

BALANCE SHEET

31 DECEMBER 2002

	Note	2002		2001	
		£	£	£	£
Fixed assets	2		51,087,914	Restated	47,697,182
Current assets					
Stores		1,223,920		1,348,936	
Debtors	3	3,022,756		2,844,671	
Bank and cash		451		451	
		<u>4,247,127</u>		<u>4,194,058</u>	
Creditors - Amounts falling due within one year					
Bank overdraft		(2,776,623)		(1,165,386)	
Creditors and accruals	4	(2,140,716)		(1,989,828)	
Contract retentions		(63,633)		-	
Income tax	5	(202,723)		(232,768)	
Loans	6	(950,000)		(750,000)	
		<u>(6,133,695)</u>		<u>(4,137,982)</u>	
Net current (liabilities)/ assets			(1,886,568)		56,076
Total assets less current liabilities			49,201,346		47,753,258
Creditors - Amounts falling due after more than one year					
Contract retentions		-		(40,677)	
Future income tax	5	(67,755)		(244,396)	
Loans	6	(8,900,000)		(9,100,000)	
			(8,967,755)		(9,385,073)
Provisions for liabilities and charges					
Deferred taxation	7		(3,615,715)		(3,309,938)
Net assets excluding pension liability			36,617,876		35,058,247
Pension liability	8		(3,925,839)		(2,404,626)
Net assets			£32,692,037		£32,653,621
Capital and reserves					
Called up share capital	9		5,865,425		5,865,425
Capital redemption reserve			124,025		124,025
			<u>5,989,450</u>		<u>5,989,450</u>
Share premium account			677,600		677,600
Reserves	10		<u>26,024,987</u>		<u>25,986,571</u>
Shareholders' funds	11		£32,692,037		£32,653,621

The financial statements on pages 13 to 27 were approved by the Board of Directors on 7 March 2003 and were signed on its behalf by:

DC Norman
Chairman

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002		2001	
		£	£	£	£
				Restated	
Turnover					
Water supply charges		10,799,096		10,408,319	
Rechargeable works income		528,544		421,635	
Other income		221,284		203,669	
			11,548,924		11,033,623
Cost of sales					
Pumping expenses		(699,415)		(651,805)	
Maintenance of reservoirs and works		(1,877,705)		(1,770,011)	
Renewal of mains		(133,444)		(284,669)	
Distribution and analysis of water		(1,325,227)		(1,377,868)	
Desalination station expenses		(534,424)		(774,044)	
Miscellaneous		(280,169)		(215,552)	
		(4,850,384)		(5,073,949)	
Administration					
Administration charges	12	(1,329,504)		(1,176,295)	
Insurances		(378,850)		(219,840)	
		(1,708,354)		(1,396,135)	
Depreciation					
Completed works		(1,368,318)		(1,358,412)	
Expenditure					
			(7,927,056)		(7,828,496)
Operating profit					
			3,621,868		3,205,127
Profit on disposal of fixed assets					
			464,473		-
Interest					
- payable	13	(569,016)		(693,920)	
- receivable		3,776		5,840	
Investment income					
		-		3,628	
(Loss) on redemption of investments					
		-		(1,064)	
Other finance (costs)					
	8	(53,946)		(59,646)	
			(619,186)		(745,162)
Profit before taxation					
			3,467,155		2,459,965
Jersey income tax					
	5	(562,895)		(653,370)	
Profit available for distribution					
			2,904,260		1,806,595
Dividends					
	14	(417,272)		(414,127)	
Retained profit for the year					
			£2,486,988		£1,392,468
Earnings per ordinary share of £1					
	15		£5.22		£2.95

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	2001 £
Profit for the year		2,904,260	1,806,595
Loss arising on pension liabilities	8	<u>(2,448,572)</u>	<u>(299,513)</u>
Total recognised gains and losses for the year		<u>£455,688</u>	<u>£1,507,082</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2002

	2002 £	2001 £
Reported profit before taxation	3,467,155	2,459,965
Realisation of investment revaluation gains of previous years	-	10,391
Historical cost profit before taxation	<u>£3,467,155</u>	<u>£2,470,356</u>
Historical cost profit retained for the year	<u>£2,486,988</u>	<u>£1,402,859</u>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002		2001	
		£	£	£	£
Net cash inflow from operating activities	16		5,541,483		5,730,254
Returns on investments and servicing of finance					
Interest received		3,798		5,840	
Interest paid		(488,097)		(817,114)	
Investment income received		-		3,628	
Non-equity dividends paid		(380,665)		(380,665)	
Pensions and contributions paid		(1,531,524)		(477,254)	
Net cash outflow on returns on investments and servicing of finance			(2,396,488)		(1,665,565)
Taxation					
Jersey income tax paid			(231,963)		(265,443)
Capital expenditure					
Purchase of fixed assets		(4,997,733)		(3,141,482)	
Disposal of fixed assets		493,912		17,605	
Disposal of investments		-		128,717	
Net cash outflow from capital expenditure			(4,503,821)		(2,995,160)
Equity dividends paid			(33,848)		(33,037)
Management of liquid resources					
Loans (granted to)/ repaid by employees		13,400		23,224	
Net cash (outflow)/ inflow from management of liquid resources			13,400		23,224
Financing					
Loans repaid		-		(750,000)	
Net cash outflow from financing			-		(750,000)
(Decrease) / Increase in cash			£(1,611,237)		£ 44,273

Reconciliation of net cash flow to movement in net debt

	Note	2002		2001	
		£	£	£	£
(Decrease)/Increase in cash		(1,611,237)		44,273	
Cash used to repay loans		-		750,000	
Movement in net debt	17	(1,611,237)		794,273	
Net debt brought forward	17	(11,014,935)		(11,809,208)	
Net debt carried forward	17	£(12,626,172)		£(11,014,935)	