

# Balance sheet

31 December 2008

	Note	2008		2007	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>	2		<b>60,303</b>		59,831
<b>Current assets</b>					
Stock and work in progress		<b>1,110</b>		1,073	
Debtors	3	<b>4,579</b>		4,225	
Bank and cash		<b>4,248</b>		2,259	
		<b>9,937</b>		7,557	
<b>Creditors</b> - Amounts falling due within one year					
Creditors and accruals	4	<b>(4,079)</b>		(2,390)	
Income tax		<b>(501)</b>		(159)	
		<b>(4,580)</b>		(2,549)	
<b>Net current assets</b>			<b>5,357</b>		5,008
<b>Total assets less current liabilities</b>			<b>65,660</b>		64,839
<b>Creditors</b> - Amounts falling due after more than one year					
Creditors	5	-		(1,067)	
Income tax		-		(307)	
Bank loans	7	<b>(14,900)</b>		(14,900)	
Non-equity preference shares	10b	<b>(5,382)</b>		(5,382)	
			<b>(20,282)</b>		(21,656)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	8		<b>(4,773)</b>		(5,007)
<b>Net assets excluding pension liability</b>			<b>40,605</b>		38,176
Pension (liability) / surplus	9		<b>(1,056)</b>		180
<b>Net assets</b>			<b>£39,549</b>		£38,356
<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>38,264</b>		37,071
<b>Shareholders' funds</b>	12		<b>£39,549</b>		£38,356

The financial statements on pages 21 to 36 were approved by the Board of Directors on 3 April 2009 and were signed on its behalf by:

**David Norman**  
Chairman

# Profit and loss account

For the year ended 31 December 2008

	Note	2008		2007	
		£'000	£'000	£'000	£'000
<b>Turnover</b>					
Water supply charges	13	<b>13,463</b>		12,912	
Rechargeable works income		<b>613</b>		623	
Other income		<b>302</b>		282	
			<b>14,378</b>		13,817
<b>Cost of sales</b>					
Pumping expenses		<b>(671)</b>		(645)	
Operation of reservoirs and works		<b>(2,238)</b>		(2,051)	
Distribution and analysis of water		<b>(1,721)</b>		(1,679)	
Desalination station expenses		<b>(140)</b>		(78)	
Miscellaneous		<b>(316)</b>		(356)	
		<b>(5,086)</b>		(4,809)	
<b>Administration</b>					
Administration expenses	14	<b>(2,265)</b>		(2,057)	
Insurances		<b>(343)</b>		(369)	
		<b>(2,608)</b>		(2,426)	
<b>Depreciation</b>					
Completed works	2	<b>(2,212)</b>		(2,084)	
<b>Expenditure</b>					
			<b>(9,906)</b>		(9,319)
<b>Operating profit</b>					
			<b>4,472</b>		4,498
<b>Profit on disposal of fixed assets</b>					
			<b>493</b>		175
<b>Interest</b>					
- payable	15	<b>(835)</b>		(872)	
- receivable		<b>178</b>		45	
<b>Non-equity dividends</b>					
	16	<b>(381)</b>		(381)	
<b>Other finance income</b>					
	9	<b>107</b>		61	
			<b>(931)</b>		(1,147)
<b>Profit before taxation</b>					
			<b>4,034</b>		3,526
<b>Jersey income tax</b>					
	6	<b>(4)</b>		(273)	
<b>Profit for the financial year</b>					
		<b>£4,030</b>		£3,253	
<b>Earnings per ordinary share of £1</b>					
	18	<b>£8.34</b>		£6.73	

There is no material difference between the reported profit for 2008 and 2007 and the profit prepared under the historical cost basis.

# Statement of total recognised gains and losses

For the year ended 31 December 2008

	Note	<b>2008</b>	2007
		<b>£'000</b>	£'000
Profit for the year		<b>4,030</b>	3,253
(Loss) / Gain arising on pension liabilities	9	<b>(1,581)</b>	921
<b>Total recognised gains and losses for the year</b>		<b><u>£2,449</u></b>	<u>£4,174</u>

# Cash flow statement

For the year ended 31 December 2008

	Note	2008		2007	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	19		<b>6,842</b>		6,439
<b>Returns on investments and servicing of finance</b>					
Interest received		102		45	
Interest paid		(848)		(871)	
Non-equity dividends paid		(381)		(381)	
<b>Net cash outflow on returns on investments and servicing of finance</b>			<b>(1,127)</b>		(1,207)
<b>Taxation</b>					
Jersey income tax paid			(165)		(2)
<b>Capital expenditure</b>					
Purchase of fixed assets		(2,834)		(2,632)	
Disposal of fixed assets		529		512	
			<b>(2,305)</b>		(2,120)
<b>Equity dividends paid</b>			<b>(1,256)</b>		(1,124)
<b>Net cash inflow before use of liquid resources and financing</b>			<b>1,989</b>		1,986
<b>Management of liquid resources</b>					
Net cash (placed on) / withdrawn from fixed deposit accounts			(2,000)		-
<b>(Decrease) / increase in cash</b>			<b>£(11)</b>		£1,986
<b>Reconciliation of net cash flow to movement in net debt</b>					
	Note		<b>2008</b>		2007
			<b>£'000</b>		£'000
(Decrease) / increase in cash			(11)		1,986
Cash used to increase liquid resources			2,000		-
<b>Movement in net debt</b>	20		<b>1,989</b>		1,986
<b>Net debt brought forward</b>	20		<b>(18,023)</b>		(20,009)
<b>Net debt carried forward</b>	20		<b>£(16,034)</b>		£(18,023)