

# Directors' Report

The Directors of the Company present the financial statements for the year ended 31 December 2007.

## Activities of the Company

The Company was incorporated in 1882. The principal activities of the Company are the collection, treatment and supply of water for commercial and domestic use throughout the Island. With effect from 8 November 2004 the Company adopted 'Jersey Water' as its trading name.

## Review of business and future developments

The results for the year are set out on page 23. A review of the Company's business during the year and an indication of the likely future development of the business are provided in the business review on pages 7 to 13.

## Dividends

Ordinary and A Ordinary shares <i>Amounts are shown net of 20% tax</i>	<b>2007</b>	2006
	<b>£'000</b>	£'000
Interim dividend for the year ended 31 December 2007. of £0.88 (2006: £0.84) paid on 1 October 2007	<b>425</b>	405
Proposed final dividend for the year ended 31 December 2007 of £1.64 (2006: £1.45).	<b>792</b>	699
	<b>£1,217</b>	£1,104

## Preference shares

In 2007 the Company paid dividends on preference shares totalling £381,000 (2006: £381,000).

## Directors

### Changes in Directors

The Directors of the Company on the date the financial statements were approved are detailed on page 2. All directors except for Kevin Keen and Senator Len Norman were directors of the Company throughout the year ended 31 December 2007. Senator Len Norman retired from the Board on 18 May 2007. Kevin Keen was appointed to the Board on 18 May 2007.

In accordance with the provisions of Article 74, Richard Pirouet and Helier Smith will retire at the forthcoming annual general meeting. Mr Smith, being eligible, offers himself for re-election. Mr Pirouet will not seek re-election.

The Directors recommend the election of Mr Anthony Cooke as a Non Executive Director of the Company to fill the vacancy left by the retirement at the AGM of Richard Pirouet. Mr Cooke, an economist by background, is currently Managing Director of Bournemouth and West Hampshire Water Plc and has previously held a number of Chief Executive and senior management roles in the United Kingdom and internationally.

The Directors also recommend the election of Mrs Mary Curtis as a Non Executive Director of the Company. Mrs Curtis is a Fellow of the Chartered Institute of Personnel & Development and is currently Director of an independent business consultancy firm, having previously been Director of Human Resources at Mourant and Offshore Island Regional Human Resources Manager at Deloitte & Touche.

As described on page 15, the Company has undertaken a formal assessment of its performance and that of the individual Directors, including structured meetings between the Directors being assessed, the Chairman and the Deputy Chairman. Following this review, the Chairman has confirmed that the Director standing for re-election at the Annual General Meeting continues to perform effectively and demonstrates commitment to his role.

## Directors' Report (continued)

### Directors' interests

Particulars of the holdings of Directors, including family interests, in the share capital of the Company as at 31 December 2007 are:

	Carlyle Hinault	Kevin Keen	Stephen Marie	David Norman	Richard Pirouet	Howard Snowden	Helier Smith
Ordinary shares	100	-	100	8,680	-	200	146
Preference shares	-	-	-	-	-	95	212

Of the many business interests of David Norman, he is a Director of Petroleum Distributors (Jersey) Limited, a company with which Jersey Water trades on an arms length basis.

Stephen Marie is the Property Director of Sandpiper CI, a group with which the Company transacts on an arms length basis.

Mr Keen is a Non Executive Director of BG Romeril and Co Limited, a company with which Jersey Water transacts on an arms length basis.

### Insurance of Directors and Officers of the Company

The Company maintains an insurance policy on behalf of all Directors and Officers of the Company against liability arising from neglect, breach of duty and breach of trust in relation to the Company.

### Substantial shareholdings

Set out below are details of significant shareholdings (3% or more) in each class of share of the Company as at 4 April 2008.

Name	Ordinary shares of £1	'A' ordinary shares of £1	5%	3.5% second	3% third	3.75% third	5% third	2% fourth	10% fifth
			Cumulative preference shares of £5 each						
Allied Mutual Insurance Services Limited	6%								
BE Anderson							4%		
PJ Audrain						3%	4%		
PG Blampied	7%		19%	31%	7%	23%	26%	10%	
Capital Estates Limited				3%					
RM Clarke	3%								
Deenbee Limited			11%	13%	7%	15%	11%	10%	
Forest Nominees Limited								11%	
BF Foster				23%	6%				
JMS Hobbs					4%		4%		
James Capel (Channel Islands) Nominees Limited			25%			11%		4%	
SA Le Couteur	3%		5%		17%		3%	6%	
JH Le Cras			9%	3%	20%		4%	18%	
EJ Morcombe			10%	12%	7%	24%	23%	13%	
DF Parlett							4%		
Nordar Limited	3%								
BR Querée	4%								
The States of Jersey	50%	100%							100%

## Directors' Report (continued)

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The Company enters into normal commercial transactions with the States of Jersey and entities controlled by the States, in that it pays income tax, telephone, electricity and various other charges. Conversely, the Company levies charges at its usual rates for the supply of water and the connection of services to States owned properties.

### **Auditors**

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By Order of the Board

### **Helier Smith**

Company Secretary

4 April 2008