

Balance Sheet

31 December 2005

	Note	2005		2004 Restated	
		£	£	£	£
Fixed assets	2		58,580,378		57,248,194
Current assets					
Stock and work in progress		1,119,812		1,127,941	
Debtors	3	3,435,922		3,623,179	
Bank and cash		451		49,905	
		4,556,185		4,801,025	
Creditors - Amounts falling due within one year					
Bank overdraft		(276,883)		-	
Creditors and accruals	4	(2,651,794)		(2,157,380)	
Contract retentions		(76,436)		(76,969)	
Income tax		(3,292)		(2,162)	
Bank loans	6	(3,650,000)		(3,650,000)	
		(6,658,405)		(5,886,511)	
Net current liabilities			(2,102,220)		(1,085,486)
Total assets less current liabilities			56,478,158		56,162,708
Creditors - Amounts falling due after more than one year					
Contract retentions		(8,037)		-	
Bank loans	6	(11,250,000)		(11,250,000)	
Non-equity preference shares	9b	(5,382,425)		(5,382,425)	
			(16,640,462)		(16,632,425)
Provisions for liabilities and charges					
Deferred taxation	7		(4,733,994)		(4,538,477)
Net assets excluding pension liability			35,103,702		34,991,806
Pension liability	8		(3,079,941)		(3,119,207)
Net assets			£32,023,761		£31,872,599
Equity capital and reserves					
Called up equity share capital	9a		483,000		483,000
Capital redemption reserve			124,025		124,025
			607,025		607,025
Share premium account			677,600		677,600
Reserves	10		30,739,136		30,587,974
Shareholders' funds	11		£32,023,761		£31,872,599

The financial statements on pages 19 to 34 were approved by the Board of Directors on 7 April 2006 and were signed on its behalf by:

DC Norman
Chairman

Profit and Loss Account

For the year ended 31 December 2005

	Note	2005		2004 Restated	
		£	£	£	£
Turnover					
Water supply charges	12	12,038,403		11,745,741	
Rechargeable works income		468,248		501,160	
Other income		176,450		166,267	
			12,683,101		12,413,168
Cost of sales					
Pumping expenses		(606,686)		(590,849)	
Maintenance of reservoirs and works		(1,982,391)		(2,034,529)	
Distribution and analysis of water		(2,269,227)		(1,868,874)	
Desalination station expenses		(179,813)		(302,213)	
Miscellaneous		(282,828)		(304,674)	
			(5,320,945)		(5,101,139)
Administration					
Administration charges	13	(1,915,553)		(1,965,978)	
Insurances		(405,989)		(381,203)	
			(2,321,542)		(2,347,181)
Depreciation					
Completed works		(1,864,748)		(1,736,383)	
Expenditure					
			(9,507,235)		(9,184,703)
Operating profit					
			3,175,866		3,228,465
Profit on disposal of fixed assets					
			504,263		520,469
Interest					
- payable	14	(835,902)		(828,947)	
- receivable		16,462		14,058	
Non-equity dividends					
	15	(380,665)		(380,665)	
Other finance costs					
	8	(41,373)		(96,396)	
			(1,241,478)		(1,291,950)
Profit before taxation					
			2,438,651		2,456,984
Jersey income tax					
	5	(322,952)		(684,167)	
Profit available for distribution to equity shareholders					
			2,115,699		1,772,817
Equity dividends					
	16	(1,372,103)		(37,134)	
Retained profit for the year					
			£743,596		£1,735,683
Earnings per ordinary share of £1					
	17		£4.38		£3.67

There is no material difference between the reported profit for 2005 and 2004 and the profit prepared under the historical cost basis.

Statement of Total Recognised Gains and Losses

For the year ended 31 December 2005

	Note	2005 £	2004 Restated £
Profit for the year		2,115,699	1,772,817
Loss arising on pension liabilities	8	(592,434)	(111,237)
Total recognised gains and losses for the year		<u>£1,523,265</u>	<u>£1,661,580</u>

Cash Flow Statement

For the year ended 31 December 2005

	Note	2005		2004	
		£	£	£	£
Net cash inflow from operating activities	18	5,083,016		3,819,981	
Returns on investments and servicing of finance					
Interest received		18,246		12,274	
Interest paid		(836,087)		(817,334)	
Non-equity dividends paid		(380,665)		(380,665)	
Net cash outflow on returns on investments and servicing of finance		(1,198,506)		(1,185,725)	
Taxation					
Jersey income tax repaid / (paid)			61,877		(69,000)
Capital expenditure					
Purchase of fixed assets		(3,613,631)		(2,580,923)	
Disposal of fixed assets		713,010		531,511	
Net cash outflow from capital expenditure		(2,900,621)		(2,049,412)	
Equity dividends paid		(1,372,103)		(37,134)	
Management of liquid resources					
Loans repaid by employees		-		63,474	
Net cash inflow from management of liquid resources			-		63,474
Net cash (outflow) / inflow before financing		(326,337)		542,184	
Financing					
New loans		-		-	
Loans repaid		-		-	
Net cash flow from financing			-		-
(Decrease) / Increase in cash		£(326,337)		£542,184	

Reconciliation of net cash flow to movement in net debt

	Note	2005		2004	
		£	£	Restated	£
(Decrease) / Increase in cash		(326,337)		542,184	
Cash inflow from increase in debt		-		-	
Cash outflow on repayment of debt		-		-	
Movement in net debt	19	(326,337)		542,184	
Net debt brought forward	19	(20,232,520)		(20,774,704)	
Net debt carried forward	19	£(20,558,857)		£(20,232,520)	