



# Veolia Water Projects Ltd Customer-focused performance summary

April 2021 - March 2022

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## Preamble

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Veolia Water Projects Limited (VWPL) was granted the status of Appointee and thus Water and Sewerage Undertaker for the operating area described as Tidworth, Perham Down and Ludgershall [part] on 2 June 2009, succeeding Thames Water in the role. The Appointment came into effect on 8 June 2009.

Within its Inset area, VWPL provides water and wastewater services to approximately 14,380 customers, including household and non-household customers, as well as the Ministry of Defence (MoD), and the Leckford Bridge export to Wessex Water.

This report and the associated tables present VWPL's performance for the 2021/22 period (April 1st 2021 to March 31st 2022). They were produced in accordance with the new OFWAT guidelines *Regulatory reporting requirements for new appointees in 2021-22* issued in December 2021; all financial data complies with IFRS (International Financial Reporting Standards) and has been audited by external auditors in line with the company's financial year, which is from January to December.

The format of the report is not prescribed but it will follow the format of the KPI Guidelines with each section containing an explanatory paragraph and metrics in bold type as necessary.

## 1. Covid-19

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During the pandemic Veolia continued maintaining its services to its customers and complying with its regulatory obligations. However, following government guidelines, Veolia had to adapt its operational delivery and implemented limited changes to its network, treatment operations and water quality activities. The number and location of customer statutory sampling were modified and non-emergency interventions at customer properties were restricted.

During the annual return reporting period, the government has progressively lifted Covid-19 restrictions and VWPL has reverted to its pre-pandemic operating regime.

This review of the Small Companies Return has been conducted in line with the timetable and regulatory guidance and has not been affected by Covid-19.

## 2. Performance Summary

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To comply with the “no worse off” principle defined in its Inset appointment, VWPL ensures that its charges do not exceed Wessex Water’s or Southern Water’s. Through the annual tariff review process VWPL sets its tariff mirroring those of the relevant incumbent.

In addition, VWPL ensures that the level of services received by its customers is not less than Wessex Water or Southern would offer. This is demonstrated in the section below, which presents overall VWPL performance.

### 2.1. Customer Satisfaction

As part of the 2019 Price Review OFWAT introduced two new indices for measuring Customer’s satisfaction with their respective water company: C-Mex and D-Mex.

These new measures do not apply to companies who operate as new appointees or variations or that supply the water or waste services on Inset appointments - such as VWPL. However VWPL recognises the benefits to different stakeholder groups (customers and regulators) of such indicators and is aiming to develop and implement equivalent measures in the future.

In the meantime, VWPL has monitored customer contact and problem resolution utilising the statistics relating to GSS payments and DG Incident Standards.

Yearly performance is set out as Appendix 1 to this Report and indicates, as expected for the size of the customer base, a low level of contact activity and a very small number of complaints. Between April 2021 and March 2022, VWPL was contacted by its customers on 501 occasions - 99% of these contacts related to billing queries.

*Note: The target for bill queries and resolutions has been set at a five working day response time and the target for written/telephone complaints has been set at a seven working day response time.*

Six GSS payments (total of £180) were made to customers following an unplanned interruption of supply exceeding 6 hours - refer to section 2.3.

### 2.2. Sewer Flooding

No internal sewer flooding of properties has been reported since the date of its appointment.

There were neither external flooding nor blocked drains of regulated customers' properties during the reported year.

## **2.3. Water Supply Interruptions**

VWPL customers had no restrictions on their water supply for longer than 6 hours during the reporting period, except for 6 properties on February 1st 2022. The unplanned interruption to customer supply was caused by a planned work within the immediate surrounding area, which the 6 affected properties were not informed about. Bottled water was provided to those customers until their service was restored.

Compensation payments were made to the customers in line with VWPL Guaranteed Standards of Service (GSS). This is detailed in section 2.1 of this report.

## **2.4. Reliability and Availability**

### **2.4.1. Infrastructure Serviceability**

Due to the interconnected network configuration of the Tidworth Utility Infrastructure and the network serving the MoD installations in the Service Area, the overall reliability and serviceability of these assets is viewed holistically.

Regardless of the status or location of the assets, the condition and performance of all assets is closely monitored through the application of several levels of Asset Management Planning.

Asset Management Planning for Tidworth utility infrastructure adheres to the Veolia asset standards and global strategy. It includes a completed asset register of Tidworth Utility Infrastructure, including the infrastructure serving MoD installations. All above ground and below ground assets are subject to criticality and condition/performance analysis based on a framework set of criteria. This work supports the definition of the maintenance regime and the longer term capital investment plans.

In addition, the Asset team complete an Asset Maturity Assessment on a regular basis to assess Tidworth Asset Management against Veolia asset management standards and to drive improvement programmes to achieve the desired level for the site/contract.

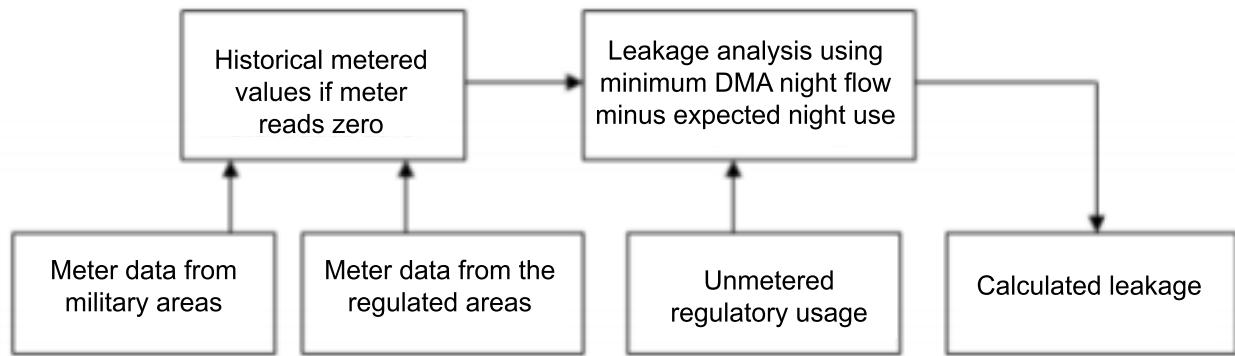
With regards to customer related utility services, VWPL has seen no detrimental trending in the performance of the apparatus it inherited from Thames Water in 2008. However, necessary investments have been made on the infrastructure whenever required to guarantee and improve resilience and continuous compliance of the services. Over the past few years, VWPL completed major capital investments at its abstraction sites, water treatment works and main service reservoir which have significantly improved the operational resilience of those sites.

Water Quality remains very good with no DWI reportable events during the reporting period.

### **2.4.2. Leakage**

VWPL employs both the bottom-up and top-down approaches to assess legitimate water use and leakage across the Tidworth Service Area. Both are employed to account for the variability of the Garrison's water consumption due to military operations and exercises.

The following diagram explains the data inputs for the leakage calculation.



VWPL recognises the importance of controlling leakage across the Tidworth Service Area and has worked to bring network leakage levels more in line with the wider industry. Active leakage control is a priority operational activity.

Leakage figures for the period are set out in the table below.

Leakage	2018/19 (MI/d)	2019/20 (MI/d)	2020/21 (MI/d)	2021/22 (MI/d)
Distribution Losses	0.32	0.81	0.68	0.65

*Note: the above figures relate to the wider network leakage across the entire Inset and PFI Contract Service Area as the potable water network in Tidworth serves the Military secure sites, the associated Service Families Accommodation [SFA] and the diffuse Regulated Customer base; and there is no practical way of separating out either group.*

As part of the preparation work for WRMP24, VWPL found that its current version (23) of Netbase - Crowder & Co Ltd software that VWPL uses as its Leakage Management Software - was not fully compliant with the most recent OFWAT leakage reporting guidance. VWPL therefore commissioned Crowder & Co Ltd to assess the impact of updating the leakage reporting system to assure compliance. The comparison between the version currently used (version 23) and the updated compliant version (version 26) for the period between April 2021 and March 2022 shows a significant increase in leakage across all months.

The findings of the impact assessment and data set comparison have been discussed with the Environment Agency and OFWAT and the data is to be shared shortly. Discussions on resetting the baseline used to define the 2050 leakage reduction target have started.

### 2.4.3. Security of Supply

VWPL's Water Resource Management Plan (WRMP) was published in 2019. The WRMP detailed VWPL's proposed supply-demand situation, provided a projection on the WRMP programme and highlighted any changes that could adversely affect VWPL daily operations.

The table below presents the headroom 2021/22 update.

<b>Tidworth Water Resource Zone</b>	<b>WAFU [EA Definition] [MI/d]</b>	<b>Dry Year Distribution input [For planning purposes only] [MI/d]</b>	<b>Reporting Year Distribution input [MI/d]</b>	<b>Target Headroom [MI/d]</b>
<b>Daily Ave.</b>	8.96	5.55	4.06	0.3

The supply water to the Tidworth network is abstracted from three groundwater sources: Tidworth borehole 2, borehole 3 and Chalkpit. The three abstraction boreholes are operated under a common EA abstraction licence which sets abstraction limits for each individual site as well as for the group. The abstraction limits are summarised in the table below.

The flow rates of the abstracted groundwater during 2021/22 were compliant with the abstraction licence, as shown in the table below.

		<b>Tidworth No2 Daily Flow (MI/d)</b>	<b>Tidworth No3 Daily Flow (MI/d)</b>	<b>Chalkpit Daily Flow (MI/d)</b>	<b>Tidworth Group Daily Flow (MI/d)</b>
<b>Output</b>	<b>Average</b>	2.13	2.13	1.54	5.81
	<b>Peak Day</b>	2.59	2.59	3.3	8.04
<b>Licence</b>	<b>Average</b>	3.68	3.69	3.64	9.02
	<b>Peak Day</b>	4.32	4.32	4.69	12

The recorded combined Tidworth group daily supply figure for 2021/22 averaged 5.81 MI/d. This measured figure is lower than the WRMP19 forecast figure of 6.49 MI/d. The decrease is mainly associated with a decrease in MoD demand.

The recorded supply profile within the VWPL operated inset has always varied seasonally; the primary reason being MoD usage which does not have a usual household demand pattern. Large military barracks are embedded within the Tidworth distribution system and their demand represents more than 30% of the water supply.

There is no hosepipe ban or other water use restriction operating in the Tidworth VWPL area of supply.

During the reporting period, VWPL reviewed its Drought Management Plan. This document presents how VWPL plans to provide a secure supply of water and protect the environment during dry weather and droughts up to a 1:200 drought event. It sets out the actions that VWPL will take before, during and after a drought, as well as how the effects of those actions, including the environmental impacts, will be assessed, monitored and prevented or mitigated. VWPL’s draft Drought Management Plan was published in June 2021 for consultation and a revised draft was submitted in March 2022 for approval before publication.

#### **2.4.4. Metered Household Demand**

Throughout the period between 2014 and 2016, VWPL carried out a large metering campaign installing smart metering across the VWPL operated network (DMA and sub-DMA meters) and on

customer supplies. The meter density at the time of completing this annual return was 82.38% which equates to 1,683 regulated household and non-household properties (excluding the MoD). This excludes household properties within Wessex Water enclaves and housing under private management.

The growth in metering coverage is currently mainly due to any new properties as they are being metered. All new regulated household properties are being metered and billed on meter readings.

In 2023, the number of metered household and non-household properties is expected to increase significantly because a number of MoD properties and Service Families Accommodations (SFA) will become regulated customers as part of the closure of the PFI contract.

Note: metering data is also available from the military area. Readings are shared by the MoD on a monthly basis. This metering falls outside of the regulated metering so is not included in the reported figures, however it does directly impact on VWPL performance and water efficiency activities due to connectivity with the regulated Tidworth network.

VWPL has continued to monitor new connections within the Tidworth supply network. There are 1,200 new developments (houses) against a forecast of 1,303 within WRMP 2019. The difference is due to the Drummond Park development scheme, which was initially expected to be developed over three years starting in 2021, instead of five years starting in 2022. The forecast cumulative net increase to the baseline year of 2017/18 is presented in the table below.

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Persimmon</b>	360	460	560	634	634	634	634
<b>Area 19</b>	30	200	322	322	322	322	322
<b>Corunna</b>	0	0	80	247	247	247	247
<b>Drummond Park</b>	0	0	0	0	100	200	300
<b>Others</b>	-	-	-	-			
<b>Total - predicted</b>	390	660	962	1203	1303	1403	1503
<b>Total - actual</b>	461	539	834	1194	1200		

The WRMP growth predictions are being reassessed as part of the WRMP 2024 preparation work.

## 2.5. Environmental Impacts

### 2.5.1. Pollution Incidents - Sewage

VWPL recorded 7 manhole surcharges and 16 external sewer flooding events across the Tidworth Area but none were related to/have affected regulated customers (all within the Tidworth PFI area).

All surcharges were very localised to the manhole and minimal subsequent clean-up was required. None of them were serious in nature.

### 2.5.2. Serious Pollution Incidents

No serious pollution incidents were recorded within the reporting period between April 2021 and March 2022.



### **2.5.3. Pollution Incidents - Water**

No water based pollution incidents were recorded within the reporting period between April 2021 and March 2022.

### **2.5.4. Discharge Permit Compliance**

VWPL operates Tidworth Sewage Treatment Works (STW) under a groundwater discharge permit. This permit was revised in 2017, increasing the permitted Dry Weather Flow and including nitrogen removal requirements. VWPL upgraded Tidworth STW to be able to maintain compliance with these new discharge parameters.

During the small company return reporting period of April 2021 to March 2022, Tidworth STW remained compliant.

As detailed in previous reports, during wet winters, the high level of the groundwater table significantly impacts the normal operation of the works, reducing the lagoon infiltration system capability, hence the discharge capacity of Tidworth STW. VWPL is engaging with the EA to identify and agree on alternative, long-term discharge options.

### **2.5.5. Sludge Disposal**

This aspect of the treatment works activity is sub-contracted to Wessex Water on a commercial basis.

The VWPL duty of care in this regard identifies that Wessex Water transports the Tidworth STW sludge effluent to their treatment facilities at either Ratfyn or Amesbury in Wiltshire. The daily travelling distance for either location is < 20 Km.

### **2.5.6. Biodiversity**

Under its PR19 WINEP scheme, VWPL investigated operational land for any terrestrial invasive and non native species (INNS) and established any potential pathways of introduction and spread within the VWPL operations and assets.

VWPL commissioned a series of ecological phase 1 assessments for its operational sites. The surveys did not record any species of concern on the surveyed sites. However, to ensure the potential risk from INNS is regularly managed by VWPL, a biodiversity champion from both the clean water and wastewater frameworks has been appointed.

The ecological assessments also provided recommendations to enhance site biodiversity, some of which VWPL has started implementing. This includes the revision of grounds maintenance schemes, the creation of reptile refugias and the installation of bat and bird boxes as well as further species monitoring. The findings of the ecological surveys as well as the recommendations and the implementation plan were presented to the EA and Natural England (NE) in WINEP PR19 - VWPL Catchment Investigation for (INNS) & Biodiversity Enhancement, submitted in March 2022.

### 3. Corporate & Board structure

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The principal activity of VWPL is the provision of water and wastewater services to commercial and residential customers, the largest of which is the Ministry of Defence.

VWPL also provides network management services to various airports in England and Scotland.

VWPL is registered and domiciled in the United Kingdom.

VWPL is part of the Veolia Group, which is defined as all companies under the control of the ultimate parent company, Veolia Environnement S.A., headquartered in Paris. VWPL is also a member of the "UK&I group", a division of the Group, based in the UK and Ireland and involved in the provision of waste, water and energy services, and directly or indirectly under the ownership of Veolia UK Limited.

The VWPL Board is actively engaged in oversight and direction of VWPL's operations both directly and through appropriate sub-committees, to ensure all activities comply with the highest operating, safety, financial, and regulatory standards. Each sub-committee is chaired by an executive director and requires the involvement of at least two directors to be quorate.

The VWPL Board meets regularly to review performance, set objectives, and ensure adequate resources are available for the operational teams to meet their obligations.

The VWPL Board includes directors with a range of backgrounds, skills and experiences, ranging from engineering and operations to finance and strategy. All the directors are focused on environmental performance reflecting Veolia's overall aims and objectives, as well as ensuring our customers receive the highest standards of service.

Financial oversight is a critical element of the Directors' role and they are supported in this by Veolia's Delegation of Authority policy and procedure. All financial commitments, including investment decisions, must be scrutinised and approved within the rules of this process, ensuring Directors are actively engaged in financial decision-making and oversight.

## 4. Financial Commentary

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### 4.1. Accounting Methodology

Following the introduction of the *Regulatory reporting requirements for new appointees in 2021-22 Guidelines and line definitions - December 2021* by OFWAT, VWPL undertook an in-depth review of its financial reporting tables in order to ensure that the reported financial cost or revenue items align more closely with OFWAT guidelines and line definitions.

This exercise resulted in some changes in the allocations of costs and revenues to individual lines in VWPL financial reporting tables. These changes are reflected in the current year reporting only; the previous year has not been restated. Explanations have been provided in the commentary below where these changes have resulted in material differences of allocation, or when other significant variations in revenue, costs and operating profit have been observed during the reporting year.

The review of the guidelines also highlighted that accrual accounting was an appropriate methodology for revenue. So for 2021/22, VWPL has changed its methodology so that its return is now based on the accrual accounted ledgers from April to March. This provides a more easily auditable set of figures which will reconcile with the balance sheet and cash flow statement, which is a new requirement in 2022 for the small company return

In previous returns, VWPL computed and analysed its turnover for regulated income using the billing runs submitted in the billing team reports and aligning these to the small companies' return period to which they related. This was based on actual bills raised relating to the period of the return.

Finally, the cost allocation between retail and wholesale, and water and wastewater services - as set in the new reporting template, could not always be easily identified by VWPL. In such cases, cost allocation has been made based on a percentage approach and relevant explanation has been provided in the commentary.

### 4.2. F1: Analysis of revenue and operating costs

#### 4.2.1. Revenue

Revenue is recognised on an accruals basis. There is no difference between the revenue recognition methodology in the VWPL statutory accounts and the regulatory return. Income is accrued based on forecast water consumption.

Revenue allocation between water and wastewater services is done based on a 52/48 percent split, the same as the previous year's, with the exception of the revenue generated by the Leckford Bridge bulk supply, which is now solely allocated to water services.

In the 2021/22 return:

*Unmeasured household income* is slightly lower than the previous year. As VWPL continues metering more household properties, some of the *Unmeasured household income* moves to the *Measured household income*.

*Unmeasured non-household income* is now nil as the only income previously analysed as *Unmeasured non-household* has been transferred to the *Unmeasured household income* line on the basis that the customer is billed on a household tariff.

*Measured household income* is significantly higher compared to previous year (+£0.652m) due to the transfer of the income from housing associations and the Defence Infrastructure Organisation (DIO) from *Measured non-household* to *Measured household income* - on the basis that those customers are billed on a household tariff.

Note: We have recategorised the income from housing associations and the Defence Infrastructure Organisation (DIO) as part of the review of the RAG guidelines for the purposes of this return. We have not restated the prior year following our discussion with OFWAT. *Measured non-household income* is significantly lower compared to previous year (-£1.103m) as it now only includes wholesale income billed through the wholesale/retail market. And, in 2020/21 VWPL observed an overall decrease in the wholesale volumes supplied (i.e in the associated revenue).

Also, a review of the variances on the 2021/22 return highlighted that a DIO billing run raised late in May 2020 had been included in the 2020/21 return figures while the revenue was related to and had been recognised in the prior year return (2019/2020). This means that in the 2020/21 return, an additional £0.279m was inadvertently added to the *Measured non household income*.

The change in accounting methodology to accrual accounting going forward will eliminate this risk of misaligning billing runs to accounting years.

*Other income* is lower compared to previous years mainly because the developer services income is now reported as other income below operating profit in the new reporting template. *Other income* includes the income from the Tidworth PFI contract with the MOD, the Leckford Bridge bulk supply agreement with Wessex Water and from the Wessex Water enclaves and other some small income such as Con19 requests.

Note: in 2020/21 developer services income accounted for £0.077m of *Other income*.

#### **4.2.2. Retail Operating Costs**

Cost allocation between water and wastewater services is based on a 52/48 percent split, similar to the previous year unless a better cost allocation is available (for example we have split power costs in line with bills against relevant assets and we have split rates in line with the estimated values for appropriate assets).

Where cost allocation between retail and wholesale costs could not be easily identified for individual line items following the Regulatory Accounting Guidelines (RAG) 2, an allocation of 33.33% retail/ 66.67% wholesale is used for the current year. In the 2020/21 return, VWPL used a percentage allocation to 10% retail and 90% wholesale.

Note: As per OFWAT's recommendation, the previous year has not been restated.

The new reporting template has required VWPL to split retail costs between household and non-household. Where cost allocation between household and non-household costs could not be easily identified for individual line items, VWPL has used an allocation of 68.17% household and 31.83% non-household based on an estimation of the proportion of bills raised.

Note: in previous returns the reporting did not require retail operating costs to be split between household and non-household. So, in the 2021/22 return, all comparative figures have been allocated in the household section for the previous year.

Overall the customer services costs have slightly decreased compared to the previous year thanks to the efficiencies generated by the billing team (e.g. working from home, digitalisation of services etc.).

There has been a significant increase in doubtful debt during the year (+ £0.089m) mainly due to a catch up in billing in 2020 and 2021 (which was reflected in the increase in revenue seen over this period) where some of these bills have proved not to be collectable.

In previous returns, *meter reading costs* were not captured and separately analysed, they were included in other operating costs. In 2021/22 return, these include time costs of meter reading and going forward we will endeavour to capture IT costs relating to meter reading.

*Services to developers - non household* cost includes all developer services costs. VWPL accounting systems were unable to give us an easy way to split these costs between water and wastewater so the 52%/ 48% allocation mentioned above was used.

Note: *services to developers - non-household* were included in other operating costs in the previous returns.

*Other operating costs* include all items from the profit and loss accounts in the nominal ledger for Tidworth not separately analysed on another line. These are split between retail/wholesale, household /non-household and water/wastewater in line with the cost allocations outlined above.

Note: *Local authority and cumulo rates* for retail have been reported as nil, given that the office building used from time to time by the customer services department is provided/funded by another Veolia company.

### **4.2.3. Wholesale Operating Costs**

Cost allocation between water and wastewater services is based on a 52/48 percent split similar to the previous year, unless a better cost allocation is available (for example for power or rates).

*Power costs* have increased from the prior year due to price inflation and the difference in the ratio between water and wastewater cost is due to a change in the cost allocation. In previous returns, *Power costs* were allocated using 52%/48% ratio while in 2021/22 return, *Power costs* have been allocated using the bills and accrued costs relating to the relevant water or wastewater sites.

*Service charges/discharge consents* are lower than previous year because in 2021/22 they only include Environment agency abstraction licence and discharge consent costs, while in previous returns they also included OFWAT and DWI costs.

*Local authority rates* present large variances for water and wastewater compared to last year which is due to a large increase of the accrual for clean water rates, an over accrual in prior years for wastewater, but also due to a change in the cost allocation. In previous returns, *Local authority*

rates were allocated using 52%/48% ratio while in 2021/22 return, *Local authority rates* have been allocated according to the asset to which the accrual relates.

#### 4.2.4. Depreciation

Following the review of the guidelines, depreciation has been allocated 100% to wholesale for 2021/22 on the basis that all the assets owned by the Tidworth Inset contract relate to the wholesale business. The building which is utilised by the retail business is owned by another Veolia company and depreciation is not charged to this contract.

This explains the variance between 2021/22 and the previous year where depreciation had been allocated as 10% retail/ 90% wholesale.

Note: previous year has not been restated as per OFWAT recommendations.

#### 4.2.5. Operating Profit

There is a total operating loss of £0.386m. Total operating profit is lower than the comparative year due to a decrease in revenue (including re-analysis of developer services income to “other income” below operating profit), an increase in the rates accrual including a one off clean water rates accrual and increased depreciation costs from increased capital investment.

#### 4.2.6. Other Income

For 2022 the developer services income has been analysed as “other income” as detailed in section 4.2.1

#### 4.2.7. Interest, Tax and Dividends

Veolia does not recharge any interest, tax or dividends to the Tidworth Inset contract which is just one of the projects included in the VWPL statutory accounts. The relative size of the Tidworth Inset/PFI compared to the other projects included in the statutory accounts is shown below:

	Tidworth £m	Other £m	Total £m
<b>Revenue</b>	2.944	5.584	8.528
<b>Net profit</b>	-0.219	0.993	0.774

In 2020 VWPL paid an interim dividend of £1.8m. This does not show in the regulated return figures but was shown in the statutory accounts included with the return.

### 4.3. F2: Reconciliation to Statutory reporting

The year end for VWPL is 31 December. This does not coincide with the OFWAT regulatory reporting date of 31 March. There are therefore timing differences between the statutory and the regulatory reporting figures as well as non-appointed differences, given that Tidworth Inset/PFI is not the only project included in the VWPL statutory accounts.

There are no differences between the statutory and RAG definitions.

The total differences between the regulatory reporting and statutory reporting have been reported in the “Non- appointed” column.

The figures reported under *Total appointed activities* include all revenue and costs related to VWPL regulated business as well as revenue and costs related to the Tidworth PFI. The VWPL accounting system does not enable currently to distinguish them. As the PFI comes to an end in March 2023, VWPL will aim to report on the regulated business separately.

#### **4.4. F3: Statement of financial position**

*Fixed Assets* have increased by 12.5% which is due to the increased capital investment during the reporting year.

*Trade & other payables* have increased by 9% compared to the previous year in the year, which is mainly due to the increase in accruals, particularly the large increase in the rates accrual.

*Cash & Cash equivalents* are nil as Veolia operates a cash pooling system whereby cash from the projects is pooled at the end of each month bringing the Tidworth cash balance to zero.

Deferred income has been split between short term (*Provisions*) and long term *deferred income - grants and contributions*. The release of short-term provisions in the year related to developer services deferred income on a project completed during the year and the release of a sewer diversion surety. The large increase in long term deferred income relates to the payment by a developer of a main/sewer requisition project that has not yet been completed.

#### **4.5. F4: Statement of Cash Flows**

*Other Income* is reported as nil as there is no cash impact of “other income” as this is all release of deferred income.

*Changes in working capital* has significantly increased compared to last year. This is due to a large payment made by the developer of the Drummond Park site for main and sewer laying schemes under section 41 and 98 of the Water Act. This project was paid in advance by the developer but has not been completed yet.

In 2021/22, the *Profit on sale of fixed assets* presents a positive variance as VWPL disposed of old assets following their replacement (e.g. telemetry system). Old assets were written off.

There was no increase/decrease in *Net cash* in the year, as all cash is pooled at the end of each month (see previous comments in section 4.4).

## 4.6. F5: Net debt analysis (appointed activities)

*Net debt* for Tidworth Inset is nil as the project is supported by the Veolia parent company.

VWPL statutory accounts as at 31 December 2021 will be submitted as soon as they are available after this return, and confirms that VWPL had no net debt as at 31 December 2021.

## 4.7. Transactions with Associates

The Tidworth project does not employ any personnel directly. Time spent on the regulated business is recharged via timesheeting mechanisms to the Tidworth project from other group companies and projects.

Intercompany transactions with associates are analysed and presented in the table. However, it should be noted that transactions with other projects within VWPL (such as the wholesale billing to Veolia Retail) is not included in the table as these represent transactions within VWPL and not with associated companies.

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## 5. Appendix

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Description	Target	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YTD Contacts	Comments
Low pressure	<i>Nil</i>	0	0	0	0	0	
Unplanned interruption/ Burst main	<i>No.</i>	1	4	4	1	10	
Properties at risk of sewer flooding	<i>No.</i>	0	0	0	0	0	
Sewer flooding external	<i>Nil</i>	0	0	0	0	0	4 Sewer external flooding reported but PFI customers only
Sewer flooding internal	<i>Nil</i>	0	0	0	0	0	
Bill queries and resolutions	<i>100% dealt with/compliant within 5 working days</i>	193	102	126	80	501	
Written/TP complaints	<i>100% dealt with/compliant within 5 working days</i>		1	2	6	9	



VWPL Customer-focused performance summary - April 2021 to March 2022

Description	Penalty Payment	Q2 2021	Q3 2021	Q4 2021	Q1 2022	YTD
Missing appointments	<i>Auto £50</i>	0	0	0	0	0
Billing and Charges	<i>10 business days - Auto £10, £30 &amp; £50</i>	0	0	0	0	0
Water / Wastewater written complaints	<i>10 business days - Auto £30</i>	0	0	0	0	0
Sewer flooding - Internal	<i>Refund Wastewater bill - Auto</i>	0	0	0	0	0
Sewer flooding - External	<i>Material affect &lt;£75 - Claim</i>	0	0	0	0	0
Supply restoration, planned work failure	<i>£20 - £50 - Auto</i>	0	0	0	6	6
As above, additional 24 hrs	<i>£10 - £25 - Auto</i>	0	0	0	0	0
Unplanned restoration	<i>£20 - £50 - Auto</i>	0	0	0	0	0
As above, additional 24 hrs	<i>£10 - £25 Auto</i>	0	0	0	0	0
Low Pressure >7m hd x2 in 28 days.	<i>£25 Auto or Claim</i>	0	0	0	0	0
Failure to make Auto payments	<i>£10, £20, £50, Claim and Auto</i>	0	0	0	0	0