year					
Creditors and accruals	4	<b>(2,390)</b>		(2,478)	
Income tax		<b>(159)</b>		(2)	
		<b>(2,549)</b>		(2,480)	
<b>Net current assets</b>			<b>5,008</b>		2,881
<b>Total assets less current liabilities</b>			<b>64,839</b>		62,843
<b>Creditors</b> - Amounts falling due after more than one year					
Creditors	5	<b>(1,067)</b>		(7)	
Income tax		<b>(307)</b>		(268)	
Bank loans	7	<b>(14,900)</b>		(14,900)	
Non-equity preference shares	10b	<b>(5,382)</b>		(5,382)	
			<b>(21,656)</b>		(20,557)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	8	<b>(5,007)</b>		(4,957)	
<b>Net assets excluding pension liability</b>			<b>38,176</b>		37,329
Pension surplus / (liability)	9		<b>180</b>		(2,023)
<b>Net assets</b>			<b>£38,356</b>		£35,306
<b>Equity capital and reserves</b>					
Called up equity share capital	10a		<b>483</b>		483
Capital redemption reserve			<b>124</b>		124
			<b>607</b>		607
Share premium account			<b>678</b>		678
Reserves	11		<b>37,071</b>		34,021
<b>Shareholders' funds</b>	12		<b>£38,356</b>		£35,306

The financial statements on pages 22 to 37 were approved by the Board of Directors on 4 April 2008 and were signed on its behalf by:

**David Norman**  
Chairman

# Profit and loss account

For the year ended 31 December 2007

	Note	2007		2006 Restated	
		£'000	£'000	£'000	£'000
<b>Turnover</b>					
Water supply charges	13	12,912		12,433	
Rechargeable works income		623		864	
Other income		282		195	
			13,817		13,492
<b>Cost of sales</b>					
Pumping expenses		(645)		(626)	
Operation of reservoirs and works		(2,051)		(2,017)	
Distribution and analysis of water		(1,679)		(1,722)	
Desalination station expenses		(78)		(348)	
Miscellaneous		(356)		(450)	
		(4,809)		(5,163)	
<b>Administration</b>					
Administration expenses	14	(2,057)		(2,110)	
Insurances		(369)		(397)	
		(2,426)		(2,507)	
<b>Depreciation</b>					
Completed works	2	(2,084)		(1,957)	
<b>Expenditure</b>					
			(9,319)		(9,627)
<b>Operating profit</b>					
			4,498		3,865
Profit on disposal of fixed assets			175		469
Interest					
- payable	15	(872)		(839)	
- receivable		45		12	
<b>Non equity dividends</b>					
	16	(381)		(381)	
<b>Other finance income</b>					
	9	61		4	
			(1,147)		(1,204)
<b>Profit before taxation</b>					
			3,526		3,130
<b>Jersey income tax</b>					
	6	(273)		(427)	
Profit available for distribution to equity shareholders			3,253		2,703
<b>Equity dividends</b>					
	17	(1,124)		(1,070)	
<b>Retained profit for the year</b>					
			£2,129		£ 1,633
<b>Earnings per ordinary share of £1</b>					
	18		£6.73		£5.60

There is no material difference between the reported profit for 2007 and 2006 and the profit prepared under the historical cost basis.

# Statement of total recognised gains and losses

For the year ended 31 December 2007

	Note	2007	2006
		£'000	Restated £'000
Profit for the year		<b>3,253</b>	2,703
Gain arising on pension liabilities	9	<b>921</b>	951
<b>Total recognised gains and losses for the year</b>		<b><u>£4,174</u></b>	<u>£3,654</u>
Prior year adjustments (see note 1)			
- Recognition of income on unbilled metered water consumption		<b>446</b>	
- Capitalisation of meter installation costs		<b>590</b>	
- FRS 17 amendment		<b>(23)</b>	
<b>Total gains and losses in respect of prior period adjustments</b>		<b><u>1,013</u></b>	
<b>Total gains and losses recognised since last annual report</b>		<b><u>£5,187</u></b>	

# Cash flow statement

For the year ended 31 December 2007

	Note	2007		2006 Restated	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	19		<b>6,439</b>		5,836
<b>Returns on investments and servicing of finance</b>					
Interest received		45		12	
Interest paid		(871)		(822)	
Non-equity dividends paid		(381)		(381)	
<b>Net cash outflow on returns on investments and servicing of finance</b>			<b>(1,207)</b>		(1,191)
<b>Taxation</b>					
Jersey income tax paid			(2)		(3)
<b>Capital expenditure</b>					
Purchase of fixed assets		(2,632)		(3,500)	
Disposal of fixed assets		512		478	
<b>Net cash outflow from capital expenditure</b>			<b>(2,120)</b>		(3,022)
<b>Equity dividends paid</b>			<b>(1,124)</b>		(1,070)
<b>Net cash inflow before financing</b>			<b>1,986</b>		550
<b>Financing</b>					
New loans		-		-	
Loans repaid		-		-	
<b>Net cash flow from financing</b>			<b>-</b>		-
<b>Increase in cash</b>			<b>£1,986</b>		£550
<b>Reconciliation of net cash flow to movement in net debt</b>					
	Note		<b>2007</b>		2006
			<b>£'000</b>		£'000
Increase in cash			<b>1,986</b>		550
<b>Movement in net debt</b>	20		<b>1,986</b>		550
<b>Net debt brought forward</b>	20		<b>(20,009)</b>		(20,559)
<b>Net debt carried forward</b>	20		<b>£(18,023)</b>		£(20,009)